

# Risk Profile Set Up (W5)

[This version is superseded. Click here to view the latest guide.](#)

## **PURPOSE**

This document shows the detailed procedure of setting up risk profile.

## **WHY IS THIS IMPORTANT?**

This allows risk profiles to be tagged to security or counterparty for investment compliance checking.

## **PROCEDURE**

1. From the main menu, click Set Up > Risk > Risk Profile.



The screenshot displays the 'Risk Profile Maintenance' window. At the top left is a 'Save' button. Below it is a 'New Risk Profile' label followed by a yellow dropdown menu. At the bottom, there is a table with two columns: 'Profile Description' and 'Type'.

2. There are 4 types of risk profiles:

- Tagged Item
- Choice
- Choice Subset
- Ranking

The following explains each risk profile type:

### **Tagged Item**

Use tagged item if you wish to tag security or counterparty to an attribute such as "Singapore GLC" i.e. Singapore Government Linked Company.

Select New Risk Profile as Tagged Item. The following field display at the bottom of the risk profile listing.

**Risk Profile Maintenance**

Save

New Risk Profile Tagged Item ▼

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice

Description

Duplicate

Enter the tagged item description in the Description field.

**Risk Profile Maintenance**

Save

New Risk Profile Tagged Item ▼

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice

Description

Duplicate

Click Save.

### Risk Profile Maintenance

Save

New Risk Profile   ▼

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Below shows how SPH is tagged as “Singapore GLC”.

Navigate to Set Up > Static > Securities.

Click on SPH. Click Risk Profile.

Click on the “Singapore GLC” risk profile. The following field will be displayed at the bottom of the risk profile listing.

### Security Risk Profile

Security SPH

← Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>Singapore GLC</u>	

Update

Singapore GLC Yes ▼

Select “Yes” and click Update.

Security

SPH

←

Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>Singapore GLC</u>	Y

## Choice

It is possible to create different tagged items to tag to the securities. For example,

Issuer Group: Capitaland

Issuer Group: Sembcorp Industries

Another way is to use Choice. To do this, you first create a primary dimension of risk ("Issuer Group") with a secondary list of choices (Capitaland, Sembcorp Industries).

Select New Risk Profile as Choice. The following fields display at the bottom of the risk profile listing.

# Risk Profile Maintenance

Save

New Risk Profile Choice

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description

Duplicate

Selection/Choice

+

No records found.

Enter the description of the primary dimension, “Issuer Group”.

Click Add Button to add the choices.

## Risk Profile Maintenance

Save

New Risk Profile Choice

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description  Duplicate

Selection/Choice

+

CAPITALAND

SEMBCORP

Click Save.

## Risk Profile Maintenance

Save

New Risk Profile

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Issuer Group</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Below shows how SEMBCORP security (Sembcorp Industries) is tagged to the Sembcorp Issuer Group.

Navigate to Set Up > Static > Securities.

Click on SEMBCORP. Click Risk Profile.

Click on the “Issuer Group” risk profile. The following field will be displayed at the bottom of the risk profile listing.

Select SEMBCORP as the Issuer Group.

**Security Risk Profile**

Security SEMBCORP

← Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Issuer Group</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>Singapore GLC</u>	Y

Update

Issuer Group SEMBCORP ▼

Click Update.

Note that in the above, Sembcorp Industries is also tagged as “Singapore GLC”.

Another example of choice is primary dimension of “MM Counterparty” with a secondary list of choices comprising “Local Bank” and “Foreign Bank”. Below is tagging of CITI-SG to a “Foreign Bank”.

Counterparty

CITI-SG

←

Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Issuer Group</u>	
<u>MM Counterparty</u>	Foreign Bank
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>Singapore GLC</u>	

## Choice Subset

The Choice Subset is an extension of the selection in a Choice Risk Profile to another level. For example, the following Sector and Group information may be tagged to a particular security.

Industry	
<u>Sector</u>	<u>Group</u>
IT	Hardware
	Software
Transport	Airline
	Land

Firstly, a Choice list for Industry Sector comprising the selection of IT and Transport is created.

Select the New Risk Profile as Choice and key in the following and click Save.

## Risk Profile Maintenance

Save

New Risk Profile Choice

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Issuer Group</u>	Choice
<u>MM Counterparty</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description

Selection/Choice

+

IT

Transport

Then for the IT industry sector, the additional choice of Hardware and Software is defined as the Industry Group. And for the Transport Industry Sector, Airline and Land is defined as the Industry Group.

Select New Risk Profile as Choice Subset. Enter the description "Group". Select Parent as "Sector". Select the Choice as "IT" or "Transport" to maintain the list of choices.

The following is the result.

## Risk Profile Maintenance

Save

New Risk Profile Choice Subset

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Issuer Group</u>	Choice
<u>MM Counterparty</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Sector</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description

Group

Duplicate

Parent

Sector

Choice

IT

Selection/Choice

+

Hardware

Software

## Risk Profile Maintenance

Save

New Risk Profile

Choice Subset

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Group</u>	Choice Subset
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Issuer Group</u>	Choice
<u>MM Counterparty</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Sector</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description

Group

Duplicate

Parent

Sector

Choice

Transport

Selection/Choice

+

Airline

Land

Click Save.

Below shows the tagging of SMRT to Transport Industry Sector and Land Industry Group (Set Up > Static > Securities > Click SMRT > Risk Profile).

Security

SMRT

←

Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Group</u>	Land
<u>Group</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Issuer Group</u>	
<u>MM Counterparty</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>Sector</u>	Transport
<u>Singapore GLC</u>	

The system ensures that the tertiary selection (illustrated as “Land” for SMRT) is consistent with the secondary selection (“Transport”).

## **Ranking**

Use Ranking if you wish to tag security or counterparty to an attribute such as rankings/ ratings. For example, “Moody’s Rating”, “S&P Rating”, etc.

Select New Risk Profile as Ranking and enter the fields as displayed at the bottom of the Risk Profile listing. Add list of choices by clicking the Add button.

## Risk Profile Maintenance

New Risk Profile Ranking ▼

Profile Description	Type
<u>Asset Class</u>	Choice
<u>Group</u>	Choice Subset
<u>Group</u>	Choice Subset
<u>Grouped by Ctpy</u>	Choice
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	Choice
<u>Grouped by Risk Profile</u>	Choice
<u>Issuer Group</u>	Choice
<u>MM Counterparty</u>	Choice
<u>Maturity Ladder</u>	Choice
<u>Per Security</u>	Choice
<u>Per Security Group</u>	Choice
<u>Per Transaction</u>	Choice
<u>Risk Profile</u>	Choice
<u>Sector</u>	Choice
<u>Singapore GLC</u>	Tagged Item

Description

Selection/Choice	
AAA	▲ ▼
AA+	▲ ▼
AA	▲ ▼
AA-	▲ ▼

S&P Rating

+

Duplicate

Click Save.

Below shows how SPH is tagged for S&P rating (Set Up > Static > Securities > SPH > Risk Profile).

At the Risk Profile screen, click S&P rating and set the rating in the fields displayed at the bottom of the risk profile listing.

### Security Risk Profile

Security      SPH

← Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Group</u>	
<u>Group</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Issuer Group</u>	
<u>MM Counterparty</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>S&amp;P Rating</u>	
<u>Sector</u>	
<u>Singapore GLC</u>	Y

Update

Singapore GLC      Yes ▼

Click Update.

### Security Risk Profile

Security      SPH

← Import

Risk Profile	Setting
<u>Asset Class</u>	
<u>Group</u>	
<u>Group</u>	
<u>Grouped by Ctpy</u>	
<u>Grouped by Ctpy (excl. Cash Ctpy)</u>	
<u>Grouped by Risk Profile</u>	
<u>Issuer Group</u>	
<u>MM Counterparty</u>	
<u>Maturity Ladder</u>	
<u>Per Security</u>	
<u>Per Security Group</u>	
<u>Per Transaction</u>	
<u>Risk Profile</u>	
<u>S&amp;P Rating</u>	AA+
<u>Sector</u>	
<u>Singapore GLC</u>	Y

## **FREQUENTLY ASKED QUESTIONS**

## **RELATED INFORMATION**

[Compliance](#)

[Duplicating Risk Profile](#)

## **CHANGE HISTORY**

Date	By	Changes
21-Dec-2016	TS	Created.
4-Jul-2017	TS	Added Duplicating Risk Profile in Related Information.
24-Aug-2018	Silpa	Updated Step 1, 2.
15-Nov-2019	Lyra	Updated Screenshots.