



MORS Software

A Pioneer in Real-Time Risk Monitoring

As soon as the banking day comes to a grinding halt, the middle-office personnel of any financial institution can be seen combing through data to identify potential risks, through cumbersome number-crunching methods and periodical reports. Typically spanning weeks, months, and in some cases years, these prolonged processes are known to have cost banks dearly throughout history. “The need of the hour is instant, real-time data that can expedite risk discovery,” states Mika Mustakallio, CEO and Co-founder, MORS Software. Mustakallio realized this need two decades back, when the MORS project went live in 1996. The prowess in making data available as and when it gets generated for risk analysis, coupled with the accretive experience gained through the years has positioned the company as a leader in the risk management arena for banking institutions.

Instead of collecting data on siloed data heaps and then processing it to create reports, MORS embarked on a unique approach. “We essentially brought a copy of the multifarious data—liquidity, treasury, and balance sheet—into the middle office and created a mechanism, which makes real-time reporting possible and more simplified,” explains Mustakallio. This enables banking firms to get their hands on consolidated datasets, each of which respond to varying levels of market fluctuations, facilitating a holistic approach to risk management. Among the various risks encountered by banking institutions, MORS strives to align its pin-pointed effort on liquidity risk, interest rate risk, currency position, counter-party risk, and daily P&L.

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In particular, to gain transparency and avert potential risk scenarios involving liquidity position, MORS’s customers leverage Liquidity Manager, an indigenous product that equips their risk managers to generate reports, perform financial forecasting, enable decision-making, and action plans. Especially, recent amendments made to the management of intraday liquidity, according to the Basel III framework, federate banks



Mika Mustakallio

to accelerate their process of balancing the liquidity equilibrium throughout the banking day. By pulling data from historical as well as current transactions, the Liquidity Manager provides all key stake-holders end-to-end visibility of the bank’s current and future liquidity position.

Similarly, “stemming from the need to have an integrated system that has the speed of the front-office and the consolidated understanding of the back-office, we developed the Treasury Manager solution,” evinces Mustakallio. In a scenario where a multitude of dynamically changing variables come into play, Treasury Manager helps its users to keep track of position keeping, limit monitoring, and risk reporting.

MORS’s solutions stand out among competitive vendors and are sought by its customers owing to its agile-nature, cost-effectiveness, and its rental license model that liberates banks from investing first and then analyzing its productivity. To demonstrate the tool’s real-time functioning, Mustakallio illustrates a use-case where one of their client banks wanted the ability to create a report mechanism. The tool not only met regulatory requirements such as BASEL III Liquidity Coverage Ratio and IRRBB monitoring, but it also paved way for additional benefits like advanced forecasting functionalities.

With frequent revisions made to the constantly shifting regulatory landscape, MORS aims to keep pace with it by guiding banks through the fog by educating them on the metrics that need to be mandated and the decisions that have to be taken in order to secure a solid footing on the risk ladder. **BC**