

## A nordic universal bank: Securing local risk control with *MORS*



### **Harmonised local risk control with *MORS***

With an increasing market focus on universal expansion, it is essential for the bank's Risk Control operations to have a strong risk control function in its trading units. In local risk control, *MORS* plays a key role. In order to drive maximum efficiency and control, the bank's Global Risk Control has harmonised the local sites' risk control by using *MORS*.

By replacing many local systems and manual spreadsheets with *MORS* and by creating a centralised development and support structure with *MORS Software*, the bank has considerably improved the quality of the end-of-day group reporting in its local trading sites.

Within the bank's various trading sites, *MORS* is more than just a control system functioning also as the harmonised group reporting system capable of sending end-of-day control reports to the group risk control immediately after trading closes at the local site. *MORS* also serves the local monetary supervisor reporting, the central banks reporting and various other regulatory reporting requirements such as the Federal Reserve Bank of New York and The Monetary Authority of Singapore.

### **Close-to-Customer**

The Head of Global Risk Control at the bank is very happy with the Close-to-Customer relation with *MORS Software*: "Over the years we have developed our local risk control approach in close relation with *MORS*. As the control and reporting requirements are continuously developing, carrying out modifications together with *MORS* has enabled us to experience maximum efficiency and flexibility."

### **ABOUT THE NORDIC UNIVERSAL BANK**

The bank operates as a universal bank by covering the entire banking area from traditional corporate transactions, investment banking and trading, as well as consumer banking, including life insurance.

With more than 650 branches, 10,500 employees and profits of SEK 15.5 billion reported in 2007, the bank has been strong in its markets delivering higher profitability and more satisfied customers than its competitors.

A crucial role in this achievement has been played by its willingness to constantly innovate and adopt the latest technological improvements across its business.

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### Easy to implement, stable to run

Due to the highly flexible integration feature in *MORS*, any integration to a new trading system is managed effectively. When integrating a new transaction system with *MORS*, the local Risk Controller sends an extraction file from the new trading system with an example of the transaction data to *MORS*' development team. The *MORS* interface, which reads the in-data, will be effectively tuned accordingly - simple and efficient.

The IT Project Manager, the bank, comments; “Having tuned the interface once, *MORS* functions without problems. *MORS* is very reliable in operations; in the last two years I can't remember any production breaks caused by *MORS*.”

### Special features for local reporting

The Head of Global Risk Control at the bank, observes; “Our mandate in using *MORS* at our local trading sites was to harmonise our control operations. By adopting a universal development approach with *MORS*, we not only deliver our own global business reporting, but also meet the increasingly strict local regulatory frameworks of the financial authorities. The *MORS* team members enable us to meet the complex set of local objectives, for example, they helped us meet the audit requirements of the Federal Reserve Bank of New York in a matter of weeks instead of months.”

The bank's local risk control teams are able to save time with *MORS* through the automatic assessment and gathering of daily control reports, including daily P/L, interest rate risk, currency positions, liquidity and counterparty risk reports, to mention a few, and audit trails.

### Long-term relationship

The bank has been using *MORS* for the past twelve years and continues to be completely satisfied. During this time, thousands of transactions per day have been controlled by *MORS*, and every day several in-put failure deals are highlighted and corrected, and duly massive amounts of time and resources are saved daily due to the intra-day control functionality of *MORS*.

*MORS* enables users to drill down to find all transactions on a deal by deal level within one system. In addition, the *MORS* database, which is continuously updated, consists of all individual live deals, plus the complete deal history for each deal. The bank has access to more than 120 *MORS* reports, all in real-time.

The Head of Global Risk Control concludes; “There is no doubt that investing in *MORS* to maintain a grip on the local risk control was a positive move for us. *MORS* has evolved into much more than just a risk control tool at the bank. In addition to the surrounding reports, central bank reports and the data mapping tool functionality, *MORS* is also used by our heads of trading in the Front Office in order to view the bigger picture in real-time.”

### What's next?

By using *MORS*, the bank has managed to harmonise its local Risk Control operations, improve performance, lower costs and deliver extremely accurate reporting structures that meet external regulatory requirements. Local Risk Controllers now have a faster access to higher quality data, and more consistent Risk Control operations, coupled with an obvious increase in job satisfaction across the board, as previously time consuming tasks can now be enacted at the touch of button - leaving them more opportunities to focus on their core skills: evaluating operational risk and driving efficiencies.

*MORS* will continue to keep pace with all regulatory reporting challenges and thereby save the bank additional costs. For example, when the Monetary Authority of Singapore or Central Bank of Poland report changes, *MORS* will work with the bank to offer new reporting functionality in the speediest possible way, and thereby ensure that the bank remains at the forefront of creative innovation and technical excellence within the universal banking arena, whilst delivering maximum returns.