



Introduction

In line with our expansion strategy in the new regions and across new market segments VERMEG continues to invest in Megara. In Q1 2020, the focus was on enabling Megara with new services and new packaging to meet the changing regulatory requirements as well as the increased volume of loans provided by Private Banks. As part of its digital enablement, the Megara suite today provides advanced dashboards and analytics tools that can be independently deployed.

Analytics for Megara

"Analytics" is a new web application that enables users to create and display dashboards in real-time. It provides information from multiple data sources in different format types.

The application is built in a component-based architecture: each component encapsulates the implementation of a set of well-defined functionalities that can be deployed independently. It can be installed as a product or service.

Analytics is based on a microservice architecture. We have two types of microservices:

- Central Micro-Services: responsible for the logic of the application (Dashboard Service, Data Source Connector Service, Alerts Service, Setting Service, User Preference Service)
- Edge Micro-Services: are a set of microservices specializing in the orchestration of central Microservices.

The biggest advantage of the microservices approach is that each element can be scaled independently. Therefore, the entire process is more cost and time effective than with monoliths where the whole application has to be scaled.





Loan-to-Value

The LTV (Loan-to-Value) is a service offered by private banks. This kind of finance agreement is an attractive and highly flexible solution for those who wish to take advantage of a useful leverage effect to access a convenient source of liquidity. With LTV, clients will receive additional capital without having to sell their existing assets.

To increase our functional cover, a new Megara Module "Megara Loan to Value" has been developed and covers the following functionalities:

- Pool Management with multiple risk criteria such as "Eligibilities, haircuts, close links, and diversification limits" to anticipate and mitigate market volatility risks.
- LTV Ratio to assist in assessing the lending risk that private banks examine.
- Collateral Management with its different types (Marketable Assets, Non -Marketable assets, third party collateral & short cash collateral).
- Risk Management rules applied to Marketable assets to enable borrowers to mobilize financial assets such as stocks or bonds for a loan.
- A new type of exposure: Loan and the corresponding schedule.

The LTV module encompasses flexible and advanced monitoring such as :

- Pool Charts and graphs (Pool collateral composition, Collateral/Exposure Evolution, LTV Evolution).
- Real-time Dashboards & configurable Tasks Lists.
- Email alerts (Margin Notifications).

Additionally, the LTV module includes new interfaces such as a loan interface and third-party interfaces to ensure connectivity. "What If" scenarios are supported for the simulation of data changes on the Pools.





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Converter

The European Central Bank announced two years ago that the MT message format would not be supported starting from 2021 for cash and liquidity operations with T2. Additionally, SWIFT announced that all cash-related messages 1XX, 2XX and 9XX messages classes will be decommissioned and replaced with an MX equivalent (ISO 20022) from 2024.

Megara provides a SWIFT converter that enables banks to retain their legacy system but adapt to the changes. VERMEG's solution can be positioned as a layer between the current bank systems and T2, offering translation capabilities from MT to MX and vice versa.

It is foreseen that other business lines will be impacted in the future (a date has yet to be defined) to decommission ISO 15022 messages. However, with the entry into production of ECMS planned for 2023, the only way to exchange messages with the Eurozone Central Banks will exclusively be via ISO 20022, which will impact about 4000 payment banks, over 19 countries. With this major milestone, a date to decommission ISO 15022 will be most likely been announced.

We will potentially then increase the scope of Swift converter to include also settlement and Corporate action messages.



Contact us

If you'd like to have more information on Megara,
please write to communication@vermeg.com

vermeg.com