

# Fundamental Review of the Trading Book (FRTB)

## Solution Demo

Featuring: **Martin Herzberger**, Vice President, MSCI Analytics

Martin:

My Name is Martin. I started 15 years ago in the financial industry. I started working for a large German asset manager in the statistical department. Thereafter, I worked for a small asset manager, and started first time using RiskManager, thereafter, I worked for a utility company, took care of the training models, and now I'm already working 4 years for MSCI.

I work as a consultant at MSCI, and I try to maximize the value that the clients can get out of our solution. I also take feedback from the clients to our product management so we develop the applications into the right directions and again maximize the value for the clients here.

One benefit that we offer to our clients is definitely the fast implementation. We deliver all the necessary prerequisites that are necessary to implement the FRTB standard right away for the standardized approach and the internal model. Furthermore, you can take advantage of our data and terms and conditions, which are among the best in the world.

For a lot of positions you just have to provide the ISIN and we do the correct modeling for you. We offer over 200 pricing models. We can cover a lot of different products right away. We cover more than the correct risk-related modeling of your positions. We also include the FRTB classification of the security, so the risk charge is computed automatically according to the FRTB standard.

We offer different aspects of flexibility within our FRTB solution. FRTB is the worldwide standard, but local regulators have adopted their own view in parts. Therefore, we offer also jurisdiction settings, which takes the specifics of the respective regulation into account. Furthermore, you can also specify the currency for the general interest rate risk special treatments and currency pair for foreign exchanges risk that are subject to the square root of 2 scaling risk rates on your own. If you have a different view on the FRTB classification we automatically classify for you, you can also override this. For example, you can override the credit quality or the credit sector group, which will lead to a different bucketing and charge for this security. We also offer a very flexible report structure, which makes it easy for you to choose different drawdown levels. For example, it is easy to see the final charge and the

charges for the 3 different correlation scenarios. If you would like to learn more, please visit the MSCI Regulatory Solutions page, and thank you very much for your attention.

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