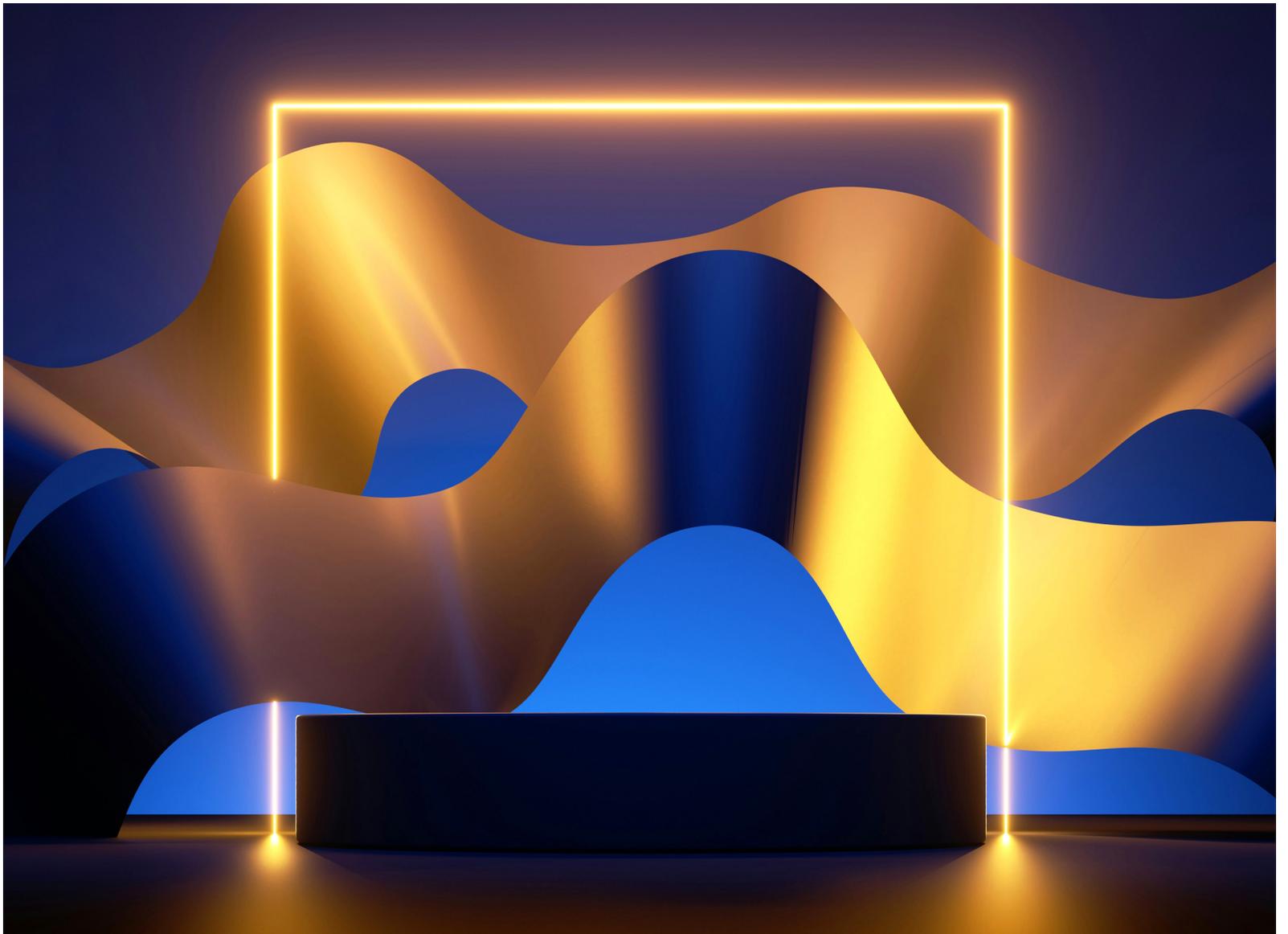


Risk

Markets Technology
Awards

2025 **WINNER**



FRTB-IMA product of the year

Murex

FRTB-IMA product of the year

Murex

Murex has been recognised as the winner of *FRTB-IMA product of the year* for its pioneering MX.3 platform, which provides a comprehensive solution for the Fundamental Review of the Trading Book (FRTB). With advanced functionalities tailored to meet the complex requirements of the internal models approach (IMA), Murex's platform supports more than 10 financial institutions in navigating multi-jurisdictional regulatory landscapes effectively.

The MX.3 platform addresses key challenges associated with FRTB, delivering a complete suite of tools for risk factor management, regulatory reporting and model approval. Fully scalable, it supports internal models capital charge (IMCC), standardised expected shortfall (SES) and default risk charge (DRC) calculations, and provides comprehensive coverage for eligibility testing, backtesting and stress-testing requirements. Its flexibility allows deployment on-premises, via software-as-a-service or in the cloud, enabling firms to integrate the solution seamlessly into their existing infrastructures.

A standout feature of MX.3 is its risk factor management capabilities, which are specifically designed to handle modellable and non-modellable risk factors (NMRFs). The solution includes an innovative proxying framework, which decomposes NMRFs into systematic and residual components, helping banks optimise capital charges while adhering to stringent regulatory requirements. Additionally, the platform supports reduced risk factor set identification and explanatory power testing, enabling users to streamline IMA computation and maximise operational efficiency.

The risk factor dependency graph, a core component of MX.3, enhances computational efficiency by facilitating surgical recalculations, ensuring corrections are applied accurately without unnecessary duplication of work. This feature is particularly valuable for organisations managing high volumes of complex trades.

Murex's MX.3 platform also excels in scenario management, providing extensive tools for defining and analysing historical scenarios. It supports stressed-period searches and incorporates advanced methodologies aligned with European Banking Authority guidelines, including direct and stepwise scenario generation. The platform's approach ensures banks can remain compliant with global standards while reducing the capital impact of NMRFs through effective scenario calibration and optimisation.

Key advancements in DRC computation further distinguish Murex's offering. By leveraging a capital asset pricing model-based framework, the solution now enables direct calibration of default and recovery rates within the platform. This streamlines the calculation process and reduces reliance on external tools, offering a faster, more efficient approach to determining DRC values. Features such as jump-to-default visualisation and Monte Carlo aggregation enhance transparency and provide detailed insights at every level, from individual trades to entire portfolios.



Mylène Le Calvez, Murex

The scalability of the MX.3 platform is another critical factor in its success. Designed to handle millions of trades and scenarios, the solution is particularly well suited to large, multi-jurisdictional institutions with diverse regulatory requirements. It supports the import and export of risk factor data, liquidity horizons and scenarios, providing clients with end-to-end visibility and control over their calculations.

Customisable dashboards further enhance usability, allowing risk managers to monitor critical components such as total risk charge, IMCC/SES/DRC outputs and NMRF metrics in real time. These dashboards facilitate real-time recalculations and in-depth analysis, providing clear transparency and supporting informed decision-making.

Murex has demonstrated a commitment to continuous innovation, with significant updates rolled out over the past year. These include extensions to the proxying framework, which now covers additional risk factors such as rate and credit curves, and enhanced scenario calibration tools for stress-testing. The company has also introduced implementation accelerators, streamlining the onboarding process and ensuring timely delivery for clients implementing the latest regulatory frameworks.

Murex's MX.3 platform offers a seamless integration of IMA and standardised approach solutions, providing firms with a complete FRTB compliance package. The platform's ability to represent the FRTB desk structure and handle complex instruments, including embedded derivatives and securitisations, ensures it meets the full spectrum of regulatory requirements. With built-in flexibility to accommodate diverse client needs, it can serve as either a standalone solution or a modular component within broader risk management systems.

Judges said:

- "Backed by strong and credible client testimonials."
- "Notable enhancements, especially around DRC and NMRF proxying, which deliver meaningful value to clients."
- "A leader in this space, showcasing robust and versatile capabilities."
- "Presents interesting and impactful updates for the industry."

Mylène Le Calvez, FRTB-IMA product lead at Murex, says:

"While FRTB has yet to go live in many jurisdictions, Murex has already supported multiple institutions in their efforts to harness the benefits of the internal model for capital requirements. This has been made possible through our solution, MX.3 for FRTB-IMA, which has significantly matured over the years, guided by our clients' evolving needs and the emergence of local adaptations to the original regulatory framework. In parallel, Murex leveraged innovative technologies to reduce computational burdens and streamline regulatory testing processes." ■