FIS

5 WAYS YOU CAN TAKE MODEL CALIBRATIONS AND BACKTESTING TO THE NEXT LEVEL

FIS' Data Calibration Service

FIS' Data Service, provides model calibration and backtesting services to help firms like yours benefit from FIS' expertise in managing these quantitatively challenging and computationally expensive exercises.

Gain the global support of a recognized technology partner with rich domain knowledge – backed by robust security and resilient business continuity to master uncertain markets. You benefit from:

1 Best-of-breed simulation models as a service

Model calibration is an art to master and requires firms to maintain complex in-house data workflows. FIS can empower you to compete with globalized rivals at a reduced cost through:

- Delivering model calibrations as a service to reduce your operational burden
- Providing rich documentation and extensive, transparent tests, to verify models, justify choices and demonstrate compliance
- Generating calibrations for several price factors across the main asset classes to support a range of investment strategies and asset allocations

2 Broad and deep expertise within data and analytics

FIS' Data Service publishes monthly model recalibrations using the most recent history to adjust your input parameters for the current market environment to ensure that your models stay fit for purpose.

We also have access to 15 years of market data history across the main asset classes, which means we can generate historical calibrations for the 2007-2009 financial crisis stress period.

3 Sophisticated model backtesting methodology

With FIS' Data Service, the quality of our model calibrations is assured through our proven model backtesting methodology.

FIS uses a sophisticated statistical backtesting calculation to ensure that the calibration adequately explains historical data. This is done using the Probability Integral Transform method proposed by Ruiz in 2012. This powerful method allows both price factors and hypothetical portfolios to be priced using overlapping periods improving the analytics power of the test compared to independent period methods.

4 Regular deliverables provide transparency to stakeholders

FIS provides detailed breakdown of our model backtests through monthly reports and interactive dashboards:

- **For banking clients under Basel regulatory requirements,** an efficient process that provides auditors and regulators the transparency needed.
- **For other clients that look for advanced model risk governance,** FIS' sophisticated backtesting reports ensure fit-for-purpose stochastic modeling and satisfy internal model risk management demands.

5 Support from FIS' Quant Desk

Our enhanced service combines FIS' model calibration and backtesting services with a dedicated quant team. FIS' quantitative engineers apply their deep experience and expertise to your daily trade validation. In addition to providing hands-on support with model calibration and backtesting, the team is available to answer complex queries on calculation results, market data and proxying.

FIS' Data Service meets the needs of both buy- and sell-side capital markets firms.

LET'S SOLVE RISK COMPLEXITY

Contact us at getinfo@fisglobal.com to discover how your firm can benefit from FIS' Data Service.

FIS | ADVANCING THE WAY THE WORLD PAYS, BANKS AND INVESTS™