

# End-to-end MRM support to US-based top investment bank

**35+**

models tested, meeting all  
regulatory guidelines

**60%**

lower costs vs direct hires

**2X**

model coverage for MRM

## CLIENT CHALLENGES

- The CRO's team, tasked with the validation of sophisticated models including quantitative models for pricing, investment risk and portfolio construction, was struggling to hire, train and retain quants specialists with relevant experience.
- The CRO was looking for a vendor that had depth and breadth of knowledge and skills and could conduct model validation with a high level of stringency.

## OUR APPROACH

- Acuity Knowledge Partners deployed a team of two quants specialists and a capital market expert with deep knowledge of investment process and asset valuation.
- The team leveraged in-house specialists in niche areas, such as derivatives and securitised products, to better evaluate existing models, valuation methodologies and the underlying assumptions.
- Acuity created live dashboards to track the progress of various validation related tasks (distributed between Acuity team and client team) for the entire model inventory. This provided the CRO and other senior stakeholders an easy-to-comprehend and informative overview of the progress, deadlines, utilisation and support required.
- Functions supported:
  - Validation: Data integrity and assumption testing; Conceptual assessment; Documentation
  - Monitoring: Ongoing monitoring; Stress testing and sensitivity analysis; Recalibration
  - Governance: Model inventory tiering; Validation policy and monitoring framework

## IMPACT DELIVERED

- Acuity studied the model inventory thoroughly and classified the models on complexity, materiality and business/regulatory considerations. The results were used for appropriate staffing and sequencing of MRM tasks.
- Helped with validation documentation and handled communications with model developers as well as regulators.
- Provided highly qualified and experienced resources at a fraction of the onshore cost

## About Acuity Knowledge Partners

*Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 650 financial institutions and consulting companies through a team of over 6,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.*

*We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.*