

Pre-issuance Deal Support

Institutional Investment Bank

Pre-issuance

modeling & structuring support

20%

more client-facing time for senior bankers

15-20%

reduction in time to close deals

\$300K+

savings through our support

Reusable

model for new issuances

CLIENT CHALLENGES

- » The client was engaged as an underwriter for several new asset types for the first time in APAC
- » Acuity Knowledge Partners was approached to develop models/tools for such transactions that could project cash flows under different sets of credit assumptions
- » The first transaction Acuity Knowledge Partners worked on was a CLO deal
- » The initial capital structure, collateral, and rating agency criteria were provided to develop a flexible model/tool to handle both asset and reline-level credit modeling

OUR APPROACH

- » Acuity Knowledge Partners assigned an expert Excel VBA modeler to the project, who worked under the guidance of structured finance subject matter experts
- » In the preliminary stage, a typical CLO waterfall and capital structure were modeled, supported by a dummy asset pool
- » Functionalities were added next to dynamically change the assets, payment waterfall, capital structure, and credit assumptions
- » Finally, transaction actuals (different proposals) were incorporated and rating agency stresses were run to optimize the final capital structure and terms

IMPACT DELIVERED

- » As the client was working on multiple transactions, it benefited from Acuity Knowledge Partners expertise in deal modeling/structuring
- » The model/tool provided flexibility to dynamically change transaction terms, credit assumptions, asset characteristics, liability structure, etc., which helped in finalizing the capital structure
- » With Acuity Knowledge Partners performing the required modeling tasks and analytics, the client could focus more on increasing the deal flow, market developments, and other client-facing activities
- » This partnership proved to be a scalable model for the client, compared with hiring and training employees when deal volumes increase

About Acuity Knowledge Partners

Acuity Knowledge Partners, formerly part of Moody's Corporation, is a leading provider of bespoke research, analytics, staffing and technology solutions to the financial services sector.

Headquartered in London, Acuity Knowledge Partners has nearly two decades of transformation experience in servicing over 300 clients with a specialist workforce of over 2,500 analysts and delivery experts across its global delivery network.

We provide our clients with unique assistance not only to innovate, implement transformation programmes and increase operational efficiency, but also to manage costs and improve their top lines.

These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offer domain-specific contextual technology.

Acuity Knowledge Partners is assisted by Equistone Partners Europe, a leading private equity organisation that backs specialist growth businesses and management teams.