

# Case Study

## Transaction Advisory

### Client Profile

The credit structuring arm of a global investment bank

### Transaction Snapshot

Size - £10+ billion

Jurisdiction – United Kingdom

Asset Type – Residential Mortgages and Mortgage Backed Securities (RMBS)

### About Oxane Partners

Oxane Partners provides bespoke solutions to alternative investment firms throughout their investment lifecycle. Since inception, Oxane has supported more than 40 financial institutions of all sizes including hedge funds, private equity funds, asset managers and investment banks across all major asset classes and jurisdictions.

To talk about our expertise and solutions offering, please reach us at: [info@oxanepartners.com](mailto:info@oxanepartners.com)

### Background

The investment bank's credit structuring team was providing financing to private equity buyers bidding on the UK RMBS Master Trust portfolio. The consortium of buyers was looking to acquire the portfolio with a face value of well over £10 billion.

### Oxane's Approach

Oxane's team worked in close coordination with the bank's deal team in helping them analyse the portfolio from a financing perspective. The financial analysts with over 4 years of relevant experience looked at both the asset and liability side perspective while also incorporating rating agency angle.

### Oxane supported the client under the following areas :

#### Portfolio Analysis

- Analysed the portfolio at a granular loan level including over 120,000 performing and non-performing residential mortgages in the UK
- In addition to residential mortgages, the team also analysed over £1 billion of unsecured loans that were part of the portfolio

#### Asset Side Modelling

- Modelling of asset side cash flows for the portfolio with flexible inputs for CDR, CPR and other standard assumptions

#### Liability Side Modelling

- Liability side modelling for the transaction incorporating the mortgage trust waterfall, funding level and issuer level waterfall, trigger events, various ledgers, expenses and swaps

#### Scenario Analysis

- Created a detailed breakdown of seller cash flows with ability to run custom stress scenarios
- Analyzed the effect on the cash flows under different scenarios

#### Implied Rating on Senior Financing

- Rating agency criteria (S&P and Moody's) overlay for the senior financing on the transaction to get implied rating