



Libor Transition Impact

Libor underpins contracts affecting banks, asset managers, insurers and corporates estimated at \$350 trillion globally on a gross notional basis. As such, it is likely to be one of the biggest transformation programmes many banks have ever undertaken.

Whilst there is broad understanding of the work to be undertaken to transition financial services to the new alternative reference rates (ARRs) by the end of 2021, many firms have yet to progress beyond high level Libor reviews of the impact of the LIBOR transition.

Detailed investigation of LIBOR's impact is a truly mammoth task. Costs at a blended rate of GBP £150,000 pa per person will run into multiple millions assuming teams of up to 50 people required over periods of 4-5 months depending on the organisation.

Getting to a granular level of understanding of a topic as complex as Libor Transition, for organisations as complex as banks, insurers, asset managers and corporates requires automation.

The alternate is massive budgets, before even one penny is spent on either repapering or systems remediation.

Once completed Libor impact assessments provide clarity as to products & trades, contracts, stakeholders and business systems impacted as well as required transition strategies for each, at a granular level.

SoluxR and Stratagem in collaboration with Infosys BPM has the answer.

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Focus on:

- Understanding Libor impacts (products, trades, contracts stakeholders, processes, systems and models)
- Managing Risk (reputational, financial, market, supplier, customer, legal, basis, regulatory, etc.)
- Highlighting transition challenges
- Creating a robust programme

Approach:

- A scalable and proportionate methodology which takes into account that Libor has very limited to hugely significant implications depending upon the nature of the organisation
- A comprehensive technology-enabled advisory platform to support an efficient and comprehensive Libor transition impact analysis, strategy and programme execution
- Developed in collaboration with Top financial services experts from regulatory, legal, risk, process and technology experience

Business Needs:

- Minimise negative impacts on margins and valuations
- Meet conduct risk requirements
- Minimise legal and contractual exposures
- Manage Libor, post Libor and transitional environments running in parallel both internally and within ecosystem
- Achieve transition within acceptable timescales
- Maintain reputation as a well-run organisation
- Meet the evidence requirements of regulators, investors, customers and other key stakeholders
- Ensure business benefits achieved to offset (in some cases) considerable costs
- Ensure key partners and suppliers understand their roles and can deliver what is needed
- Timely and well managed external communications

When to use SoluxR's Libor Transition Impact Assessments?

- The organisation needs certainty that everything has been thought through
- There is concern over the status of the programme or robustness of impact and risk assessment
- There is concern over the understanding of the Libor “architecture” and the interrelationship of impacts and risks across the enterprise
- The organisation has limited capacity to address Libor
- The organisation is time challenged to be ‘Libor ready’
- The organisation is missing skills and methods around Libor
- The organisation is facing complex Libor challenges
- The organisation needs to manage customer, regulator and market confidence.
- There is concern over the financial, conduct and reputational consequences.
- The organisation needs to influence its counterparties, suppliers and partners to act
- Libor forces the organisation to change or replace legacy systems
- The organisation is served by ill-prepared suppliers and partners
- The organisation needs to change or offer new products / trades

IBOR Impact & Risk Assessment: Key Features:

- An AI enabled business, risk and strategy methodology and tools digitalised across the five Principal Libor ‘building block’ impact modules:
 - Products & Trades
 - Stakeholders
 - Contracts
 - Business Functions
 - Libor Program
 - 150 business, risk and strategy assessment questions:
 - Multiple drop-down values for ease of use and consistent measurement
 - Natural Language Processing and Text Mining of free text entries

ROI, Benefits & Features:

- ROI: Conduct IBOR impact assessments:
 - Cost: save 80-90% of typical budgets
 - Time: weeks, not months across entire organisations

Differentiators:

- Access to industry experts who fully understand the business Libor architecture
- AI enabled tools leveraging a data architecture which facilitates a modular building block approach to completing Libor Impact Assessments
- Start anywhere in the organisation and build on from there
- Augmented scenario development
- Structured, data driven, transparent, auditable and actionable information
- Easy to use, manageable and scalable
- Libor content design originated from Stratagem’s former senior regulators and advisors from central government, public sector and private sector
- Non-Big 4/Audit – independent review expertise available on request

Using ***Agile Risk Management (ARM)*** practices SoluxR delivers results at scale, in less time, at less cost, more effectively and more reliably than other methods.

Steps

Dynamic links are distributed across the organisation, and its associated ecosystem of suppliers to:

1. Initially map and scope the Libor ecosystem. The more links that are shared across front line decision makers the more automated assessments are undertaken. And, the more complete the enterprise wide understanding of your Libor impacts across the organisation,
2. Leading to deep business impact analysis leading to enhanced scenario development and stress testing,
3. Resulting in clarity as to the Libor Roadmap for:
 - a. Contract repapering,
 - b. Systems Remediation

Impact Assessment – a snapshot of our toolkit (1/4)

Real Time Assessment

Infosys NIA – Vision

Infosys NIA – Cognitive Search

Alternate Rate Simulation / Data Analytics

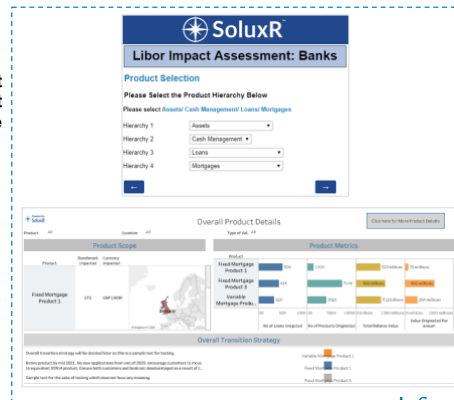
SoluxR and Stratagem Partners provide comprehensive methodologies to access the LIBOR replacement strategy (business advisory focused), pilot impact and risk assessment.

Expert-driven client engagement model is unique and designed to achieve measurable value for your business.

With the right opportunity, we are happy to 'put our money where our mouth is' and discuss real partnership models, where both the client and Stratagem Partners benefit from the value we create together.

Impact Assessment Questionnaire

Assessment Dashboard



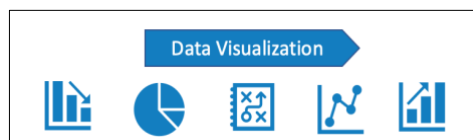
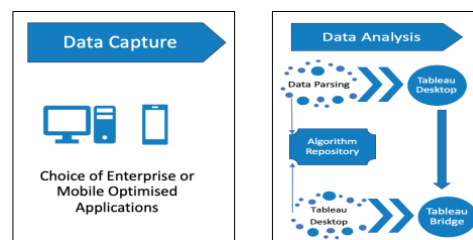
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SoluxR Libor Impact Assessment

The **LIBOR** framework has been developed in consultation with clients and has had significant input from former regulators, banking chief risk officers and financial services policy makers.


SoluxR Libor impact assessments are tailored systematic assessment of exposures and risks addressing the contractual, regulatory, product, customer, process and systems remediation requirements.

Functionality	<ul style="list-style-type: none"> • Easy to use, pre-configured Libor risk assessments • Assessments take minutes to complete • New assessments set up and deployed in minutes • Embedded risk, strategy, governance tools and techniques • Real time local, regional and global reporting with rich data visualisations • Interactive reports facilitating real time scenario development
Delivery Mechanisms	<ul style="list-style-type: none"> • Integrated microservices and workflows through one platform • AI enabled automated risk and strategy assessments • Stand alone 'light' deployments or through existing GRC platform • Integrated with third party data sets • Interfaces with corporate systems and external risk monitoring tools
Benefits	<ul style="list-style-type: none"> • AI enabled analysis for structured insights and foresight of what's around the corner • Real time understanding of global and local risks and strategy impacts • Remote working and real time reporting • Visualisation of risks and opportunities • Fulfills regulatory requirements (Risk reporting, SMCR ...)



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Libor Impact Assessment- Inputs



STAKEHOLDER MANAGEMENT OBJECTIVES > ASSUMPTIONS > RISKS > RISK MITIGANTS >

ACTION PLAN

Stakeholder Management Action Plan

What is the Overall Plan?

Who is responsible?

How long will the Stakeholder Management Effort take?

Enter number of months

List the Principal Steps and Key Dependencies

	Enter Text	Don't Know
What are the Principal Steps?	<input style="width: 90%; height: 20px;" type="text"/>	<input type="radio"/>
What are the Key Dependencies?	<input style="width: 90%; height: 20px;" type="text"/>	<input type="radio"/>


Estimated Cost

Enter numbers without commas or decimal point


Your assessment will be recorded. Do you want to submit the assessment?


0% 100%


- Questionnaires can be completed as part of 1:1 interviews, within physical or virtual workshops, remotely following briefing sessions.
- Users can complete questionnaires using a variety of devices (desktop, PC, tablet, smart phone)


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Libor Impact Assessment- Outputs












LIBOR outputs generated using various data analytic tools including natural free language, artificial intelligence, etc.

New questions, new participants and new outputs can be added as the program progresses.

Benefits include:

- Reduced reliance on external advisors and support etc.
- Speed to completion and informed decision making.

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What do you get from SoluxR?

1. Robust scenario analysis and modelling impacts, risks and mitigations
2. Early foresight and insight of issues and opportunities before they develop
3. Significantly lower cost, faster and better analysis and planning
4. Rapidly assess the impact and effectiveness of urgent remediations
5. Detect systemic issues across the organisation.
6. Dynamically fulfil regulatory & compliance obligations/requirements

Why use SoluxR?

1. Secure, fully mobile optimised, easy to use and manageable
2. Very fast deployment
3. Greatly reduced costs
4. No interruption to business-as-usual
5. More reliable information
6. Seamless infusion with other data sets

SoluxR Return on Investment:

1. Ability to establish a single view of Libor contracts, products and trades, stakeholder, business systems and programme management issues across the entire organisation,
2. Pin-point understanding of contracts and systems level remediations required in less time and at much lower cost than using traditional manual methods,

Method of Delivery

SoluxR automated solutions are delivered on a Risk as a Service (RaaS) subscription basis

[Request a Demo](#)