

**LIBOR Transition
Services — An
End-to-End Solution
for Impact Assessment,
Contract Review &
Repapering**

Infosys BPM partners with
EdgeVerve to enable financial
institutions to plan their
LIBOR transition effortlessly

Cost-effectively easing LIBOR transition for the banking industry

The globally accepted key benchmark interest rate LIBOR (London Interbank Offered Rate) is set to transition to regional 'risk-free benchmark rates' by 2021, such as:

- SONIA (Sterling Over Night Index Average) for GBP
- SOFR (Secured Overnight Financing Rate) for USD
- ESTER (Euro Short-Term Rate) for Euro
- SARON (Swiss Average Rate Overnight) for CHF
- TONAR (Tokyo Overnight Average Night) for JPY

This shift will have a significant impact on financial markets, as LIBOR is a complex, pervasive benchmark rate adopted across a range of financial products, processes, systems, and models globally. Industry players and regulators need a seamless, economical way to manage this time-sensitive transition with minimal disruption.

The LIBOR transition challenge

Financial institutions undertaking LIBOR transition programs need to understand the impact, risks, and remediation requirements across their operating model, products, and transaction portfolio. There is a significant impact associated with the transition in terms of costs, efforts, and resources for changing the terms of contracts, modifying systems and processes and educating employees and associates on the new risk-free benchmark rates regime.

Smoother transition with Infosys BPM and EdgeVerve's LIBOR services

Infosys BPM, Edgeverve, SoluxR and Strategem Partners have come together to support financial institutions navigate LIBOR transition with ease. We have developed LIBOR transition solution and a range of services to help our clients' transition to regional risk-free benchmark rates. Our domain-led, technology-driven approach codifies best practices and augments human effort. Our LIBOR services are driven by a multi-disciplinary team of industry, remediation, and technology experts and tailored to our clients' specific needs.

What we offer:

Our LIBOR Assessment, Contract Review, Repapering and Remediation Services



Impact assessment

A tailored systematic assessment of the exposures and risks at the enterprise as well as portfolio level



Contract review and repapering

A system-enabled review of contracts to identify affected terms and initiate repapering efforts. This also includes automated customer communications along with repapered contracts



Remediation

Detailed transition planning, design, and testing of system & process changes required, including refreshed Standard Operating Procedures (SOPs), training materials, etc.

Our analysis covers:

- Products & Transactions (legacy, interim & new)
- Contracts (legacy, interim & new)
- Operational Readiness
- Transition Management

The three key pillars of our offering are impact assessment, contract review and repapering, and remediation. These critical capabilities go a long way in managing a successful LIBOR transition.

Impact Assessment

A significant phase of LIBOR transition, the primary objective of the assessment is to quantify the LIBOR exposure at each product and portfolio level in terms of financial exposures.

Repapering

Depending on the nature of contracts, i.e., standardized or customized, technology will play a significant role at this stage in terms of implanting fallback provisions and letting customers know the change, in some cases recollecting the countersigned documents to store in the document repository with an audit trail.

Remediation

Remediating processes will be critical to eliminate potential operational risks, which may lead to unlimited financial risks/losses. Remediation comprises activities such as defining target operating models at each sub-process that may include infrastructure or systems and operations change, e.g., refreshed Standard Operating Procedures (SOPs), training materials, etc.

Our Tools and Accelerators — A three-way approach to help financial institutions navigate the big shift



Impact Assessment	Contract Review & Repapering	Remediation
Tools & solutions: <ul style="list-style-type: none">• Assessment tool and framework from SoluxR• Risk & domain advisory from Strategem Partners• Nia Contracts Analysis	Tools & solutions: <ul style="list-style-type: none">• Nia Contracts Analysis• Automation identification• Bulk mail automation• Task management system• AssistEdge RPA	Tools & solutions: <ul style="list-style-type: none">• Task management system• Change management
Potential activities <ul style="list-style-type: none">• Real-time impact assessment (at organization & at portfolio level)• Prospective risk model simulation (prior to implementation to assist financial institutions in preparing for the delta cash flows)	Potential activities <ul style="list-style-type: none">• Building knowledge• Building workflow• Reference rate agreement• Consent letters• Fall-back provisions• Rewriting existing agreements• Reaching clients with latest agreements• Collecting signed agreements• Storing documents	Potential activities <ul style="list-style-type: none">• Automation identification• Systems change Target operating model (TOM) for operations• Testing in UAT• Defects management• Knowledge management (standard operating procedures)• Building controls to monitor new rates' impact

Infosys LIBOR Transition services developed in consultation with clients, partners, former regulators, chief risk officers, and financial services policymakers help our clients to:

- Develop a LIBOR transition project roadmap and establish program governance
- Analyze the impact of converting LIBOR trades and products to regional risk-free rates and prioritize complex portfolios
- Generate comprehensive LIBOR impact reports using AI, data analytics, NLP and text mining
- Assess and quantify high-level transition requirements on financial, customer and

technical parameters, contracts, balance sheet, accounting, tax, systems, and processes

- Develop a high-level remediation strategy to ensure operational readiness of trading infrastructure, technology, and support systems to manage new business processes
- Understand the nature of amendments required for existing contracts and specific contract amendments to address permanent discontinuation scenarios
- Develop customer communications and systems enabled repapering strategies

Get the Infosys LIBOR Transition Services Advantage. Proven, modular, cost effective.

About Infosys BPM Ltd.

Infosys BPM Ltd., the business process management (BPM) subsidiary of Infosys Ltd. (NYSE: INFY), was established in April 2002. We offer end-to-end transformative BPM services, and have journeyed through the table-stakes of effectiveness and efficiency with an ever-increasing focus on enhancing stakeholder experience and empathy. We consistently deliver enhanced business value for our clients and enable them to navigate their digital journey.

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About EdgeVerve

EdgeVerve is a global leader in AI and Automation, assisting clients thrive in their digital transformation journey. Our technology is deeply integrated into the heart of 350+ Global 2000 companies, medium and small enterprises across 140+ countries, enabling them to derive entrenched value in their business.

Our mission is to create a world where our technology augments human intelligence and creates possibilities for enterprises to thrive in disruption. Our team at EdgeVerve is central to this mission and continuously strives to make it happen for enterprises across the world. We are making constant strides towards transforming enterprises by providing products and solutions across the AI & Automation continuum.

EdgeVerve Systems Limited, a wholly-owned subsidiary of Infosys Limited, through its leadership, employees, and partners, is transforming the AI and Automation industry. [Visit us](#) to know how enterprises across the world are thriving with the help of our technology.



For more information, write to us at contact@edgeverve.com

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About SoluxR

SoluxR is the world's first provider of risk management automation and augmentation solutions using natural language processing, text mining, and AI. SoluxR delivers automated, flexible, and configurable strategy and risk management decisions for burning issues like IBOR, Brexit, Cyber-Security, Risk-Culture, GDPR, ERM, and many other modules. Working like a structured corporate social media, SoluxR Signals deliver powerful data driven, evidence based, actionable information through a Decision Support Sandbox. The SoluxR solution enables C-Suites to make superior decisions through the provision and integration of Insight, Oversight and Foresight. When all three dimensions are combined effectively, companies can expect to see improved EBIT, lower earnings volatility, and reduced cost of capital, amongst other value-driving outputs. This also leads to better investor/stakeholder communications.



About Stratagem Partners

Stratagem Partners are a multi-disciplinary team of experts who specialise in corporate strategy, risk management and public policy. Their expert-driven client engagement model is unique and designed to ensure that their clients can achieve measurable value for their business. Stratagem Partners offer their clients independent thinking and the ability to find effective and creative approaches to their most difficult, complex, and unstructured problems including IBOR transition, Brexit, and climate change. They know businesses demand a trusted advisor that is flexible and provides relevant advice at a strategic, management, and operational level. Stratagem Partners have created a dynamic ecosystem of top experts and technologies who help identify actionable insight and bespoke solutions. Their partner ecosystem includes law firms, technology firms, advisory services firms, outsourcers and other solutions providers.

