

THE LIBOR TRANSITION: RISKS AND OPPORTUNITIES



VEGA
ECONOMICS

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PREPARED BY
VEGA ECONOMICS

any Original Lender, and
any bank, financial institution, or
Party as a "Lender" in accordance
(Changes to the Lenders).

which in each case has not ceased to be a
this Agreement.

"LIBOR" means, in relation to any
Loan and for a period e
(a) otherwise determ

High-Quality Analyses and Unparalleled Expertise

Vega Economics is an economic consulting firm specializing in expert testimony and data analysis. We deliver exceptional quantitative solutions for both litigation and consulting engagements. We have earned our reputation for excellence from our innovative problem-solving, comprehensive client support, and meticulously executed reports. We deliver the highest quality work using cutting-edge technology while providing the personal attention that you can only get from a boutique consulting firm.

Complex Securities

We have a deep understanding of financial economics and the ability to apply advanced data techniques to tackle issues surrounding complex securities, including corporate bonds, fixed income securities, and interest rate and credit derivatives. We have been involved in consulting and litigation matters involving CLOs, RMBS, CMBS, and REIT, as well as FX options. These complex deal structures can require empirical analyses to assess the impact of the LIBOR transition.

Interest Rates

We have all the data tools and relevant PhD-level training to evaluate the term structure, volatility, and risk premia of different reference rates, as well as issues related to pricing and hedging interest rate risks in complex financial products.

Data Analytics

We are an industry leader in conducting analyses using powerful tools from statistics, data analysis, machine learning, and other methods of data science. To facilitate the most impactful analyses with big data, one needs more than powerful computers and fancy data tools. We are better at categorizing data, identifying gaps in data, and reading data and analysis results.

Valuation

We use sophisticated statistical and economic tools to analyze and value complex financial instruments including mortgage and other asset-backed securities. Our business experience and technical skills inform our approach to determining the relevant factors that contribute to value. The combination of these skills allows us to robustly value assets in the anticipation of the retirement of LIBOR.

Your Best Ally in Navigating the LIBOR Transition

We have worked with numerous major financial institutions and analyzed issues related to all aspects of complex financial products. Vega uses advanced data analytics and carefully assesses each client's unique circumstances to identify the most robust method employable for addressing the issues in hand. Vega will be your best ally in navigating the LIBOR transition given our deep institutional knowledge and advanced technology solutions.

Creating a Better Contract Review Process

It is important for market participants to identify and evaluate all impacted contracts. Vega can partner with attorneys to make the process of contract review more efficient and effective.

To streamline the contract review process, we have algorithms to classify documents and use proprietary tools to identify, categorize, index, and compile relevant contract language—such as varieties of fallback provisions—before attorneys' review. This hybrid system saves time and cost for the clients and generates more accurate results compared to purely manual review.

Powering Exposure Analysis with Expertise

We can quantify any material impact on a firm's assets, liabilities, and income from the LIBOR transition and conduct stress tests under alternative reference rate regimes. We have a comprehensive understanding of the financial products and sophisticated modelling tools required to study the complex interactions between collateral, structure, and roles of different parties involved.

Clients get the best possible advice in terms of risks and opportunities from the strong partnership of PhD economists and attorneys. Our exposure analysis can provide insights for financial risk and assist attorneys' legal risk analysis.

Portfolio Reevaluation and Risk Measurement

The LIBOR transition will impact every investor's portfolio. Vega can assist clients in evaluating their investment portfolio, helping them in quantifying specific aspects of their portfolio that the LIBOR transition will impact as well as quantifying the overall changes in portfolio risk.



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