

## Case Study: Contract Analysis deployed by Tier 2 North American Bank

Contract Analysis is a unique service provided by LIKEZERO that forms part of the AcadiaPlus Agreements suite of services.

This Tier 2 North American Bank was looking for a solution to assist in their IBOR remediation program. They decided to adopt Acadia's Agreement Manager solution. Through Acadia's partner program, the Bank was able to leverage LIKEZERO's Contract Analysis service. LIKEZERO provides precision technology in identifying and analyzing clauses in documents combined with customized output of results.

### Background

- The IBOR Transition Program was considered by the Bank to have significant impact on the legal work streams due to the volume and complexity of contracts that required remediation. The Bank was looking for an appropriate technology solution to facilitate their contract assessments, which could handle any type of documentation without jurisdictional constraints. In addition, they were interested in a solution with review and storage functionality that could be used beyond the IBOR Transition Program.
- The Bank was looking at derivatives and bilateral / syndicated loans and had a population of over ~60,000 contracts of varying types (ISDAs, CSAs, Credit & Loan Agreements), which they needed to determine those that required remediation in relation to the IBOR transition. For this to be determined, the chosen vendor needed to have the ability to classify and group relevant clauses, such as IBOR references and Fallback language. All data collected was to be queried across multiple different dimensions (e.g., by Client / Region / Contract Type).

### Our Approach

Acadia partnered with LIKEZERO to provide a solution which:

- Rapidly assessed all contracts for IBOR exposures, implementing a proven methodology and approach combining technology and legal professionals to identify those that require remediation
- Built out LIBOR specific data models for the contract analysis, allowing clauses to quickly and accurately be classified and grouped using LIKEZERO's unique clustering functionality (leveraging data mining and matching techniques)
- Connected the Bank's data together (i.e. linking together the overall hierarchy of contracts, including related contracts and amendments)
- Created a contract inventory which can be leveraged for future risk analysis

## Outcomes

- To move the bulk of financial markets to rates that are considered more “robust” and built on actual transactions in the market
- Because, in the case of Libor, due to the increased liability they are exposed to, panel banks are no longer willing to continue submitting
- The data provided drove IBOR remediation strategy – fed into third party software with audit trail of data collected
- The solution provided a 10 times acceleration compared to manual review
- 25,000 files processed per month
- Set up in 4 weeks by leveraging the AcadiaSoft Infrastructure and LIKEZERO hosted service – compared to a projected 6 month time frame for a non-hosted solution
- No up-front rules development or testing required, the Bank benefited from 100% accuracy upon the collection of data due to the solutions unique data mining and matching techniques
- LIKEZERO was able to add to data sets, build new data models and add new data points mid-project as the client’s requirements evolved and new guidance was issued

## Benefits

- A single searchable repository of all the Bank’s asset documents that can be leveraged for future analysis
- A view of all their contractual exposures to IBOR categorized by the remediation pathway (e.g. which require re-papering, which contain good enough fallbacks etc)
- A playbook of all the language variations that can be leveraged for Client/Counterparty outreach
- Output report of the mined data which can be ingested into multiple downstream and third party systems
- Full audit trail of all data collected

If you would like to find out more about the benefits and value of Agreement Manager as a single golden-source record for all your agreement data and how best to leverage the LIKEZERO contract analysis service contact us [here](#) or [info@acadia.inc](mailto:info@acadia.inc)

For more information please visit us at [acadia.inc](https://acadia.inc)

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