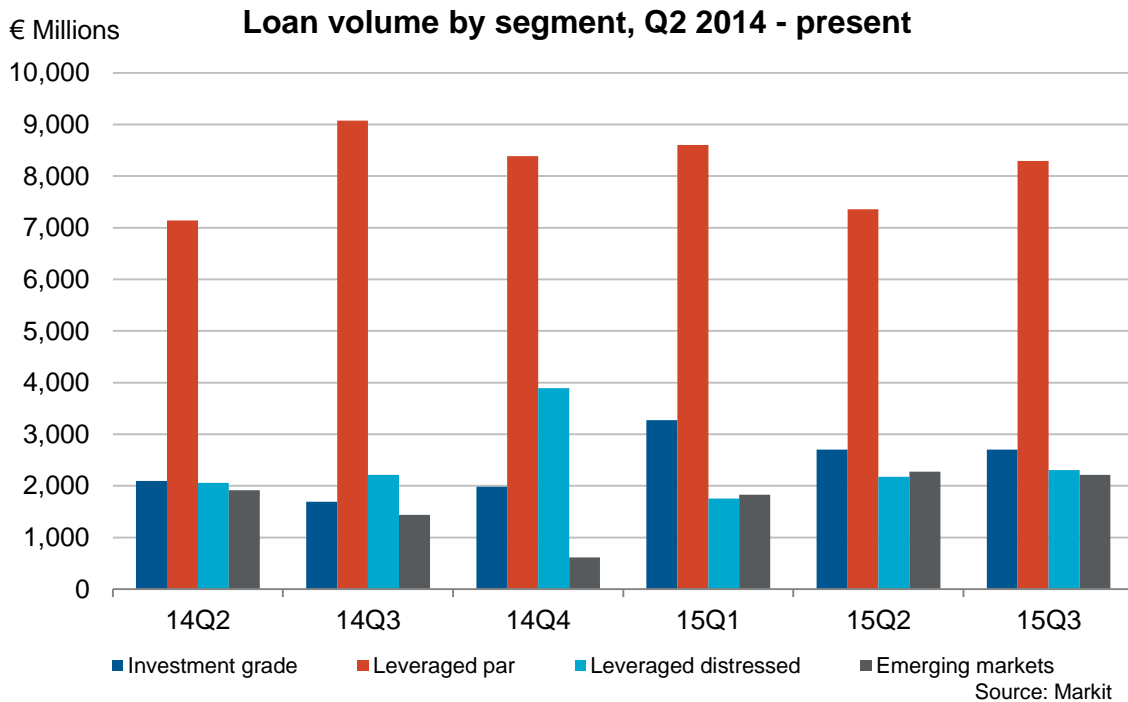


# Markit European loan volume survey

Q3 2015 / October 30<sup>th</sup> 2015

Total trade volumes in the European loan market have risen slightly in the third quarter of 2015. Total volumes have moved to €15.509bn, up 5.67% from the previous quarter. Year on year volume is also up 7.55% when compared to the overall volume of €14.692bn in the third quarter of 2014. Highlights include:

- Leveraged loan volumes (Western Europe) constituted only 68.3% of the total volume in the second quarter, slightly up from the 66.1% composition of the previous quarter. Of the 68% of total trade volumes tracked, 53% of the total was conducted on Loan Market Association (LMA) par documentation versus 15% of LMA distressed documentation.
- European investment grade loan volumes represent 17.4% of the total, marginally down from last quarter's share of 18.4%.
- Emerging market (Eastern Europe, Middle East and Africa) figures were down finally after three successive increases. They stand at 14.25% compared to 15.48% last quarter.

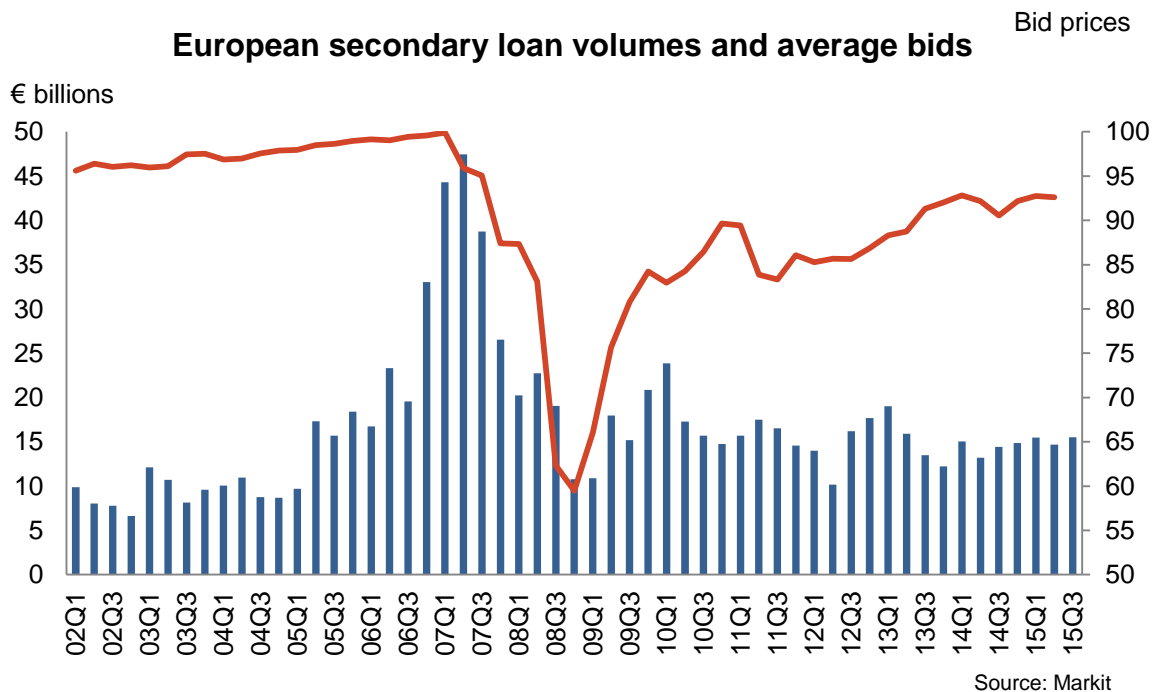


## Survey results

While total trade volumes are up by more than 5%, there has been little or no shift in composition from the previous quarter. Emerging market volumes were down slightly by 3% (€2.275bn to €2.211bn). Similarly investment grade trade volumes in Western Europe have declined by just 0.1% (€2.703bn to €2.700bn). Distressed Western European volumes increased steadily at around 6% (€2.178bn to €2.309bn). Surprisingly the most volatile of the segments recorded was the move in par trades, up by 10% (€7.537bn to €8.291bn).

The average leveraged loan bid was down from 92.75 at the end of Q2 to 92.59 at the end of Q3, representing a decrease of 20 basis points. The current bid at press time stands at 93.07, which is the highest it has been since the end of 2007.

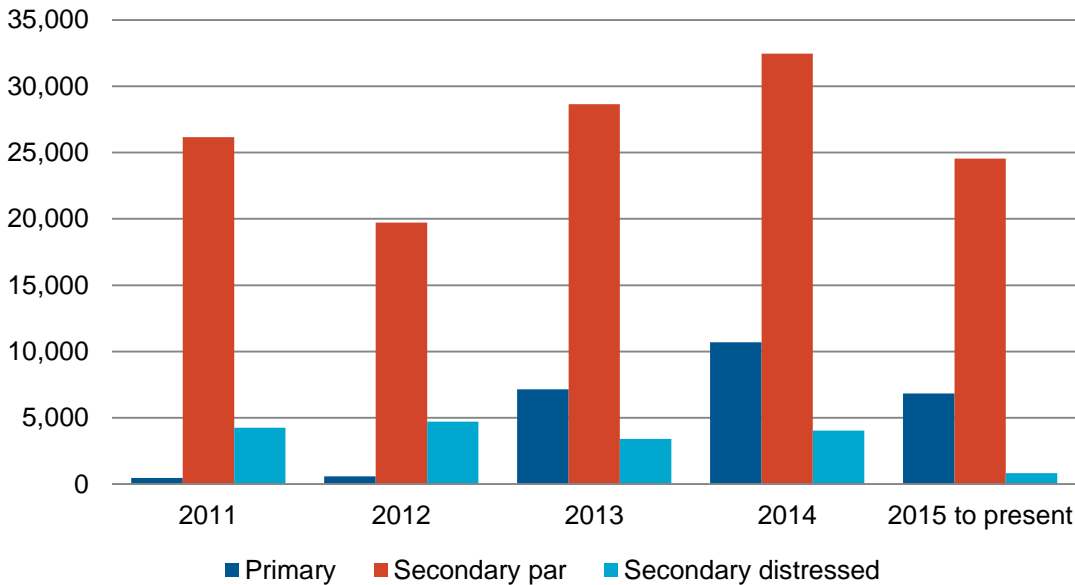
Markit loan trading volume survey third quarter 2015	Sales (€m)	# of buy trades	# of sell trades
Non-leveraged trading (Western Europe)	€ 2,700.00	95	146
Leveraged trading (Western Europe) - Par	€ 8,291.00	3016	2441
Leveraged trading (Western Europe) - Distressed	€ 2,309.00	363	355
Emerging markets trading (EEMEA)	€ 2,211.00	132	173
<b>Total</b>	<b>€ 15,509.00</b>	<b>3606</b>	<b>3115</b>



## Loan settlement volumes

### ClearPar loan trade settlement notional volume on LMA documentation

in millions notional

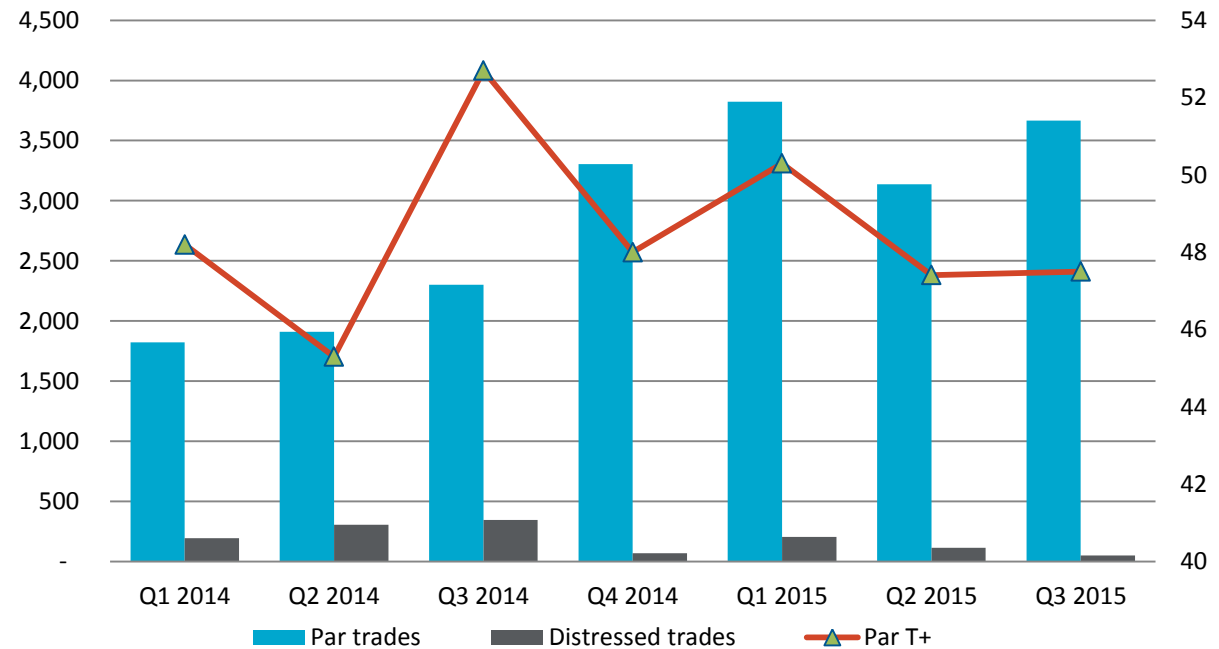


Source: Markit Loan Settlement

### 2014-15 ClearPar closed trades and average settlement times

Number of closed trades

Settlement time in days



Source: Markit Loan Settlement

## Contributors

A total of 21 buy-side and sell-side institutions participated in this survey. The participating institutions are listed below.

### Institutions

- |                    |                              |                          |
|--------------------|------------------------------|--------------------------|
| — Babson Capital   | — Crédit Agricole            | — M&G                    |
| — Bank of America  | — Credit Suisse              | — Morgan Stanley         |
| — Barclays Capital | — Henderson Global Investors | — Natixis                |
| — Blackstone / GSO | — ICG                        | — Nomura                 |
| — BNP Paribas      | — Invesco                    | — Royal Bank of Scotland |
| — Commerzbank      | — JP Morgan                  | — Société Générale       |
| — CQS              | — Lloyds Banking Group       | — Stifel Nicolaus        |

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