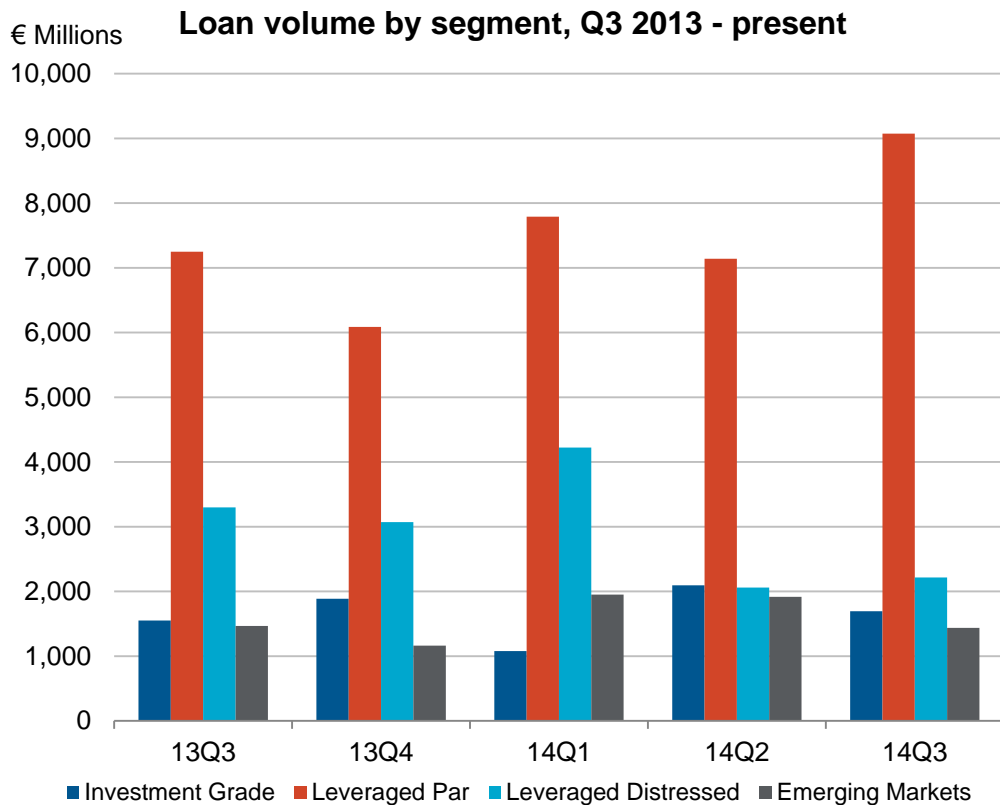


Markit European loan volume survey

Q3 2014 / October 27 2014

The European secondary loan continues its positive momentum. Volumes in the third quarter rose to €14.42 billion, up 9% from last quarter and 7% higher than the same period last year. Highlights include:

- Leveraged loan volumes (Western Europe) constituted 78% of the total volume in the first quarter, with 63% of this conducted on Loan Market Association (LMA) par documentation versus 15% on LMA distressed documentation
- European investment grade loan volumes represent 12% of the total, down slightly from last quarter's share at 16%
- Emerging markets were also down slightly this quarter (Eastern Europe, Middle East and Africa) representing 10% compared to 14.5% last quarter
- Overall European leveraged loan volumes rose in the third quarter; the second consecutive quarter of growth in volumes



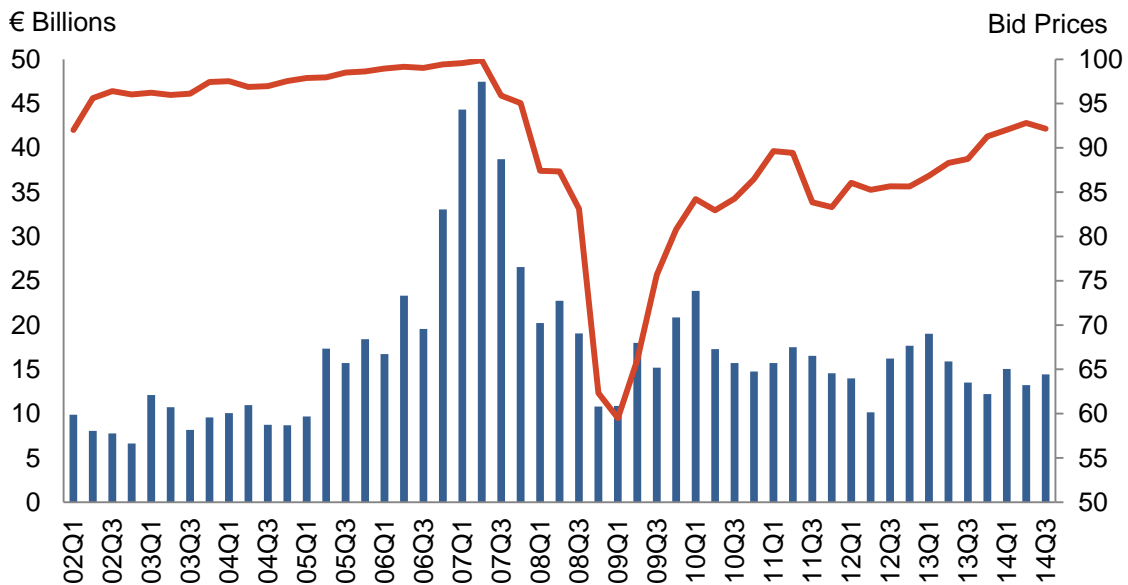
Source: Markit

Survey results

Total volumes were up by just over 9% with distressed leveraged loan trades rising by a similar amount up 7% from €2,060m to €2,215m, although these levels are still at their lowest since the beginning of 2012. Historically lower levels of fluctuation in par volumes have been observed, but this group saw the largest increase in volume from last quarter up 27% from €7,140m to €9,073m; the highest level recorded since the tail end of 2011. Both investment grade and emerging markets were down from last period, with the latter down by a quarter from €1,916m to €1,437m. There was little change in EM levels between the two previous quarters but this movement restores it to its title of the most erratic sector. Finally, investment grade trading was also down 20% from €2,095m to €1,695m.

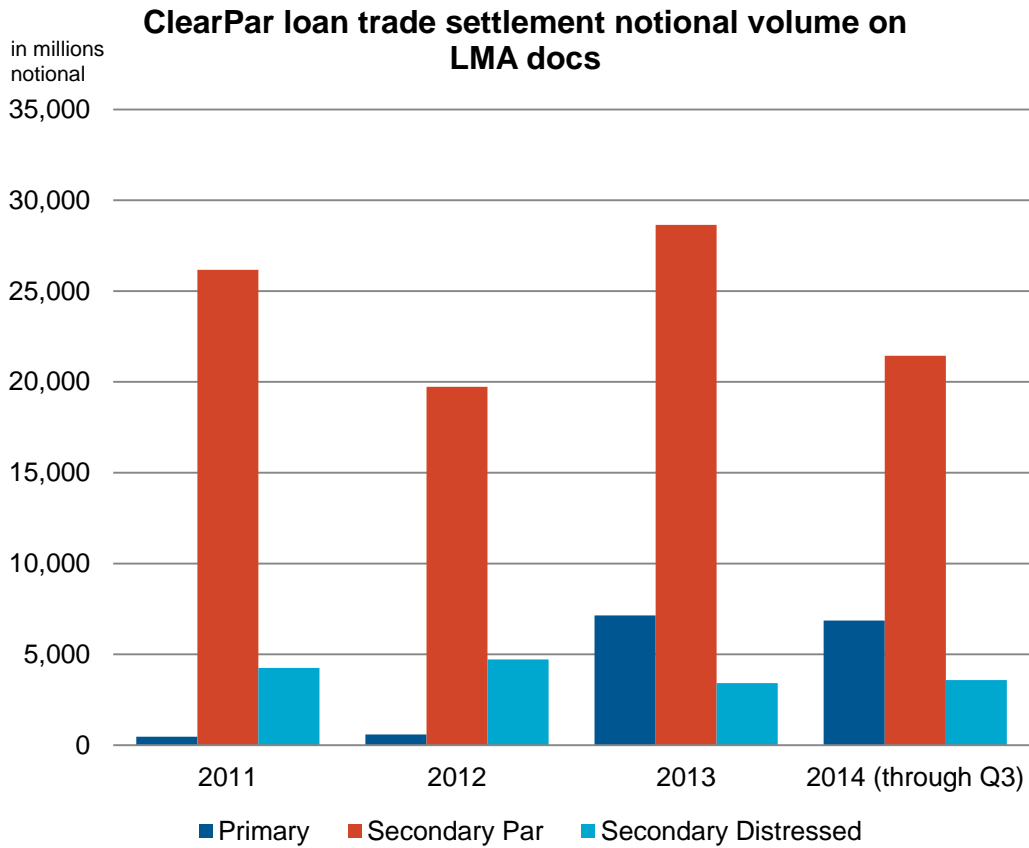
| Markit loan trading volume survey third quarter 2014 | Sales (€m) |
|--|------------|
| Non-leveraged trading (Western Europe) | € 1,695.00 |
| Leveraged trading (Western Europe) - Par | € 9,073.00 |
| Leveraged trading (Western Europe) - Distressed | € 2,215.00 |
| Emerging markets trading (EEMEA) | € 1,437.00 |

European secondary loan volumes and average bids

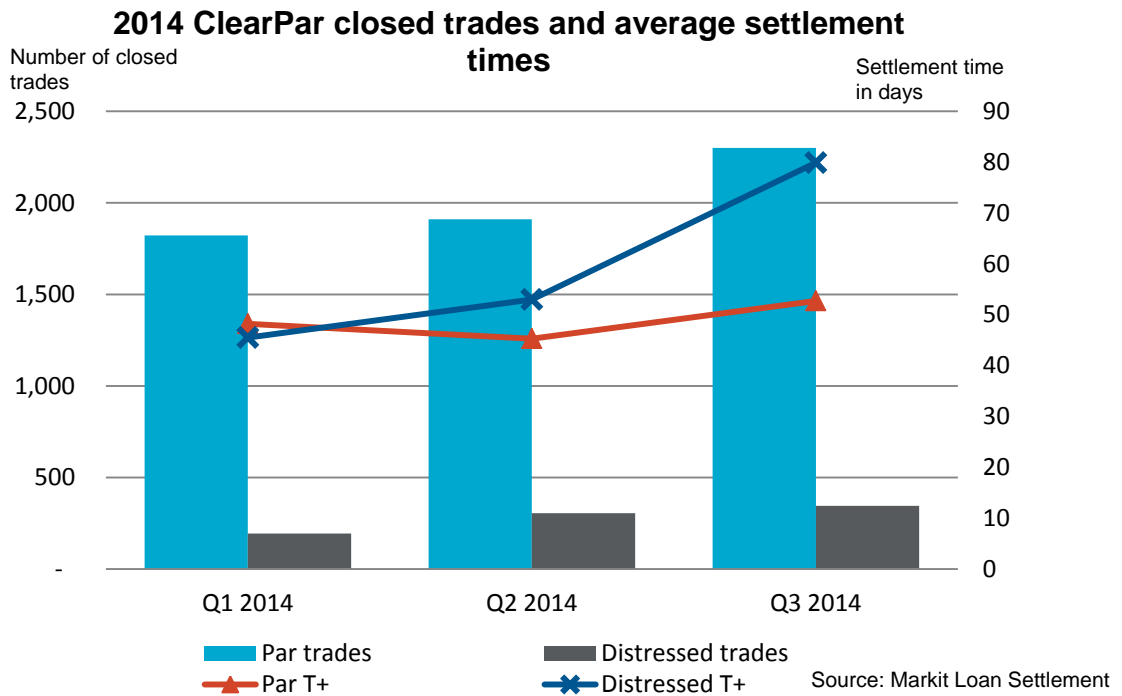


Source: Markit, LMA

Loan settlement volumes



Source: Markit Loan Settlement



Source: Markit Loan Settlement

Contributors

A total of 20 buy-side and sell-side institutions participated in this survey. The participating institutions are listed below.

Institutions

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

More information

Rory McSwiggan

assistant vice president

Markit

+44 20 7064 6404

rory.mcswiggan@markit.com

Dane Quigley

associate

Markit

+44 20 7064 6314

dane.quigley@markit.com

Colin Brunton, CFA

vice president

Markit

+44 20 7064 6499

colin.brunton@markit.com

James Irwin

vice president

Markit Loan Settlement

+44 20 3367 0486

james.irwin@markit.com

For further information, please visit markit.com

The intellectual property rights to this report provided herein is owned by Markit Group Limited. Any unauthorized use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental or consequential damages arising out of the use of the data. Markit is a trademark owned by the Markit group.