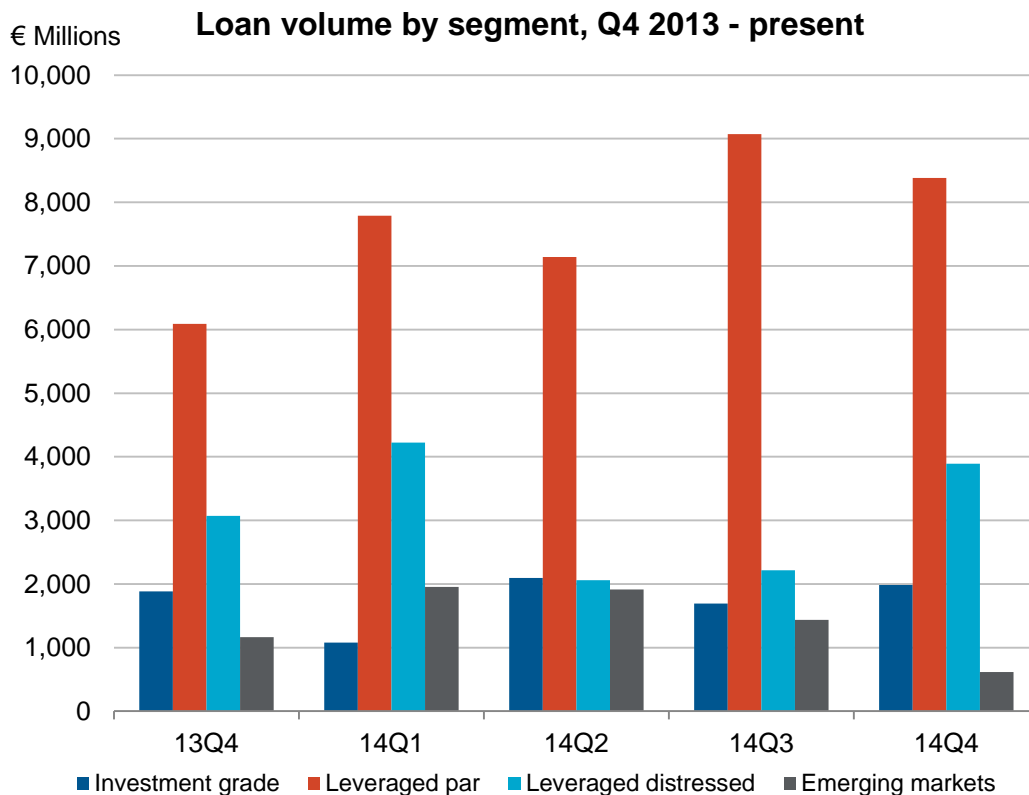


# Markit European loan volume survey

Q4 2014 / January 26 2015

The European loan market continues its upwards trajectory albeit ever so slightly. Total volumes in the final quarter of 2014 rose by just over 3% to €14.9 billion. This figure was 22% higher than the €12.2 billion recorded at the end of 2013. Highlights include:

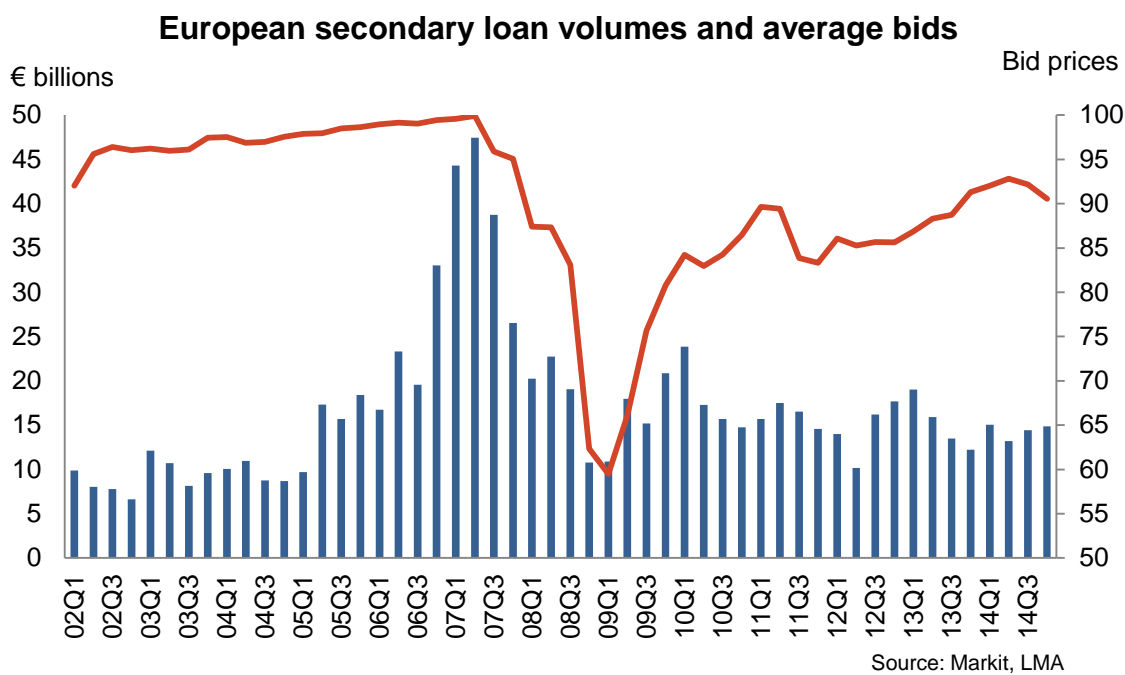
- Leveraged loan volumes (Western Europe) constituted 82% of the total volume in the final quarter, with 56% of this conducted on Loan Market Association (LMA) par documentation versus 26% on LMA distressed documentation
- European investment grade loan volumes represent 13% of the total, up slightly from last quarter's share at 12%
- Emerging markets were also down significantly this quarter (Eastern Europe, Middle East and Africa) representing 4% compared to 10% last quarter
- Overall European leveraged loan volumes rose in the fourth quarter, the third consecutive quarter of growth in volumes



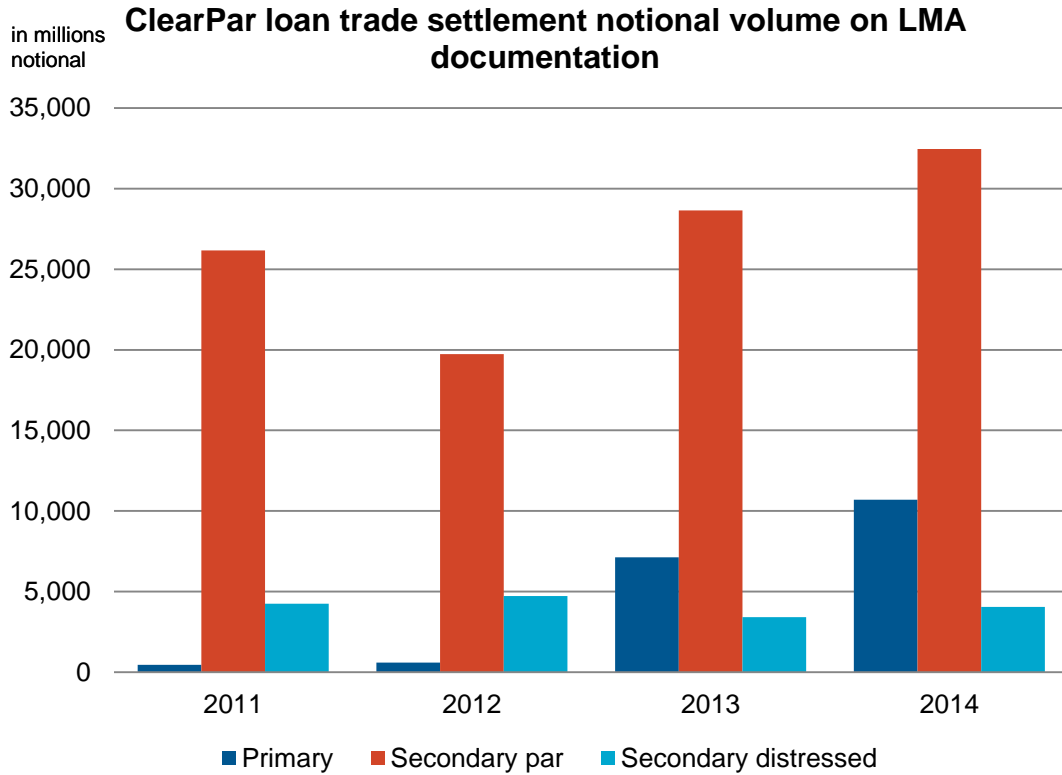
## Survey results

Whilst the total volumes were only up by 3% there was a large shift in the composition of the different market segments. There was little change in par volumes coming in down 7.5% from €9,073m last quarter to €8,385m this quarter. By far the biggest swing though came in distressed volumes, which shot up by more than 75% from €2,215m to €3,893m. Conversely, EEMEA levels plummeted from €1,437m to €617m representing a decrease of over 57%. There was little change between the second and third quarters but this recent fluctuation is not uncommon for this segment of the loan market. Finally, investment grade trading was up 17% from €1,695m to €1,983m. The average leveraged loan bid fell for the first time in two consecutive quarters since 2011, down to 90.56 this period from 92.17 last quarter.

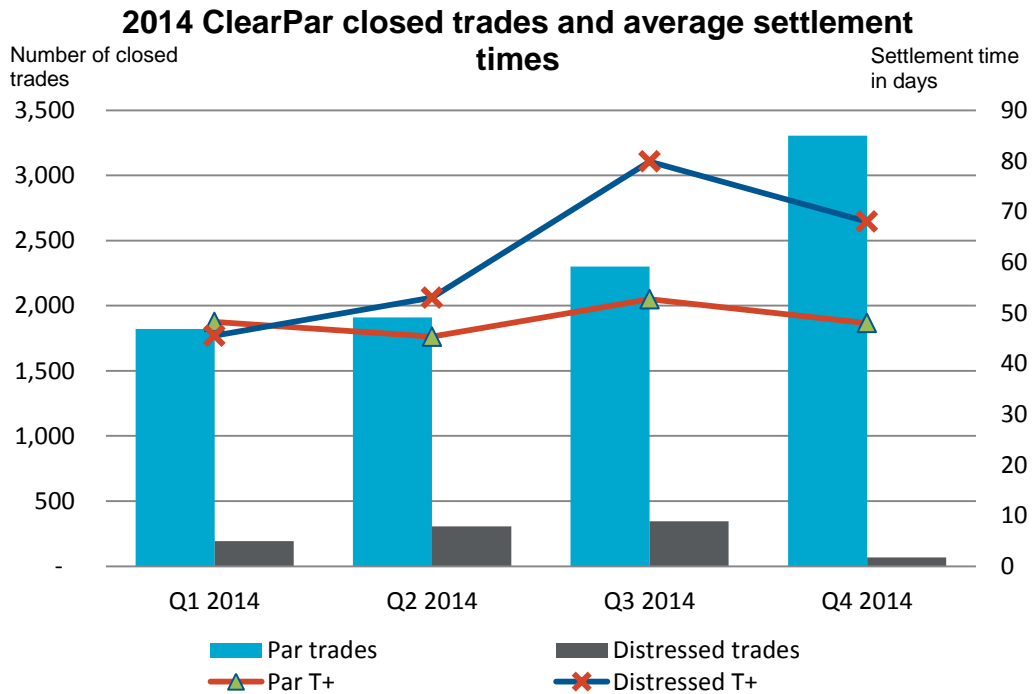
Market loan trading volume survey fourth quarter 2014	Sales (€m)	# of buy trades	# of sell trades
Non-leveraged trading (Western Europe)	€ 1,983.00	103	149
Leveraged trading (Western Europe) - Par	€ 8,385.00	2858	3008
Leveraged trading (Western Europe) - Distressed	€ 3,893.00	229	316
Emerging markets trading (EEMEA)	€ 617.00	231	314



# Loan settlement volumes



Source: Markit Loan Settlement



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

- |                             |                              |                          |
|-----------------------------|------------------------------|--------------------------|
| — Anchorage Capital         | — CQS                        | — Lloyds Banking Group   |
| — Babson Capital Management | — 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       |

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