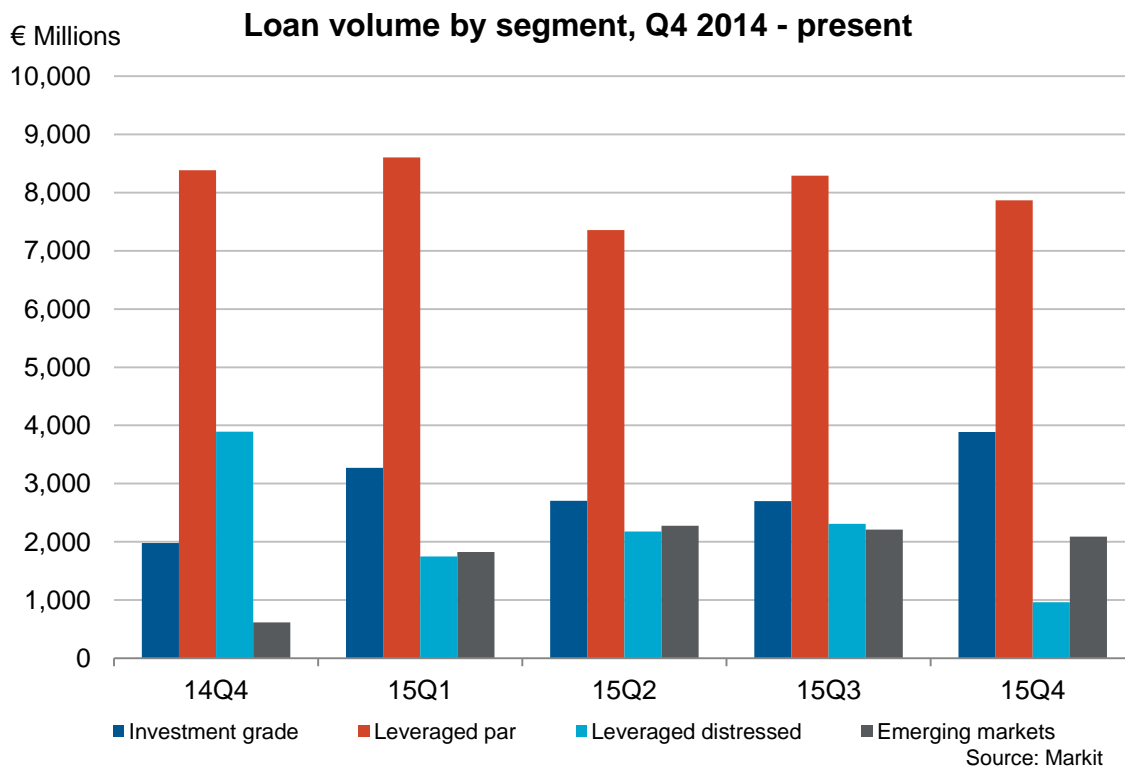


# Markit European loan volume survey

Q4 2015 January 22<sup>nd</sup> 2016

The total trade volumes in the European loan market are slightly down in the final quarter of 2015. Total volumes have dropped to €14.807bn, down 4.5% from €15.509bn in the previous quarter. Year on year volume is almost identical to the €14.877 we saw in the fourth quarter of 2014. Highlights include:

- Leveraged loan volumes (Western Europe) constituted 60% of the total volume in the fourth quarter, down on the 68% composition of the previous quarter. This was significantly down when compared to the 82.5% recorded at Q4 2014. Of the 60% for Q4 2015, 53% of total was conducted on Loan Market Association (LMA) par documentation versus 6.5% on LMA distressed documentation
- European investment grade loan volumes represent 26.3% of the total, significantly up from last quarter's share of 17.4%
- Emerging market figures held steady in Q4 (Eastern Europe, Middle East and Africa), with 14.1% of the total volume against the previous quarter's mark of 14.3%



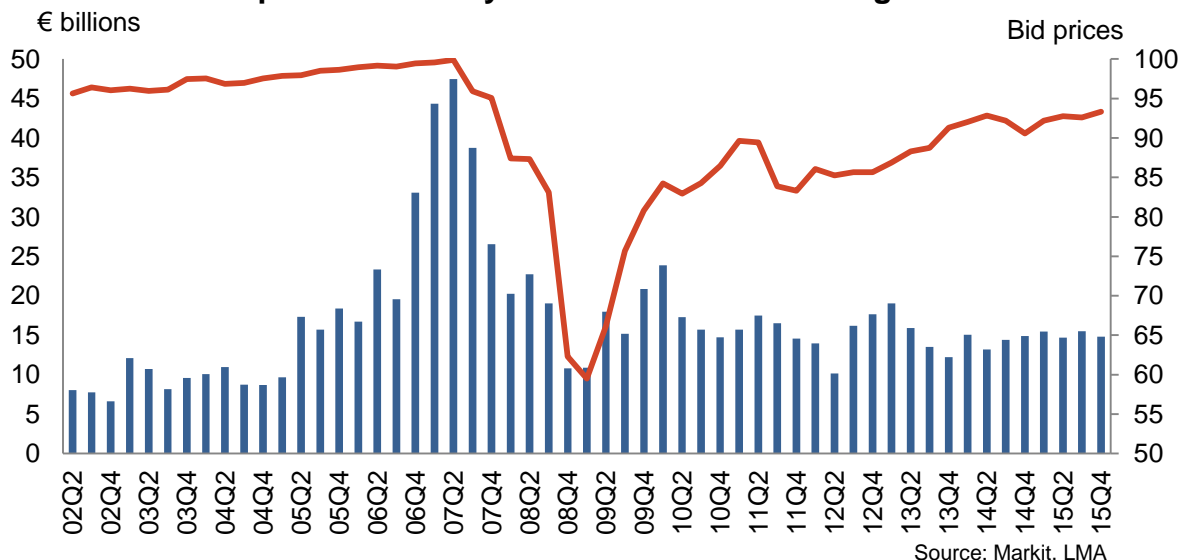
## Survey results

While total trade volumes are only down by less than 5%, there has been a shift in the composition of the market segments. Trade volumes of investment grade loans has shot up to €3.888bn which when compared to €1.983bn in Q4 2014 represents a year on year increase of almost 100%. Conversely, distressed volumes are down this quarter to just €0.963bn; less than one-quarter of the €3.893bn recorded in Q4 2014 and the first time it has been recorded under 1bn. Since a low figure of €0.617bn in Q4 2014 emerging markets volumes consistently came in around 2bn with a figure 2.089bn in Q4 2015. The average leveraged loan bid has risen for the fifth consecutive quarter, from 92.59 at the end of Q3 to 93.32 at the end of Q4, representing an increase of 70bps and the first time over 93 post crisis.

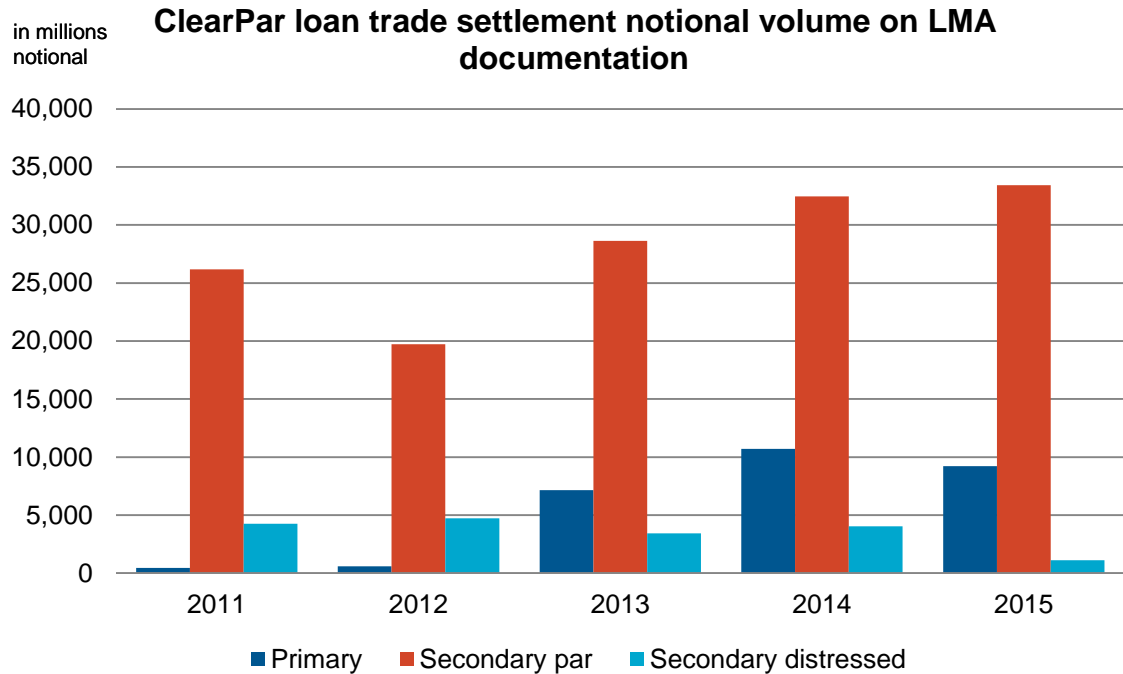
	Total	IG	Par	Distressed	EM
4Q15 SALES (€m)	€ 14,807	€ 3,888	€ 7,867	€ 963	€ 2,089
3Q15 SALES (€m)	€ 15,509	€ 2,700	€ 8,291	€ 2,309	€ 2,211
2Q15 SALES (€m)	€ 14,692	€ 2,703	€ 7,537	€ 2,178	€ 2,275
1Q15 SALES (€m)	€ 15,459	€ 3,273	€ 8,604	€ 1,752	€ 1,826
4Q14 SALES (€m)	€ 14,877	€ 1,983	€ 8,385	€ 3,893	€ 617

Markit loan trading volume survey fourth quarter 2015	Sales (€m)	# of buy trades	# of sell trades
Non-leveraged trading (Western Europe)	€ 3,888.00	311	301
Leveraged trading (Western Europe) - Par	€ 7,687.00	2845	2511
Leveraged trading (Western Europe) - Distressed	€ 963.00	230	183
Emerging markets trading (EEMEA)	€ 2,089.00	145	151

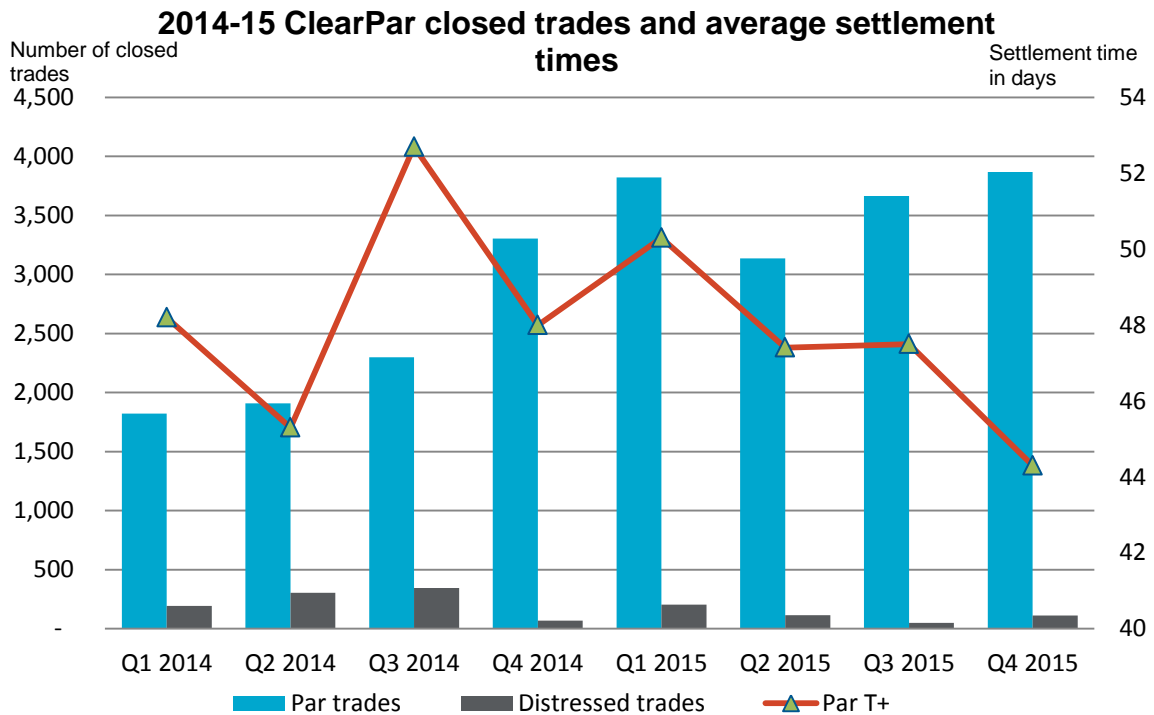
### European secondary loan volumes and average bids



## Loan settlement volumes



Source: Markit Loan Settlement



Source: Markit Loan Settlement

## Contributors

A total of 24 buy-side and sell-side institutions participated in this survey. The participating institutions are listed below:

- |                     |                              |                          |
|---------------------|------------------------------|--------------------------|
| — 3i Debt           | — CQS                        | — Lloyds Banking Group   |
| — Anchorage Capital | — Crédit Agricole            | — M&G                    |
| — Babson Capital    | — Credit Suisse              | — Morgan Stanley         |
| — Bank of America   | — Henderson Global Investors | — Natixis                |
| — Barclays Capital  | — ICG                        | — Nomura                 |
| — Blackstone / GSO  | — Invesco                    | — Royal Bank of Scotland |
| — BNP Paribas       | — JP Morgan                  | — Société Générale       |
| — Commerzbank       | — KKR Credit                 | — Stifel Nicolaus        |

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