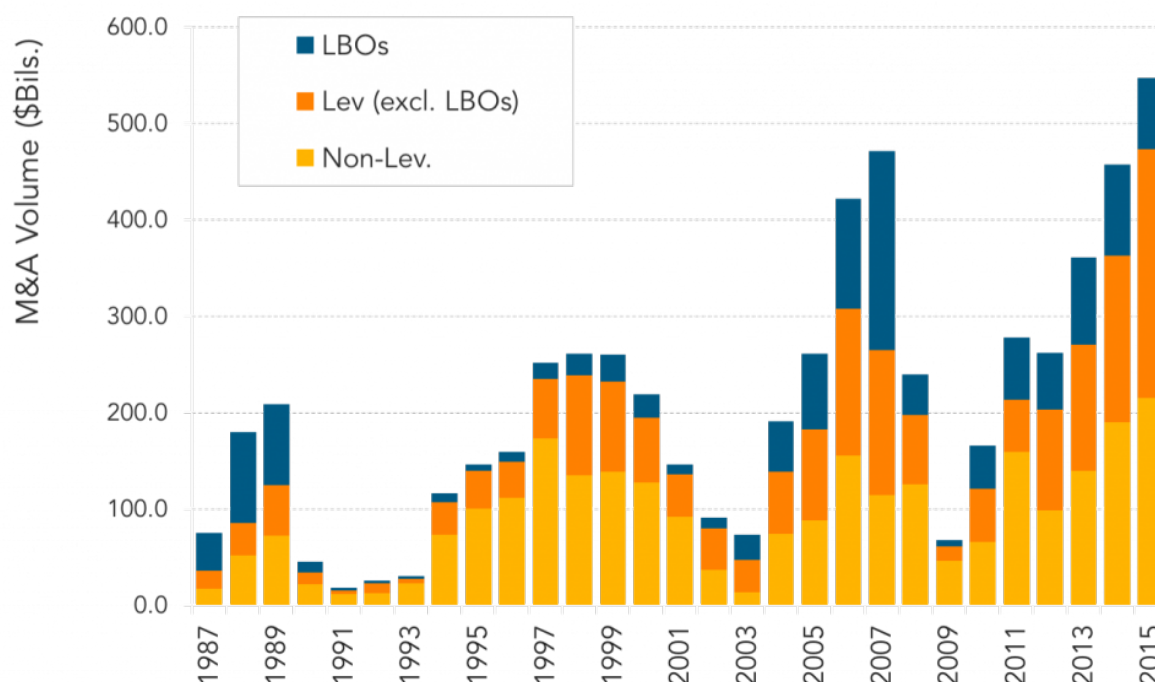


Leveraged Loan Insight & Analysis – 1/4/2016

LSEG | January 6, 2016

At US\$2trn, US syndicated loan issuance was down 6% compared to 2014. Leveraged loan issuance fell 17% in 2015 to US\$783bn but this was offset by a 4% increase in investment grade lending which reached a record US\$873bn. At US\$740bn, US new money lending was the third-highest on record following 2006's and 2007's US\$762bn and US\$839bn, respectively. M&A-related financings made up the bulk of this figure reaching an all-time record of US\$546bn.

US M&A-related loan issuance reached US\$546bn record in 2015



In the leveraged space, corporates borrowed US\$211bn to pursue acquisitions while sponsors borrowed US\$120bn including US\$73bn in LBO financings. US investment grade issuers borrowed a record US\$181bn in M&A-related financings, up from 2014's then record US\$174bn. Bridge loan financings reached a record US\$135bn in 2015, up from 2014's US\$126bn backing acquisitions for issuers including Anthem, AbbVie, CVS Caremark, Aetna and Southern Co. Investment grade borrowers also relied on term loans, which reached a record US\$73bn in 2015 with 2007's US\$63bn ranking second. In the leveraged market, investor selectivity and a volatile market backdrop coupled with banks adhering to Leveraged Lending Guidance resulted in leverage levels on large corporate buyout deals tightening in the fourth quarter. Average leverage was circling around 5.6 times in 4Q15, down from 6.2 times in 3Q15 and the lowest since 4Q11.

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