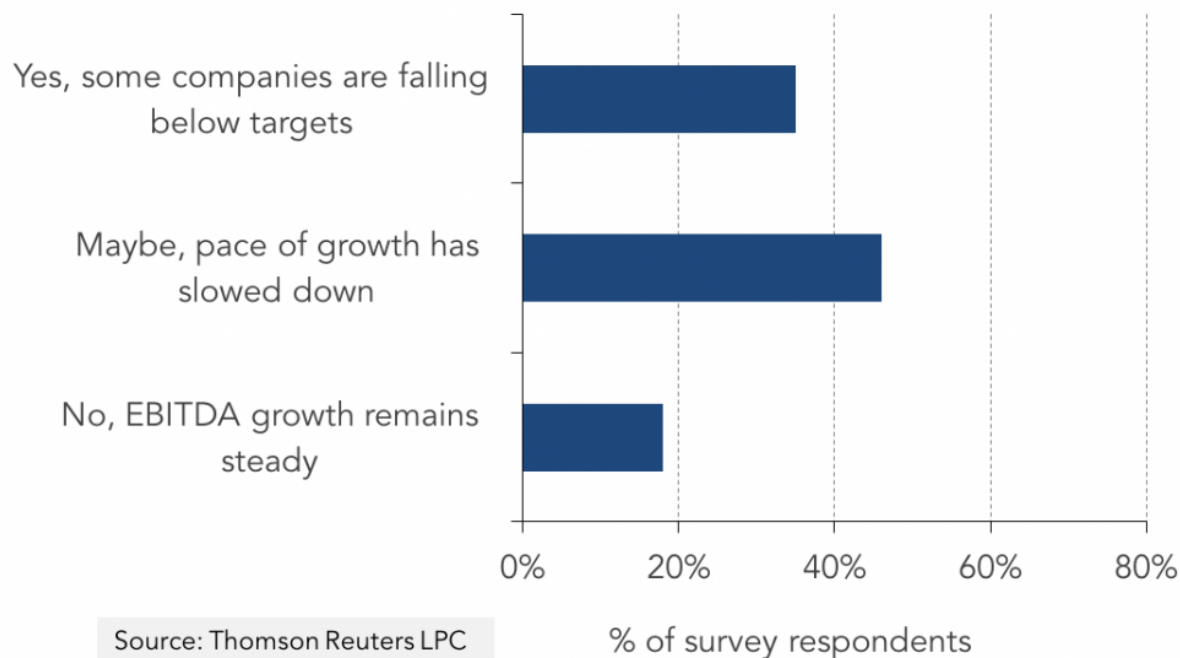


Leveraged Loan Insight & Analysis -9/19/2016

LSEG | September 22, 2016

Lender Survey: Are you seeing cracks in your portfolio?

Yes, we are seeing signs of cracks in credit quality in our portfolios, said roughly 35% of the attendees gathered at the Marriott in Times Square for Thomson Reuters LPC's 22nd Annual Loan & CLO Conference on Thursday. While these respondents said some companies are falling below targets, 46% of respondents said that they may be seeing some cracks as the pace of growth for some companies has slowed down.



Conversely, 18% said that EBITDA growth remains steady and they are not seeing much change in their portfolio companies. Of course the majority of issues have been centered around metals, mining, oil and gas. Results were somewhat similar when nearly 400 attendees gathered at the Marriott in Times Square for Thomson Reuters LPC's 4th Annual Middle Market Loans Conference this spring and 42% reported seeing signs of cracks in credit quality in portfolios, about half reported a slower pace of growth and only nine percent said that EBITDA growth remains steady and they are not seeing much change in their portfolio companies. This figure is half of last week's figure, a sign that in other sectors, there are also signs of improvement.

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