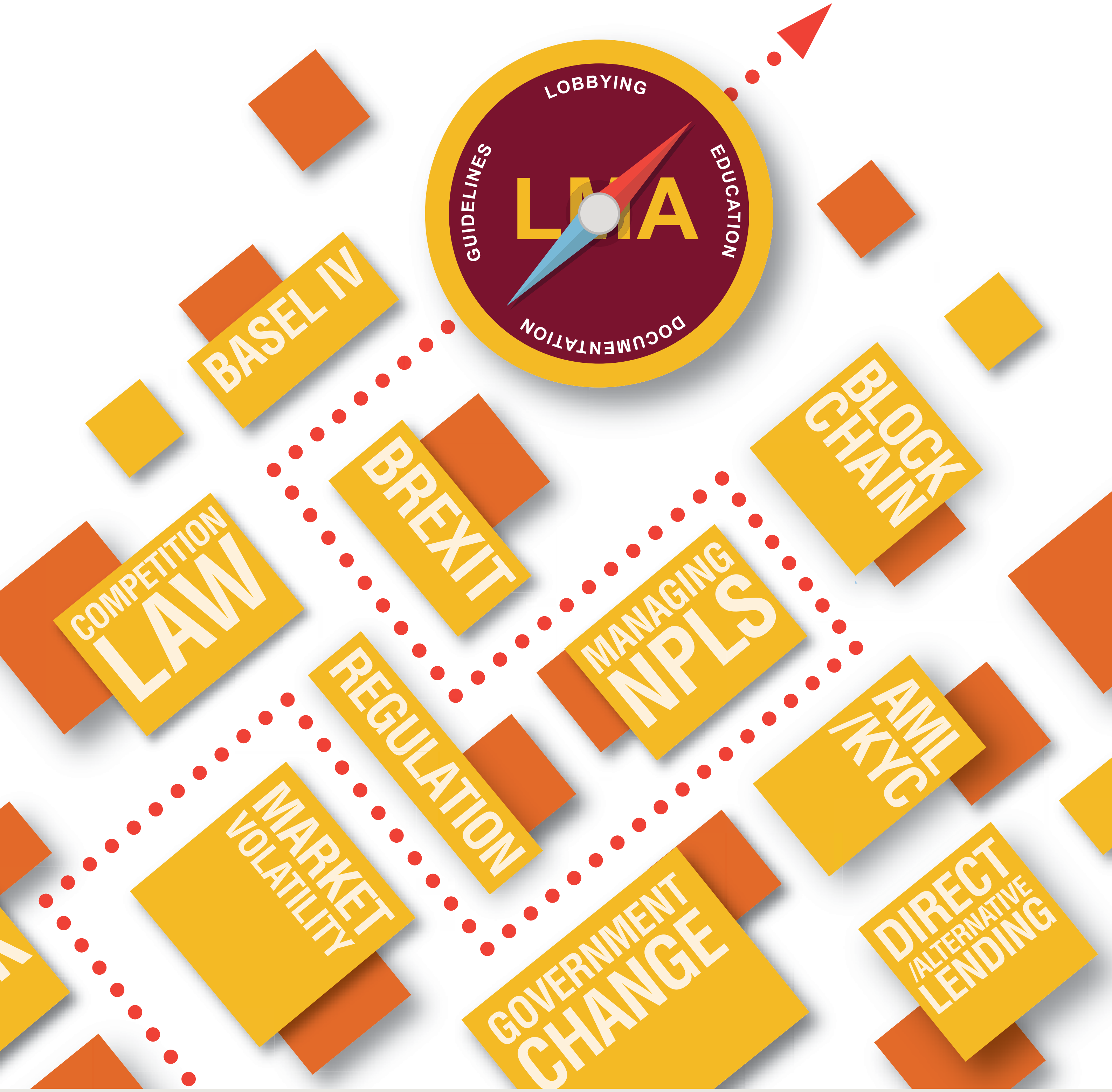
Loan Market Association

the authoritative voice of the EMEA market

Syndicated Loans Conference
19 September 2017, London
Navigating Change



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Welcome

LMA Syndicated Loans Conference
London
19 September 2017

Dear Delegate,

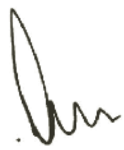
Our first London Conference was set against the backdrop of what came to be called the credit crunch. Arising from that time came numerous changes to our industry, many of which are still being implemented and their consequences managed today.

Ten years on we are not only having to cope with legacy issues from that crisis, but are also meeting fresh geopolitical, regulatory, technological and economic concerns in many parts of the world. So once again we find ourselves in challenging times. These challenges must be properly understood if they are to be effectively navigated. The theme of this conference is therefore “navigating change”. This theme is not just for today, but constantly informs the work of the LMA as we strive to assist our members with the challenges change brings, be it through ensuring our documentation reflects the latest regulatory and market developments, producing guidelines that are current, lobbying regulators to protect the loan market from negative unintended consequences, training or, indeed, events such as this conference.

We are fortunate to have the invaluable active assistance of many members. Today some of those members will be speaking to you on their particular area of expertise. I would like to thank them for their time, not just today, but for the many other occasions on which they step forward to help us with our numerous projects.

This is your opportunity to hear about and discuss the issues impacting the loan market so as to be in a better position to navigate them. It is also your opportunity to make your voice heard, so please actively participate in what I know will be a very well informed and instructive day.

Clare Dawson
Chief Executive – LMA



Roland Boehm
Chairman – LMA

Programme

8.15 **Registration**

9.00 **Welcome and update from the LMA**
Clare Dawson, Chief Executive – LMA

9.15 **Chairman's address**
Roland Boehm, Divisional Board Member, Corporates International – Commerzbank & Chairman – LMA

9.25 **Heads of Syndication panel: steering the market**

Chair: Keith Taylor, Head of Loan Syndicate, EMEAPAC – Barclays

Paul Gibbs, Co-Head, EMEA Loans & Acquisition Financing – Citi

Nick Jansa, Global Co-Head of Leveraged Debt Capital Markets – Deutsche Bank

Itziar Letamendi, Head of Loan Markets, Continental Europe – Banco Santander

Mathias Noack, Co-Head of Debt Capital Markets – Loans & Bonds, EMEA – MUFG

Terence Shanahan, Global Head of Syndicate – SG CIB

10.15 **Economic update: spotting the 'icebergs'**

Chair: Trevor Williams, Chair – IEA Shadow Monetary Policy Committee & Economic Consultant – TW Research

Shamik Dhar, Chief Economist – Foreign & Commonwealth Office

Graeme Leach, CEO & Chief Economist – Macronomics

Christine Shields, Founder & Chief Economist – Shields Economics

11.05 **Refreshments**

11.30 **Lenders and the loan product: a borrower's perspective**

Yves Gerster, Global Treasury & Shared Services Director – Dufry

Matthew Rhys-Evans, Director, Syndicated Finance – ING

12.00 **Developing markets: finding safe harbours**

Chair: Edward George, Country Head, UK Representative Office & Head of Group Research – Ecobank

Lorenz Jorgensen, Head of Loan Syndications – EBRD

Raouf Jundi, Managing Director – MUFG

Alper Kilic, Head of CF Europe & Head of Loan Syndications, Europe & Africa – Standard Chartered Bank

Constantin von Moltke, Head of Syndicated Loans – Afreximbank

12.45 **Lunch** Sponsored by CMS

Programme continued

14.00	**Real Estate Finance in a post Brexit world: the winds of change?** Chair: Sébastien Marcelin-Rice, Partner – Baker McKenzie Russell Gould, Managing Director, Commercial Real Estate Finance – Citi Cyrus Korat, Partner – DRC Capital David Phythian, Regional Head of Real Estate, London – HSBC Bank Craig Prosser, Director – LBBW Real Estate Finance Arron Taggart, Director – Cheyne Capital
14.40	**Liquidity and efficiency: sailing into the wind** Chair: Doug Laurie, Director – Barclays Yasmine Bassili, Managing Director – Goldman Sachs Charlie Bennett, Managing Director, Leveraged Credit Sales – Credit Suisse Ian Borman, Partner – Winston & Strawn Steven Connolly, Vice President, Wholesale Lending Services, Middle Office – J.P. Morgan James Slessenger, Head of European Covenant Analyst Team – Xtract Research
15.20	**Refreshments**
15.45	**Sailing windward: embracing change at high speeds** John Olesky, Managing Director, Co-Head Loan Platforms – IHS Markit
16.15	**Regulatory panel: review of current position - 'headwinds and high seas'** Chair: Nicholas Voisey, Managing Director – LMA Mark Campbell, Partner – Clifford Chance Edward Chan, Partner – Linklaters Christopher Kandel, Partner – Latham & Watkins Greg Olsen, Partner – Clifford Chance Phillip Souta, Partner – Clifford Chance
16.55	**Levfin for buysiders: shallow waters** Chair: Sandra Veseli, Managing Director, Corporate Finance EMEA – Moody's Investors Service Jonathan Bowers, Senior Portfolio Manager – CVC Credit Partners Fiona Hagdrup, Fund Manager, Leveraged Finance Group – M&G Investments Aly Hirji, Portfolio Manager – BlackRock Robert Reynolds, Chief Investment Officer – Spire Partners
17.35	**Closing remarks** Clare Dawson, Chief Executive – LMA
17.40–19.30	**Cocktail Reception** Sponsored by Slaughter and May

Speaker Biographies

Yasmine Bassili
Managing Director
Goldman Sachs

Yasmine is a Managing Director in the Debt Underwriting Group of Goldman Sachs and head of its EMEA Loan Negotiation Group. Prior to joining Goldman Sachs in 2007, Yasmine spent 10 years as a banking and Finance lawyer in New Zealand and London.

Charlie Bennett
Managing Director,
Leveraged Credit Sales
Credit Suisse

Charlie is a Managing Director of Global Markets at Credit Suisse, in London. He works in the Sales Group, within the Leveraged Finance Team, and is focused on leveraged loans, high yield and distressed debt sales and trading in Europe. The Sales Group is active in both the primary and secondary market, and is also responsible for sourcing CLO and financing opportunities.

Charlie joined CSFB in November 2000 from Donaldson, Lufkin & Jenrette. Prior to DLJ, he worked for Merrill Lynch, which he joined from CSFB where he was a Director from 1996 until 1998 in the Syndicated Finance Group. Between 1989 and 1996, he was a Director at Hill Samuel Bank. He was appointed to the Board of the LMA in 2009.

Charlie was educated at Pembroke College, Cambridge, followed by five years' service with the Grenadier Guards.

Roland Boehm
Divisional Board Member
Corporates International
Commerzbank
Chairman
LMA

Roland is Divisional Board Member, Corporates International at Commerzbank. Roland is responsible for the business with international corporate clients and Commerzbank's network of international branches and subsidiaries.

Before taking on his current role in January 2016, Roland served as the Divisional Head of Debt Capital Markets Loans, which includes Commerzbank's Syndicated Loans, Schuldschein, Strategic Asset Finance and Aircraft Business sectors.

Prior to its merger with Commerzbank in 2009, Roland was responsible for the loan syndication business at Dresdner Kleinwort for Europe and Developing Markets.

Since 2012, Roland has been Chairman of the Loan Market Association (LMA), having been elected as a member in 2009.

Born in Germany, Roland grew up in Australia and Canada, where he studied at the University of Alberta.

Speaker Biographies continued

Ian Borman
Partner
Winston & Strawn

Ian is a Partner in the London office of Winston & Strawn LLP. He advises lenders and borrowers on international finance transactions especially cross border, leverage financing. Ian's practice includes the full range of debt products, including structured finance, junior debt, restructuring and secondary transactions (including debt portfolio transactions).

He has recently advised on leveraged finance transactions for clients including Bank of America, Investec, RBS, Hayfin, Barings, Metric Capital Partners, Venn Capital, The AA, ISS Shipping, Leon Foods, Bowmark Capital, Water Street and Superior Industries.

Jonathan Bowers
Partner,
Head of European Performing Credit,
Senior Portfolio Manager
CVC Credit Partners

Jonathan manages the European performing credit business. He was a founder of CVC Cordatus (the predecessor to CVC Credit Partners) in 2006 and also established the European Credit Opportunities Vehicles. He has over 24 years of investment banking and investment management experience. Previously he was a senior director in the European leveraged finance group at Deutsche Bank (Bankers Trust), originating and structuring numerous financings for leveraged buyouts and corporate re-financings across senior, mezzanine, high yield and PIK investments. Prior to this, he worked in mergers and acquisitions at Charterhouse Bank after having trained as a credit analyst at Citibank in London and New York. He holds an MA (Joint hons) in French and History from the University of Oxford.

Mark Campbell
Partner
Clifford Chance

Mark specialises in acting for banks and borrowers in syndicated, leveraged and structured finance transactions as well as restructurings and has over 30 years' experience working in the loan markets.

Mark is widely recognised as one of the leading banking lawyers globally. He advises the EMEA trade association for the loan markets, the Loan Market Association, on its market standard primary and secondary loan documentation and is the editor of "Syndicated Lending – Practice and Documentation" (Euromoney Books).

Speaker Biographies continued

Edward Chan
Partner
Linklaters

Edward is a partner in Linklaters' banking and financial regulation practice. He specialises in complex structured financings, particularly those with elements driven by tax or regulatory capital requirements.

His practice also covers a board range of banking, structured finance, emerging markets and derivatives transactions. Edward has also worked with various financial institutions on prudential regulatory matters, such as advising on Basel III regulatory capital and liquidity requirements, bank ring-fencing under the Vickers and Liikanen proposals, and in relation to recovery and resolution planning. He is also leading the firm's approach to the impact and opportunities arising from European banking union.

Steven Connolly
Vice President, Wholesale Lending Services, Middle Office
J.P. Morgan

Steven joined J.P. Morgan in May 2010 and is currently head of EMEA Loan & Agency and Secondary Loan Trading Documentation. Steven is an experienced Loan Operations professional having successfully managed Loan Closing, Middle Office, Trade Support and Operations teams over a period of 11 years. Steven leads an LMA working group that is committed to achieving operational efficiency and driving best practice across the industry.

Clare Dawson
Chief Executive
LMA

Clare joined the Loan Market Association in 1999 after spending two years in the syndications department at Sumitomo Bank, working on loans in Europe, the Middle East and Africa. Prior to this she spent two years at the British Museum Development Trust raising funds for the Museum's Great Court project. Before joining the British Museum, Clare had spent some eight years at Sumitomo in the international department, including two years at the bank's head office in Tokyo, where she helped establish a syndications desk. In London she worked mainly on origination in various Western European and Nordic countries.

Clare has an honours degree in Modern and Medieval Languages from the University of Cambridge.

Speaker Biographies continued

Shamik Dhar
Chief Economist
Foreign and Commonwealth Office

Shamik is the Chief Economist and Director for Economics at the Foreign and Commonwealth Office (having started there in September 2014). He has had 30 years' experience as a professional economist, alternating between private and public sectors. He started at H.M Treasury in the late 1980s, moving on in the 1990s to Oxford Economic Forecasting and the Bank of England, (where he ran the UK forecast team and was a senior manager in Monetary Analysis). In 2000, he moved to Morley Fund Management, then in 2004 co-founded Fathom Consulting, a leading economics consultancy, before moving back into asset management with Aviva Investors in 2009.

Shamik has a BA in Philosophy, Politics and Economics from Oxford University, graduating in 1985, and a Masters in Economics from Queen Mary College, University of London.

Edward George
Country Head, UK Representative Office & Head of Group Research
Ecobank

Edward is the head of the UK representative office of pan-African bank, Ecobank, as well as being head of group research. Edward oversees the operations of the four teams that make up the UK representative office, with a focus on treasury, corporate banking, financial institutions/international organisations and research. As head of research he also manages a team of eight analysts based across Middle Africa covering the fixed-income, currencies and commodities space. Edward has a number of specialities, including soft commodities and agribusiness, trade and trade finance, and disruptive technology. He is also the bank's specialist on Francophone West Africa and Lusophone Africa. Edward works closely with the corporate bank and trade finance teams, and regularly visits soft commodity producers, processers and traders across Ecobank's 36-country African footprint. Prior to joining Ecobank in March 2011 Edward worked for The Economist Intelligence Unit (EIU) for seven years as a Senior Editor in both the Commodities and Africa Departments. He was responsible for producing and editing reports on Lusophone and Francophone Africa, as well as on 25 industrial raw materials, food, feedstuffs and beverages. Before joining the EIU, Edward worked as a freelance writer covering the politics and economics of Sub-Saharan Africa. A linguist by training, Edward is fluent in French, Spanish and Portuguese and holds a PhD in Political Science from the University of Bristol. His PhD thesis on the Cuban intervention in Angola was published as a book by Routledge in 2005 and came out in paperback in December 2012.

Speaker Biographies continued

Yves Gerster
Global Treasury & Shared Services Director
Dufry

Yves is Global Director for Treasury and Shared Services at Dufry, the leading travel retailer which is quoted in Switzerland and Brazil. In his function, among other tasks, Yves is responsible for the group financing which includes syndicated bank debt as well as senior notes issued in Europe and the USA.

Yves also serves on the council of trustees of Dufry's Swiss pension fund trust and as chairman of Dufry's cyber risk committee. He has 18 years of experience in finance in various industries. He graduated with a degree in economics at the University of Basel.

Paul Gibbs
Co-Head, EMEA Loans & Acquisition Financing
Citi

Paul is a Managing Director and Co-Head of EMEA Loans and Acquisition Financing within the Capital Markets Origination business. Based in London, he is responsible for the underwriting and syndication of Citigroup's loan related activities across the EMEA platform. Paul was most recently Head of Western European Loans. Paul has been with Citigroup since 1994.

Key deals and experience include:

Strategic Financing:

– $25 bn financing for BAT in its acquisition of Reynolds

– $3.275 bn of facilities for Sibanye Gold's acquisition of Stillwater

– €20 bn liquidity facility for VW

– €4.75 bn acquisition facility for EXOR

– $850 mn bridge financing for Shire

– €12.5 bn equivalent acquisition facility for ZF Friedrichshafen's acquisition of TRW. The deal was awarded 2014 German Deal of the Year and 2014 Deal of the Year by IFR and Euroweek

– €3.3 bn acquisition facility for J.A. Benckiser's take-private of DE Master Blenders. The deal was awarded "EMEA Leveraged Loan of the Year" by IFR in 2013

– $3.1 bn acquisition facility for Glencore's merger with Xstrata

– $8.5 bn acquisition related facility for Nestlé's acquisition of Pfizer Nutrition

General Corporate Financing:

Recent deals executed or in market include JLR, BMW, MTN, Nokia, Gategroup, Telefonica, BASF, Syngenta, British Airways, Standard Life, Nestlé, BT, Huawei, ABB, Glencore, Steinhoff, Peugeot, Bunge and Smiths

Speaker Biographies continued

Russell Gould
Managing Director, Commercial Real Estate Finance
Citi

Russell is a managing director in the Commercial Real Estate Finance team (Citi CREF), responsible for originating and structuring senior asset-backed and loan on loan financing across EMEA. Prior to joining Citi CREF, Russell was a director in the Commercial Real Estate Special Situations Group, making proprietary investments across the capital structure, including preferred equity, mezzanine debt origination, fund investment and sub-performing junior debt trading.

Fiona Hagdrup
Fund Manager, Leveraged Finance Group
M&G Investments

Fiona joined M&G Investments as a Director in August 2003. She is a portfolio manager for some separate market value accounts and the M&G European Loan Fund as well as being responsible for the structured vehicles investing in loans.

Prior to joining M&G, Fiona was a corporate Debt Capital Markets origination executive at BNP Paribas, responsible for the Nordic region. Before that, Fiona worked for 9 years at SEB, a Nordic financial institution, involved in both loan and fixed income origination.

Fiona is a Chartered Accountant, having qualified with Ernst & Young and has a MA in history from Cambridge University.

She is M&G's representative on the Board of the Loan Market Association, the industry trade body.

Aly Hirji
Portfolio Manager
BlackRock

Aly is a Portfolio Manager in the European Fundamental Credit team within BlackRock International Fixed Income, focusing primarily on the high yield leveraged loan asset class and related products, including CLOs.

Prior to joining BlackRock in 2014, Aly was a partner and portfolio manager at New Amsterdam Capital, a European credit manager focused on leveraged credit. He was responsible for managing CLOs, leveraged loan and high yield funds, managed accounts and trading. He joined the firm as its first employee in 2004 as a credit analyst and contributed to growing out the firm and its assets under management. He began his career at J.P. Morgan in 1999 working in leveraged finance origination, debt capital markets and financial sponsor coverage.

Aly earned a BSc degree, with honors, in economics from the University of Bristol in 1999.

Speaker Biographies continued

Nick Jansa
Global Co-Head of
Leveraged Debt Capital Markets
Deutsche Bank

Nick is a Managing Director at Deutsche Bank and is Global Co-Head of Leveraged Debt Capital Markets which includes the origination, execution and distribution of loans and high yield bonds. Nick joined Deutsche Bank in London in 1995 and has spent the majority of his career in debt markets in London and New York.

Lorenz Jorgensen
Head of Loan Syndications
EBRD

Lorenz has more than 30 years' experience in international banking, most of it spent in syndicated lending and emerging markets.

Lorenz joined EBRD in 1993 and is Director and Head of Loan Syndications.

Prior to joining the EBRD, Lorenz worked from 1989 to 1993 at Manufacturers Hanover Limited and Chemical Bank (now J.P. Morgan) in London, where he was a Vice President in the Loan Syndications and Asset Swaps Group.

Before this, Lorenz worked at Kansallis Banking Group (now Nordea) of Finland in London, where he worked in Scandinavian corporate finance, and at Creditanstalt-Bankverein of Austria, also in London (now UniCredit).

Raouf Jundi
Managing Director
MUFG

With over 25 years of banking experience, of which 22 years in syndicated loans at MUFG, Raouf is responsible for the bank's loan origination business across Europe, Middle East & Africa, covering corporate, sovereign and FI borrowers.

MUFG is a global bank present in over 40 countries. It ranks amongst the top 10 banks globally in terms of assets, capital and deposits. The Bank's strong profile in the syndicated loan market reflects its commitment to grow its business and is consistently ranked in the top 10, and in certain jurisdictions top 5, in the Bookrunner league tables. MUFG is a leading arranger of debt in the Middle East and over the past year has arranged over 10 high profile financings including Kingdom of Saudi Arabia, State of Qatar, YASREF & Mubadala. MUFG has also been awarded the GlobalCapital award for "Best Arranger of Loans in the Middle East" on several occasions, most recently for 2015.

Raouf has a BSc in Electronic Engineering from the University of Warwick and an MSc in Finance from Imperial College. He is fluent in English, French and Arabic.

Speaker Biographies continued

Christopher Kandel
Partner
Latham & Watkins

Christopher is a Co-chair of the firm's global Banking Practice Group and specialises in complex international acquisition and leveraged finance transactions. He is distinguished in the London market as one of the few attorneys with partner-level experience and expertise in handling leveraged finance and restructuring matters under both English and US law, with more than 20 years of experience in the London finance market. He has been recognised as a leading lawyer in various legal directories, including Chambers UK (Band 1), Legal 500 (leading individual) and IFLR1000 (leading lawyer).

Alper Kilic
Head of CF Europe & Head of Loan Syndications, Europe & Africa
Standard Chartered Bank

Alper is the regional head of SC's Corporate Finance Europe and Loan Syndications Europe & Africa businesses. He has over 20 years' experience in Finance and Banking covering USA, Europe, Middle East and Africa.

Alper joined SC in 2008 to focus on Structured Trade Finance and Financing Solutions in Sub-Saharan Africa.

His deal experience includes structured loans, loans syndications, securitisations and Islamic Finance. He has built core relationships with clients across oil & gas, infrastructure, telecoms and FI sectors in different geographies.

Alper also has extensive expertise in working with a wide range of Export Credit Agencies, Multilateral Agencies and Development Finance Institutions.

Prior to Standard Chartered, Alper worked at Citibank in Istanbul and London for 11 years.

Cyrus Korat
Partner
DRC Capital

Cyrus has over 20 years of real estate and debt capital markets experience. Prior to DRC Capital LLP, Cyrus was a Senior Investment Manager at Duet Private Equity Limited ("Duet"). Prior to Duet, Cyrus was a Managing Director at Merrill Lynch & Co. Cyrus holds a BSc in Banking and Finance from Loughborough University.

Speaker Biographies continued

Doug Laurie
Director
Barclays

Doug joined Barclays in 2008 and is Director and Head of Wholesale Lending Operations Transformation and Change. Doug has played an active part in driving improvements in settlement, efficiency and transparency in the loan markets both internally and externally and is currently Chairman of the LMA Operations Committee. Prior to joining Barclays, Doug worked at Citi where he built cross product operations experience in the Fixed Income/ Derivatives, Equities and Loans businesses.

Graeme Leach
CEO & Chief Economist
Macronomics

Graeme is Founder & Chief Economist of macronomics, a macroeconomic, geopolitical and future megatrends research consultancy launched in 2016.

Graeme is a visiting professor of economic policy, senior fellow of the Legatum Institute and a member of the IEA Shadow Monetary Policy Committee. He has a weekly column in the City AM newspaper in London.

Prior to forming macronomics, Graeme was Director of Economics and Prosperity Studies at the Legatum Institute, focused on the drivers of prosperity across the globe.

Between 1997 and 2013 he worked as Chief Economist and Director of Policy at the Institute of Directors (IoD), where he was also a Main Board Director. The IoD represents around 40,000 business leaders in the UK and overseas.

Earlier in his career he was Chief UK Economist and Chief International Economist, at The Henley Centre for Forecasting. He was also Economic Adviser to the Scottish Provident Investment Group.

Itziar Letamendi
Head of Loan Markets, Continental Europe
Banco Santander

Itziar is the Head of the Loan Markets team in Continental Europe, covering the origination, structuring and execution of event driven and plain vanilla syndicated financings for corporate clients across France, Benelux, Germany, Switzerland, Austria and Italy. Prior to this, she held several responsibilities within Santander. She ran the Loan Syndicate team in EMEA, dedicated to review underwriting risk of loan transactions including Project Finance, LBOs and Syndicated Financings. Additionally, she was also Head of the Loan Syndicate, Sales and Trading team in Europe and Iberia, with responsibility over the sales of performing loans in the primary and secondary markets. Itziar joined Santander in 2006.

Itziar started her career in BBVA, where she covered different positions in the Real Estate, LBO and Telecom Finance origination teams. She holds a Bachelor Degree in Business Administration from Deusto University in Spain.

Speaker Biographies continued

Sébastien Marcelin-Rice
Partner
Baker McKenzie

Sébastien is a banking partner in Baker McKenzie London office specialising in real estate finance and real estate focused special situations and restructuring.

Sébastien advises both lenders and sponsors/borrowers on the structuring, documentation, execution and exit of a variety of complex UK and cross-border real estate investments.

Mathias Noack
Co-Head of Debt Capital Markets – Loans & Bonds, EMEA
MUFG

Joining MUFG in 2017, Mathias is a Managing Director and Co-Head of Debt Capital Markets – Loans & Bonds for EMEA.

He is responsible for the origination, structuring and distribution of syndicated loan and bond transactions, secondary loan trading as well as MUFG's Bond Agency business within EMEA.

Mathias has over 20 years' experience in debt capital markets both in Europe and North America. He joined MUFG from UniCredit Bank, where he held a number of senior roles for over a decade, latterly as a Senior Vice-President and Co-Head of Global Syndicate. He previously held roles at Deutsche Bank and ING.

He is a member of the board of directors of the Loan Market Association.

John Olesky
Managing Director, Co-Head Loan Platforms
IHS Markit

John is Co-Head of Loan Platforms for IHS Market's loan processing businesses. He is responsible for the design and strategic direction of a number of loan products at IHS Markit including ClearPar, Markit Clear, Custodian Services, Notice Manager, and Markit Loan Reconciliation. John represents IHS Markit in market-wide strategic initiatives and works closely with the LSTA, LMA, partner vendors and market leaders to define solutions that will help drive innovation and greater efficiency.

John joined Markit in 2010 as part of its acquisition of ClearPar and is based in New York. Prior to joining Markit, he served as product manager for loan products at ACBS, a division of Fidelity National Information Services (FIS). Before entering the loan space, John was a product manager at Thomson (now Thomson Reuters) under its healthcare division.

John received a Bachelor of Art in Economics from the University of Florida and continued his education at the University of Florida receiving his Master of Science in Computer Engineering.

Speaker Biographies continued

Greg Olsen
Partner
Clifford Chance

Greg is an antitrust partner in the London office of Clifford Chance LLP. He specialises in EU and UK competition law and has significant experience advising on major transactions and critical investigations in the financial services sector.
He regularly represents clients before the EU and UK competition authorities. A past Chair of the Competition Section of the Law Society of England and Wales, Greg has over 20 years' experience and is widely recognised as a leading antitrust expert by a range of publications, including Chambers and Legal 500. Greg's recent experience includes, amongst other things, advising on the application of competition law to a range of inter-bank lending and trading activities, the CMA's ongoing Market Investigation Reference of Retail Banking Services, the European Commission's current antitrust investigation of interchange fees and various FCA market studies.

David Phythian
Regional Head of Real Estate
HSBC Bank

David is a career real estate banker having been in the sector for over 25 years. He worked in real estate at UCB Bank and United Bank of Kuwait before spending 6 years as a principal in several real estate businesses.
He joined HSBC in 2006 and has led the London Real Estate business for Corporate Banking for the last 9 years.

Speaker Biographies continued

Craig Prosser
Director
LBBW Real Estate Finance

Craig's focus is on the origination of LBBW's Commercial Real Estate loans for domestic and international real estate clients, asset management, and building the firm's UK client lending and distribution platform. Craig has successfully developed LBBW's commercial real estate loan business in London over the past few years, increasing the UK loan book to over €2.5b Euros booked in London, and in the process contributed to leveraging LBBW's profile today as one of the go-to lenders for many London Commercial Real Estate investors. Prior to this role, Craig managed a multi-billion portfolio of European CMBS positions at LBBW.

Craig joined LBBW from HSH Nordbank Capital Markets where his focus was on CRE Loan Origination, portfolio funding and distribution. Previously, Craig was a Director at Credit Agricole where he was responsible for UK & Northern Europe CRE loan origination, structuring & distribution for the Banks CMBS conduit platform. Craig was a founding member of the Bear Stearns CMBS team in London where he was an associate working on origination, structuring and distribution.

Craig holds an MBA with distinction from Oxford University and an MPhil Real Estate Finance from Cambridge University.

Robert Reynolds
Chief Investment Officer
Spire Partners

Rob is Chief Investment Officer at Spire Partners. Spire Partners is an award winning independent fund manager focussed on European non-investment grade credit. Spire has recently closed its 3rd CLO.

Rob was previously Chief Investment Officer of 3i Debt Management's Credit Opportunities Fund, and Portfolio Manager of four of 3i DM CLO's.

Before 3i, Rob was Managing Director and Chief Investment Officer for Resource Europe Management Ltd, a top performing European CLO manager.

Altogether, Rob has over 35 years of financial services experience having held leadership positions at a wide range of financial institutions.

Rob has a mathematics degree, a financial studies diploma, an MBA from City University Business School and a Doctorate in Business Administration from Durham University Business School.

Rob is an Associate of the Chartered Institute of Bankers, and a regular speaker at industry conferences.

Speaker Biographies continued

Terence Shanahan
Global Head of Syndicate
SG CIB

Terence joined Société Générale in December 1997 and he was appointed Global Head of DCM Bond Syndicate in 2005. In July 2010 Terry was appointed Deputy Global Head of Syndicate and he assumed his current role as Global Head of Syndicate in 2015.

Terry's responsibilities include the primary and secondary loan activities and the primary bond, schuldschein and EMTN activities.

Prior to joining SG Terry was a member of the Structured Financing Group at Morgan Stanley for three years.

Terry started his investment banking career in 1987 at Paribas Capital Markets Fixed Income London. Terence has an MBA from Schulich School of Business, Canada, and a BSc(H) in Actuaries and Applied Math's from the University of Toronto.

Matthew Rhys-Evans
Director, Syndicated Finance
ING

Matthew is Director of Western European Corporate Syndications at ING where he has worked since 2006. He has 15 years' experience in the loan market and has been primarily responsible for arranging corporate and acquisition financings in Western Europe as well as transactions for Infrastructure, TMT and Middle East clients. He began his career in 1999 at Lloyds TSB and has qualifications from the association of chartered management accountants (CIMA) and association of corporate treasurers (ACT).

Matthew went to King's College School, Wimbledon, the University of Birmingham and the University of Orléans, France and holds an honours degree in Money, Banking, Finance and French.

Speaker Biographies continued

Christine Shields
Founder & Chief Economist
Shields Economics

Christine is an independent economic advisor specialising in global macro-economic issues. Since 2014, she has been a consultant to Oxford Economics, one of the largest economics consultancies in the world. From 2006 -2013, Christine ran the Country Risk Research function in Standard Chartered Bank where she focused on political and economic risk. Previously she worked in Royal Bank of Scotland for many years, initially analysing UK, Japanese, US, and European economic trends, before moving exclusively into emerging markets risk analysis. She has worked in a markets environment, in research, in corporate banking, and in the risk function. Christine's degrees are from the LSE, where she studied after working in UK government service.

Christine was also a NED at Lloyd and Partners, a wholly owned subsidiary of JLT until 2014. She is a fellow of the Werthstein Institute and a panellist on their advisory programme. She lives in North London with her insurance broker son.

James Slessenger
Head of European
Covenant Analyst Team
Xtract Research

James spent 22 years as a finance lawyer based in the City of London. After studying law at the University of Cambridge, he trained at Herbert Smith LLP, one of London's leading international law firms, and then worked as an associate and, for 12 years, as a partner in its Finance Division. His long experience includes acting for borrowers and lenders in new money, refinancing and restructuring work in the syndicated loan, private equity and limited recourse and project finance markets, many of them multi-layered debt structures. Notably, he was involved in a number of high profile complex stressed and distressed debt situations. In particular, he lead the team advising Eurotunnel, the operator of the Channel Tunnel, (then the biggest ever private sector project financing by value and with a syndicate of over 200 lenders) on various renegotiations of its financing, including its 1995-1998 restructuring (of "Byzantine complexity" – Financial Times) whereby its syndicated project finance debt was partly exchanged into four new capital markets instruments. He also advised on two of Eurotunnel's subsequent innovative debt buy-backs, taking advantage of the below-par value of its long-term debt. His experience also includes inter-creditor and security issues. An English-qualified solicitor, much of his work had multi-jurisdictional elements, particularly in France and Germany (he spent a year and a half working in the loan market in Frankfurt at the introduction of the Euro single currency).

Speaker Biographies continued

Phillip Souta
Partner
Clifford Chance

Phillip specialises in public policy, advising bank, financial and corporate clients on future regulatory developments as well as other government activities in the UK and EU.

He is a member of the Advisory Board of the UCL European Institute, Chatham House, the Bar European Group and participates in the committees and working groups of TheCityUK. Phillip practises as an employed barrister qualified in England and Wales.

Arron Taggart
Director
Cheyne Capital

Arron has over 20 years' experience in the real estate markets. He joined Cheyne in August 2012 to originate real estate loans in the UK and Northern Europe and now leads the UK Private Credit business. Prior to Cheyne, Arron was a Property Specialist and Partner at Clydesdale Bank responsible for the origination and execution of real estate loans in London and the South of England. He was also responsible for the management of the loan portfolio and setting regional strategy. Prior to Clydesdale Bank he was at Bank of Scotland and Hitachi Capital.

Keith Taylor
Head of Loan Syndicate, EMEAPAC
Barclays

Keith is a Managing Director and Head of Loan Syndicate, EMEAPAC within the Investment Bank at Barclays, based in London. The team is responsible for managing the underwriting, pricing, syndication strategy and distribution of loans for clients in the region.

Keith has over 20 years of loan market experience and has covered the full range of loan market disciplines. He has extensive deal experience in M&A financing, corporate, leveraged, infrastructure and structured finance across industry sectors and geographies. He is currently a Board Director and Vice Chairman of the LMA.

Before joining Barclays in 1998, Keith was at The Royal Bank of Scotland where he was part of the Loan Syndications team, and previously held a number of relationship management roles.

Keith has a first class honours degree from Cambridge University and an MBA with distinction from Cass Business School.

Speaker Biographies continued

Sandra Veseli
Managing Director,
Corporate Finance EMEA
Moody's Investors Service

Sandra is a Managing Director in the Corporate Finance Group at Moody's Investors Service in London, leading the high yield and leverage finance franchise, as well as the TMT franchise in Europe.

Sandra joined Moody's in 2013, bringing 20 years of banking experience. Prior to Moody's, Sandra worked at Credit Suisse, where she was the Head of Rating Advisory for EMEA since 2010, after holding senior positions in the rating advisory teams at Morgan Stanley and Citi.

Sandra began her career at Dresdner Bank in Germany.

Sandra holds a Diploma from the Frankfurt Business School of Finance & Management.

Nicholas Voisey
Managing Director
LMA

Nicholas has been active in the loan and financial markets for over 30 years, most recently at KPMG and before that as Head of Syndications at National Australia Bank for 10 years. Prior to that, he held senior corporate banking roles for Japanese and North American institutions. He has a wide experience of the debt product, both primary and secondary, covering corporate, leveraged, real estate, including structured and project finance loans. He joined the LMA in 2008 and currently handles, amongst other things, regulatory matters for the Association.

He was responsible for editing the LMA publications, 'The Loan Book', 'Developing Loan Markets', 'The Real Estate Book' and '20 Years In The Loan Market', which were published in 2011, 2013, 2015 and 2016 respectively. Over 30,000 copies of the four books have been circulated to-date worldwide. He is a regular contributor to media and a speaker at conferences.

Nicholas was a Board Member of the LMA from 2001 to 2006.

Speaker Biographies continued

Constantin von Moltke
Head of Syndicated Loans
Afreximbank

Constantin is Head of Syndicated Loans at Afreximbank. Constantin has over 20 years' broad experience in corporate banking, structured/project financing and loan syndications. Prior to joining Afreximbank, he worked for African Development Bank and various international banks (AfDB – Head Syndication & Co-financing; UniCredit – Global Head Project & Structured Commodity Finance Loan Syndication; Dresdner Kleinwort Wasserstein – Manager, Energy & Utilities). Constantin has over 5 years' recent experience in originating and arranging syndicated loans for borrowers across sub-Saharan Africa.

Trevor Williams
Chair
IEA Shadow Monetary Policy Committee
& Economic Consultant
TW Research

Trevor runs his own consultancy – TW Research. He is a visiting Professor at the University of Derby, rotating Chairman of the Institute of Economic Affairs Shadow Monetary Policy Committee (SMPC) and author of Trading Economics: A Guide to Economic Statistics for Practitioners. Trevor was Chief Economist at Lloyds Bank Plc for well over a decade. He is a highly regarded speaker and commentator on current and future economic megatrends trends and their influence on financial markets, sectors and companies, as new political economy outcomes reverberate. Trevor also lectures at CASS Business School and Cardiff University. He is on the editorial board of Economia and the Journal of Corporate Treasury Management. He worked in the UK's Government Economic Service before joining Lloyds Bank. He regularly writes articles for publications and appears in the financial press and on television to represent economic views.

Cocktail Reception

The Loan Market Association and Slaughter and May request the pleasure of your company

at The Queen Elizabeth II Conference Centre
Britten Lounge from 5.40 pm to 7.30 pm

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of the EMEA market

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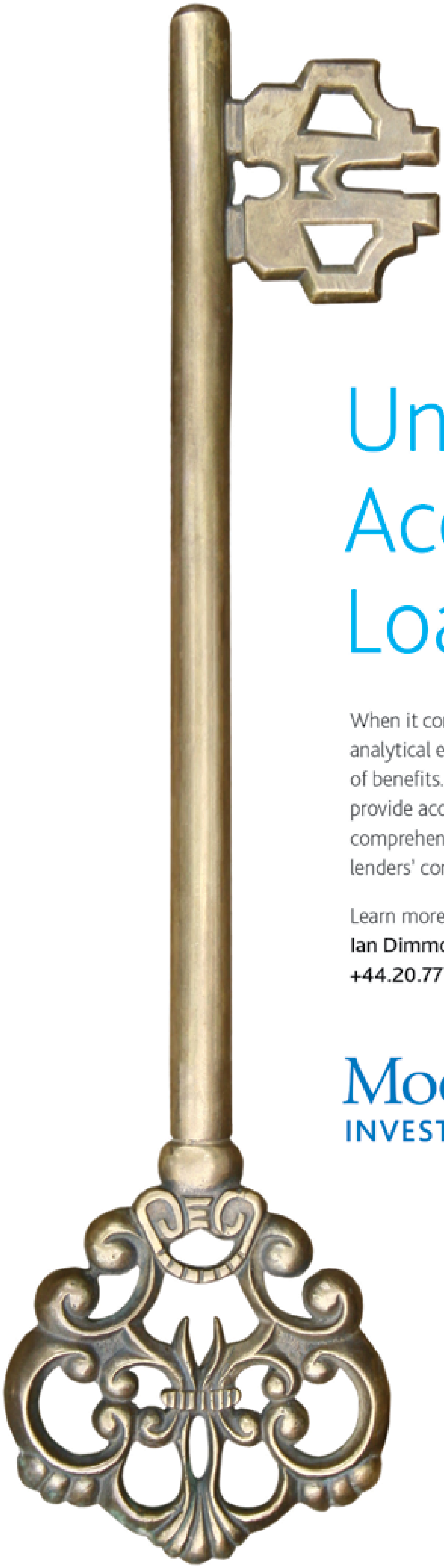

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Our financing specialists offer a first class service to both lenders and borrowers across the spectrum of financing matters and products, from the plain vanilla to the most complex arrangements that challenge market norms.

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For further information, please contact;

Europe
Juliana Ritchie
Juliana.Ritchie@cortlandglobal.com
+44 (0)20 3102 7381

USA
Lora Peloquin
Lora.Peloquin@cortlandglobal.com
+1 312-564-5055

Asia
Kevin Williams
Kevin.Williams@cortlandglobal.com
+86 1 770 251 7215

www.cortlandglobal.com

HQ'd in London, Finastra is the largest FinTech in Europe – formed from the merger of Misys and D+H in 2017.

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Dee Burke: dee.burke@finastra.com
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GLAS is a global, independent, conflict-free provider of loan agency and corporate trustee services. We provide a front office approach to typically back office services and have expertise in handling complex transactions proactively, with speed and flexibility whilst focusing on customer service. GLAS is solution-driven with extensive experience working alongside our clients as an Agent on unitranche transactions. We are also the Agent of choice on restructuring transactions where there is a need to change the Agent or Trustee. We are based in London, with offices in New York, New Jersey, Melbourne, Sydney and Singapore.

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Leveraged finance market documentation trends

Baker McKenzie.

State of the market

European leveraged finance issuance (leveraged loans and high yield bonds) decreased in Q2 2017 to €72.9 bn, a 19.6% decrease from €90.6 bn in Q1 2017 but a 16.3% increase from the €62.6 bn issued in Q2 2016. This was the second highest quarterly issuance since Q2 2014 (after the record quarterly issuance in Q1 2017).[1] Leveraged loan issuance was the biggest driver of this decrease with a fall of 31.3% quarter-on-quarter to €37.4 bn, but still up 24.1% year-on-year (€30.1 bn in Q2 2016). Most of the loans issued in Q2 2017 were 1st lien loans; there were no mezzanine loans and two second lien loans.[2]

Primary high yield issuance in Q2 2017 amounted to €35.4 bn on 79 deals, a 1.9% decrease from Q1 2017 (€36.1 bn on 78 deals) but a 9.1% increase from Q2 2016 (€32.5 bn on 56 deals).[3] The proportion of US Dollar denominated issuance increased to 45.4% of all issuance in Q2 2017, compared to 39.1% in Q1 2017 but decreased from 51.4% in Q2 of 2016.[4] Issuance for refinancing and/or repayment of debt in developed market Europe decreased to €8.7 bn, representing 34.5% of all issuance in Q2 2017, down from €12.1 bn (43.3% of total) in Q1 2017 and from €14.1 bn (48.8% of total) in Q2 2016.[5]

Convergence between European and US markets continue

The above update highlights that the leveraged financing market remains robust in Europe as sponsors continue to tap into the competitive debt markets (be it for new money, refinancings or recapitalisations) as an opportunity to extract additional value from their investments. Outside of the bank lending market, in common with the US, direct lending funds continue to play a growing role in the market and can offer a range of solutions without the need to syndicate, at times offering a faster track to funding. As a result, sponsors and borrowers have a strong bargaining position and have been able to pare back credit terms by requiring that lenders in the European TLB and unitranche markets accept either closer alignment to, or broader acceptance of concepts from, competing US TLB and High Yield products. Historically, this trend was most common in larger deals where there is more direct competition with the high yield market. However, we are increasingly seeing this trend infiltrating mid-market transactions. Purely commercial points, such as EBITDA add-backs, are a function of competition and relative bargaining position. These will ebb and flow with the market. However, issues which go to acquisition structure are often not transposable from the US to Europe. This is usually because Chapter 11 in the US market provides for a single insolvency regime and, significantly, a cross-class cram down mechanic. By contrast, Europe has a patch-work of insolvency regimes and different enforcement regimes for secured creditors. Accordingly, structural (for example, holding company undertakings) and intercreditor provisions in European High Yield, TLB and unitranche deals are likely to remain their own genus.

Trends in contractual terms

The strong availability of credit and the above noted convergence between European and US markets have led to the continued trend in the advance of borrower friendly provisions, particularly for strong sponsors. We have highlighted below a few of the more noteworthy recent developments in respect of some of the key terms seen in European TLB/unitranche, US TLB documentation and European high yield. The length of this article does not enable the review of other terms which have also been the subject of recent market developments including call protection, dividends/redemption/distributions, restrictions on acquisitions and joint ventures, negative pledge/liens provisions, asset disposals, events of default, amendments and waivers, junior debt payment restrictions and arms length provisions. In many cases the trend for European TLB terms has been to move towards more a permissive US TLB/High Yield position.

1. European High Yield & Leveraged Loan Report European Leveraged Finance, Association for Financial Markets in Europe: Q2: 2017 – https://www.afme.eu/globalassets/downloads/data/leveraged-finance/afme-hyd-q2-2017-high-yield-and-leveraged-finance.pdf

2–5. Ibid.

Further Analysis

Baker McKenzie's banking and finance team in London is at the forefront of financing transactions across Europe and maintains detailed analysis of market terms for European leveraged financings. For further information and/or more detailed discussion on this topic contact any of the following London partners of the Baker McKenzie London banking and finance team:

Ian Jack
Ian.Jack@bakermckenzie.com

Sébastien Marcelin-Rice
sebastien.marcelin-rice
@bakermckenzie.com

Geoff O'Dea
geoff.odea@bakermckenzie.com

Lynn Rosell Rowley
lynn.rosellrowley@bakermckenzie.com

Matthew Smith
matthew.smith@bakermckenzie.com

Nick Tostivin
Nick.Tostivin@bakermckenzie.com

Selected current market terms for European TLB/unitranche, US TLB and European High Yield documentation

Additional debt incurrence

European TLB (ETLB)/Unitranche	US TLB (USTLB)	European High Yield
– Generally, starts with customary debt baskets (but may include a grower basket) and adds larger debt baskets. The US approach of providing for an incurrence/ratio based permission – such as a leverage or FCCR test – is now standard in Europe. A fixed basket, sometimes with, for example an EBITDA based grower, is also common (particularly in the mid-market). – Ratio debt usually pari passu or junior to existing SFA debt. – Whether the ratio debt is incurred as a facility under the SFA (e.g. through structural change) or outside of it is a sensitive topic in the mid-market but it is standard to allow both in larger deals. The important issue in Europe is to ensure that the new ratio debt is subject to intercreditor arrangements so as to maintain ranking and the structure of the security/guarantee package. – Conditions on incurrence often include (depending on bargaining position of the sponsor/borrower) among other restrictions: ▪ no EoD; ▪ headroom maintenance (e.g. no re-levering above 90% of latest covenant test / opening leverage common in mid-market); ▪ limitations on yield on new debt (MFN clause) subject to negotiated sunset provisions of 6 to 24 months; ▪ limitations on maturity, amortisation, etc.; ▪ structural restrictions; and ▪ right to participate – now rare outside of single lender unitranche. – Refinancing of ratio debt and the SFA debt is usually permitted with restrictions similar to additional debt above. Stronger sponsors have been able to remove most of the conditions on larger deals, however.	– Similar to European market but generally more permissive. Baskets often EBITDA or Total Assets. Provision needs to be read together with the investments covenant. Incurrence/ratio test based on leverage or FCCR (for junior or unsecured debt). – Starter basket often included on top of ratio test (often one turn of EBITDA). – Purely US deal, less focus on whether debt is inside or outside of SFA given Chapter 11 backdrop. – Ratio debt conditions generally more limited than Europe. E.g. EoDs limited to bankruptcy or non-payment and greater use of “market terms” standard than specific restrictions in covenant package of new ratio debt. – See contribution debt under acquisitions and joint ventures below.	– Incurrence/ratio test generally based on leverage ratio for secured debt and FCCR for unsecured. Similar discussion items under financial covenant below apply regarding add-backs to EBITDA/ consolidated net income. – Additional permitted debt baskets (which are not subject to ratio tests) typically include credit facility basket, general basket, acquired/acquisition debt basket (which is commonly subject to a modified “no deterioration” in the FCCR even if not compliant), capital lease/purchase money basket and other negotiated baskets. – Permitted debt baskets often include growers (typically based on Total Assets, though increasingly on EBITDA). – For European deals there will be a requirement to accede to the intercreditor agreement for pari passu or junior debt. PIK debt above the structure is usually not regulated but care should be taken to subordinate claims of the PIK group against the bond group.

Financial covenants

European TLB (ETLB)/Unitranche	US TLB (USTLB)	European High Yield
– US approach now common: cov-lite with springing senior leverage covenant for the RCF (25-40% drawn and EBITDA headroom of up to 40%; treatment of LCs negotiated) in larger deals. Mid-market often has a leverage covenant but cov-lite becoming more common, tends to require slightly less drawing and head room thresholds. – Not a drawstop for TLB/pari passu debt. Cross acceleration for TLB/pari passu only. – Amendments/waivers require $66^{2/3}$% (sometimes >50%) of RCF.	– Similar to ETLB; amendments 50%; thresholds can vary as US and European markets not always correlated.	– None (only incurrence-based covenants).

European TLB (ETLB)/Unitranche	US TLB (USTLB)	European High Yield
EBITDA add backs for covenants		
– EBITDA cost saving/synergy add-backs subject to 12-18 month period and overall cap (10-15%) of annual EBITDA and certified by third party/ auditors if over certain (5%-10%) threshold is common position in the mid-market. – In larger deals the US position is increasingly followed. – Sponsors increasingly pushing for additional add-backs/adjustments/ broader synergies definition including restructuring costs, new contract wins, opening of factories/branches <u>and more generic "growth initiatives".</u>	– EBITDA cost saving/synergy add-backs subject to 12-24 month period, no cap, no third party certification. – Others similar to ETLB.	– Similar debates for EBITDA and CNI occur for the Restricted Payment, build-up and ratio calculations: EBITDA cost savings/synergy add-backs, including anticipated savings/ synergies, sometimes subject to 12-18 month period but can also be uncapped/unlimited.
Equity cure		
– Cap: 3-5 in total and not in consecutive periods (sometimes 2 per 4 quarter period as per US TLB). – Purpose: usually reduces net debt (and no other purpose); sometimes added to EBITDA as per US TLB – e.g. capped at 2. – No EoD for drawstop purposes until breach has occurred on two consecutive test dates. – Over-cures usually permitted. In the mid-market this will often be listed as a flex right. – Deemed cure (if no breach on subsequent test date) common (subject to limit on usage). – Where a springing covenant applies based on drawn RCF commitments, an RCF repayment cure may be permitted in order for springing covenant not to apply.	– Cap: 3-5 in total; 2 per 4 quarter period. – Purpose: added to EBITDA (no other purpose i.e. not for pricing / incurrence baskets). – Can be grace/cure period but no RCF drawings permitted during such period. – Over-cures not permitted.	N/A
Guarantees, collateral and further assurances		
– Usually follows LMA leveraged template i.e. unsubordinated guarantees from all Material Subsidiaries subject to security principles. – Material subsidiaries: three pronged LMA test often watered down to just EBITDA (generally not assets and revenues) for stronger sponsors. 5% is a common threshold. Holding companies of obligors must accede as guarantors. This is very important in a European context, where ensuring that there is a single point of enforcement is vital. – Guarantor coverage test is standard but often watered down to just EBITDA (generally not assets and revenues) for stronger sponsors. In jurisdictions where duties apply to the grant of security it is common to exclude these assets if the cost would be disproportionate. Generally tested annually.	– For domestic US deals, senior guarantees from wholly owned domestic restricted subsidiaries only (subject to exceptions). International deals similar to ETLB. – Collateral: senior secured by substantially all the assets of the borrower and guarantors, except for excluded collateral, i.e. CFCs (65% pledge of equity only), equity in unrestricted subsidiaries and immaterial subsidiaries, leasehold interests, immaterial fee-owned real estate, assets to extent prohibited by law/ regulation, etc.	– Depends on the deal structure. If there is bank debt in the structure, the Notes will generally have the same security package and coverage test as the bank debt. The security will be held by a common security trustee. – Further assurances follow bank debt and also include specific rights for the trustee. – Where there is no bank debt in the structure, guarantees/security required to be given when certain other debt (usually limited to credit facility basket and capital markets debt) is guaranteed/ secured.

European TLB (ETLB)/Unitranche	US TLB (USTLB)	European High Yield
Change of control (CoC)		
– Increasingly lender put only vs automatic mandatory prepayment. – Similar to US position but prong for substantially all sale, group structure often set out in a covenant rather than the CoC definition. – Waiver/Amendment: point for debate whether lenders or 2/3 (prior to any actual right to payment having already arisen). Larger deals usually the latter. – Management interest is not usually capped. – Portability uncommon (particularly on bank lender deals) but sponsors increasingly requesting HY approach (once only and usually subject to a short whitelist of permitted transferees).	– EoD. – Definition: ▪ Pre-IPO: Sponsor/Sponsor permitted transferees/ Mgmt.< 50%; ▪ Post-IPO: third party acquires >35-40%; ▪ Loss of direct 100% ownership in holdco chain; and ▪ Post Qualifying IPO (if leverage following IPO is below a certain level): third party gains control (50%). – No prong for sale of all/substantially all assets (covered in "Fundamental Changes" covenant); CoC under other material debt sometimes included. – Waiver: 50.1. – Portability uncommon.	– Requires issuer to offer to repurchase at 101%. – Definition: ▪ Person acquires > 50% (sometimes 35% post-IPO) of voting stock (except sponsor/ management); ▪ Small number of deals allow loss of direct 100% ownership in holdco chain; and ▪ Sale of all / substantially all assets. – Waiver: not applicable – each individual holder has option to put bonds at 101%. – Portability is common based on rating and/or leverage; number of times negotiable, but usually once.
Excess cashflow sweep		
Mandatory Prepayment – Similar to USTLB, however sweep not always required by fund lenders. – Deductions include: ▪ voluntary prepayments of pari (non-revolving) debt; ▪ basket (deducted after); ▪ acquisition/capex/restructuring costs which are not debt funded; and ▪ in some cases also: debt buy back amounts (for amount of cash paid); committed capex/acquisitions/growth initiative or restructuring expenditure. – Stronger sponsors getting nearly all deductions made after.	**Mandatory Prepayment** – 50 - 25-0% to be prepaid (step down based on leverage). – Similar deductions to ETLB save that: ▪ voluntary prepayments re other debt are deducted before; deducted after, for TLB debt; and ▪ certain restricted payments (if funded from internally generated cash)/prepayments of junior debt could be deducted. – Basket increasingly common.	**No Prepayment Required**
Assignments and transfers		
– Consent (deemed given after 5–10 BDs) subject to a white list, minimum rating condition for transfer of RCF, now common. – No transfers to industrial competitors / hedge funds / defaulting lenders is standard. Post EoD application increasingly common. – No restrictions following EoD (subject to the above), stronger sponsors obtain limited list of defaults e.g. insolvency and non-payment. Can be a syndication issue so flex to include others is common. – Debt Buy Backs: open order/Dutch auction; no cap (unless legal considerations dictate); no default condition (for Group buy backs); no exclusion of RCF, disenfranchisement for sponsor affiliates. – Sub-participations – subject to assignment and transfer provision (voting/ non-voting).	– Consent, acting reasonably (deemed given after 5-10 BDs); white list or a "Disqualified Institutions" concept. – No transfers to industrial competitors / defaulting lenders. – ETLB moved to US position for transfers after EoD. – Debt Buy Backs: as for ETLB but may include a cap and not allowing purchase of RCF. – Sub-participations – voting rights limited to "affected lender" votes.	– No consents or disqualified list. – Securities law transfer restrictions apply – 144A/Reg S notes (which are not registered in the US) must be resold only to QIBs and outside the US, subject to applicable rights of rescission against reseller in non-compliant resale.

M&A back in reckoning in Europe's leveraged finance market

Bloomberg

Sarah Husband, Marianna Aragao, Ruth McGavin

Europe's leverage finance market is revving up for a strong finish to what has already been a dynamic and issuance laden year. September promises to be a busy month as the pipelines for loans, bonds and CLOs are bulging after the usual summer lull in August.

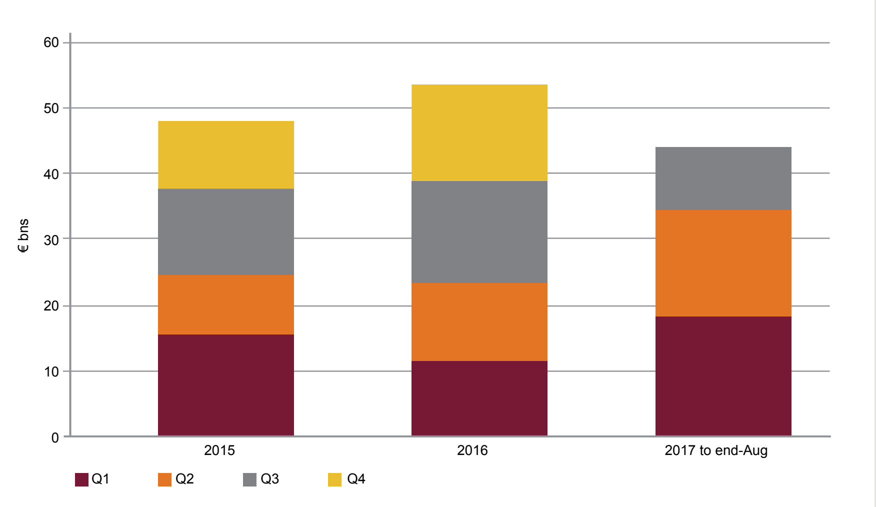
The promise of better supply could bring the market that has bowed to the will of borrowers for much of the year to an even keel. Europe's institutional loan market is primed to build on the €44 bn of loans that launched through the end of August, equating to more than 80% of full-year 2016 issuance. And after a diet of refinancings and repricings, designed to slim the yield of the most portly of portfolios, loan managers await a feast of juicier M&A loans to revamp their funds.

Some large LBOs feature in the line up of roughly €10 bn of M&A loans, and arrangers will try to make sure their launch doesn't clash with too many big ticket names.

Stada, which has caught the market's attention this year after Bain and Cinven's drawn out takeover battle for the German drug maker, was expected to be one of the first out with its €2.8 bn term loan and high-yield bond financing launching to investors at the start of September. Avantor is another with its acquisition of VWR backed by ~$5 bn of senior secured debt in EUR/USD. Refresco is seeking a €1.3 bn TLB (plus a $620 mn TLB) backing its acquisition of Cott.

Joining these is a long list of LBO financings for CPA Global, Sebia, Civica, Paysafe, ADB Safegate, Etraveli and others that have helped stock the pipeline. More early-stage M&A situations will keep investors salivating,

European institutional loan issuance



Source: Bloomberg
EUR/GBP 1L/2L institutional loans. Excludes repricings.

including the sale of Unilever's spreads division, worth ~€7.5 bn, and Akzo Nobel's specialty chemicals business that could be valued at more than €9 bn, as well as familiar credits such as Ceramtec, CEP and Nets.

Higher pricing

Investors will be looking for more richly priced transactions stemming from the new M&A loan supply. So far this year, borrowers have refinanced €16.5 bn of loans, while unsatisfied demand for assets has opened the way for €56 bn of existing loans to be repriced.

Lenders, especially collateralized loan obligations, will be watching whether the compression in loan spreads is sustained. From E+422 at the end of 4Q16, all-in loan spreads on single-B and unrated borrowers compressed more than 35 bps by mid-2017. Some companies paid as little as E+300, with a 0% floor, prompting CLOs to push back. Gardner Denver brushed aside such objections to reverse flex to 300bps in August, forcing many who had banked on the assets for their CLO warehouses to reluctantly downsize commitments.

Better supply in June and July allowed managers more selectivity – borrowers launched loans worth €8.4 bn ($9.9 bn) during July, more than in any month since July 2015 – and loan pricing plateaued as a result.

Still, lenders, for the most part were reserving judgement on the attractiveness of the next round of supply until they have the deals in front of them. "The pipeline of M&A loans should take some of the steam out on the loan technical side," said one loan manager. "However, the quality of that loan supply will continue to be bifurcated."

The average new-issue spread for single B and unrated borrowers was 386bps in the three months to end-August, little changed from the three previous months, according to data compiled by Bloomberg.

Europe's CLO 2.0 market eyes record

The better M&A loan supply will be very welcome to Europe's CLO managers, whose ability to ramp and price new CLOs has been restricted by the endless loan refinancings and repricings.

The region's supply of CLOs is poised to jump from September, potentially boosting issuance beyond the record €16.8 bn seen in 2016. Already the improved loan supply heading into the summer enabled manager Och-Ziff Management Europe to price a €415.25 mn transaction at the start of August, with Bain Capital Credit also adding to the month's activity with an €363 mn CLO.

Together these deals took CLO issuance to €11.2 bn so far this year, €1 bn ahead of the €10.1 bn priced by the same time in 2016, according to data compiled by Bloomberg.

Based on previous market patterns, that means some 14 new transactions would be needed for a new record, or roughly three to four new CLOs per month. That is, in theory, achievable, with 20-plus managers working toward their next new issue and for comparison, supportive conditions last year enabled arrangers to price 16 new CLOs totaling about €6.6 bn in the four months through December.

CLO managers who have been busy with refinancing transactions this year may also refocus efforts on new issue as potential CLO refinancing candidates dwindle in the final months.

Bullish market

But quantity doesn't equate with quality, and managers say they remain selective even with the better loan supply. Weaker credit quality, borrower-friendly documentation or skinny pricing can all eliminate potential loan assets from a CLO portfolio.

Broader market conditions also play a part. As an example, having reached era lows in the low to mid-80s earlier in the year, liability spreads widened to 90 basis points in June. A move wider from here could pressure the arbitrage between the transactions' income and funding costs.

The subsequent negative impact on equity returns could weaken the equity bid, making it harder for managers without captive equity to price deals, according to some market participants. Conversely, any tightening of liability spreads could ease the so-called "arb" and encourage supply, and even managers who syndicate their equity pieces may still be able to argue that even at 11%, CLO equity returns remain compelling in today's low yield environment. Further, the opportunity to lock into rock-bottom liability spreads in the promise of improved returns should loan pricing improve remains tempting.

No sign of fatigue

Investor appetite is the other key ingredient for CLO formation, and some in the market are concerned fatigue could set in after a busy year. On top of new issuance, CLO debt investors have invested in €18.4 bn of refinancings and resets so far in 2017, which is a huge amount even if refinancings target a different, short-dated investor base.

Whether this has an impact on appetite through year-end is debatable – CLOs remain a popular investment prospect amid generally low yields, and high subscription levels and tighter liability spreads achieved on recent transactions prove that demand shows no sign of abating just yet.

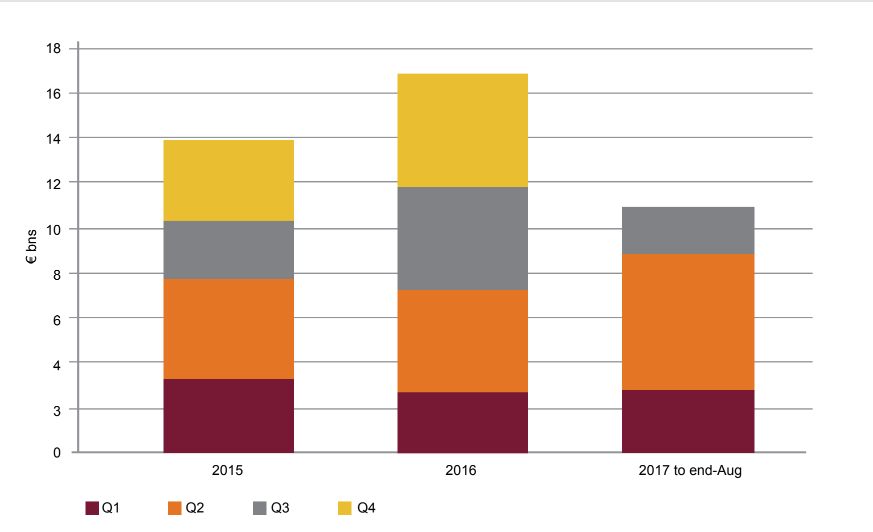
LBO buyout deals in store for high-yield investors in second half

The remainder of 2017 may have a different flavor for high-yield investors as they are faced with a significant amount of fresh supply, marking a change from the deluge of refinancings that dominated sub-investment grade issuance so far this year.

The pipeline for the coming months includes bonds from large leveraged buyout deals such as Stada and Europcar, which together could bring almost €2 bn of new money to the market, alongside smaller transactions deriving from Stonegate and MCS Promontoria's buyouts. On top of that, arrangers and investors expect the flow of refinancings to continue as more issuers try to lock in cheaper funding in case the European Central Bank scales back its stimulus program in autumn.

The European high-yield bond market has seen around €56 bn-equivalent of supply so far this year, a 66% jump over the same period last year, according to Bloomberg data. Yet the bulk of it has been recycling of older debt, with LBO and M&A-related bonds accounting for a small percentage this year, according to Bloomberg. With deals including Stada's €825 mn and Europcar's €1.06 bn bond sales in sight, high-yield issuance volumes will rapidly surpass the whole of last year, when companies raised €59-bn-equivalent in euro and sterling-denominated notes.

European CLO Issuance

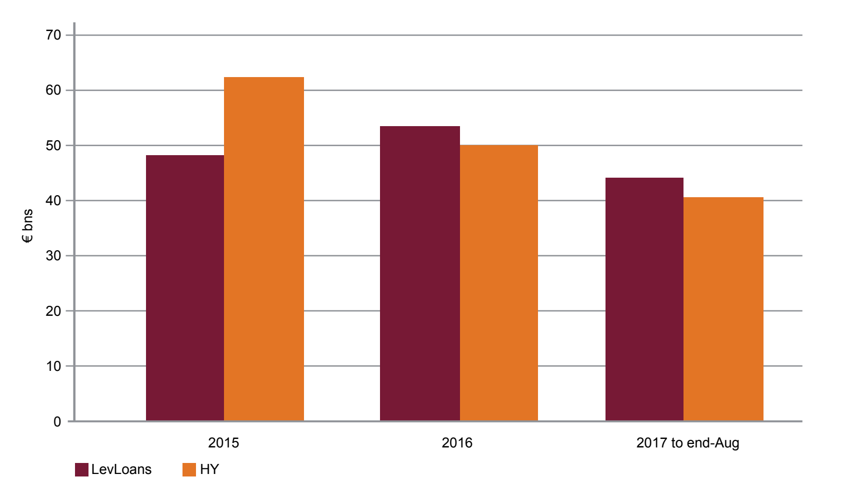


Source: Bloomberg

M&A back in reckoning in Europe's leveraged finance market

Continued from page 37

European Loan/HY Issuance



Source: Bloomberg
EUR/GBP 1L/2L institutional loans (excludes repricings) and HY corporate bonds.

Direct lending – snapping at heels

Europe's direct lending market is growing from strength to strength. And it is giving the larger syndicated loan and high-yield bond market a good run for the money.

These private credit funds are teaming up in ways similar to bank clubs to win bigger chunks of debt mandates amid an increasingly competitive market, having raised $9.1 bn in the first quarter of this year, almost 70% more than in the whole of 2016, according to a report by Deloitte.

Cooperation among private credit funds has so far happened only sporadically in Europe, but the scope to offer larger unitranche financing is already heightening competition for the financing of sponsor-backed leveraged buyouts, the upshot of which could spell lower borrowing costs for European companies and their financial sponsors.

Though the dynamics vary, typically a larger fund leads the strategy by underwriting a unitranche facility and then syndicating a portion of the deal among other debt providers or pension funds.

"As fund sizes and deals becomes bigger, sometimes some LPs might look for co-investment opportunities," said Graeme Delaney-Smith, head of European direct lending at the London-based money manager Alcentra. "But while it has happened more, club or syndicated unitranche deals are still an exception."

It's not just the syndicated loan market direct lenders are muscling in on. They are encroaching into the high-yield bond market too as they target increasingly bigger financing deals, in yet another sign of the expansion of private debt funds in the region.

Heckler & Koch Inc., Non-Standard Finance Plc and Zenith Group Holdings Ltd. are among borrowers to have recently considered a bond sale but instead met their financing needs via a direct lender. By sidestepping the often lengthier and uncertain process of a public syndication, these companies secured access to guaranteed funds more quickly – albeit with a more expensive debt solution. Speed of execution, an ability to take higher leverage multiples and reduced financial reporting requirements and compliance costs are other borrower-friendly aspects of private debt deals, according to a number of investors.

"Direct lending funds have grown so big that they have become an alternative to an underwritten loan or bond deal," says Floris Hovingh, partner and head of alternative capital solutions at Deloitte. "They are moving out of the traditional comfort zone of smaller mid-market deals and increasingly targeting €250 mn to €350 mn deals, which is the lower end of the high-yield and syndicated markets." ■

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Contact us

Mark Betteridge
Global Head of Fixed Income and Foreign Exchange Analytics

+44 (0)20 3525 3716
mbetteridge@bloomberg.net

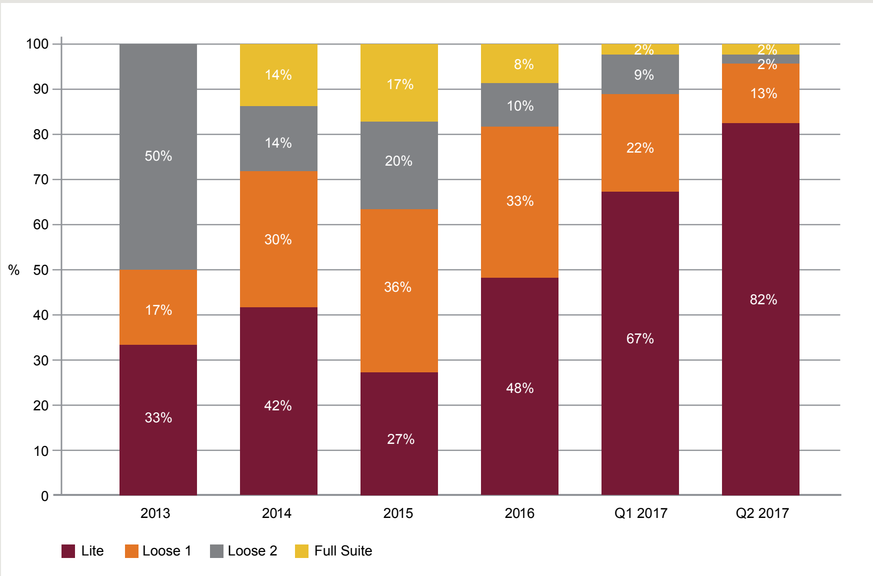
Covenant-lite is back with a vengeance!

Moody's Investors Service

Richard Etheridge, Associate Managing Director – Moody's Investors Service

Covenant-lite loan issuance is fast becoming the norm in EMEA's leveraged loan markets, fuelled by investors' hunt for yield. Moody's leveraged finance Associate Managing Director Richard Etheridge tells LMA how financial maintenance covenants will become increasingly rare in 2017, weakening investor protection.

Leveraged loan B rated transactions' covenant protection steadily eroding



Source: Moody's Investors Service

Covenant protection will all but vanish...

Financial maintenance covenants, which are designed to protect the interests of loan investors in the event of a borrower's underperformance, have become increasingly rare in leveraged finance transactions over the past 18 months or so, with covenant-lite transactions set to dominate the market in 2017.

Case in point, over 80% of EMEA leveraged term loan B (TLB) rated transactions were covenant-lite (i.e., no financial maintenance covenants) in Q2 2017, up from 67% in Q1 and 48% for full-year 2016.[1,2]

This sharper-than-expected increase signals an intensification of covenant protection erosion and brings EMEA leveraged loan covenant-lite issuance on a par with the US.

Three factors are fuelling this growing trend: strong investor demand for higher risk speculative grade loans as they search for yield in the current low interest-rate environment, an expanded investor base, and limited new deal flow.

Persistently low interest rates and low European corporate default rates are expected to prolong this trend and, absent any significant macroeconomic or political shocks, Moody's expects that the majority of spec-grade loan issuance will continue to be covenant-lite. That said, a high-profile default with unexpectedly large investment losses could swing investor sentiment away from covenant-lite loans.

As existing loans issued in 2012-13 are refinanced in 2017, a significant number of the new agreements have been covenant-lite, even if the previous loan had a full-suite (i.e., three or more) of financial maintenance covenants and/or the borrower had limited headroom for underperformance under existing financial maintenance tests. Even where maintenance covenants are still included, lenders often question their benefit because they are often so loose that they provide little, if any, control.

Moody's also found that about 5% of the spec-grade transactions sampled had similar covenants to high-yield bonds, even though their capital structures do not include a high-yield bond.

...except in smaller transactions, more volatile sectors

Financial maintenance covenants will not disappear completely. Instead they will be used primarily in smaller transactions in more volatile sectors into 2018.

Moody's research shows that smaller transactions are more likely to include covenants than their larger counterparts. For example, none of the TLB loans of more than €500 million issued between 2015 and Q1 2017 included a full suite of covenants, compared with 21% of TLBs of less than €250 million.

Investors appear to be willing to accept covenant-lite terms for larger loans because of the greater secondary market liquidity associated with these deals, as well as the competing high-yield bond structures that also lack covenants. Also, issuers of such loans are often repeat borrowers, with whom lenders are more familiar.

Covenant-lite is back with a vengeance!

Continued from page 39

Smaller transactions are often considered higher risk by investors because of the lack of liquidity for smaller companies and, as a result, they tend to be "buy and hold" investments.

More volatile sectors such as retail tend to have stronger covenant protection, as lenders are more sensitive to the inherent risk these sectors present. Between 2015 and Q1 2017, 86% of retail sector TLB loans had at least one maintenance covenant, compared with less than 50% of loans in manufacturing, healthcare and business and consumer services.

As the market moves towards a covenant-lite model, this trend will become even more pronounced. Moody's expects that maintenance covenants will only be used in a limited number of smaller transactions, often dominated by bank lenders, to attract investors.

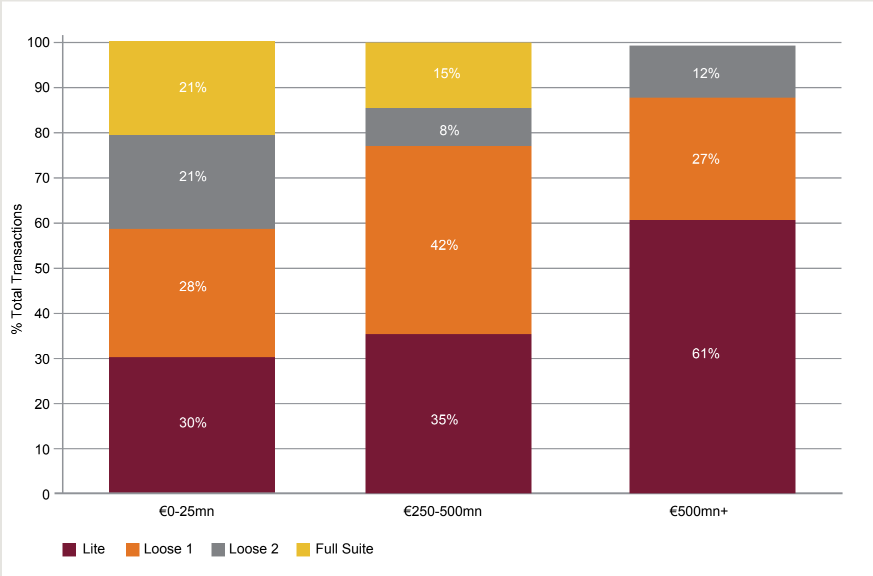
Smaller transactions are more likely to be club-style transactions where some banks may require a maintenance test to participate in a deal.

Investor protections eroding…

In the past few years, the headroom under maintenance covenants has been on the rise, moving in favour of borrowers and whittling away investor protection. Raising headroom increases the amount by which a company can fall short of its planned performance before triggering a covenant. At 40% or above, headroom provides very limited lender protection.

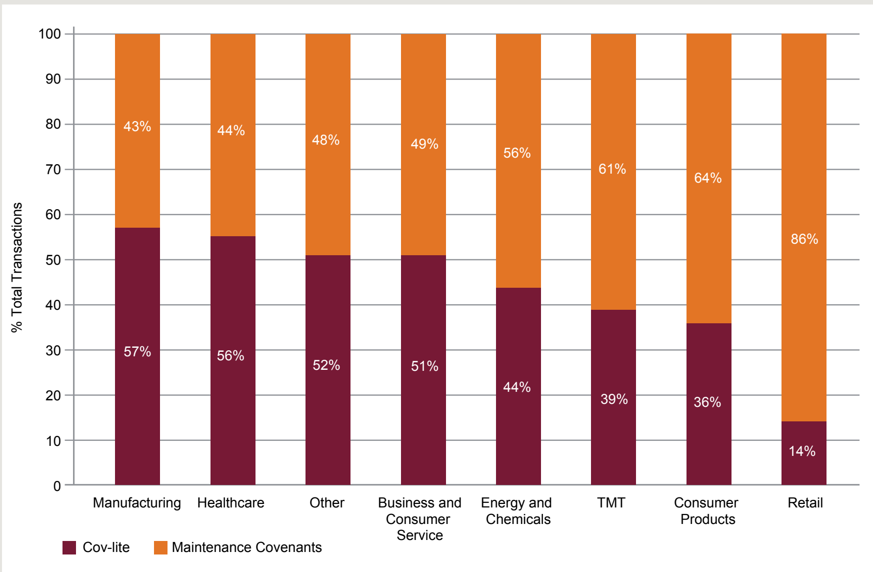
The proportion of transactions with 30%-40% headroom on the closing date rose to 55% in 2015 to Q1 2017, from 48% in 2013-14. More importantly, transactions with headroom in excess of 40% rose to 15% in 2015 to Q1 2017,

Loan transactions of more than €500 million are more likely to be covenant-lite
Percentage of TLB transactions by size of loan package and level of covenant protection: 2015 to 1Q 2017



Source: Moody's Investors Service

More volatile sectors have higher covenant protection
Percentage of covenant-lite and non-covenant-lite TLB transactions in selected industry sectors: 2015 to 1Q 2017



Source: Moody's Investors Service

Covenant headroom has increased

Percentage of TLB transactions by covenant headroom

	< 30%	30–40%	>40%
2013–2014	42	48	10
2015–Q1 2017	30	55	15

from 10% in 2013-14. These transactions were borrower specific rather than coming from a particular sector, rating level or being of a particular size.

Borrowers are also benefiting from increasingly favourable documentation definitions. For example, EBITDA can be boosted by typical borrower-friendly language allowing for the inclusion of uncapped pro forma synergies and cost savings. Increasing EBITDA in this way can improve leverage or interest coverage ratios, allowing companies to take on more debt or take other actions that could increase credit risk – without breaching their covenants.

Moody's expects covenant headroom to continue increasing, but at a slow pace. Where maintenance covenants are still present, headroom will probably range between 30%-40%, providing an element of control to lenders in the event of the borrower underperforming.

…but single pillar remains

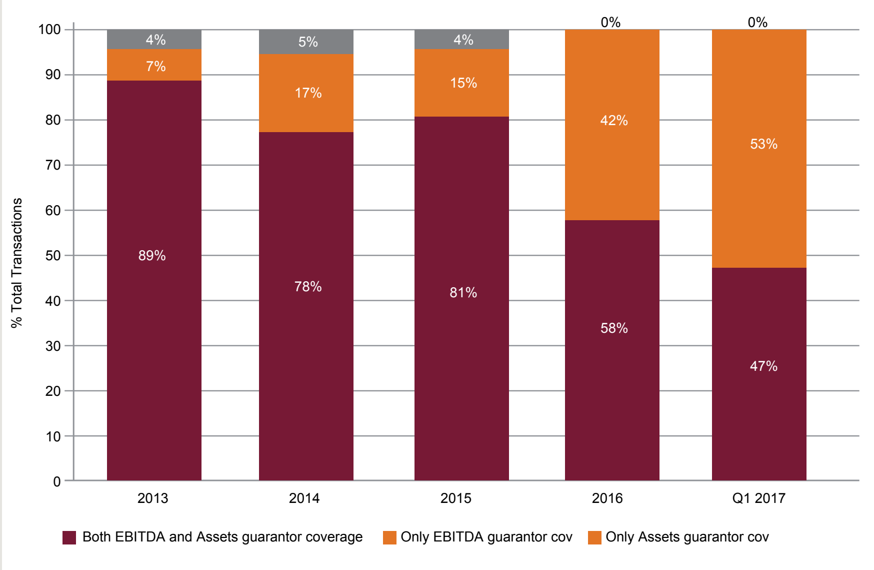
While investor protection measures are weakening in EMEA leveraged loan markets, Moody's expects that one of the key remaining lender protection clauses, the guarantor coverage test, will stick around. However, it will likely be limited to a single EBITDA test.

In 2013-15, it was market practice to include both EBITDA and asset guarantor tests in loan documentation. However, in the past two years, the asset test has often been removed across the majority of jurisdictions and industries, resulting in the guarantor coverage test shifting to a single EBITDA test.

The removal of the asset test is problematic as the total assets amount can be a better measure of the company's worth than EBITDA, which, as already mentioned, is open to manipulation. However, this problem is partly mitigated because the required EBITDA test coverage remains at 80% for most TLB loan transactions.

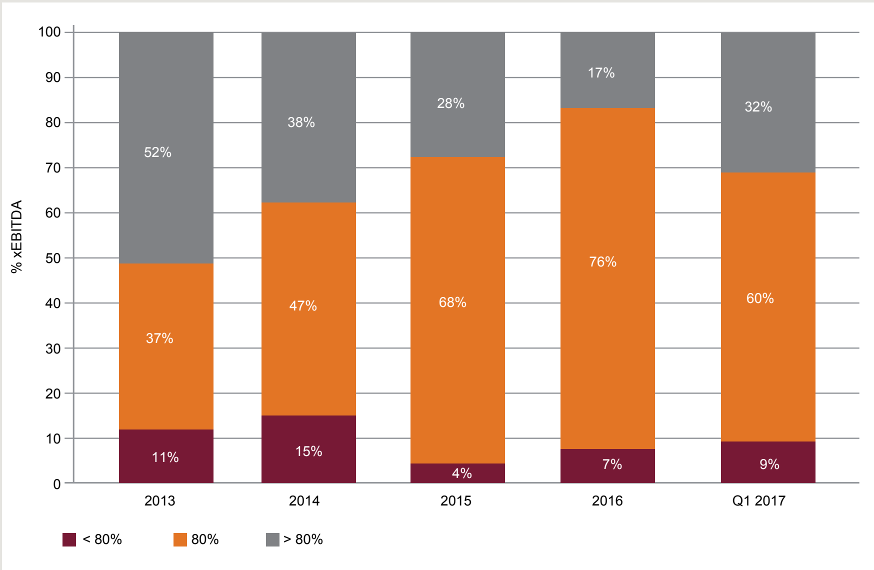
Moody's expects a guarantor coverage test of 80% EBITDA to remain a required feature of leveraged loan transactions because guarantor coverage is one of the key remaining lender protection clauses and to date

Over time guarantor coverage tests have shifted to a single EBITDA test
Frequency of guarantor coverage test occurrence in TLB transaction



Source: Moody's Investors Service

Threshold requirement under guarantor EBITDA test remains dominant at 80%
Threshold requirement under guarantor EBITDA test of TLB transactions



Source: Moody's Investors Service

there has been no indication that investors are willing to part with it.

Overall, everything points to "lite" becoming the new covenant status for the EMEA leveraged loan markets. ■

1. Terminology used in this article

Covenant-lite: absence of any financial maintenance covenant in the term loan, although there may be "springing" financial covenants in the revolving credit facility (RCF).

Covenant-loose 1: inclusion of one financial maintenance covenant in the term loan, typically a net leverage ratio test.

Covenant-loose 2: inclusion of two financial maintenance covenants in the term loan.

Full maintenance covenant package (full suite): inclusion of three or more financial maintenance covenants.

2. References

This research is based on Moody's analysis of the legal documentation governing loan transactions from mostly EMEA based speculative-grade companies which issued either publicly or privately rated term loan B debt between January 2013 and June 2017.

Administrative Notes

Open Wireless Connection

Wireless connection is available throughout the building. You do not need a username or password. Please connect to the network QEII Guest.

Audience questions

If you would like to address a question to a particular panel or presenter, you can do this by either texting or emailing as follows:

Text:
07860 063 680
Email:
lma.conference@qeiicentre.london

Please do not send your question until the panel or presenter has actually started.

Messages

We cordially request that all mobiles are turned to silent out of respect for your fellow delegates while the conference is in session.

Lunch

Lunch will be served in the Britten Lounge on the 3rd floor unless your name badge details lunch on the 2nd floor.

Hostesses will guide you to the stairwell and lifts to access the 2nd floor. This process is to ensure quick and efficient service so we appreciate your cooperation.

If you have pre-booked a vegetarian meal then please inform the waiting staff for your table.

Access to presentations

Presentations will be available on the LMA website under the members' section. An email with access instructions will be sent to you after the conference. For queries, please contact Melanie Hutchings at melanie.hutchings@lma.eu.com.

Evaluation forms

Evaluation forms will be handed out during the course of the conference.

The feedback you provide is invaluable in ensuring we deliver the best event experience possible for delegates so please can we encourage you to complete the form before you leave.

10 Years of the LMA Syndicated Loans Conference

2008–2017


2008


2009

2010

2011

10th

2017


2012


2013


2014


2015


2016

Driving down settlement times

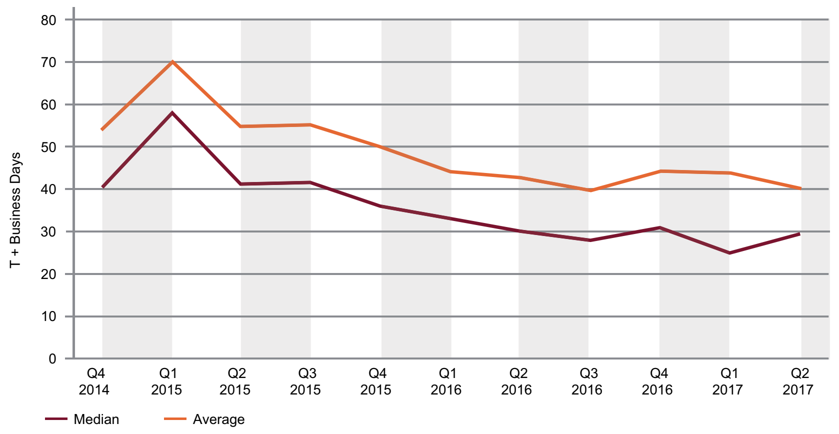
In 2014, the LMA, in close co-operation with the LMA's European Loans Operations Committee (the Committee), began collating settlement statistics from major European trading banks. Submitting institutions agreed that median and mean figures[1] for par and distressed settlement times could be published on the members' website on a consolidated and anonymous basis.

Since Q4 2014, we have seen a substantial reduction in both par and distressed (median) settlement times as evidenced below.

Par trades

In January of this year, the Committee agreed that it should look to achieve a minimum target of T+25 secondary settlement (median) days by Q1 2018, hitting T+20 by Q4 2018. Ahead of schedule, this T+25 target was hit in Q1 2017 – totalling a 15 business day reduction since the LMA first started collating settlement statistics for Q4 2014. However, following a slight uptick in Q2 2017, parties need to refocus on achieving and maintaining the downward trajectory in settlement times. We encourage all LMA members to participate in the Committee's initiatives to help drive this.

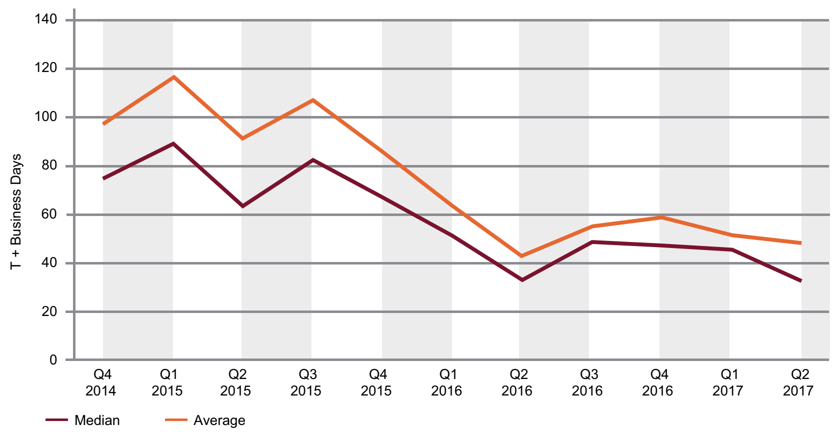
Figure 1 Secondary Settlement Statisitcs – par



Distressed trades

The settlement statistics for distressed trades also show a downward trajectory. Whilst the Committee is not yet looking to set targets with regards to distressed settlement times, we hope to maintain momentum in this area, seeing continual improvements in settlement statistics.

Figure 2 Secondary Settlement Statisitcs – distressed



1. Given the skew from outlying data points we believe the median figure to be more relevant for the purposes of benchmarking and analysis.

Dates for your diary LMA Education and Events Programme H2 2017

September

19 September
Syndicated Loans Conference, London

26 September
Edinburgh Training

26 September
Dublin Seminar

27 September
Dublin Training

28 September
Moscow Training

October

4 October
Early Evening Seminar, Amsterdam

5 October
Warsaw Training

10 October
Early Evening Seminar, Brussels

10 October
Early Evening Seminar, Munich

12 October
Milan Training

16 – 20 October
Certificate Course, London
£1,850 + VAT

23 October
Early Evening Seminar, London

26 October
Romania Seminar

31 – 2 October/November
African Loan Documentation Course, Johannesburg
£750 + VAT

31 October
SA Quarterly Series, Johannesburg

November

1 – 2 November
Syndicated Loans Course for Lawyers, London
£950 + VAT

7 – 10 November
Loan Documentation Certificate Course, London
£995 + VAT

9 November
LMA/APL REF Quarterly Series, London

9 November
Paris Seminar

15 November
Early Evening Seminar, London

15 November
Regional Training, Birmingham

15 November
Middle East Syndicated Loans Conference, Dubai

16 November
Regional Training, Manchester

22 November
Early Evening Seminar, Frankfurt

29 November
Investment Grade Documentation Training, London

30 November
Leveraged Documentation Training, London

December

1 December
Leveraged Intercreditor Training, London

6 December
Early Evening Seminar, London

KEY

- Conferences
- Courses
- Early Evening Seminars
- Seminars
- Training

Important date for your diary

25 September 2018
Syndicated Loans Conference
The Queen Elizabeth II Conference Centre, London

Registration
Registration opening: June 2018

Programme content and sponsorship

Melanie Hutchings
melanie.hutchings@lma.eu.com

Loan Market Association

the authoritative voice of the EMEA market

LMA Syndicated Loans Course for Lawyers

1–2 November 2017, London

A two-day programme, designed specifically for lawyers, either in private practice or in-house at a financial institution, providing detailed tuition on all aspects of the primary and secondary loan markets in the context of the broader debt capital markets, taking into account current market conditions.

Who should attend

- All members of the legal profession who work on debt financing and who want to understand the commercial and market drivers of the loan product.
- Aimed at practitioners in private law firms but also in-house bank counsel.

Course benefits – by attending you will

- Increase your credibility with clients by understanding the underlying commercial dynamics of the loan product.
- Add value to a transaction deal team during negotiation by recognising product alternatives, structures, pricing and borrowers' options.
- Acquire the latest market knowledge from some of the industry's key players.
- Increase your job satisfaction by putting the legal role in the deal process in context with a greater all round understanding of the loan market.

Topics covered

- Overview of the loan product, syndication process and market
- Comparative debt products and evaluation of borrowers' options
- Pricing dynamics in both primary and secondary markets
- Responsibilities of a syndication team
- Syndication strategies and the various roles in a deal
- The role and function of the agent
- Managing events when loans go wrong
- Leveraged finance market and structures
- Secondary trading and pricing
- Types of investors in different markets
- Impact of regulation on the loan product
- Tax provisions

Speakers

To provide an indication of speaker calibre, speakers from previous courses have included:

David Beavis, Director, Loan Syndications and Trading – BNP Paribas

Antony Girling, Head of European Loans Agency & Asset Management – Barclays

Matthew Heaton, Partner – Reed Smith

Alison Jenkins, Head of Loan Trading – Commerzbank

Dan Neidle, Partner – Clifford Chance

David Steinberg, Partner – Clifford Chance

Matthew Rhys-Evans, Director, Syndicated Finance – ING

Why choose the LMA Lawyers' Course

- The course will be delivered by highly experienced market professionals, many of whom are 'Heads of' their function and who are currently actively involved in the market.
- The programme covers the full breadth of the market from investment grade and leveraged finance to secondary trading, agency, and regulation and capital requirements, and will take into account the impact of current market conditions. The course covers the commercial and market aspects of the product. It does not cover documentation.
- The LMA's position at the core of the European syndicated loan market will ensure individuals are taught the very latest practices in the market.
- With small classroom numbers, delegate interaction will be encouraged.
- The programme is for LMA Members only and will attract delegates from across Europe. It has been specifically tailored for lawyers and offers excellent value when compared to other commercial courses on the loan market.

Course details

Eligibility:
LMA Member organisations only

Delegate cost:
£950 plus VAT, which includes course materials, refreshments and lunch

Location:
One Whitehall Place, London,
SW1A 2EJ

Programme content queries:
Nick Voisey
+44 (0)20 7006 5364
nicholas.voisey@lma.eu.com

Programme outline

Day 1

09.00 Overview of the product and market
09.45 Debt markets compared and ratings

10.45 Refreshments

11.00 Pricing dynamics
12.00 Evaluating alternative solutions – borrowers' viewpoint

13.00 Lunch

14.00 Responsibilities in a syndications unit
15.00 Syndications strategies

15.45 Refreshments

16.00 Leveraged finance market and structures
17.00 Close

Day 2

09.00 Managing scenarios when things go wrong
10.00 Types of investors

10.45 Refreshments

11.00 Agency functions
12.00 Tax provisions

13.00 Lunch

14.00 History and reason for existence of secondary loan market including trading
15.00 Secondary trading and pricing

15.45 Refreshments

16.00 Regulation and the role of the LMA
16.45 Course wrap-up
17.00 Close

To register:
T: +44 (0)20 7006 2269 E: darcie.bone@lma.eu.com
or visit: www.lma.eu.com

Loan
Market
Association

the authoritative voice
of the EMEA market

LMA Certificate Course
16–20 October 2017
London

The LMA Certificate Course is a one week course, aimed at those working in the banking and institutional investors market, providing detailed tuition, with use of case studies and workshops, on all aspects of the primary and secondary markets.

Who should attend

- Bankers and institutional investors relatively new to international banking or experienced but in a different product/business area; or
- Practitioners, working in one segment of the loan market such as agency & compliance, who require a broader overview of the various activities which make up the syndicated loan market; or
- Junior personnel in origination, distribution or a trading team; or
- Those seeking to enter a syndication team and need to develop their knowledge of the market; or
- Practitioners in other product groups, such as bonds, CDS and relative value, who require an insight into the syndicated loan market.

Course format

The one week full-time course is based around a series of formal lectures delivered by various experienced market practitioners and lecturers, interspersed with workshops and case studies. The course is restricted to a maximum of 20 delegates.

Topics covered

- Overview of product and market definitions, market statistics and transaction timetable
- Term sheets and introduction to documentation
- Assessment of term sheet proposals from a borrower's viewpoint
- Responsibilities in a syndication unit: separating the functions
- The debt market in the context of the capital markets spectrum with case study
- Rating process and classification
- Maths for the loan market
- Evaluating alternative solutions to a borrower's needs with case study
- Pricing a new transaction: sources of information and practical exercises
- Yield calculations using case studies.
- Impact of syndication strategy on yields
- Discussion of allocated roles in a syndication
- Preparing a proposal - case study
- Agency functions with case study
- Training on Dealogic Loan Analytics database
- Portfolio management
- Types of investors in the loan market
- Developments and participants in the secondary loan market
- Structures and secondary pricing
- Comparative pricing and structural complications
- Confirmations, transfers and completion of a trade
- Regulations and conduct

Speakers

To provide an indication of speaker calibre, speakers will include:

David Beavis, Director Loan Syndications and Trading – BNP Paribas

Antony Girling, Head of European Loans Agency & Asset Management – Barclays

Richard Griffiths, Global Head of Syndicated Lending – Danske Bank

Julia House, Senior Associate – Clifford Chance

Alison Jenkins, Head of Loan Trading – Commerzbank

William Ledger, Managing Director – JP Morgan

Chris Porter, Head of Loan, Recovery and CLO Business Development, EMEA – Standard and Poor's Ratings Services

Emma Sharma, Assistant Vice President – Barclays

Stephen Walmsley, Fixed Income Market Specialist – Bloomberg

Course Details

Eligibility:
LMA Member organisations only

Delegate cost:
£1,850 plus VAT, which includes course materials, refreshments and lunch

Location:
Holborn Bars, 138–142 Holborn, London EC1N 2NQ

Programme content queries:
Nick Voisey
+44 (0)20 7006 5364
nicholas.voisey@lma.eu.com

Programme outline

Day 1

09.00 Introduction
09.30 Overview of the product and market

10.45 Refreshments

11.00 Term sheets and introduction to documentation

13.00 Lunch

14.00 Responsibilities in a syndications unit
14.45 Refreshments
15.00 Pricing dynamics
16.00 Assessment of term sheet proposals
17.00 Close

Day 2

09.00 Leveraged finance
10.00 Debt markets compared and ratings

11.00 Refreshments

11.15 Evaluating alternative solutions – borrower viewpoint
11.45 Introduction to loan maths

13.00 Lunch

14.00 Request for proposal (RFP), case study

15.00 Refreshments

15.15 Bidding & syndication strategies
17.00 Close

Day 3

09.00 Agency functions
10.00 Pitching to win – power utility case study: Dealogic training

13.00 Lunch

14.00 Case study continued

15.45 Refreshments

16.00 Case study continued – The pitch
17.00 Close

Day 4

09.00 History and reason for existence of secondary market including trading in secondary market
10.00 Secondary trading and pricing

10.45 Refreshments

11.00 Types of investors
12.00 Confirmations, transfers and completion of trade

13.00 Lunch

14.00 Secondary pricing case study
16.30 Close

Day 5

09.30 Portfolio management

10.45 Refreshments

11.00 Regulation and the role of the LMA

12.30 Lunch

13.30 Exam
16.00 Close

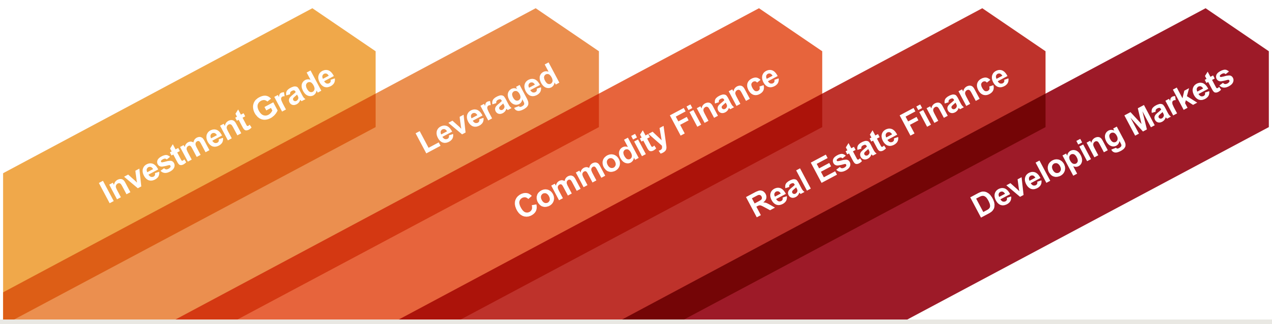
To register:
T: +44 (0)20 7006 6423 E: meike.martin@lma.eu.com
or visit: www.lma.eu.com

LMA achievements over the last 12 months:

Loan Market Association

the authoritative voice of the EMEA market

- Launch of new book: 20 Years in the Loan Market
- Production of new LMA Guide: Dealing with Requests for Amendments
- New editions of the following LMA Guides: Improving Liquidity in the Secondary Market, Guide to Secondary Loan Market Transactions, and Guide to Agency Protections
- Launch of new Mezzanine Facility Agreement Drafting Guide for leveraged acquisition finance transactions
- Review and update of African local law facility agreements and users guides for Kenya, Tanzania, Uganda, Nigeria and Zambia
- Publication of Confidentiality Agreement and associated riders under South African law
- Publication of revised Co-ordinating Committee Appointment Letters
- Publication of recommended form of Designated Entity Clause
- Production of new Security Agreement for use in REF transactions
- Amendments to French law Investment Grade documentation for French contract law reform
- Launch of revised Leveraged documentation, including a new optional incremental facility and optional white list
- Publication of revised Investment Grade primary documentation
- Launch of new Italian law Private Placement documentation
- Launch of new Fronted Agreements for leveraged transactions
- Publication of revised Administration Detail Form
- Publication of an introductory guide to position reconciliation
- Engaging with regulators and legislators in the UK and Europe on Brexit
- Engaged with ECB on the Leveraged Loan Guidelines
- Lobbied successfully to retain risk retention at 5% for CLOs
- Dialogue with the European Commission, Prudential Regulation Authority and Financial Conduct Authority regarding Article 55, BRRD
- Continued expansion of the LMA's Education & Events Programme, with more webinars, international events, training days, courses and conferences being held each year
- Webinar programme has now been watched by over 15,000 people
- Launch of new E-Learning Programme for operations teams and newcomers to the market



LMA contact

T: +44 (0)20 7006 6007
F: +44 (0)20 7006 3423
lma@lma.eu.com
www.lma.eu.com