

THE OUTLOOK FOR EUROPEAN LENDING

BY DAVID COX
ASSOCIATE EDITOR, LOANS, IFR



Little over a year ago jumbo loans of more than €20bn were almost commonplace, now, with liquidity at a premium few believe even the best borrower can raise this amount.

This timely new report addresses the key challenges facing the market in 2009 specifically around acquisition financing, refinancing and the likely trajectory of pricing through the remainder of the year.

Just some of the key issues raised and resolved in this report include:

- What difficulties do borrowers face in raising new money and what are the refinancing strategies of the corporates?
- Which banks will emerge the winners from the likely shake-up in the lending community?
- How will the huge refinancing needs of the Middle East be met?
- What issues are facing the corporate and fixed income borrowers in Russian and the CIS?

Anyone with a stake in the European lending market should read this report.

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This state-of-the-industry report gives you a detailed overview of the health and likely future of the European loan markets now the credit boom has ended. The report sheds light on the position of the loan market within the wider capital market and their interrelationship. In-depth, dedicated chapters are provided for each of the

key markets with supporting data illustrating volumes and key players.

Western Europe lending

- **From boom to bust** – discusses conditions from the height of the boom until the bust in 2008 using several case studies of loans that defined the market mood. The report suggests that even at its height there were early warning signs of the later difficulties the market would face as low pricing pushed out retail lenders.
- **New money lending** – focuses on the challenges that borrowers now face in raising new money facilities for acquisitions and how the bond market has become instrumental to the health of the loan product. Prospects for the leveraged market are also considered.
- **Refinancing** – addresses corporate strategies in approaching the market and the phenomenon of the forward start. Refinancing requirements for 2009 and a series of successful syndications clearing the market are reviewed to show its resilience.

Lenders

With volumes across the board in 2009 likely to be down sharply, the report looks at the structure of the market in terms of lenders and arrangers. Despite the credit crunch there is still a huge lender community servicing a market that is smaller than the US. Whether this situation is sustainable and which banks are likely to succeed in the treacherous environment are key questions posed and answered. New correlations between league tables in bonds and loans are also considered.

Regional Markets

The Middle East – facing a huge refinancing requirement over the next few years, the report investigates how this will be met and the prospects for new opportunities in the region.

Russia and the CIS – with the loan market effectively closed in 2009, the report evaluates the conditions needed for the market to return and its probable character once activity resumes. The report also addresses the key issues facing both corporate and FI borrowers as they tackle the challenges of refinancing.

ABOUT THE AUTHOR

David Cox is associate editor for loans at IFR, where he has covered the European lending market since 2001. He previously worked at Thomson Financial in the data research team.

Publication: July 2009

Price: £295/US\$445/€355

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