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The International Comparative Legal Guide to:

Lending & Secured Finance 2018

6th Edition

A practical cross-border insight into lending and secured finance

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EDITORIAL

Welcome to the sixth edition of *The International Comparative Legal Guide to: Lending & Secured Finance*.

This guide provides corporate counsel and international practitioners with a comprehensive worldwide legal analysis of the laws and regulations of lending and secured finance.

It is divided into three main sections:

Three editorial chapters. These are overview chapters and have been contributed by the LSTA, the LMA and the APLMA.

Twenty one general chapters. These chapters are designed to provide readers with an overview of key issues affecting lending and secured finance, particularly from the perspective of a multi-jurisdictional transaction.

Country question and answer chapters. These provide a broad overview of common issues in lending and secured finance laws and regulations in 54 jurisdictions.

All chapters are written by leading lending and secured finance lawyers and industry specialists and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editor Thomas Mellor of Morgan, Lewis & Bockius LLP for his invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The *International Comparative Legal Guide* series is also available online at www.iclg.com.

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Chapter 5

Global Trends in the Leveraged Loan Market in 2017


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1. 2017 – Record Year Driven By Refinancings/Repricings

2017 was a record year for leveraged loan issuance in both the US and European markets. Thomson Reuters reported that over USD 250bn of leveraged loans were issued in Europe, representing the highest level post credit-crisis. USD 1,400bn of leveraged loans were issued in the US, representing an increase of over 50% compared with 2016. European and US high yield issuance also exceeded issuance in 2016, at USD 89bn and USD 284bn, respectively. Various factors affected the position:

- Continuing low interest rates leading investors to hunt for yield.
- Surplus liquidity and hot competition for financings.
- Borrower-friendly market.
- Improving economic performance.
- Deregulation and tax reform in the US.
- Continuing high valuations for target companies.
- Continuing new CLO issuance as regulatory uncertainty has been resolved and CLOs have adjusted to risk retention rules.
- US Federal Reserve raising its target federal funds rate.

The leveraged loan share of the leveraged market increased to around two thirds of leverage issuance at the expense of high yield bonds. Investors favoured floating rate loans in a rising interest rate environment.

The majority of both loan and bond issuances were refinancings (or repricings). Thomson Reuters reported that the USD 933bn of refinancing activity in 2017 broke 2013's record by 23% as a borrower-friendly market allowed issuers to cut lending costs and get better terms. In Europe, M&A related financings rose, but LBOs fell and were a small part of the market. Most LBOs were secondary buy-outs.

Despite the Brexit vote, the UK led the way in Europe with the biggest volume of issuance, followed by France and then Germany. Large European leveraged loan financings included those for Semyrhamis SA (EUR 8.69bn), Mico Focus (EUR 7.85bn), Fiat Chrysler (EUR 6.25bn) and the sponsor deal, Misys (EUR 5.66bn). As a result of the low interest rates, favourable pricing and similar terms in Europe, the volume of loan issuance by US companies in Europe grew over 10%. Examples included Western Digital (EUR 3.68mm), McNee (EUR 3.59bn) and Fresenius (EUR 3.43mm). In some deals, European loan terms were even more borrower friendly than in the US.

The red hot market competition led to continued tightening of pricing and erosion of covenant protection as described below and an increase in B+ loan financings as credit quality fell. Leverage levels rose. The secondary market remained strong, with Debtwire reporting weighted average pricing for institutional term loans of a little over 99, with many bids over 100.

Although overshadowed by the loan market, the high yield market remained strong in Europe and the US. Large high yield bond issuances included Wind Tre SpA (EUR 7.43bn), Intrum Justitia (EUR 3bn), Ardagh Packaging (EUR 2bn) and Intelsat (EUR 1.3bn).

This is not the whole story though. The beginning of 2017 started off very strong due to increased refinancing activity, some deals having been delayed from 2016. Issuance volumes dropped as the year went on and central banks reduced quantitative easing; there was some investor pushback on pricing and refinancing activity dropped off. A market correction had been expected during 2018. At the time of writing, the bond markets are in sell off and the stock markets are volatile in anticipation of inflation, rising interest rates, potential tariff wars and a drop in central bank stimulus. However, this should be viewed against the possible impact of deregulation and tax reform in the US as referred to below, strengthening economies in Europe and the US as well as high buy-side demand.

If default rates rise, then investors will find that restructurings are only triggered by payment defaults as there are no earlier triggers, such as financial covenant breaches, under the loan terms which have become standard in the market. The options for recovery may be more limited and, despite recent reforms, European bankruptcy laws do not generally protect enterprise value in the same way as Chapter 11.

2. Covlite TLB – The Instrument of Choice

In Europe and the US, leveraged covlite term loans were preferred over high yield bonds due to favourable pricing and very similar covenant flexibility to that applicable under high yield covenants, but allowing the borrower to prepay the loan voluntarily with either a limited or no prepayment premium. High yield bonds are expensive to redeem or buy back in the first two or three years due to the redemption premium. Most term loans are now covlite, save for smaller deals or deals in difficult sectors, such as retail. Revolving credit facilities provided alongside term loans benefit only from a springing net leverage covenant with term lenders only having a remedy if the revolving credit facility lenders accelerate. The net leverage covenant is commonly tested at the end of a quarter, so it is only tested four days in the year. In addition, the covenant is only tested if the facility is drawn over a threshold amount, which has trended upwards this year to be 35% or more, in a number of deals. In some cases, the borrower's cash on balance sheet is netted off the threshold even though a net leverage test is used.

In some deals in the UK market, if the net leverage test is breached, there is no event of default, but the borrower cannot draw further debt under the revolving credit facility (i.e., a "**springing**" covenant which acts as a draw stop only). The net leverage test is a first lien net leverage test or a total net leverage test calculated by netting off cash on balance sheet and is often set with headroom to allow full drawing under the revolving credit facility and no deleveraging. The EBITDA headroom is usually 30–40%.

The net leverage test remains easy to satisfy:

- cash drawings to fund upfront fees or OID may be excluded in calculating the covenant;
- in European deals, the covenant clause wording or construction clause may provide that a breach of financial covenant (or other undertaking) is deemed cured if the lenders do not take action before the covenant is next tested and passed (or the breach is remedied) (a "**mulligan**");
- the borrower can pay down the revolving credit facility or hoard cash just before the quarter end;
- add-backs to EBITDA may apply; and
- letters of credit may be excluded from the threshold so a borrower can borrow against letters of credit.

The EBITDA cure is now standard in European deals. In Europe, unlike the US, overcures are permitted, cures may be deemed cured and a sponsor may have a pre-cure right to designate equity injected earlier as a cure. However, cures in consecutive financial quarters are generally not permitted. In both the US and Europe, cures may usually be exercised up to five times over the life of the facility.

3. Erosion of Pricing Protections

The borrower of a first lien term loan usually has to pay a soft call prepayment premium of about 1% of the amount prepaid but only if the primary purpose of the deal is repricing. A lender may also be able to extend its loan without consent of other lenders.

Exceptions to call protection

- Borrower doing a transformative transaction, Change of Control or IPO.
- Prepayment with subordinated or second lien debt.
- Prepayment made more than six months after closing.

The margin ratchet protection has weakened in that:

(i) the margin may ratchet down from closing rather than only after 12 months;

(ii) the margin may only ratchet up to the highest level if there is a non-payment or insolvency event of default; and

(iii) the number of stepdowns has trended down to two for TLBs.

Most favoured nation ("**MFN**") protection limits the amount by which the yield on an incremental facility exceeds the yield on the original loan. The yield limit may turn off following a stated period after closing (a "**sunset**"). There has also been an increase in the circumstances in which the MFN does not apply.

MFN ON INCREMENTAL DEBT

EUROPE	US
1% cap on all-in-yield or (sometimes) the margin.	0.5–0.75% cap on all-in-yield.
6–12 months sunset (flex to remove or extend).	6–18 month sunset (flex to remove or extend).
Sometimes no MFN for incremental facilities: ■ other than under leverage ratio test and/or the leverage ratio test may treat RCF commitments as undrawn; ■ in a different currency to the original loan; ■ within a threshold up to a turn of EBITDA; ■ which mature more than around two years after the original debt; and ■ which are not term loans/syndicated debt.	Similar (flex to modify or remove exclusions).

4. Future Proofing Loans/Change of Control

Change of control provisions have been softened, and portability (allowing a change of control without any prepayment requirement) has been a feature of a few deals, generally where a change of control is on the horizon. Portability is more common in Europe than the US, but it is still unusual. In Europe, fall away provisions have become more common. Such provisions suspend covenants on satisfaction of a leverage covenant (and possibly also listing) or reaching an investment grade rating.

Change of Control

EUROPE	US
An individual lender can demand repayment (put right) but sometimes only after 30 days consultation.	An Event of Default.
All Lenders or sometimes Majority Lenders can change definition of Change of Control.	Majority Lenders can waiver.
HY bond style definition sometimes included. Change of Control if a non-sponsor party acquires control.	Similar.
Portability allowing change of control without prepayment sometimes seen, subject to criteria, e.g.: ■ leverage not greater than leverage on closing, satisfaction of rating test or implied equity to enterprise value test; ■ no Event of Default; ■ Change of Control within 12–24 months of Closing and only once during life of facility; and ■ a new owner on a white list.	Portability rare.

5. Increasing Capacity to Incur Incremental Debt or Incremental Equivalent Debt and Leverage Up/Prime

The flexibility to incur incremental and incremental equivalent debt (including priming debts) has increased, allowing borrowers to leverage up. The restrictions applicable to side car debt (e.g. bonds), assumed acquisition debt and debt incurred under debt baskets may be much looser than those applicable to incremental debt.

In Europe, borrowers may be able to incur incremental debt which is structurally senior or capped debt without such debt being subject to the intercreditor agreement. Sponsors are also asking to make shareholder loans to (or receive payments from) subsidiaries rather than having to downstream them on an unsecured basis through a topco. The result is that such shareholder loans to subsidiaries may not be regulated by an intercreditor agreement. Both these developments may complicate European restructurings and potentially affect recoveries.

The borrower may also be able to use baskets available for making restricted payments to incur debt by "reclassifying" them.

Conditions for incurrence of Incremental Facilities ranking *pari passu* and sharing collateral

US/EUROPE
■ Cash capped freebie basket (may be a turn of EBITDA) which grows with EBITDA/total assets.
■ Leverage ratio debt basket (set at senior secured net leverage ratio or total net leverage ratio on closing date so no deleveraging required).
■ Basket equal to amounts voluntarily prepaid or bought back or permanent RCF reductions.
■ No Event of Default.
■ Debt must mature after maturity of original term loan (may have exception for debt which can mature/amortise earlier).
■ Same borrower as original loan.

Conditions for Incurrence of Additional Debt

■ Fixed charge coverage ratio for unsecured or subordinated debt with senior secured leverage ratio for other debt.
■ Incurrence of debt, dollar-for-dollar with new equity, or acquired when an acquisition or investment is made (assumed debt) but, (contribution debt) if secured, may need to satisfy senior leverage test or not make fixed charge coverage ratio worse than before.
■ Borrowing by an Obligor.
■ Borrowing by non-Obligor and secured on assets outside the collateral package.
■ No Event of Default.
■ Refinancing facilities refinancing existing facilities.
■ (In Europe) lenders acceded to intercreditor agreement if debt over a threshold.

6. Expansion of EBITDA Add-Backs

EBITDA add backs are common for synergies and cost savings from acquisitions, group initiatives and restructurings, to the extent these are achievable within the good faith determination of senior management within 12 to 24 months of the acquisition or cost saving measure. EBITDA add backs have a significant impact on financial covenants, incremental debt capacity, grower baskets, margin ratchets, restricted payment capacity and the cash sweep. In Europe, EBITDA add backs were usually subject to caps and independent verification requirements. In 2017, uncapped EBITDA add backs subject to officers' certifications have become more common in Europe, similar to the position in the US. EBITDA add backs attracted attention from US and European regulators, and both the US and European Leveraged Lending Guidances require that add backs be justified. Add backs not reflected in the financial model materially inconsistent with peer credits or which allow for artificial boosts to EBITDA (e.g., accelerated revenue recognition) will need careful review and may attract investor pushback or regulator scrutiny.

7. Restricted Payment Capacity Increases – Impact on Debt Service?

Restrictions on distributions to prevent cash leakage and weakening of debt service capacity are regarded as basic credit protections for highly leveraged companies but 2017 has seen erosion to both such protections. In Europe, capacity to make restricted payments, including investments, distributions and payments of junior debt has significantly increased in 2017. As borrowers are often permitted to reclassify baskets, the increased capacity to make restricted payments may result in the borrower having other flexibility, such as to incur debt.

Unlimited distributions are commonly permitted subject to meeting a total leverage ratio test set around 1.5× to 2× lower than the total leverage at closing. Increasingly, distributions may also be made from a builder basket based on 50% of cumulative net income plus various additions, such as a starter basket with an EBITDA based grower component. Access to the builder basket (and the starter amount) is usually subject to meeting a leverage ratio test which can be satisfied with minimal deleveraging. If no leverage ratio test applies to use of the builder basket (and the starter amount), the borrower may be able to sell material assets on day one.

In Europe, the builder basket may be based on retained excess cashflow. Repayment of junior debt is subject to the same restrictions as the payment of distributions, save that the leverage test may be set at a higher level. If a net leverage test applies instead of a total leverage test, a sponsor may be able to inject equity, net the cash off to meet the net leverage test and, subject to meeting the ratio test, round trip the cash, although sponsors usually cannot round trip the proceeds of an equity contribution used for an equity cure.

As borrowers are often permitted to reclassify baskets, the increased capacity to make restricted payments may result in the borrower having other flexibility, such as to incur debt.

8. Flex Rights and Fee Pay Aways

European lenders now often have broad flex rights similar to those in the US, potentially covering not only pricing and OID but also extension of the soft call protection period to 12 months after closing, extension of the MFN sunset, margin ratchet, increasing the proportion of excess cashflow that must be prepaid, incremental quantum, the leverage tests applicable to restricted payments, and EBITDA add backs.

However, European lenders remain restricted in the exercise of flex rights. European arrangers usually have to pay away OID before flexing and may also need to pay away a minimum amount of their arrangement fees before a pricing flex (or sometimes any flex). The term facility may be upsized on a fee-free basis to fund a flex (flex fund) with a corresponding adjustment to covenant headroom. Arrangers may only have flex rights to sell down to 10–30%, but sponsors may request that the OID and arrangement fee pay away and OID rebate are calculated based on a sell down to zero. Arrangers may also need to show that they cannot achieve a successful syndication without flexing, which may be difficult in a market where they will only achieve a partial sell down anyway.

9. Increasing Limitations on Transferability

There are notable differences between the US and European markets, with European facilities imposing more restrictions on transfers and voting sub-participations without borrower consent.

EUROPE	US
Borrower consent unless: ■ to existing lenders/affiliates/related funds; ■ insolvency/non-payment event of default (possibly other Events of Default); ■ transferee on a white list (borrower may have right to remove names); or ■ rating condition for transfers of the RCF.	Borrower consent unless Event of Default (sometimes specified Events of Default).
No transfer or voting or silent sub-participation to: ■ industrial competitors; ■ distress debt funds; or ■ defaulting lenders.	No transfer to: ■ industrial competitors; or ■ blacklisted lenders.
Borrower consent deemed given after five to 10 business days.	Borrower consent deemed given after five to 10 business days.
Transfers in breach mean transferee is disenfranchised.	Transfer in breach is void.
Borrower may require to see confidentiality agreements with potential lender to be aware of possible transfer and/or have right to object to transferee and find a replacement.	N/A.

"Industrial Competitors" may include affiliates without excluding affiliates and controlling shareholders which are financial institutions and debt funds, who may end up being disenfranchised. Transfers may also be defined widely in a construction clause and may include derivatives, sub-participations and similar matters. A further development in 2017 in European facilities was to restrict transfers to loan to own funds/distressed investors until insolvency or a payment default.

10. Few Restrictions on Acquisitions

Restriction on leveraged borrowers making acquisitions which may weaken the borrower's credit standing has long been viewed as a key credit protection. On the other hand, borrowers want flexibility to buy and build and 2017 saw borrowers prevail with increasing flexibility to make acquisitions, occasionally with no leverage ratio test.

Acquisition conditions

EUROPE	US
Satisfaction of *pro forma* leverage ratio test (sometimes) at time to committing to acquisition.	Similar
No Events of Default.	Similar
No breach of sanctions and sometimes jurisdictional limits.	Similar
Similar or complementary business.	Similar
No restrictions on acquisition if target cannot give security or guarantees for legal, cost or practical reasons (may dilute security/guarantor package and allow leakage to non-Obligors).	Limitation on value if target does not become a Loan Party
Provision of diligence reports if obtained.	N/A

11. J Crew Trap Door Closes but Increased Value Leakage Possible

Borrowers can increasingly shrink the collateral base without prepayment. Uncapped disposals for market value are often permitted so long as 75% of the consideration is in cash, the proceeds are reinvested within 12 to 24 months or applied in prepayment. In Europe, the borrower may then use the disposal proceeds to buy new assets, which do not form part of the collateral as the borrower's obligation to grant collateral is usually subject to carve-outs where the grant of security is subject to legal, cost or practical constraints.

Investors pushed back on the J Crew trap door, which allowed material value leakage out of the group if cash and assets passed through non-obligors. The broad area of investment concern has become the transfer of cash and assets from obligors to restricted non-obligors and, thereafter, from those restricted non-obligors to unrestricted subsidiaries (i.e., entirely outside of the credit structure). This mechanism allows obligors to move collateral into unrestricted subsidiaries and shrink the collateral base without shrinking the debt burden.

12. US Tax Reform

US tax reform has created additional complexity for multi-national companies with a relevant US nexus. Moving somewhat towards a modified territorial system (as opposed to a global system), the US federal government has reduced incentives for maximising the indebtedness of US borrowers within multi-national businesses by, among other things, capping deductions to US federal income for interest on indebtedness. The flip side of this equation is that international corporations should review (or revisit) non-US borrowing structures; for instance, some companies are exchanging US borrower debt for UK borrower debt in light of these tax changes. Equally, when structuring new deals, arrangers are analysing collateral/debt allocation mechanisms to optimise debt structures for multi-jurisdictional borrower corporate groups. Existing debt structures and documentation that have relied on the pre-reform tax code may suffer from unintended consequences due to, among other things, restrictive payment covenants that (now) may be excessively permissive for pass-through entities and controlled foreign corporation (CFC) related provisions that (now) may be over-inclusive due to the expanded definition thereof (e.g., to pick up sister companies under a non-US parent structure). Suffice it to say that US tax reform is a complex, thorny and challenging problem for multi-national corporations, and many (vital) areas require regulations to clarify the legislation to give taxpayers and their creditors a minimum level of certainty. For those tasked with creating financial models and projections for borrowers, US tax reform includes provisions that increase the complexity of modeling taxable income and cash flow (especially as between current and future periods); a boon for accountants but a challenge for investors who believe that cash is king.

13. Revocation of US Leveraged Lending Guidance?

On October 19, 2017, the United States Government Accountability Office (GAO) issued an opinion determining that the 2013 Interagency Guidance on Leveraged Lending (the "**2013 Guidance**"), issued jointly by the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System

(“**Federal Reserve**”) and the Federal Deposit Insurance Corporation (FDIC) (collectively the “**Agencies**”), constitutes a “rule” under the Congressional Review Act (CRA). The GAO’s determination was issued at the request of Senator Pat Toomey (R-PA), who inquired by letter whether the 2013 Guidance should be subjected to Congressional approval as a rule under the CRA. Before a rule can “take effect”, the Federal agency promulgating the rule is required to submit to each of the House of Representatives and the Comptroller General a report containing certain information required by the CRA, including a concise general statement relating to the rule. No such report was submitted in the case of the 2013 Guidance, because the Agencies determined that it did not amount to the promulgation of a rule. In the absence of the required submissions accompanying a new rule, the 2013 Guidance would appear to have the status of an invalidly promulgated rule that has no effect. As a by-product of this development, the Agencies sent letters to Congress indicating that they would be open to revising the 2013 Guidance.

As a general observation, the GAO’s determination is beginning to impact the US leveraged debt market as market participants consider the prospects of the 2013 Guidance no longer being enforced, no longer being enforced in a manner consistent with past experience, being revised materially or becoming absorbed into general prudential standards (rather than being a hard-and-fast rule). The market now awaits Congress’s next move. In addition, we note that the GAO’s determination impact could result in further disparate treatment of leveraged lending between the United States and Europe.

14. ECB Guidance – Limited Impact So Far

The ECB’s Leveraged Lending Guidance came into effect in November 2017. The ECB Guidance is similar to the Interagency Leveraged Lending Guidance in various ways, including in guiding that banks should only syndicate loans with leverage levels of 6x on an exceptional basis. The ECB Guidance has had limited effect so far, which may be because the European market is used to the Federal Reserve’s Leverage Lending Guidance, and most European deals have a leverage of less than 6x. If the Federal Reserve’s Leverage Lending Guidance is withdrawn, this may give a competitive advantage to US banks which have London branches and are not ECB regulated. However, if such banks are required to open a subsidiary in Europe to obtain EU passporting rights to continue to do business in Europe, and the subsidiary is large enough to be ECB regulated, then those banks will need to comply with the ECB Leveraged Lending Guidance. Additionally, even if no leveraged lending guidance applied to limit leverage, there is a limit on the amount of debt that can be incurred on a tax efficient basis in a typical European leveraged structure in light of the limits on deductibility of interest in applicable jurisdictions.

15. Direct Lending

European direct lending deals are reported to have grown by about 15%, with the biggest market being in the UK. Deals included Goldman Sachs’s unitranche for Zenith (EUR 525mm), GSO’s unitranche for HCS Group and KKR’s unitranche for Chassis Brakes (EUR 175mm).

The US market has been a tale of too much money chasing too few deals. Capital has continued to flow into direct lending funds; with nearly $70bn raised in 2017. Pressure on spreads and yields has followed the flood of cash; with borrowers taking advantage of liquid market conditions. Larger club deals have also been a noteworthy trend. Refinancings have taken a toll on portfolios, and the return on cash has forced lenders to be more creative (and flexible) in their financing packages.

16. Investment Grade Syndicated Lending

The investment grade market remained strong in 2017. High grade acquisition financing was a core driver as corporates took advantage of low interest rates and strong liquidity, although syndicated lending fees increased. Thomson Reuters statistics below highlight the overall market trends:

- At $821bn, 2017 investment grade loan issuance finished 5% behind 2016’s total.
- Investment grade M&A loan issuance set a new annual record with $203bn in 2017.
- CVS’s late year jumbo loan for its Aetna acquisition helped propel bridge issuance to hit a new peak with $145bn in 2017.
- At $79bn, 2017 high grade term loan issuance was 19% lower than 2016’s total of $98bn.
- For the year, 2017 refinancing issuance was 9% lower than 2016’s total and was the lowest total since 2012.
- The $31.8bn loan for British American Tobacco to buy Reynolds American was the largest EMEA lending in 2017.
- Healthcare, retail and utilities sectors finished 1-2-3 for investment grade issuance in 2017, with retail replacing manufacturing in the top 3.

17. Asset Based Lending

The US ABL market remains a strong source of steady business for major banks, but with severe margin/profit compression. Creativity in asset-based lending now lies with non-traditional asset classes, structured credit solutions and other bespoke structures. Sponsor terms continue to creep into asset-based lending, with fixed charge coverage ratios defined liberally and ratios set at loose, to very loose, levels. Retail has been a source of chronic pain (in the form of workouts, restructuring and bankruptcies) for asset-based lenders, as the retail industry continues to be racked by structural change. The development and expansion of creative structures around whole-business securitisation has also been a noticeable trend.

There has been more interest in cross-border ABL facilities in Europe. At the end of 2017, Ardagh raised cross-border EUR 850mm asset-based loan facilities in the US. The facilities are secured on European and US receivables/inventory. The securitisation market is also picking up, with an end to regulatory undertakings, the draft EU Securities Regulation have now been settled.

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Josh is recognised by Chambers USA and his clients have noted to Chambers that he is a "fantastic lawyer with a wide breadth of experience and can think ahead to the next six issues in order to help bring analysis to our decision" and is praised for his ability to "keep everyone on task and cut through the issues in an organized manner".

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Caroline Leeds Ruby, a Partner of the firm, is resident in the London office. She represents banking and corporate clients and private equity and fund investors in complex cross-border financings in developed and developing markets, including acquisition financings, investment grade and corporate loans, leveraged lendings of all types (including going private transactions, mezzanine and PIK loans), financings to funds, receivables financings, debt buy-backs, multinational restructuring transactions, work-outs, distressed purchases and defaulting loans. As counsel for lead arrangers and investors or corporate borrowers, she is involved in all aspects of deal structuring, transaction management, negotiation and documentation.

Caroline is ranked as a leading lawyer by *Chambers UK*. "A range of impressed clients note that Caroline Leeds Ruby is 'really first-class', 'stays cool under pressure' and has 'excellent business acumen'" (2013). "Very diligent, extremely responsive, flexible and has deep technical knowledge" (2015).

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