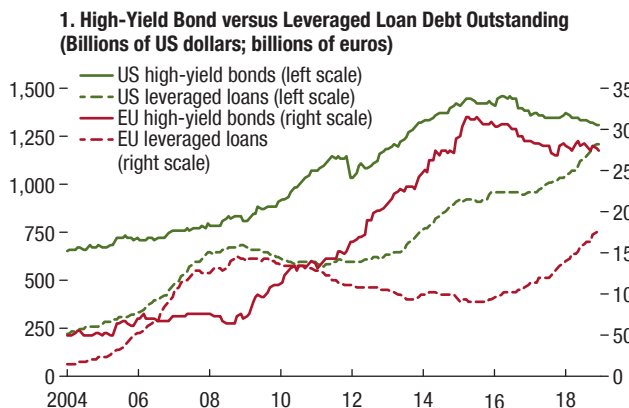
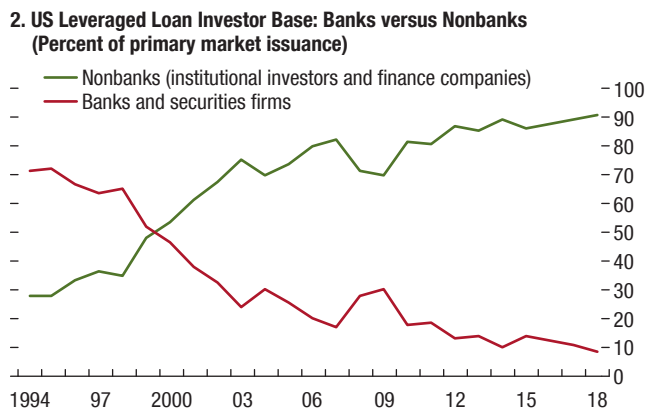


Figure 1.13. Developments in the Leveraged Loan Market in the United States and Europe

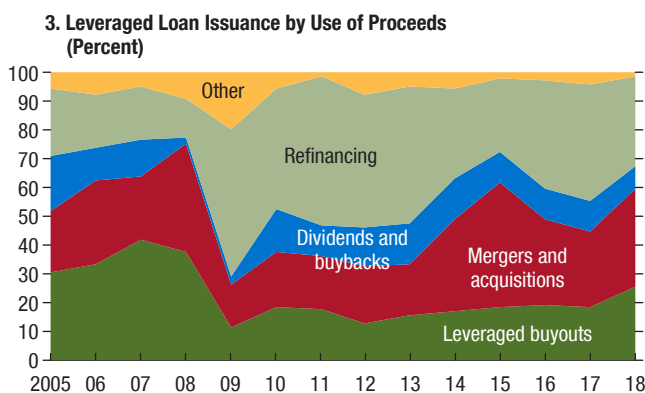
The amount of leveraged loans is almost as large as that of high-yield bonds.



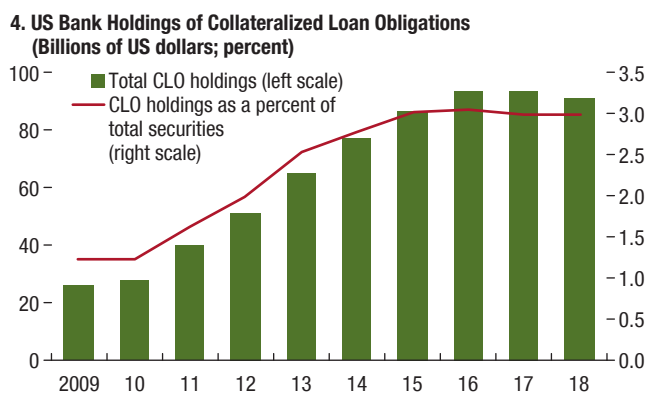
Nonbanks have taken a larger role in financing highly indebted firms.



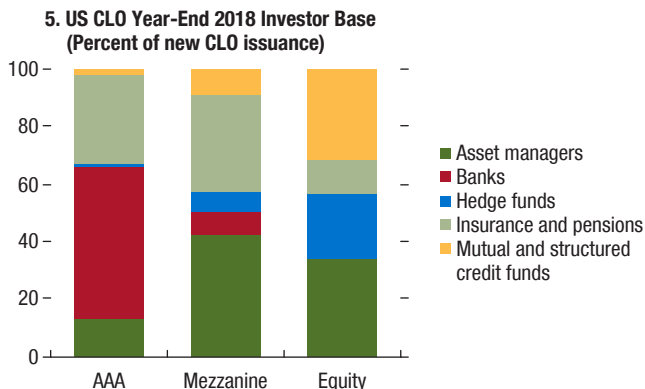
The share of proceeds used to fund acquisitions and shareholder enhancements is large.



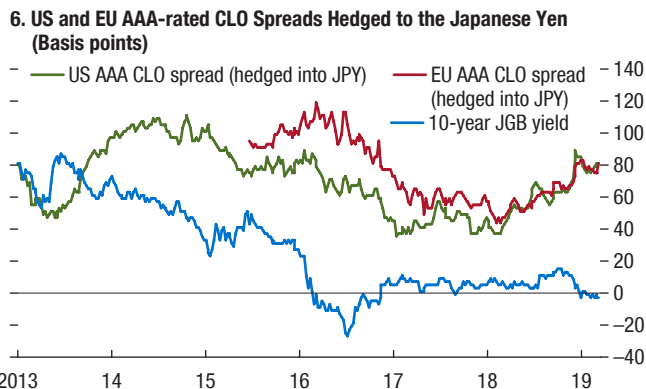
US bank holdings of collateralized loan obligations remain relatively small.



Collateralized loan obligations have enjoyed a stable bid from asset managers and banks ...



... as attractive currency-hedged returns have maintained a strong bid from foreign banks.



Sources: Bloomberg Finance L.P.; Citi; Federal Reserve Y-9C Reports; S&P Leveraged Commentary & Data; SNL Financial; and IMF staff calculations. Note: For panel 2, institutional investors include finance companies, insurance companies, hedge funds, distressed debt funds, loan mutual funds, and collateralized loan obligations (CLOs). Panel 5 is based on estimates from Citi. JGB = Japanese government bond; JPY = Japanese yen; LBOs = leveraged buy-outs; M&A = mergers and acquisitions.