



Loan Syndication - Structuring, Selling Down & Documentation

COURSE CONTENT

1. The Syndicated Loan Market

a. Overview of Market Definitions, Statistics and Transaction Timetable

- Definition & characteristics of a syndicated loan. Common structures, uses and key defining terminology
- Review of the markets broken down by volumes, geographies, currencies, maturities, ratings, arrangers and investors
- Survey of macro-economic factors affecting the market. Phases and milestones of the syndication process and Timetable

b. Overview of Documentation

- Loan Market Association (LMA) and others (e.g. LSTA)
- Investment Grade & Leveraged Primary documentation
- The Documentation cycle

c. Mandate & Term Sheet

- Types of syndicated facilities. Mandate letters
- Confidentiality & NFR Letter/Term Sheet

d. Practicalities

- Role of Agent. Role of MLA/Arranger
- Role of and rights of participating banks. Building a business as a participant bank

Case study: *Assessment of the merits of an invitation to Participate*

e. Pricing a Syndicated Loan

- Sources of information. Trade-offs between price, maturity and credit structure
- Assessing market appetites

f. Underwriting and Distribution Strategies

- Sub underwriting
- Syndication, Club

Case study: *Delegates are split into groups and asked to work on an invitation to underwrite an investment grade transaction based on specific scenarios. Tasks include:*

- Evaluation of the invitation. Production & assessment of Comparables
- Producing and refining a Bank Universe. Liquidity Analysis
- Assessment of the other factors which can influence the
- Decision. Presentation of the recommendation to Business & Credit

g. Roles & Responsibilities

- The role of the participating bank. Why does a bank become a participant?
- What must a participant do – and not do?
- What does a participant need from the arrangers?
- Current market conditions for participants



h. Responsibilities in a Syndication Unit

- Functions required in a syndication unit. How to undertake the roles in a transaction
- Systems. Market practice and sensitivities

2. Syndicating & Closing a Syndicated Loan – the role of an MLA/Bookrunner

a. Investor Materials – PIM, Due Diligence Reports, Bank Meeting

- Data Room, Timetable
- Private vs. Public, Closing, Allocation, Free to Trade

b. Secondary Loan Trading

- Development of the market, Key drivers, Main players
- Settlement, Market practice

Case Study: Evaluating a secondary trading opportunity

c. The Loan Agreement

- Detailed review of the LMA recommended forms
- The key concepts in syndicated loan documentation including pari passu provisions and trigger points / default

d. Security

- Priority ranking. Different types of security
- Clauses in security documentation
- Granting and perfecting collateral. Asset-based transactions

3. Winning Mandates and Selling Down

a. The Corporate Treasurer's Perspective

- The issues and challenges from the borrower's perspective
- How to win mandates and build client loyalty. Techniques for managing bankers

b. Specialist Syndication Markets

- Project & Infrastructure Finance, Leverage Finance
 - Real Estate. Financial Institutions. Emerging markets

c. Bidding for the Mandate

- How to structure the syndicated deal
- Analysing the right price. Bidding strategies

Final Case Study: Delegates will work in groups on a case study involving the assessment of an invitation to underwrite a structured financing. Delegates will use a summary term sheet to

- Evaluate alternative syndication strategies Conduct a Comparables Analysis set up an Investor
- Universe, complete a Liquidity Analysis. Yield calculation for brackets in a deal. Cost and usefulness of underwriting

