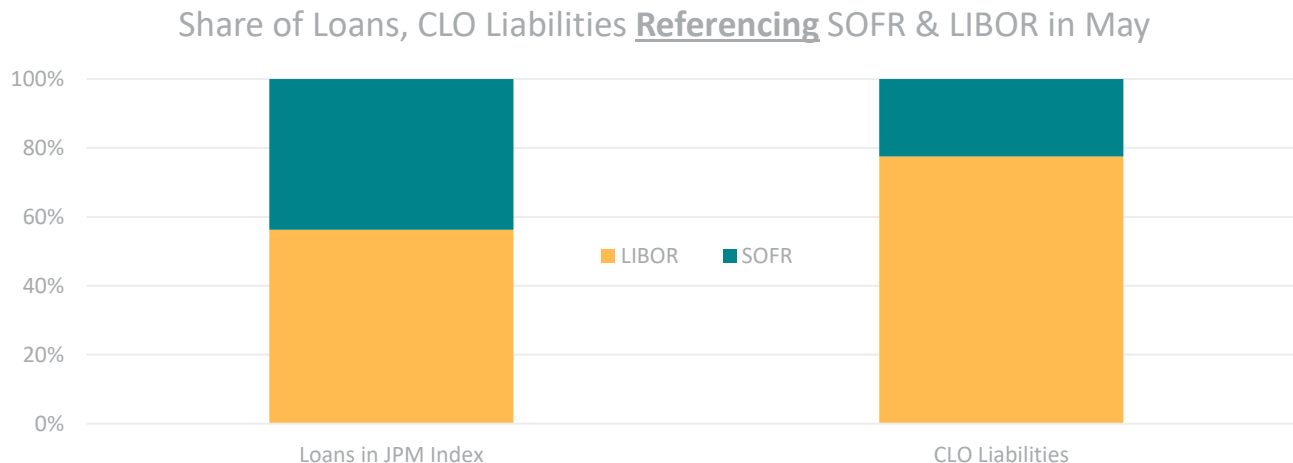




**LIBOR Transition: June 22, 2023**

# Leveraged Loan/CLO LIBOR Remediation: Where We Stood at the End of May

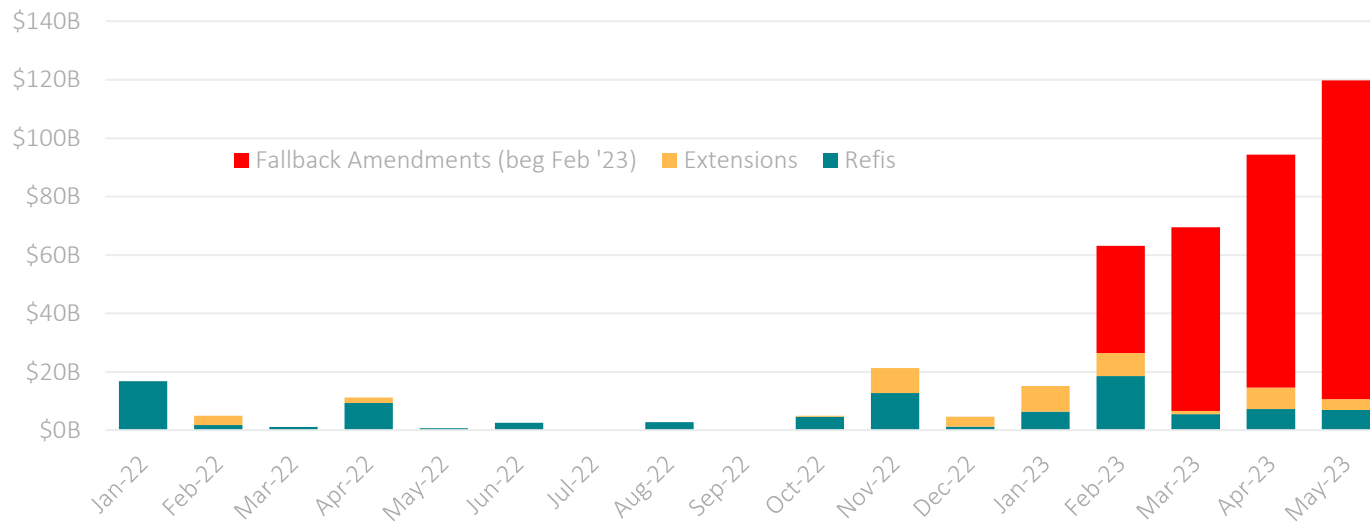


- Outstanding loans and CLOs are transitioning from LIBOR to SOFR
- We are further along than the data indicate; estimates are that over 60% of institutional loans have transitioned, but a number have not yet hit the end of the LIBOR interest rate contract period (so they still reference LIBOR)
- CLO note data is lagged and, according to a major trustee, while the large majority of LIBOR CLOs are not yet eligible to transition, most have prepared their CLO notes to transition on or around June 30<sup>th</sup>

*\*Note: Data may be somewhat lagged*

# LIBOR Remediation: Bank Crisis Slowed Organic SOFR Refinancings, but Fallback Amendments Accelerating

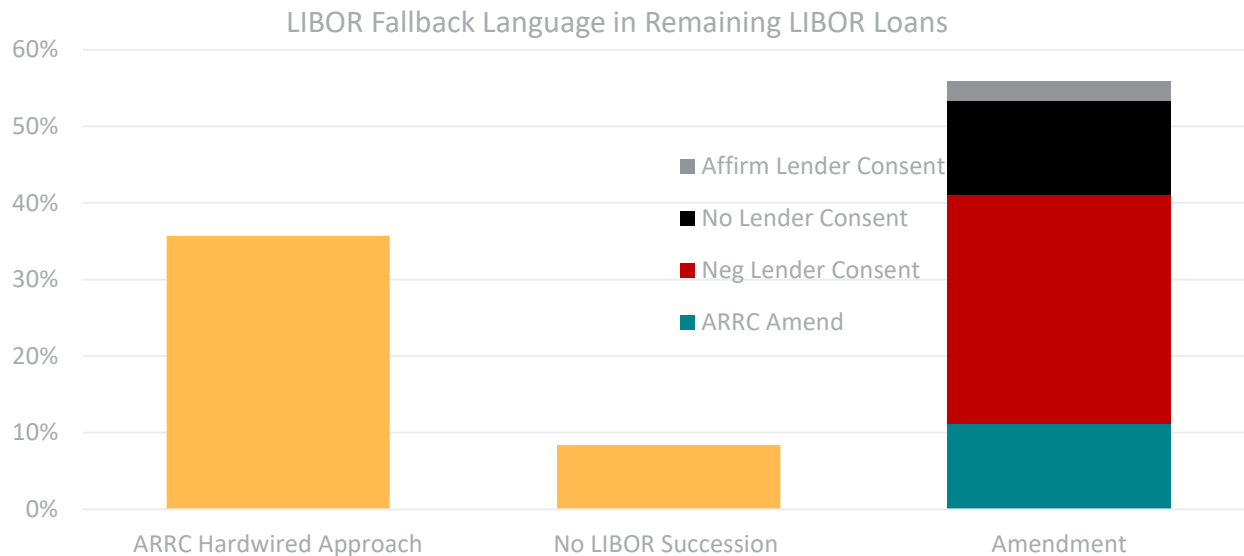
LIBOR Fallback Amendments Continue to Accelerate



Source: LevFin Insights

- Amendment fallback activity continues to accelerate
- More than \$190B of LIBOR fallback amendments tracked so far in June

# Fallback Language in Remaining LIBOR Loans in CS Index (May 2023)



- More than 1/3 of outstanding LIBOR Loans have hardwired fallbacks and more than 10% have ARRC Amendment Fallback language. Both of these forms of fallback will trigger transition when FCA declares LIBOR unrepresentative.
- Less than 10% do not have succession language (and would go to ABR or potentially synthetic LIBOR)