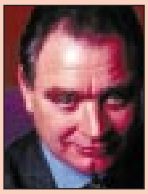
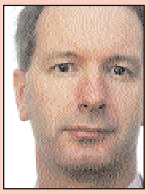
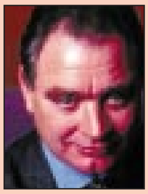
	What major problems and opportunities do you expect?	Will the euro become a viable alternative to the dollar in terms of volume and liquidity? Do you foresee major problems for the euro?	What pricing trends do you anticipate?
 ***Ian Fitzgerald*** ***Lloyds TSB***	Continued banking consolidation and the drive towards appropriate risk reward will reduce the number of banks willing to provide low-cost funds to corporates. The focus for corporates will be on relationship banking as non-core relationships deteriorate. Euro consolidation may mean an improved euro-commercial paper market and thus attractive short term funding opportunities for well-known quality names.	It is clear that the increased availability of common funds across Europe will increase the pool of investors. The differing jurisdictions and high variation in corporate balance sheet structures will make increased cross-selling difficult for all but the most well-known and highly rated names.	The pricing cycle for top companies has started to level out and benchmark pricing for strong, relationship-driven single A type borrowers has clearly stabilised in the UK in the region of 40 bps. Trends will be more definable as the Basle consensus solidifies. Risk reward remains paramount and event-driven transactions will need to be well-priced and structured to succeed. Market flex clausing will remain.
 ***Stuart Frohmaier*** ***WestLB***	The success of the jumbo facilities of 1999 has helped redefine the purpose of the syndication market. We would expect much more of this form of financing from European corporates who will be encouraged to undertake strategic acquisitions. Major problems may arise from over-aggressive structures which misread lender requirements.	The euro will certainly aid the distribution of the European corporate deal and volume will increase. Borrowings will continue to reflect the earnings geography of individual customers. The two markets should be seen as complementary and not as alternatives.	We expect pricing, in the broader sense, to continue to rise as banks will become more demanding. The results of the consultation period on the BIS proposals, when known, will require reassessments on pricings particularly for corporate borrowers falling in the 20% category. The 20% FI pricing will remain aggressive throughout the year.
 ***Terry Hughes*** ***Goldman Sachs*** ***International***	Continued reduction in the number of banks putting pressure on market capacity. Great opportunity for CDOs to fill this space.	Long term yes. Short term issues will arise because of weak political underpinning and growing divergence between the performance of French and German economies.	Greater harmonisation across geographic markets. International syndications will reduce the possibility of off-market local pricing.
 ***Tim Ritchie*** ***Barclays Capital***	Challenges for borrowers: ● maintaining the balance between the ancillary business requirements of core relationship banks and having enough banks to facilitate efficiently priced acquisition financings; and ● dislocation of relationship bank groups caused by consolidation in the banking industry and growth in individual lenders' client relationship expectations. Opportunities for borrowers: ● willingness of banks to unleash unprecedented amounts of liquidity in support of corporate ambitions.	Continued growth of the euro loan market in parallel with the expansion of the European capital markets will see loans being used to facilitate capital market programmes as well as to back-stop the rapidly growing euro commercial paper market.	Pressure for higher pricing will continue to build. However, the market will offer windows of opportunity for certain borrowers that will be determined largely by competing transactional business. Transactional rather than client specific issues will become more important in determining appropriate pricing levels – especially as borrowers seek to raise funds beyond the capacity of their core relationship bank group and their willingness to lend.

Respondent	Will availability of funding for medium and smaller corporates be improved? Do you foresee any trends in the type of borrowers in future markets?	What trends in currencies, deal types and structures do you expect?	What trends to you expect in investor appetite?
 *Ian Fitzgerald* *Lloyds TSB*	The main players in the SME market will continue to be the house banks and the European banks with regional presence. The increased introduction of risk return models (proposed by the regulators) which calculate profitability of transactions on credit grade and increasingly on tenor (over three years dramatically increases capital cost) is making participation in this area less easy.	Everything revolves around whether the UK is 'in or out'. If the euro commercial paper market grows there will need to be more standby backstop facilities. Basle will force changes in bank appetites, the margin and commitment fee in relation to risk and will create a more structured and transparent analysis of risk. Structures will become more conservative following difficulties experienced by some recent aggressively structured transactions in the US.	The contraction of the investor base created by the mergers within the industry and the need for banks to be seen as 'best of breed' will mean that inadequate yields and credit losses on lending will not be tolerated. A major US commercial/investment bank's recent comment that it is no longer concerned with being top of loans league tables – because the "necessity of maintaining market share destroys shareholder value", is particularly pertinent. This could be mitigated by the euro and increased currency transparency – enabling different classes of investor to become involved.
 *Stuart Frohmaier* *WestLB*	The BIS proposals and emphasis on ratings may well make it more difficult for the lower rated or unrated company to access the market. Nonetheless, expect to see a much more widespread use of the loan markets by middle market European borrowers.	Expect to see many more acquisition-led bridging type facilities. Short term tranches will be prevalent with the loan market regularly being asked to buy into the bond market/disposal refinancing story. The market will see more refinancings as the cheap mid-1990s deals reach the end of their lives.	Relationship banks will become more demanding while others will be purely driven by best return. All investors will be seeking higher front-end value and will become more selective on transactions. Once again BIS will affect banks focused on ROCE.
 *Terry Hughes* *Goldman Sachs International*	Not really, markets are becoming more rating sensitive and agencies like size. End of pooling in US will mean much greater emphasis on cash consideration financed by jumbo bank deals.	Continued emphasis on using the bank market as a bridge to capital markets take-outs.	Greater appreciation of liquidity and focus on total return.
 *Tim Ritchie* *Barclays Capital*	Corporate borrowers, including middle market names, will make greater use of the syndicated loan market to finance and prepare for future acquisition activity as the corporate landscape continues to transform. UK corporates will have to compete even more with their continental European counterparts for available liquidity and will need to plan further ahead than at present. The trend towards large-scale buy-out financings will drive higher pricing demands.	Borrowers will utilise more leveraged and off-balance sheet structures to enhance shareholder returns. Shorter tenors will continue to appeal to banks as will use of the loan product to bridge increased use of capital market instruments for core funding. The euro will grow its market share as the preferred facility denominator.	There will be a growing dichotomy between available liquidity and price at which lenders are prepared to make this available, with banks increasingly adopting a transactional approach and institutional investors becoming of greater significance in the leveraged arena. The polarisation taking place between arranging and participant banks will accelerate and it will become clearer than ever that arranging syndicated loans is not a business for amateurs.