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## **Analysis of current trends in the development of the syndicated loans market in the world and in Ukraine**

### **Abstract.**

*Object:* The main purpose of the paper is to study the essence and role of syndicated lending in the world economy, to identify changes in this process associated with the Covid-19 pandemic, and also to study the particularities of syndicated lending in Ukraine and to determine the role of Ukrainian companies in this market. The object of the study is the processes of international syndicated lending as one of the most important instruments of financing the activities of major companies and the use of the international experience to enhance the ability of Ukrainian enterprises to attract additional financial resources in the international capital markets.

*Methods:* During the study of syndicated lending development on the global scale and in the Ukrainian market the authors used methods of mathematical analysis and synthesis based on statistical databases published by international analytical agencies and companies, in particular such monthly analytical reviews as Cbonds Review and Cbonds statistical reference books, as well as Thomson Reuters, Loan Market Association databases, etc. The database of the Ministry of Finance of Ukraine was used to study issues related to the development of syndicated lending in Ukraine.

*Findings:* The authors studied this market from the perspective of identification of the structure and functions of the key parties to syndicated lending transactions, analyzed the main banks arranging syndicated lending, the main borrowers and the main areas of investment. The article introduces the main disproportions in the development of the global market of the syndicated lending by regions, member countries, major lending banks and corporate debtors. The article presents the analysis of the participation of Ukraine and Ukrainian borrowers in the processes of international syndicated lending. The analysis of particularities of the development and sectoral orientation of the syndicated loans market in Ukraine for the last 20 years was made; the main imbalances in its development were examined. The main stages and their distinctive features of the development of syndicated lending market in Ukraine were distinguished; the dependence of the intensity of syndicated lending and its sectoral orientation on the changes in the macroeconomic indexes of the country was proved.

*Conclusions:* The article reveals the main disproportions in the development of the world syndicated lending market and its direct dependence on the pace of development of the world economy. The authors defined stages of the development of syndicated lending in Ukraine, their particularities and reasons for the extremely low level of use of this instrument of financing in Ukraine. This paper focuses on the fact that the establishment of an effective system of syndicated lending in Ukraine can help to multiply the potential of the banking system as a whole. Syndicated lending can be used to accumulate the required credit resources, in particular, for large long-term investments in project financing and investment lending.

*Key words:* international financing, syndicated lending, bank loan, Ukrainian syndicated lending market, managing banks (for the syndicated lending), borrowers, financial long-term investments.

### **Introduction**

Under the current conditions of intensified globalization processes and the development of international financial markets, the mechanism of international syndicated lending is one of the main sources of long-term debt financing for enterprises in economically developed countries. This fact proves that up to 75% of the large investment projects in these countries are financed by banking syndicates, which is due to the possibility for borrowers to attract a larger volume of funds than from a single lender, reducing the cost and time required to arrange credit, and for the lending banks, in turn, the possibility to diversify credit risks. In recent years, the total volume of the syndicated loans is about one-third of the entire international capital market, including issues of bond loans, promissory notes and stocks. The practice of establishing international bank

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syndicates for lending to investment projects requiring large capital for the long term and risk diversification becomes increasingly popular, and syndicated lending market is seen as the most flexible and large-scale source of capital. The current market of syndicated lending is highly diversified both in terms of the scale of activity of its players and in terms of geography. The analysis of the development of the world syndicated lending market, its dynamics and structure shows a rapid growth in the number and amount of syndicated transactions due to a number of advantages of involvement of this form of financing of large-scale investment projects in many countries of the world.

To make capital investments, Ukrainian companies need to attract a large amount of financing, both in the form of new equity capital and in the form of funds from debt investors. Along with direct investment in the economy, debt capital markets are one of the key mechanisms used by large companies and banks around the world to raise financing for capital investments, modernization of production facilities, refinancing and development strategies implementation. In this regard, the key to Ukraine's stable economic growth will be the access of its companies and enterprises to domestic and foreign sources of long-term financing. Today syndicated lending in Ukrainian sector remains underdeveloped. There are no precedents for the establishment of international syndicates where Ukrainian banks would be participants at the moment, but such establishments may take place in the future for the development of the country. This type of attraction of credit funds can be an effective tool for the development and acceleration of economic processes in Ukraine. In developing countries and in countries with transformation economy there is a limited ability of their national banking systems to long-term lending (while maintaining a high share of bank lending in the structure of investment financing sources), and as a consequence, a shortage of domestic investment resources. The access of Ukrainian companies and enterprises to internal and external sources of long-term debt financing, in particular to the syndicated lending markets, will act as a driving force for further economic development of the country. The problem of insufficient investment and capital investment and, accordingly, the need for additional funding remains extremely urgent for Ukraine. Against this background, it is especially important to develop a mechanism for attracting funding from international capital markets through syndicated lending, which envisages the granting of a large loan to a borrower by a group of banks under a single loan agreement.

#### *Literature Review*

The works of such scientific researches and analysts as J. Armstrong, E. Asarnow, S. Dennis, D. Domanski, P. Kugler, M. McAdams, J. Shek and others are devoted to the development of theoretical and practical bases of the international credit market.

Cohen G.J., Friedrichs M., Gupna K., Hayes W., Lee S.J., Marsh W.B., Mislant N., Shaton M.O., Sicilian M. focused their works on the analysis of modern trends and peculiarities of syndicated lending market development in the developed countries (Cohen, G. J. *et al.* 2021). The analysis of the essence, the issue of practice and technology for the provision of syndicated lending, in particular in the markets of the countries with transformation economies are disclosed in the papers of such Ukrainian scientists and economists as O. Rogach, A. Filipenko, L. Kvasnyi, N. Kurdyk, N. Moroz, V. Mishchenko, N. Panteleeva, I. Furman, S. Tsyganov, A. Yanshina and others. In particular, problems of development and particularities of the syndicated lending market in Ukraine and the market of the CIS countries before the Covid-19 pandemic were studied by O. Borzenko, N. Kuznietsova (Kuznietsova, N.V., & Borzenko, O.O., 2017), these issues were addressed in the papers by S. Tsyganov, A. Yanshina (Tsyganov, S.A., & Yanshina, A.M., 2015). Statistical materials on syndicated lending processes are published by a number of international analytical agencies, including such monthly analytical publications as Cbonds Review and statistical reference books of Cbonds, Thomson Reuters and Loan Market Association, etc. At the same time, the issues of development of syndicated lending processes and their particularities under the conditions of the Covid-19 pandemic and after its active phase, particularly in Ukraine, have been insufficiently studied (Kuznietsova, 2018).

#### *Methods*

The purpose of the paper is to study the essence and role of syndicated lending in the world economy, to identify changes in this process related to the Covid-19 pandemic, and also to study the particularities of syndicated lending in Ukraine as well as to determine the place of Ukrainian companies in this market. The purpose of the graduation thesis is to study and explain the characteristics of syndicated lending in order to enhance the ability of the domestic economy to attract additional financial resources in the capital markets. The object of the study is the processes of international syndicated lending as one of the most important instruments of financing the activities of major companies in developed and developing countries, as well as

countries with transformation economy. Today, in the context of internationalization of economic life, the growing needs of economic entities in different countries of the world for long-term credit resources are related to the issues of financial support for companies in all sectors of economy.

### Results

Syndicated lending is an essential element of international monetary and credit relations. And this fact is confirmed by its significant volumes amounting to USD 3-4.5 trillion annually over the past decades. Let's take a look at the changes in the volume of the global syndicated lending market over the 2010-2020 period in order to understand the scale of the said market (Table 1). Thus, in 2011, the figure was USD 4 trillion, and for the first time since the global financial crisis of 2008-2009 it almost reached the pre-crisis level of the year 2007 in terms of volume of lending. According to Table 1, there is an unstable state of the international syndicated loans market. Thus, there was an increase of USD 1146 billion, or 140.15%, in 2011 compared to 2010, and in 2012 there was a decline of USD 700 billion, or 17.50%. These years represent both the greatest decline and the greatest increase in syndicated lending market over the past decade. The year 2018 showed a historic peak on the threshold of the Covid-19 pandemic with the highest volume of syndicated lending in the world – USD 5.1 trillion, which in turn demonstrated the popularity of syndicated lending as a mechanism for raising significant funds to finance large projects.

### Discussions

In 2020, USD 728 billion, or 17% less than in 2019, was raised. Thus, there was a significant reduction in transactions in the syndicated loans market, which was associated with a significant decline in economic growth rates in a number of countries around the world.

Table 1. International Syndicated Lending Market Dynamics, USD billion (2010-2020)

Index	Years										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Global syndicated loans volumes	2854	4000	3300	4206	4482	4315	4010	4570	5100	4491	3496

*Note - compiled by the author based sources*

Three sectors can be distinguished among the borrowers of syndicated loans. The corporate sector holds the largest volume of lending with 70% of all loans, followed by the financial sector with 16%, the sovereign sector with 2%, and the remaining 12% comes from other sectors. A significant volume of syndicated lending is directed to the corporate sector due to the processes of mergers and acquisitions both of which have become extremely popular in recent years and require significant financial investments. In turn, the insignificant volume of lending to the sovereign sector is explained by the fact that governments make significant borrowings only when they face hard times and only if the funds allocated to them by international financial and credit institutions are insufficient.

Let's examine the main corporate borrowers and the purpose of attracting financing (Table 2).

Table 2. Top 10 global syndicated loans, 2020

Borrower	State	Amount of credit, USD mln.	Primary purposes
T-Mobile USA Inc	USA	28,500	Acquisition of another business
Airbus SE	Netherlands	16,543.5	Main corporate goals
General Electric Co	USA	15,000	Main corporate goals
Boeing Co	USA	13,825	Main corporate goals
Daimler AG	Netherlands	13,154.4	Main corporate goals
Depository Trust Co	Netherlands	12,800	Main corporate goals
Royal Dutch Shell PLC	USA	12,010.9	Main corporate goals
Walmart Inc	USA	11,810	Main corporate goals
PG&E Corp	USA	10,825	Emergence from bankruptcy
Thermo Fisher Scientific Inc	USA	10,060.3	Acquisition of another business

*Note - compiled by the author based on sources*

The major borrower in the syndicated loans market in 2020 was T-Mobile USA Inc, a wireless service provider. The main purpose of this loan was to acquire another business. Another seven companies men-

tioned the main corporate goals of the company as the purpose of syndicated loan (among them are such companies as Airbus SE – aircraft construction company, General Electric Co – manufacture of a large number of equipment, Boeing Co – aircraft construction company, etc.).

The largest banks managing syndicated loans are such banks as J.P. Morgan, BofA Securities Inc, Citigroup Inc., Mizuho Financial Group, Wells Fargo & Co, Mitsubishi UFJ Financial Group, BNP Paribas SA., etc (Table 3). In total, about 60% of all loans are arranged by the 25 largest banks managing syndicated loans in the world. It should be noted, however, that almost one third (32.9%) of all syndicated loans in 2020 were provided by the first five managing banks. Consequently, it may be concluded that the global syndicated loans market is monopolized by a small group of the largest transnational banks of the world. The best global manager in the syndicated loans market is J.P. Morgan, an American financial holding company, this company has long held the first place, although it was second to BofA Securities Inc, an American multinational investment banking company, during the period from 2015 to 2017. They vie for the first place every year. The third place is almost steadily occupied by Citigroup Inc. – one of the largest international financial conglomerates. Over the past 10 years, the list of top managers and their positions have hardly changed. Starting from the 5th place on the list the dynamics of changing places intensifies (Cohen, G. J., *et al.* 2021).

The leading company, J.P. Morgan, has closed deals amounting to USD 274.1 billion, which comprised 9.0% coverage of the entire global syndicated lending market. The second leading manager of the global syndicated lending market, BofA Securities Inc., is almost as good as the top spot (USD 256.6 billion). This company has closed even more deals than J.P. Morgan, and the coverage of the entire market is 8.4%. Starting from the fourth place the market coverage significantly decreases, the share of banks does not exceed 4%, and the share of banks from the last group of five in the list is determined at the level of 2%.

The share of each bank arranging syndicated lending may vary significantly depending on the region. Thus, J.P. Morgan, Bank of America Merrill Lynch, Wells Fargo & Co, Citi group Inc. and Barclays are leaders in the North American region and this top five had 45% of all granted syndicated loans.

BNP Paribas SA, Barclays, J.P. Morgan, Deutsche Bank AG, HSBC are leaders in the European region with respect to syndicated loans. The list of leading banks in Asia and the Pacific region is a bit different. They are Mizuho Financial Group, Sumitomo Mitsui Banking Corp, Mitsubishi Tokyo Financial Group Inc., Citigroup Inc., HSBC, as well as State Bank of India, Bank of China Ltd, Industrial@Comm. Bank Chine, Chine Development Bank. The main managing banks for syndicated loans in Japan in recent years are mainly national banks. For example, the share of such banks as Mizuho Financial Group, Sumitomo Mitsui Banking Corp, Mitsubishi Tokyo Financial Group Inc. and Development Bank of Japan Inc. in the Japanese market is 90.2%.

Table 3. World Top 15 banks arranging syndicated loans, 2020

No.	Bank	Lending volume, USD billion	Market share, %
1	JP Morgan	274.2	9.0
2	BofA Securities Inc	256.7	8.4
3	Citi group Inc.	187.3	6.1
4	Mizuho Financial Group	151.3	4.9
5	Wells Fargo & Co	136.8	4.5
6	Mitsubishi UFJ Financial	127.9	4.2
7	BNP Paribas SA	122.0	4.0
8	Sumitomo Mitsui Finl Grp Inc.	119.1	3.9
9	Barclays	81.3	2.7
10	Bank of China Ltd	78.3	2.6
11	Goldman Sachs & Co	72.0	2.4
12	Deutsche Bank	71.6	2.3
13	HSBC Holdings PLC	68.6	2.2
14	Credit Agricole CIB	65.5	2.1
15	Credit Suisse	61.0	2.0

*Note - compiled by the author based on sources*

The regional distribution of syndicated lending in the world (Table 4) shows that the North and South America had USD 1.9 trillion (54.5% of the global syndicated lending) out of USD 3.4 trillion of the total volume of syndicated lending in 2020, while USD 1.7 trillion (50.5% of the global syndicated lending) went to the United States of America; Europe had USD 776 billion (22.2%); Asia and Africa had USD 815 billion

(23,3%), including Japan's share of 7.4%; China and Hong Kong together had a share of 6.1%. In 2020, seven countries – the largest borrowers of syndicated loans (USA, Great Britain, Canada, Japan, Germany, France) received 72% of the total volume of loans granted, which demonstrates a high degree of concentration in the syndicated loans market. At the same time, one can also mention the emergence of certain processes of diversification in the relevant regional market due to a more active participation of borrowers from China.

Table 4. Regional distribution of syndicated lending in the world, 2020

Region	Volume in USD billion	Share of the world index, %
Whole World	3496.5	100
North and South America	1904.8	54.5
Latin America	21.9	0.6
Brazil	3.8	17.4*
Mexico	7.6	36.1*
North America	1881.2	53.8
USA	1749.6	50.1
Canada	131.6	3.8
Africa, Middle East, Central Asia	97.9	2.8
Middle East	65.4	1.9
Saudi Arabia	16.8	17.1*
UAE	32.3	33.0*
Europe	775.8	22.2
Eastern Europe	39.9	5.1*
Western Europe	735.8	94.9*
France	144.2	19.6*
Germany	133.6	18.2*
Great Britain	137.6	18.5*
Asia-Pacific region	460.5	13.2
China	106.8	3.1
Hong Kong	103.5	3.0
Japan	257.5	7.4
<i>*share of the country in this region</i>		
<i>Note - compiled by the author based on sources</i>		

Let us examine the sectoral distribution of syndicated loans (they almost coincide with the sectoral distribution of syndicated loans in the European region) using the example of North and South America indexes. Thus, 16.85% of the total market of syndicated lending in the American region belong to the industrial sector; 16.50% – to the financial sector; 14.94% – to the fuel and energy industry (these three industries together cover almost 50% of the total market); 7.11% – to the medical sector; 6.75% – consumer goods and services; the remaining 37.85% are distributed among various areas.

The following companies are among those that have attracted the largest volumes of syndicated loans in Europe, the Middle East and Africa over the past 5 years: Bayer AG, Syntegna AG, Shire PLC, 21<sup>st</sup>.Centure Fox Inc., Danon SA, Yamal SPG (these companies attracted syndicated loans totaling USD 135.6 billion). Bayer AG, a German company, managed to attract the largest syndicated loan in the amount of USD 56.9 billion among the above mentioned companies. The companies represent such sectors as healthcare (Bayer AG and Shire PLC), agricultural industry (Syntegna AG), media (21<sup>st</sup>.Centure Fox Inc.), food industry (Danon SA) and fuel and energy (Yamal SPG).

There are also certain regional differences in terms of the purposes for which syndicated loans are used. In North America and Europe most of the syndicated loans are used for general corporate development purposes and to refinance existing debt. In Japan, most of the funds raised are used to finance working capital.

The analysis of the structure of the global syndicated lending market in terms of its international segment and the ratio of domestic syndicated lending in certain groups of countries appears to be quite interesting. Thus, if the ratio between domestic and international syndicated loans in the ten major borrowing countries is determined, it can be noted that the international segment is in the lead. There is a distinct dominance of the international segment in such countries as the United States, Great Britain, Germany, France and Swit-

zerland, where the share ranges from 52% in the USA to 90% in Switzerland. In such countries as Japan, Canada, India, syndicated lending is implemented mainly through the domestic market.

Let us turn to the syndicated leading market in Ukraine. The processes of syndicated lending in Ukraine have started since 2000 and in comparison with the developed countries of North America and Western Europe they have not yet been sufficiently developed. It is necessary to identify the main stages of the development of syndicated lending market in Ukraine for a complete understanding of the said market. After the collapse of the USSR in the early 1990s and the transition of its former member countries to a new formation and the development of a market economy, syndicated lending was first used as a large-scale mechanism to raise funds for individual companies and the economy as a whole. In the second half of the 1990s, after the introduction of a national currency, relative stabilization in the economy of the country, which included the restraining of inflation, the first agreements on syndicated lending began to appear in Ukraine. The first stage (1995-2000) of the development of Ukrainian syndicated lending market is characterized by the following: extremely low total annual volume of borrowed resources – up to USD 100 million (the lowest index among the countries of Central and Eastern Europe); a small number of deals and an extremely small range of borrowers.

The second stage in the development of syndicated lending market in Ukraine was in 2000-2004. During these years, financial flows to Ukraine through syndicated lending increased significantly against the background of general economic stability and reached USD 450 million in 2000 and 2004 (Table 5). These actions were intensified against the background of significant national GDP growth rate. The average GDP growth rate in Ukraine for the second stage was 8.3%. In 2000-2004, a significant number of Ukrainian banks entered international loan markets for the first time.

The third stage of the development of Ukrainian syndicated loans market (2005-2008) was characterized by an extremely high increase in the volume of syndicated loans in Ukraine on the background of high GDP growth rate. The main borrowers of syndicated loans in Ukrainian market during this stage were mainly Ukrainian banks. Thus, in 2005, 12 out of 22 syndicated lending borrowed in Ukraine were received by commercial banks, in 2006 – 21 out of 37 loans, in 2007 – 41 out of 56 loans.

Table 5. GDP and volumes of syndicated loans in Ukraine, 2000-2020

Year	GDP, USD billion	GDP, % growth rate	Syndicated lending in Ukraine, USD million	Syndicated lending in Ukraine, in % compared to the previous year
2000	32.3	5.9	450	-
2001	39.3	9.2	100	-77.3
2002	43.9	5.3	100	0
2003	52.0	9.5	150	150.0
2004	67.2	11.7	450	300.0
2005	89.2	3.1	1800	400.0
2006	111.9	7.6	2750	153.8
2007	148.7	8.2	6900	250.9
2008	188.2	2.2	2600	-62.3
2009	121.5	-15.1	600	-76.9
2010	136.0	0.3	170	-71.7
2011	163.2	5.4	2750	1617.3
2012	175.7	0.2	1900	-30.9
2013	179.5	-0.03	2000	105.3
2014	132.3	-6.5	500	-75.0
2015	90.5	-9.8	790	158.0
2016	93.3	2.9	600	-24.1
2017	122.2	20.34	0	-
2018	130.8	16.68	0	-
2019	153.8	17.6	80	-
2020	155.5	1.2	-	-
2021	200.0	28.4	376.0	-

*Note - compiled by the author based on sources*

At the same time, in 2005 large industrial enterprises of the country and enterprises in the field of mobile communications began to actively enter international loan markets. Among them are Alchevsk Metallurgical Complex (with USD 350 million of borrowings), Kyivstar mobile communications company (USD 150 million), Azovstal industrial enterprises (USD 100 million) and Industrial Union of Donbass (USD 85 million). In 2005 syndicated lending in Ukraine amounted to USD 1.8 billion in total. This index exceeded the limit of USD 1 billion for the first time, and in 2006 it amounted to USD 2.750 billion.

In 2007, syndicated lending in Ukraine reached its peak with a total volume of USD 6.9 billion against the background of the dynamic development of international financial markets and high rates of economic growth, which was observed in Ukraine (Table 5). 56 agreements were concluded during this year. The vast majority of borrowers were still represented by the banking sector (41 deals were closed for lending to domestic banks, which amounted to more than 73% of all the loans). Key banks that arranged syndicated loans in Ukraine were the major Western banks – BNP Paribas, Barclays Capital, Deutsche Bank, Bayern LB, ABN AMRO, ING Wholesale Banking, HSBC. This is due to obvious reasons: foreign banks have many years of experience in syndicated lending and are able to attract more financial resources than Ukrainian banks. The total amount of loans provided by them amounted to 90% of the entire Ukrainian market of syndicated lending.

At that period, a characteristic feature of syndicated lending agreements of Ukrainian banking system was their insignificant and short-term nature. The average size of the loan that Ukrainian banks received during the third stage was rather small, with the average deal amounting to USD 85 million. The period from 2005 to 2008 is characterized by the entry of small Ukrainian banks to the international syndicated lending markets (group II according to the amount of total assets according to the NBU classification). This group includes such banks as Dongorbank (USD 5 million in loans), Industrial bank (USD 20 million), Credit-Dnepr (USD 14 million), etc.

During this period, the largest deals were made in the real sector of Ukraine's economy. According to the volume of attracted loans, the following sectors were marked: iron and steel industry, communications and telecommunications, oil, gas and transport industry, food industry. Loans were granted to such industrial and transport companies as Metinvest (USD 1,500.00 million), Ukrainization (USD 550 million), System Capital Management (USD 545 million), etc.

Banking institutions remained in the first place by the number of deals during the third stage (2005-2008) in the syndicated lending market. Other industries, where syndicated loans were directed, were represented by 1-2 companies. Thus, the sector of iron and steel was represented by Metinvest Holding; the mining industry – Interpipe Ukraine, Ferrexpo; the financial sector – System Capital Management; transport, communications and telecommunications – Ukrainian Radio Systems, Ukrainization; agricultural and industrial complex – Grain Trading Company.

The fourth stage in the history of the development of syndicated lending market in Ukraine (2009-2013) is associated with the economic recovery of world economy against the background of the stagnation of the Ukrainian economy during these years (Table 5). In 2009, the volume of syndicated loans raised in Ukraine amounted to only USD 600 million. The structure of borrowers in the Ukrainian market of syndicated lending faced a sharp reduction in the number of commercial banks-borrowers: in 2007 16 banks were the borrowers of syndicated leading, in 2009 there were only 2 banks. During 2011-2014 none of the Ukrainian banks raised syndicated leading. The market of syndicated lending has gradually redirected to the real sector of the Ukrainian economy. During this period, borrowings were made mainly by enterprises of the iron and steel industry and the food industry. The largest loans were received by the agricultural industry and food industry (Kernel Trade, Nibulon, Ukrlandfarming, Creative Group, Ferrexpo AG), the mining industry (DTEK), and the iron and steel industry (Metinvest). Thus, in 2015 Ukrainian agricultural holding Ukrlandfarming received a syndicated lending for 5 years in the amount of USD 600 million at a Libor +8 rate; Ferrexpo AG – USD 420 million at a Libor +2.5 rate; Metinvest mining and metallurgical complex – USD 1 billion at a Libor +3% rate also for a five-year period.

Since 2010, banking institutions have no longer been the main borrowers of syndicated lending. Therefore, with a general decrease in the number of syndicated loans granted to Ukrainian borrowers, in 2010 only 1 loan out of 4 loans granted was for the banking sector, and in 2011, 2012, 2014, as it was stated earlier, Ukrainian banks did not participate in this process at all. There are several reasons for the reduced activity of Ukrainian commercial banks in borrowing syndicated loans: accumulation of large amounts of unpaid and problem loans in the Ukrainian banking system, restructuring of the current debt of banks, decline of trust in the banking system in the domestic market and, as a result, increased credit risks. Debts of Ukrainian banks

were born during the economic growth in Ukraine, and had to be repaid under the conditions of low liquidity, profitability and reduced business activity. A number of banks that defaulted at the time were unable to fully repay their syndicated loans.

In 2009-2013 there were changes in the structure of banks providing syndicated loans in Ukraine. Five largest banks providing syndicated loans are: ING Bank (23% of all loans granted), UniCredit Bank AG (20%), Sberbank of Russia (9%), Gazprombank (9%), Deutsche Bank (8%). In 2012, such three Russian banks as Sberbank of Russia, VTB Bank and Gazprombank (a total of 24% of the syndicated loans granted) appear in the list of top ten managing banks. The share of other banks was 5-6%.

The fifth stage of the development of syndicated lending market in Ukraine (2014-2016) demonstrates a sharp decrease in the volume of loans granted to Ukrainian enterprises and banking sector of the country, which was associated with increased risks of political and economic nature due to the events in Eastern Ukraine and the annexation of the Crimean Peninsula. The leading positions in the market were still held by foreign managing banks. However, Russian banks almost totally disappear from the group of the key banks arranging syndicated loans. The volume of syndicated loans in these years ranged from USD 500-800 million annually. The share of the Ukrainian syndicated lending market was only 0.01% of the global market. In 2015, there was some increase in the volume of loans granted, but the volume of USD 790 million was the largest in recent years. As for the previous stage, the main loans were directed to the real sector of the economy and the main borrowers were agricultural enterprises – Nibulon Agricultural Enterprise LLC (USD 135 million), Kernel Group LLC (USD 415 million), Myronivsky Hliboproduct PJSC (USD 200 million). One can see that foreign lenders prefer borrowers who have experience in attracting syndicated loans or other types of medium- and long-term international financing.

If to summarize the sectoral distribution of syndicated loans in Ukraine (for the last two stages), the share of individual sectors is as follows: metallurgical industry – 47%, food industry – 26%, energy – 11%, agricultural sector – 10%, banking industry – 4%, other industries – 2%. In 2016, only one Ukrainian company was able to attract a syndicated loan – Kernel Agro-Industrial Group raised financing in the amount of USD 65 million. The loan was used to expand production capacity for processing grain and oilseed crops. The increase in agricultural production has had a direct impact on the country's export dynamics. It should be noted that the agricultural sector of the country has recently been developing with an accelerated pace and most investors and creditors consider this sector to be the most promising for the country's economy.

The sixth stage (2017 - 2021) in the development of syndicated lending processes in Ukraine is characterized by almost complete collapse of the process of international financing of Ukrainian banks and enterprises. However, during this period significant structural shifts in the domestic banking market of Ukraine started, the processes of establishing a syndicate of banks for domestic financing headed by the Ukrainian managing bank and consisting of only Ukrainian member banks were developed for the first time. Thus, the State Agency of Automobile Roads of Ukraine has borrowed USD 376 million for 5 years at 4,9% per annum in the domestic market under the state guarantee for the reconstruction and current repair of roads. The state bank “Ukreximbank” acted as the managing bank with a share of 45% of the total volume of syndicated lending project. Six Ukrainian banks have granted the specified amount to Ukravtodor: Ukreximbank (USD 165 million), Oschadbank (USD 150 million), Ukrgasbank (USD 50 million), TAScombank (USD 14 million), Bank Credit Dnepr (USD 13 million), FUIB (USD 10 million).

### *Conclusions*

Summarizing the above, one should say that the process of syndicated lending in Ukraine as a tool to attract additional capital to finance companies is not a widespread and well-developed phenomenon yet. Compared to the USA and Europe, where syndicated lending processes were established dozens of years ago, this financing mechanism has not been sufficiently developed in Ukraine yet. The volume of borrowed funds fluctuates significantly during the period analyzed (2000 - 2021) and it has sharp rises and falls depending on changes in the main macroeconomic indices of the country. In recent years, Ukrainian enterprises have received insignificant foreign currency loans from foreign banks to provide production and export financing of an episodic nature. The global financial crisis of the years 2008-2009, political and economic situation in eastern Ukraine that has been lasting since 2014, and now the war with the Russian Federation have had the most negative impact on the sustainable development of this process. Another factor was the decline of trust in domestic borrowers among foreign investors after the last financial crisis. The market of syndicated loans in Ukraine is represented by a small number of borrowers, mainly representing export-oriented industries, the number of industries involved in the processes of syndicated lending is very small. The banking sector

has hardly received any syndicated loans in recent years due to the accumulation of large amounts of unpaid loans and bad debts, which makes it necessary for them to work on restructuring the current debt (Yanshina, 2008). Under these conditions, there is virtually no Ukrainian market of syndicated lending and it does not perform its main tasks for the economy at the present stage.

The existing credibility gap between the international banking sector and Ukrainian banking institutions and enterprises; prevailing lack of credit histories in the international capital markets among Ukrainian companies; lack of financial reporting according to international standards among the majority of Ukrainian enterprises; insufficient level of transparency and quality of corporate governance; insufficient development of domestic legislation (while there is a lack of uniform documentation on the organization of syndicated lending; lack of secondary market for syndicated loans; insufficient degree of integration of Ukraine into the system of international capital movement in general and into the loan capital market in particular can also be classified as the reasons that restrain the implementation of a full-fledged syndicated lending mechanism in Ukraine.

Syndicated loans can be a powerful source of funding for production companies, as well as the economy as a whole after the end of the war in Ukraine. This leads to the need to develop new approaches to the implementation of international syndicated lending at its various stages, starting with changes in methods used to determine the competitiveness and financial stability of enterprises and financial institutions, the availability of audited accounts prepared according to international standards, the availability of certain credit ratings (S@P, Moody's, Fitch), and ending with the issues of granting collateral and guarantees against syndicated loans, including state guarantees, in accordance with the development priorities of the national economy.

At the same time, the establishment of an effective system for managing syndicated loans in Ukraine will multiply the opportunities both for the post-war reconstruction of the country as a whole, and for enhancing the potential of Ukrainian banking system in particular. The use of the mechanism of syndicated loans will help to accumulate the necessary credit resources for major long-term investments in the economy of Ukraine. It should be noted that the restoration and enhancement of competitiveness of enterprises of the real sector of Ukrainian economy requires and will require increased investment in the restoration of fixed assets and the implementation of new technologies, which will be aimed at improving the competitiveness of products not only in metallurgy and food industry (as mentioned above, the vast majority of syndicated loans allocated to the real sector went to the said industries), but also in relation to enterprises in other industries and sectors of the economy.

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### **Әлемдегі және Украинадағы синдикатталған несиелеу нарығының қазіргі даму тенденцияларын талдау**

**Аннотация:**

*Мақсаты:* Жұмыстың негізгі мақсаты — әлемдік экономикадағы синдикатталған несиелеудің мәні мен рөлін, COVID-19 пандемиясымен байланысты осы процестегі өзгерістерді, сонымен қатар Украинадағы синдикатталған несиелеу процестерінің даму ерекшеліктерін зерттеу және украиналық компаниялардың осы нарықтағы орнын анықтау. Бұл жұмыстың зерттеу объектісі ірі компаниялардың қызметін қаржыландырудың маңызды құралдарының бірі ретінде халықаралық синдикатталған несиелеу процестері және украиналық кәсіпорындардың халықаралық капитал нарықтарында қосымша қаржы ресурстарын тарту мүмкіндіктерін кеңейту үшін әлемдік тәжірибені пайдалану.

*Әдісі:* Әлемдік масштабта және Украина нарығында синдикатталған несиелеу процестерінің дамуын зерттеу үшін халықаралық аналитикалық агенттіктер мен компаниялар жариялайтын статистикалық мәліметтер базасына негізделген математикалық талдау және синтез әдістері қолданылды, атап айтқанда Cbonds Review ай сайынғы аналитикалық шолулары және Cbonds агенттігінің статистикалық анықтамалықтары, сондай-ақ Thomson Reuters, Loan Market Association және т.б. Украинада синдикатталған несиелеуді дамытуға байланысты мәселелерді зерттеу үшін Украинаның Қаржы министрлігінің мәліметтер базасы пайдаланылды.

*Қорытынды:* Авторлар синдикатталған кредиттеу мәмілелерінің негізгі қатысушыларының құрамын анықтау және функцияларын айқындау тұрғысынан осы нарыққа зерттеулер жүргізді, синдикатталған кредиттеуді ұйымдастырушы негізгі банктер, негізгі қарыз алушылар және инвестициялаудың негізгі салалары талданды. Мақалада өңірлер, қатысушы елдер, негізгі кредитор банктер және борышкер компаниялар бойынша синдикатталған кредиттердің әлемдік нарығын дамытудағы негізгі теңгерімсіздіктері ашылған. Сонымен қатар Украина мен украиналық қарыз алушылардың халықаралық синдикатталған несиелеу процестеріне қатысуы зерттелген. Украинадағы синдикатталған несиелер нарығының соңғы 20 жылдағы даму ерекшелігі мен салалық бағытына талдау жасалды, оның дамуындағы негізгі асимметриялар сараланған. Украинадағы синдикатталған несиелеу нарығының дамуындағы негізгі кезеңдер мен олардың айрықша белгілері айқындалды, синдикатталған несиелеу қарқындылығының және оның салалық бағытының елдің макроэкономикалық көрсеткіштерінің өзгеруіне тәуелділігі дәлелденді.

*Түжырымдама:* Мақалада синдикатталған несиелеудің әлемдік нарығын дамытудағы негізгі диспропорциялар және оның әлемдік экономиканың даму қарқынына тікелей тәуелділігі ашылған. Авторлар Украинада синдикатталған несиелеу процестерінің даму кезеңдерін, олардың ерекшеліктерін, Украинада осы қаржыландыру құралын қолданудың өте төмен деңгейіне себеп болған себептерді анықтаған. Мақалада Украинада синдикатталған несиелерді ұйымдастырудың тиімді жүйесін құру тұтастай алғанда банк жүйесінің мүмкіндіктерін бірнеше есе арттыруға ықпал етуі мүмкін екендігіне баса назар аударылған. Синдикатталған несиелерді пайдалану, атап айтқанда, жобалық қаржыландыру мен инвестициялық несиелеу кезінде ірі ұзақ мерзімді инвестицияларды жүзеге асыру үшін қажетті несиелік ресурстарды жинақтауға мүмкіндік береді.

*Кілт сөздер:* Халықаралық қаржыландыру, синдикатталған несиелеу, банктік қарыз, Украинаның синдикатталған несиелеу нарығы, ұйымдастырушы банктер (синдикатталған несиелер), қарыз алушылар, қаржылық ұзақ мерзімді инвестициялар.

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### **Анализ текущих тенденций развития рынка синдицированного кредитования в мире и в Украине**

**Аннотация:**

*Цель:* Основной целью работы является изучение сущности и роли синдицированного кредитования в мировой экономике, выявления изменений в данном процессе, связанных с пандемией Covid-19, а также исследование специфики развития процессов синдицированного кредитования в Украине и определение места украинских компаний на данном рынке. Объектом исследования данной работы являются процессы международного

синдицированного кредитования как одного из важнейших инструментов финансирования деятельности крупных компаний и использование мирового опыта для расширения возможностей украинских предприятий привлечь дополнительные финансовые ресурсы на международных рынках капиталов.

*Методы:* Для исследования развития процессов синдицированного кредитования в мировом масштабе и на рынке Украины использовались методы математического анализа и синтеза на основе баз статистических данных, которые публикуются международными аналитическими агентствами и компаниями, в частности, ежемесячные аналитические обзоры Cbonds Review и статистические справочники агентства Cbonds, а также базы данных Thomson Reuters, Loan Market Association и др. Для исследования вопросов, связанных с развитием синдицированного кредитования в Украине, применялась база данных Министерства финансов Украины.

*Результаты:* Авторами проведено исследования данного рынка с точки зрения выявления состава и определения функций ключевых участников сделок синдицированного кредитования, проанализированы основные банки-организаторы синдицированного кредитования, основные заемщики и основные сферы инвестирования. В статье раскрыты основные диспропорции в развитии мирового рынка синдицированных кредитов по регионам, странам-участницам, основным банкам-кредиторам и компаниям-должникам. Исследовано участие Украины и украинских заемщиков в процессах международного синдицированного кредитования. Проведен анализ специфики развития и отраслевая направленность рынка синдицированных кредитов в Украине за последние 20 лет, проанализированы основные асимметрии в его развитии. Выделены основные этапы и их отличительные черты в развитии рынка синдицированного кредитования в Украине, доказана зависимость интенсивности синдицированного кредитования и его отраслевая направленность от изменения макроэкономических показателей страны.

*Выводы:* В статье раскрыты основные диспропорции в развитии мирового рынка синдицированного кредитования и его прямая зависимость от темпов развития мировой экономики. Авторами выделены этапы развития процессов синдицированного кредитования в Украине, их специфика, раскрыты причины, обусловившие крайне низкий уровень использования данного инструмента финансирования в Украине. Акцентирование внимание на том, что создание эффективной системы организации синдицированных кредитов в Украине может способствовать многократному увеличению возможностей банковской системы, в целом. Использование синдицированных кредитов может позволить аккумулировать необходимые кредитные ресурсы, в частности, для осуществления крупных долгосрочных инвестиций при проектном финансировании и инвестиционном кредитовании.

*Ключевые слова:* международное финансирование, синдицированный кредит, банковский заем, украинский рынок синдицированных кредитов, банки-организаторы (синдицированных кредитов), заемщики, финансовые долгосрочные инвестиции.