

Internet Appendix

Trends in Corporate Borrowing

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Internet Appendix 1: Data Appendix

The following list describes the key data bases we use together with filters we apply to these data bases throughout the paper:

1. Capital IQ: data from 2002-2019 with *periodenddate*="Annual" and *latestforfinancialperiodflag*=0 and total debt to be non-negative.
2. Compustat: Data from 2002-2019. The Location of a firm is determined via the variable *fic* (Country code of incorporation). For the U.S. sample, we require *fic*=USA, for the European sample we require *fic* to be a country within the 2002 composition of the Eurozone ("AUT", "BEL", "FIN", "FRA", "DEU", "GRC", "IRL", "ITA", "LUX", "NLD", "PRT", "ESP"). We require non-missing SIC codes and total assets to be non-missing and >0.
3. Dealscan: data from 2002-2019. We restrict the sample to loans with base rate "LIBOR" for the U.S. and base rate "LIBOR" or "Euribor" for Europe. For the U.S. sample, we require *Country*="USA", for the European sample we require *Country* to be a country within the 2002 composition of the Eurozone (see 2. for details). For the U.S., we restrict currencies to "United States Dollar"; for Europe, we restrict currencies to "Euro", "United Kingdom Pounds" or "United States Dollar". We require package information and borrower information to be available and facilities to have non-missing information on the maturity and the facility amount throughout the paper. For analyses on pricing terms, we require *AISD* to be non-missing and *AISU* to be non-missing for revolvers. For the analysis about market segments we require the market segment table in Dealscan to designate a facility as either "Investment Grade" or leveraged ("Leveraged", "Highly Leveraged", "Non Investment Grade") but not both.
4. Capital IQ and Compustat are linked via the linktable available in Capital IQ
5. Dealscan and Compustat are linked via the linktable available from Michael Roberts and Sudheer Chava via WRDS.
6. Filter that we apply throughout the entire paper: We drop firms with SIC codes between 6000-6999 (financials) and 4900-4949 (utilities). SIC codes are sourced from Compustat for analyses using Compustat or Capital IQ data, they are sourced from Dealscan for analyses using Dealscan data.

The following tables describe the variables used in each figure in detail.

Variables for Figure 1: The sample of Figure 1 is based on the intersection between the Capital IQ data base and the Compustat data base. The merge with Compustat is necessary in order to obtain the SIC code and drop financials and utilities.

#	Variable	Source	Description	Unit
1.1	Term loans	Capital IQ	<i>outstandingbaltermloans</i>	USD
1.2	Drawn credit lines	Capital IQ	<i>outstandingbalrrevolvingcredit</i>	USD
1.3	Loans (undrawn credit lines)	CapitalIQ	<i>undrawncrdtportionrevolvingcrdt</i>	USD
1.4	Bonds	CapitalIQ	Sum of items <i>srbondsandnotes</i> , <i>totoutstbalcommercialpaper</i> , <i>subordinatedbondsandnotes</i>	USD
1.5	GDP	FRED St. Louis	GDPA (Gross Domestic Product, Billions of Dollars, Not Seasonally Adjusted, Annual, BEA Account Code A19IRC)	USD
1.6	Loan/Bond-ratio	Capital IQ	Nominator: sum of 1.1-1.3, denominator: 1.4	Percent

Variables for Figure 2: The right panel is based on Compustat data. The left panel is based on Dealscan.

#	Variable	Source	Description	Unit
2.1	Interest expense	Compustat	<i>xint</i>	USD
2.2	Debt	Compustat	Sum of <i>dlc</i> and <i>dltt</i>	USD
2.3	LIBOR	FRED St. Louis	U.S. graphs_ 3-Month London Interbank Offered Rate (LIBOR), based on U.S. Dollar (<i>USD3MTD156N</i>); European graphs: 3-Month London Interbank Offered Rate (LIBOR), based on Euro (<i>EUR3MTD156N</i>)	Percent
2.4	All-in-spread drawn (AISD)	Dealscan	Variable <i>AllInDrawn</i> from the <i>CurrFacPricing</i> table in Dealscan	Basis points
2.5	All-in-spread-undrawn (AISU)	Dealscan	Variable <i>AllInUndrawn</i> from the <i>CurrFacPricing</i> table in Dealscan	Basis points
2.6	Upfront fee	Dealscan	Variable <i>MaxBps</i> if variable <i>Fee</i> = "Upfront Regular Fee" in the <i>CurrFacPricing</i> table in Dealscan. Upfront fee values of 100000 are replaced by missing values as these are data errors.	Basis points

Variables for Figure 3: Both subfigures are based on Dealscan data on the facility level using the sample with non-missing data on Maturity, Facility Amount and number of syndicate members.

#	Variable	Source	Description	Unit
3.1	Maturity	Dealscan	Variable <i>Maturity</i> from the <i>Facility</i> table in Dealscan	Years
3.2	Number of covenants	Dealscan	Sum of covenants from the <i>financialcovenant</i> and the <i>networthcovenant</i> table in Dealscan.	Number
3.3	Covenant-lite dummy	Dealscan	Dummy equal to one if the variable <i>marketsegment</i> from the <i>marketsegment</i> table in Dealscan is equal to "Covenant Lite"	Dummy
3.4	Investment grade dummy	Dealscan	Dummy equal to one if the <i>marketsegment</i> variable is equal to "Investment Grade" and not equal to "Leveraged", "Highly Leveraged", and "Non Investment Grade"	Dummy
3.5	Leveraged dummy	Dealscan	Dummy equal to one if the <i>marketsegment</i> variable is equal to "Leveraged", "Highly Leveraged", or "Non Investment Grade" and not equal to "Investment Grade"	Dummy

Variables for Figure 4: Both subfigures are based on Dealscan data on the facility level using the sample with non-missing data on Maturity, Facility Amount and number of syndicate members.

#	Variable	Source	Description	Unit
4.1	Investment grade dummy	Dealscan	Dummy equal to one if the <i>marketsegment</i> variable is equal to "Investment Grade" and not equal to "Leveraged", "Highly Leveraged", and "Non Investment Grade"	Dummy
4.2	Leveraged dummy	Dealscan	Dummy equal to one if the <i>marketsegment</i> variable is equal to "Leveraged", "Highly Leveraged", or "Non Investment Grade" and not equal to "Investment Grade"	Dummy
4.3	Term Loan - Institutional	Dealscan	Variable equal one if the variable <i>LoanType</i> from the table <i>facility</i> is equal to "Term Loan B", "Term Loan C", "Term Loan D", "Term Loan E", "Term Loan F", "Term Loan F", "Term Loan H"	Dummy
4.4	Term Loan – Non-	Dealscan	Variable equal one if the variable <i>LoanType</i> from the	Dummy

	Institutional		table facility is equal to "Term Loan", "Term Loan A", or "Delay Draw Term Loan"	
4.5	Revolver	Dealscan	Variable equal one if the variable <i>LoanType</i> from the table facility is equal to "Revolver/Line < 1 Yr.", "Revolver/Line >= 1 Yr.", "364-Day Facility", "Limited Line", or "Revolver/Term Loan"	Dummy

Variables for Figure 5: Both subfigures are based on Dealscan data on the facility level using the sample with non-missing data on Maturity, Facility Amount and number of syndicate members.

#	Variable	Source	Description	Unit
5.1	Corporate Purpose	Dealscan	Dummy equal to one if the variable <i>PrimaryPurpose</i> from the table <i>facility</i> is equal to "Corp. purposes"	Dummy
5.2	Transactions (e.g. M&A, LBO)	Dealscan	Dummy equal to one if the variable <i>PrimaryPurpose</i> from the table <i>facility</i> is equal to "LBO", "MBO", "SBO", "Dividend Recap", "Acquis. line", "Takeover", "Merger", "Spinoff"	Dummy
5.3	CP Backup	Dealscan	Dummy equal to one if the variable <i>PrimaryPurpose</i> from the table <i>facility</i> is equal to "CP backup"	Dummy
5.4	Working Capital	Dealscan	Dummy equal to one if the variable <i>PrimaryPurpose</i> from the table <i>facility</i> is equal to "Work. cap."	Dummy
5.5	Term Loan	Dealscan	Variable equal one if the variable <i>LoanType</i> from the table facility is equal to "Term Loan", "Term Loan A", "Term Loan B", "Term Loan C", "Term Loan D", "Term Loan E", "Term Loan F", "Term Loan F", "Term Loan H", or "Delay Draw Term Loan"	Dummy
5.6	Revolver	Dealscan	Variable equal one if the variable <i>LoanType</i> from the table facility is equal to "Revolver/Line < 1 Yr.", "Revolver/Line >= 1 Yr.", "364-Day Facility", "Limited Line", or "Revolver/Term Loan"	Dummy

Internet Appendix 2: Evidence from Europe

Figure A2-1. Debt structure

This figure depicts the debt structure of European publicly listed firms over the 2002-2019 period. Loans and bonds (as a percentage of GDP) are depicted on the left y-axis. The loan/bond-ratio is depicted on the right y-axis. The sample is based on the intersection between Capital IQ and Compustat. All variables refer to outstanding amounts at the end of the fiscal year and are collected from Capital IQ. All ratios are defined as the sum of the nominator variable divided by the sum of the denominator variable (instead of an average of the firm-level ratios), thus effectively giving larger firms a larger weight. Note: Data for 2019 partially incomplete because data for some firms was not yet available when compiling the data set.

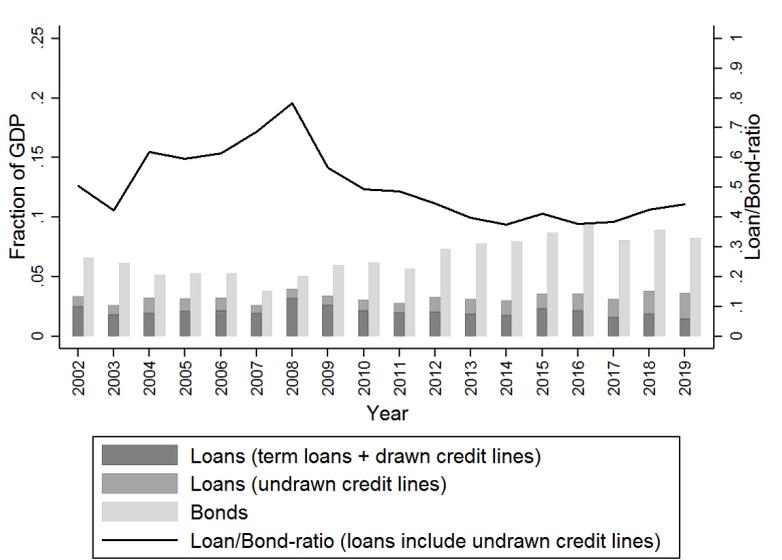


Figure A2-2. Cost of debt

This figure depicts the cost of debt of European publicly listed firms over the 2002-2019 period. The left panel depicts the cost of outstanding debt in a particular year (interest expenses as a percentage of debt), the right panel depicts the costs of new issuances (spread and fees in basis points). The sample in the left panel is based on Compustat. The sample on the right panel is based on Dealscan. All numbers are weighted to give larger firms and larger facilities a larger weight (left panel: by debt, right panel: by facility amount).

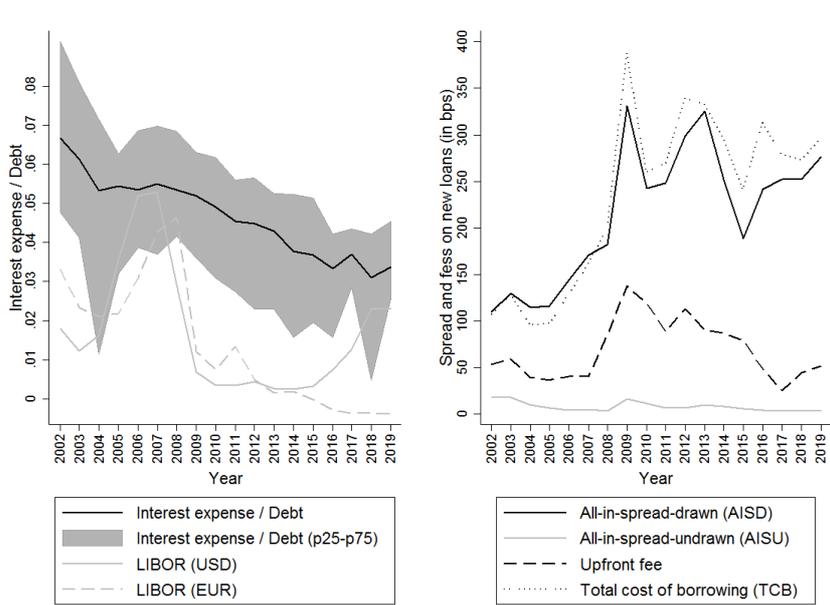


Figure A2-3. Maturity and Covenants

This figure depicts key non-price terms of loans of European publicly listed firms over the 2002-2019 period. The left panel depicts the maturity of newly issued loans, the right panel depicts the number of covenants and the percentage of covenant-lite loans. The samples are based on Daelscan data. All numbers are weighted by facility amount.

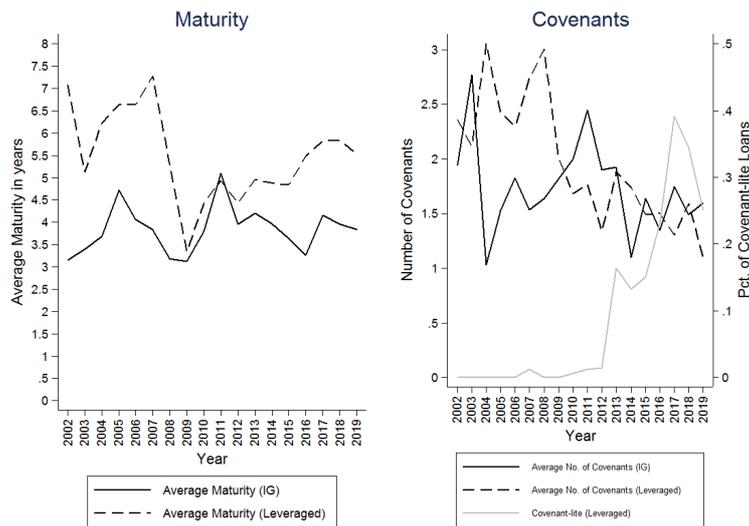
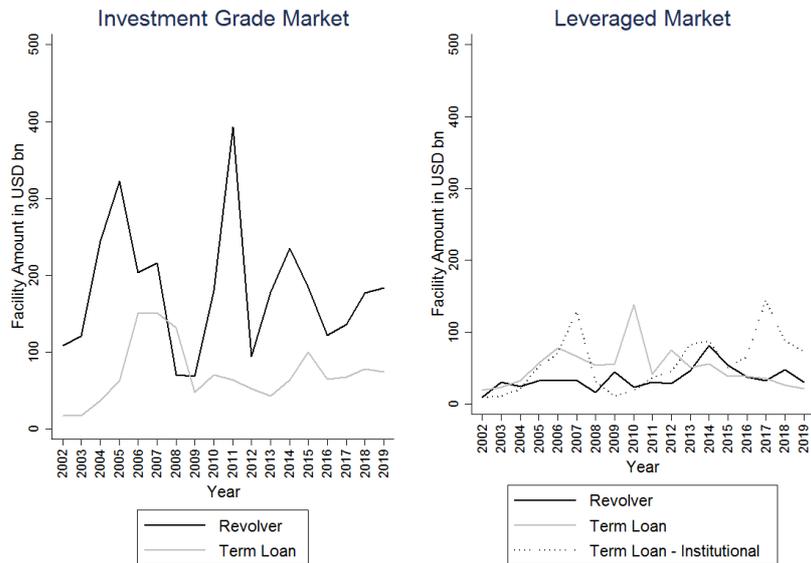


Figure A2-4. Investment-grade versus leveraged loan market

This figure shows borrowing by loan type in two segments of the European syndicated loan market, the investment grade market (left panel) and the leveraged loan market (right panel). Loan types can be revolver, term loans and term loans held by institutional investors. All numbers are weighted by facility amount.



Note: Figure 5 from the main paper (Bond issuances based on SIFMA data) is not available for the European sample

Figure A2-6. Loan purposes

This figure depicts the purpose of f loans of European publicly listed firms over the 2002-2019 period. The left panel depicts the purpose of newly issued term loans, the right panel depicts the purpose of newly issued revolvers. All numbers are weighted by facility amount.

