

# CORPORATE DEBT & TREASURY REPORT 2019

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- By **Kristen Roberts, Partner, Elliot Beard, Senior Associate, Gabrielle Wong, Partner, Amy Geddes, Partner, Nick May, Partner**

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## British business is bullish about raising debt despite uncertainty over Brexit and other headwinds.

For a sixth consecutive year, Herbert Smith Freehills LLP has surveyed and interviewed CFOs, treasurers and other senior finance professionals in large UK listed corporates and equivalents for our annual Corporate Debt and Treasury Report.

Working alongside the Association of Corporate Treasurers this year, the research has benefited from their insights together with the views of over 75 UK corporate treasurers, finance directors and CFOs.

### Key conclusions include:

- Corporates are understandably pessimistic about the short term economic impact of Brexit but bullish that Brexit will not affect their ability to raise debt
- Bank lending remains the bedrock of corporate debt capital structures but relationship banking is under greater strain than ever as banks chase ancillary business
- Corporates face material risks in connection with the phasing out of IBOR rates and little progress has been made in settling substitute rates
- Alternative non-bank lending continues to grow in significance and is at least as important as the DCM and private placement markets for many corporates
- Over two-thirds of increased borrowing this year will be applied towards business investment demonstrating business confidence

- The focus on Environmental, Social and Governance principles has accelerated dramatically over the last 12 months and is set to increasingly appear on the corporate treasury agenda



**"2019 will pose a number of challenges and opportunities for treasurers; whilst not directly impacting on debt raising, the consequences of Brexit and the wider economic headwinds will inevitably result in incremental planning being required by treasurers including the continued development of a wider set of creditor relationships across multiple debt markets. In addition, the growing interest in ESG principles will touch on a number of corporate treasury work streams as will the phasing out of IBOR reference rates."**

**Kristen Roberts, Partner, Corporate Debt**

[Download full report](#)

Please find the full press release [here](#).

We hope you find these results informative and would like to thank those who participated in our research. In particular, we are grateful to those who took part in our follow-up interviews to discuss the survey results.

Please contact any of the team below if you have any comments on the report or would like to discuss any of the issues raised.

Some of the themes explored in this report are necessarily only addressed in headline terms. During 2019 we will issue short form, practical insights on some of these issues and share views from other treasury professionals. If you would like to receive those please [email](#).

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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