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BDC credit losses expected to top 100bp in 2023

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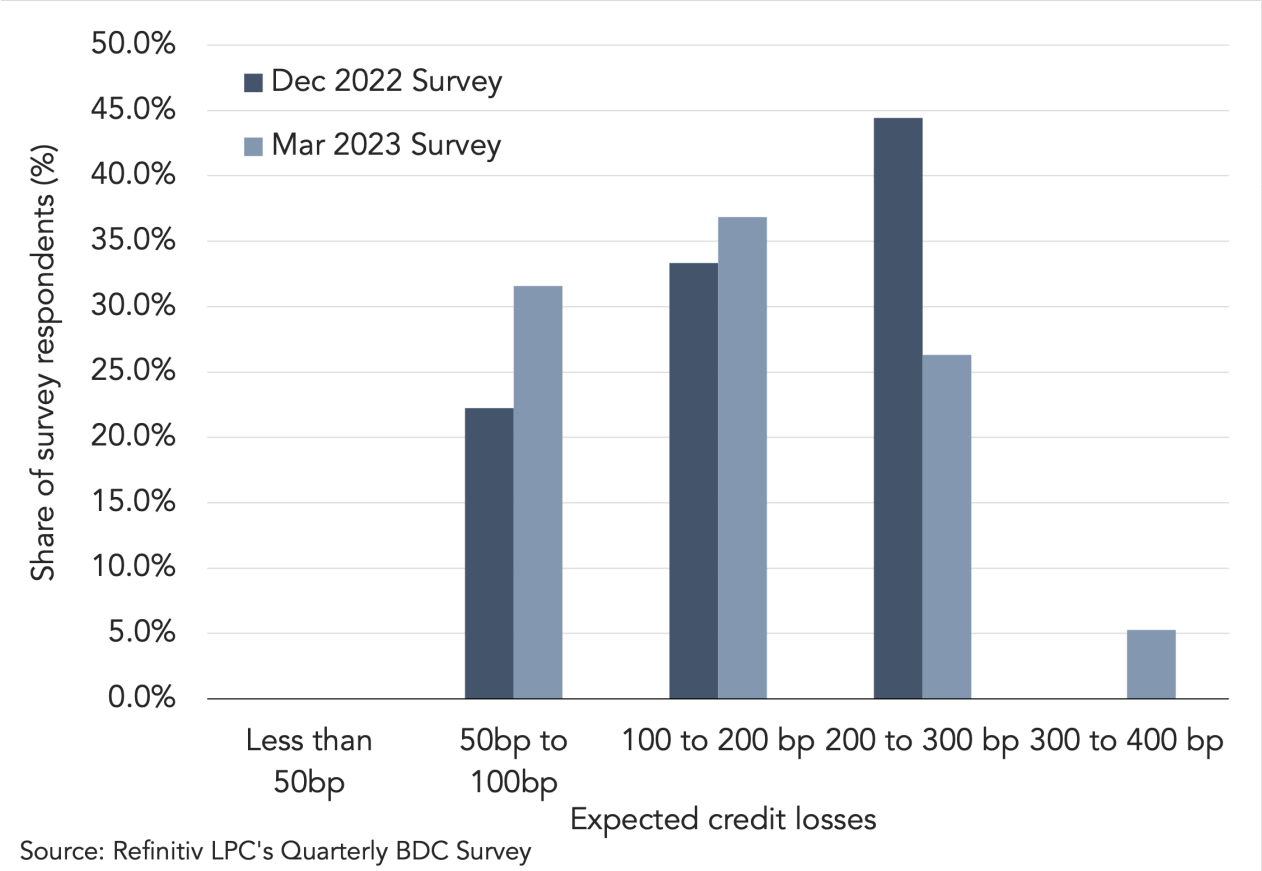

Source: Refinitiv LPC's Quarterly BDC Survey

The majority of respondents (68%) in Refinitiv LPC's Quarterly BDC Survey expect credit losses to top 100bp in 2023, with 31% of survey participants predicting losses above 200bp. The weighted average non-accrual rate for public and private BDCs combined ended 4Q22 at 1.48%, up from 1.26% in the prior quarter. Over US$700m of BDC loans were added to non-accrual status in the most recent quarter. Using another metric, the straight average non-accrual rate for public BDCs increased to 3.72% in 4Q22 from 3.25% in the prior quarter. Out of a grouping of 44 public BDCs, 28 posted an increase in non-accrual rates in 4Q22, 11 posted a decline and 5 were unchanged.

(Past performance is no guarantee of future results.)