

This thesis complements existing literature in two main research areas: First, the Thesis provides a comprehensive overview of the evolution of leverage lending in the CEE region, describe loan structures which are common in regional deals, analysis of size and volume of CEE deals follows and special attention is paid to current trends and changes associated with the impact of financial crisis on the LBO market in CEE. Second, the Author analyzes the impact of tighter relationship between a private equity firm and a lending bank on terms of European syndicated LBO loans provided by the bank for financing an LBO transaction from 1995-2005. The main finding of this analysis unveiled that banks with stronger long lasting relationship with private equity firm tend to charge higher interest rates on LBO loans. This supports the existence of theoretical concept called a hold-up phenomenon and its stronger presence in Europe compared to the USA.