1Q17 M&A volume down 32% year over year as market waits on policy guidance out of Washington

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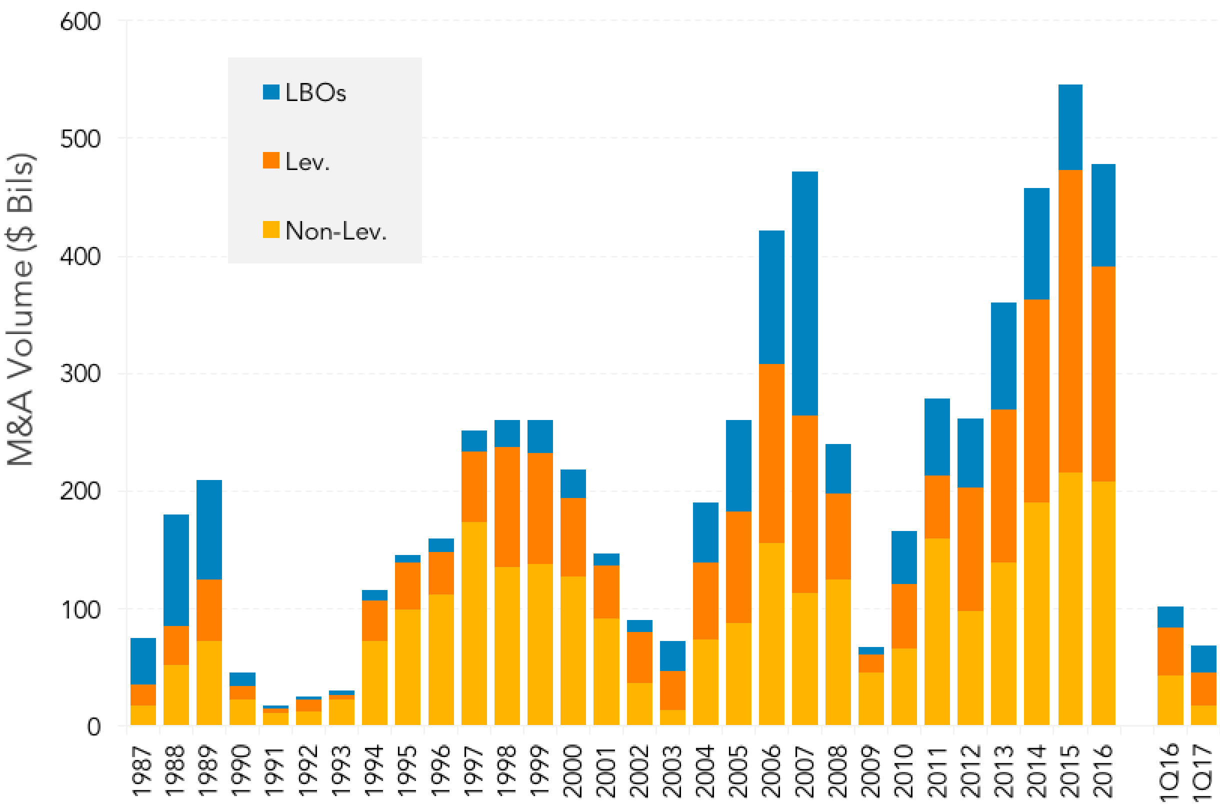

M&A loan issuance declined dramatically year over year to log less than US$70Bn in 1Q17, down 32% compared to the year ago results (US$102Bn). This represented the lowest quarterly results since 1Q13. Although some of the market shortfall on a percentage basis should be qualified in that jumbo financings for Avago Technology and Kraton Polymers which were completed in 1Q16 were in fact structured in 2015, the market took a very real pause in 1Q17 as issuers waited on the new administration in Washington to provide greater clarity around key policy plans including tax reforms, healthcare, trade and the repatriation of corporate funds. High grade lenders pointed out that while there were several public efforts as well as private discussions around prospective M&A deals, very little came together in the first three months of the year. At less than US$18Bn non-leveraged M&A was down 59% year over year. Leveraged issuers similarly struggled despite the fact that PE sponsors were sitting on quite a bit of dry powder by most acounts. At US$23Bn, LBO volume was up modestly year over year, while leveraged corporate M&A loan volume was down 30% in 1Q17 compared to the same period last year.