



# Private Credit Solutions Market Update – 2026



Corporate Finance – Private Credit Solutions

April 2026

# European loan portfolio activity and outlook in key markets

## Welcome to our 2026 market update

Despite continued macro volatility, transaction volumes (by count) increased in 2025 compared with 2024.

Activity was concentrated in disposals of largely non-performing consumer portfolios, both secured and unsecured, in Spain, Italy and Greece. This contrasts with 2024, which was characterised by fewer, larger disposals of performing non-core portfolios.

Looking ahead to 2026, discussions with market participants point to rising portfolio stress and higher senior financing costs, particularly for leveraged transactions. While this will increase pressure on back books, it is also likely to generate new flows of non-core assets for sale, consistent with previous cycles.

## Portfolio commentary

Spain, Italy and Greece were the most active European markets, accounting for over 85% of FY25 transactions by volume and more than 70% by face value.

Non-performing (or largely non-performing) exposures accounted for almost 70%, or c.€30bn, of the €43bn transacted.

Consumer lending, secured and unsecured, along with some granular SME portfolios represented the majority of the asset classes traded during the year.

## A greater number of smaller deals

Transaction volumes increased in FY25, with 117 deals completed, up 24% year-on-year.

However, average face value per transaction dropped from €924m to €377m, resulting in an almost 50% fall in the total face value of completed deals, to €43bn.

The above was driven by very large performing loan portfolio deals that dominated the market in FY24 and represented exits of certain European banks from non-core markets.

## Is the benign credit environment of recent years behind us?

Despite strong reported credit quality across European banks, market focus has shifted to economic headwinds that could drive higher impairments.

Trade fragmentation, the impact of AI on selected sectors, and geopolitical shocks — including the conflict in the Middle East — are already affecting large parts of the economy.

We expect these pressures to take more than six months to be fully reflected in Stage 2 and Stage 3 loans.

**We have a dedicated team of over 80 professionals across Europe who have market leading experience advising on loan portfolio transactions and advising financial institutions on balance sheet optimization solutions for the last 15 years. For further details please get in touch.**

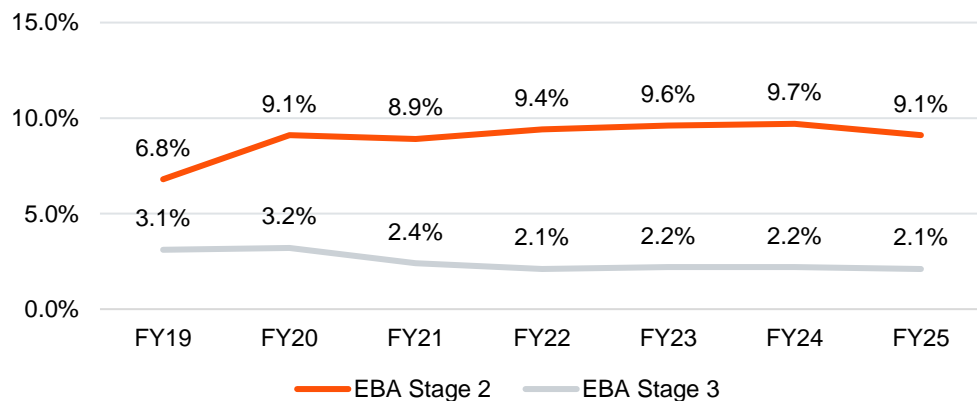
# Resilient credit metrics, but a more cautious outlook

We closely monitor the evolution of Stage 2 and Stage 3 assets across European and UK banks.

Current data continues to show resilient credit quality, with marginal improvement in Stage 2 and Stage 3 positions in FY25. However, discussions with market participants point to a more cautious forward-looking view.

## EBA banks

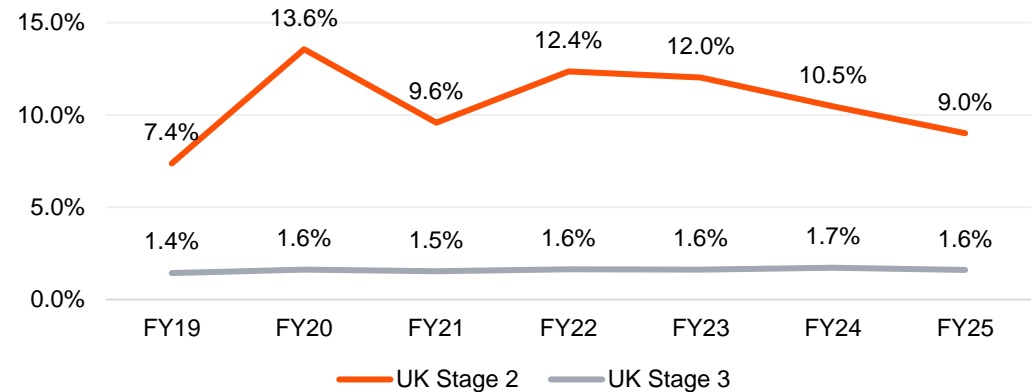
EUR bn	FY19	FY20	FY21	FY22	FY23	FY24	FY25
EBA Stage 1	15,177	15,938	17,021	17,555	17,508	17,558	18,023
EBA Stage 2	1,145	1,654	1,708	1,865	1,906	1,933	1,849
EBA Stage 3	522	582	461	417	437	438	427
<b>Total loans and advances</b>	<b>16,844</b>	<b>18,173</b>	<b>19,190</b>	<b>19,836</b>	<b>19,850</b>	<b>19,929</b>	<b>20,299</b>



In particular, tighter underwriting standards, more selective lender appetite and refinancing pressure in certain sectors may create stress that is not yet visible in reported impairment metrics. Overall, while the data does not yet indicate a broad-based deterioration in credit quality, it may signal the early stages of a more challenging refinancing environment.

## UK – sample of largest banks and building societies

EUR bn	FY19	FY20	FY21	FY22	FY23	FY24	FY25
UK Stage 1	2,735	2,453	2,720	2,534	2,546	2,749	2,758
UK Stage 2	221	392	293	364	354	327	278
UK Stage 3	43	47	47	48	48	54	49
<b>Total loans and advances</b>	<b>2,998</b>	<b>2,891</b>	<b>3,060</b>	<b>2,946</b>	<b>2,948</b>	<b>3,130</b>	<b>3,085</b>

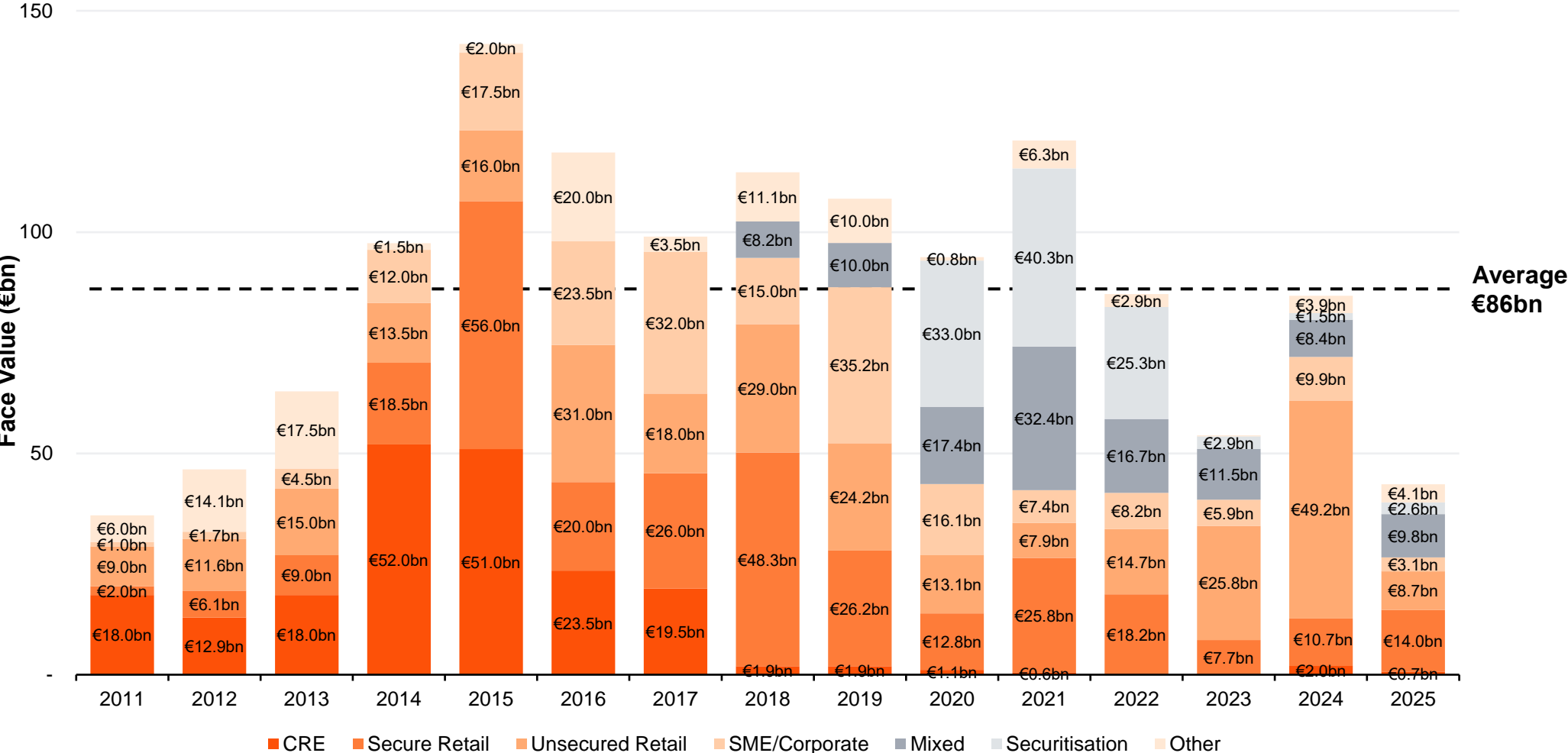


**Source:** EBA, CapitalIQ, Press coverage, PwC analysis and estimates. UK represents total from 10 banks and buildings societies covering a large part of the UK market. EBA bank Stage 1,2,3 balances represent Total loans and advances \* Stage 1/2/3 % as published by the EBA

# Loan portfolio sales since the GFC: volumes up, values lower

## Value of transactions by underlying asset class

Despite an increase of 24% in transaction volumes in 2025, the total face value of loan portfolios sold declined compared to the prior year. This reflects the absence of several large European bank exits from non-core markets that had occurred in the prior year

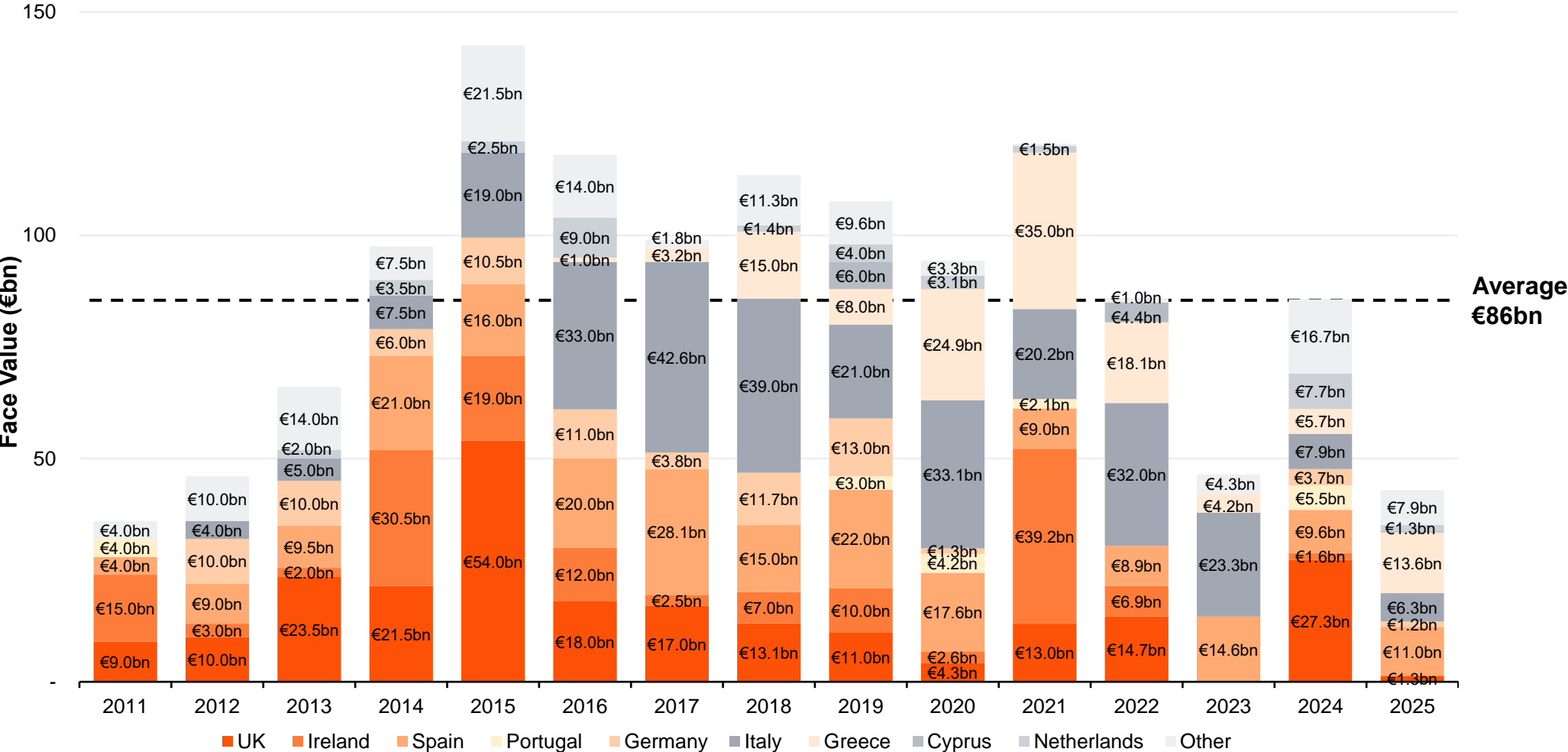


Please refer to note on page 8 regarding basis of preparation.

# Loan portfolio sales since the GFC: volumes up, values lower

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# Private credit solutions

**15+ years of unparalleled experience advising on complex, credit-focused transactions across the private credit landscape**

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# Please note

## 01

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Please note that the data set out in this document is based on publicly available information concerning portfolio transactions involving the sale of financial institutions' debt, supplemented with information derived from transactions where we have acted as an adviser. This data will therefore not include transactions which have been unannounced.

## 02

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Geography of the transactions is based on the location of the head office of the vendor selling the assets.

## 03

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'Other' includes certain structured and asset backed products, shipping, infrastructure, energy and aviation.

## 04

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'Securitisation' includes only loans securitised under the GACS (Italy) and HAPS (Greece) securitisation programmes. Data for these has been included for 2020 onwards only. Securitisations include predominantly a mixture of retail secured and unsecured and SME loans and to a lesser extent large corporate exposures. No new funding transactions have been included.

# Thank you

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