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Private Equity's Growing Role in European Lending

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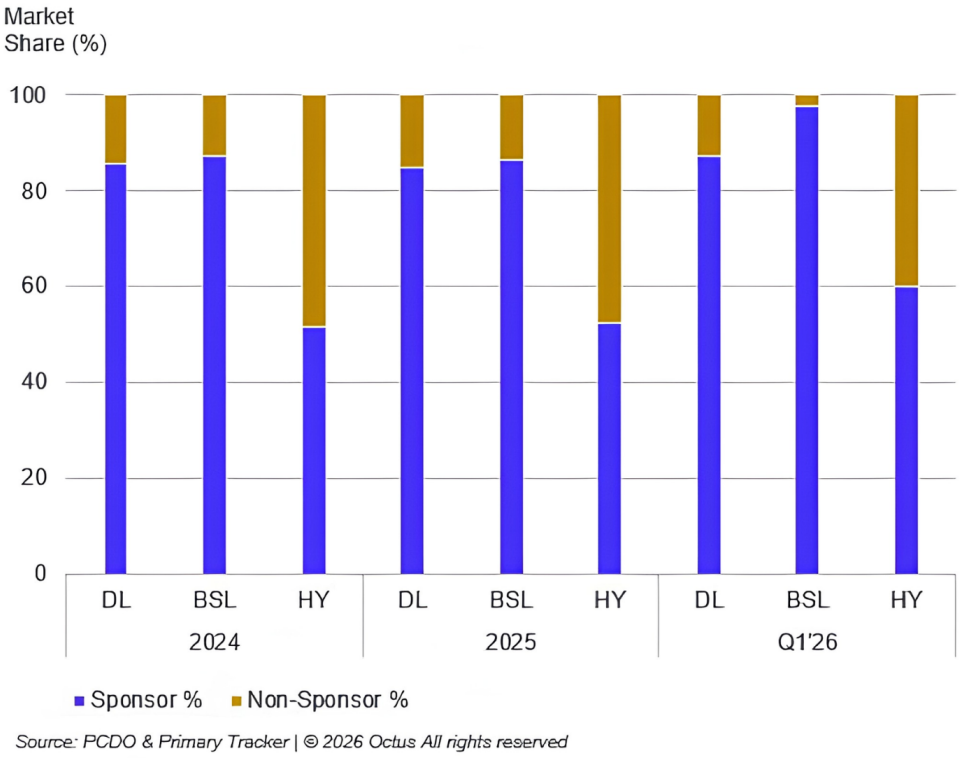
The Growing Footprint of Private Equity Activities in European Lending



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Sponsor-backed activity is reshaping European credit markets, with direct lending serving as the primary engine of growth. In 2025, the direct lending market recorded 936 sponsor-backed deals, up from 819 in 2024, and momentum continued into the first quarter of 2026. The same pattern appears in broadly syndicated loans, or BSL, where sponsor deals rose from 223 in 2024 to 271 in 2025. High yield, or HY, also accelerated, with sponsor-led issuance up 39% year over year (from 93 deals in 2024 to 129 in 2025).