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Asia Private Credit briefing

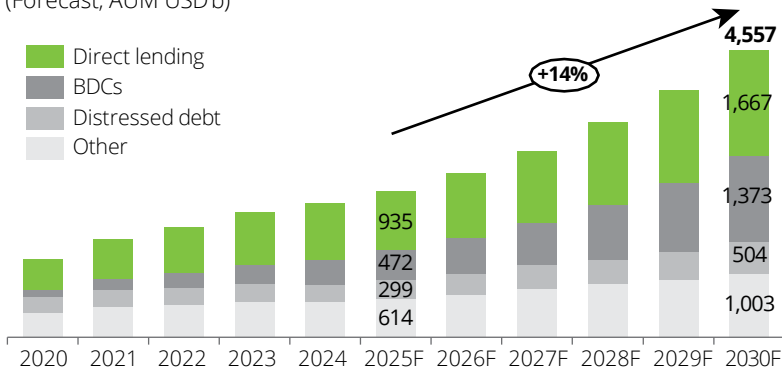
Q1-2026

Global private credit outlook

Private credit has grown from a niche alternative into a core pillar of global capital markets, now commanding +USD2 trillion in AUM. This growth is driven by structural, rather than cyclical, forces. Increased banking regulation has constrained lending in leveraged, asset-heavy, or complex credits, creating a supply gap that non-bank lenders, simultaneously seeking yield and downside protection, have filled with capital.

Global private credit growth

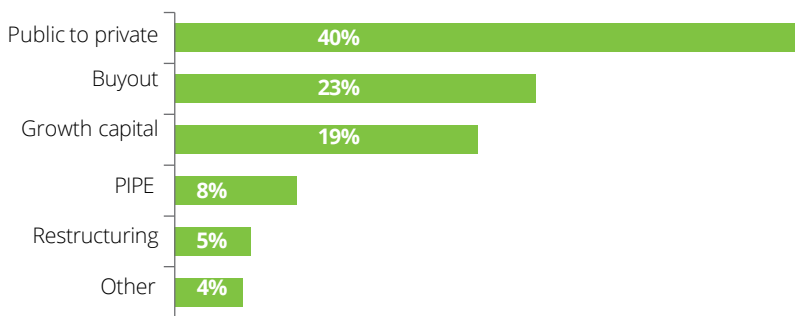
(Forecast, AUM USD'b)



Data source: Preqin, Private Markets in 2030 report, as of 16 October 2025

Private credit funding purpose

(% deal value, 2015 to 2025)

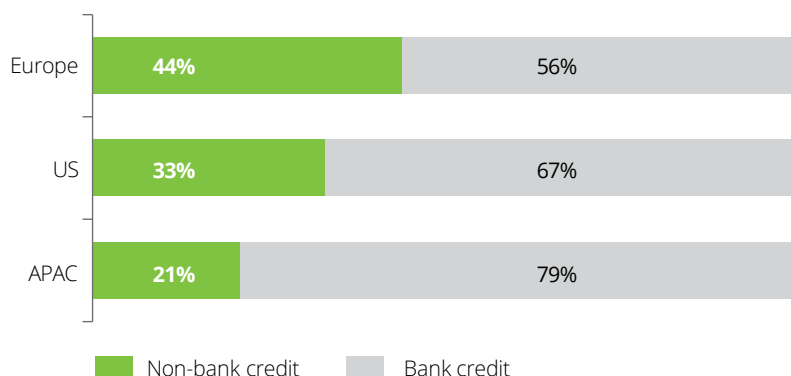


Data source: Preqin private debt deals data extracted 22 October 2025.

Note: excludes deals without a stated investment type

Non-bank lending market share

(debt size, 2024)



Data source: bank for international settlements

Private credit growth drivers

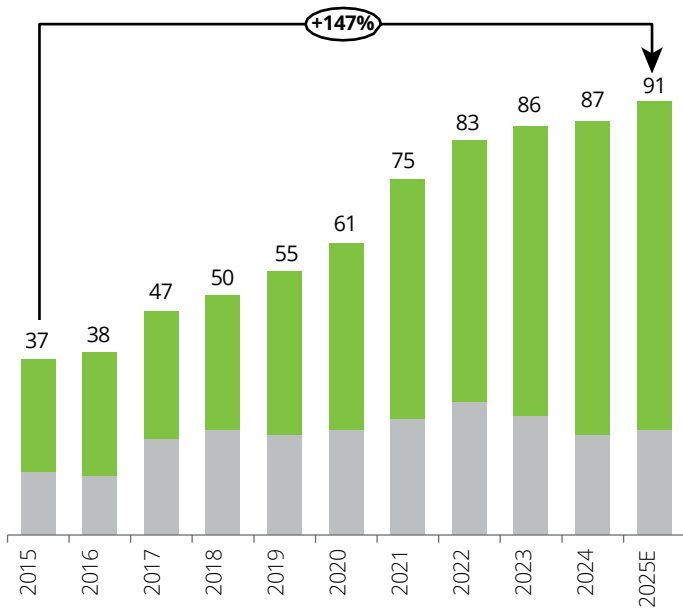
- Increased banking regulation.** Post-gfc and post-covid regulations (basel III/IV, leverage ratios, capital charges) have structurally reduced banks' appetite for leveraged, long-dated, or complex risk. Banks now prioritise investment-grade, shorter-tenor and capital-light lending, creating a persistent funding gap in mid-market, sponsor-backed, asset-heavy and/or cross-border transactions that private credit has filled.
- Institutional demand for yield with downside protection.** Pensions, insurers and sovereign investors face long-dated liabilities and return targets that public fixed income increasingly fails to meet. Private credit offers floating-rate exposure, illiquidity premia, senior secured positions and covenants, allowing investors to manage risk through structure rather than price alone – driving durable, long-term portfolio capital formation.
- Demand for public-to-private financing.** Private credit enables confidential, flexible and high-leverage financing at speed for public-to-private deals, driven by public market undervaluation and rising compliance and disclosure burdens – particularly for mid-market companies.
- Expansion of private market ecosystems.** Growth in private equity, infrastructure and real estate has structurally increased demand for flexible, non-bank debt. Sponsor strategies such as buy-and-builds, carve-outs and take-privates often require higher leverage, transitional capital and non-standard collateral, positioning private credit as a core financing partner.
- Maturation of private credit platforms.** The asset class has evolved from opportunistic lending to institutional-grade underwriting, with dedicated professional origination, sector specialisation and structuring expertise. Over time, this has increased borrower confidence and board-level acceptance of private credit as a strategic funding source.

Private credit in Asia

As private markets mature across the region, Asia Pacific represents a significant opportunity for investors to diversify away from crowded markets, source higher spreads, and gain exposure to Asia Pacific's growth with downside-protected structures. At the same time, private credit is also unlocking new opportunities for borrowers in Asia Pacific who are seeking more bespoke financing solutions.

Asia Pacific private credit growth

AUM USD'b)

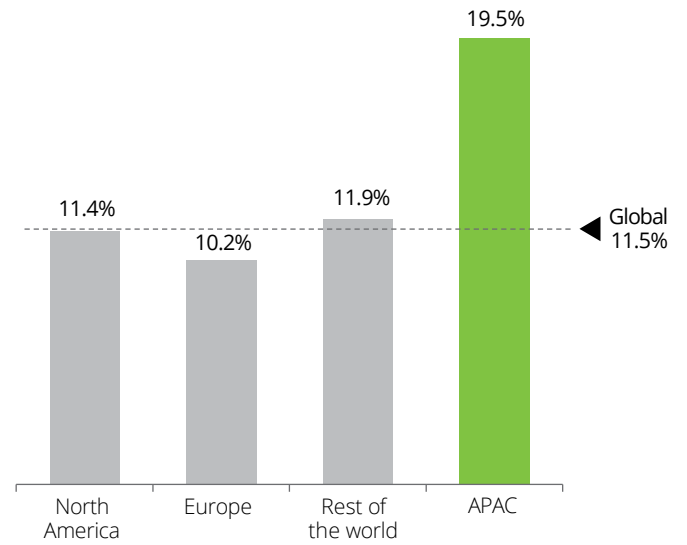


Legend: ■ Unrealised value ■ Dry powder

Data source: Prequin AUM data extracted 26 November 2025, Deloitte research and analysis

Annualised growth rate of private credit

AUM (2020 – 2023)



Data source: Prequin private debt 2025

Asia Pacific private credit by market

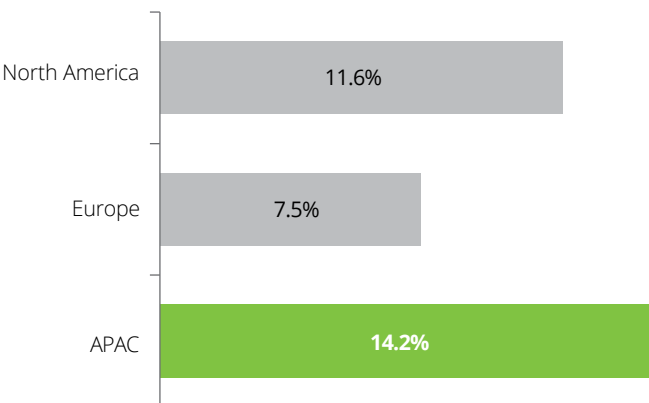
(debt, USD'b)



Data source: Prequin private debt deals data extracted 3 December 2025, Deloitte research and analysis

Private credit historical performance

(Net IRR %, 2020 to 2023)



Data source: Prequin Private Debt 2025

Notable private credit transactions in 2025

Private credit powered ahead in 2025, reshaping global financing with bespoke structures and mega-scale deals. From record-breaking private credit ticket sizes in India to strategic sponsor-backed financings to landmark infrastructure packages for AI data centres, private credit lenders deployed billions to meet demand for fast, flexible, non-dilutive capital for atypical financing situations.

Company / Sponsors	Amount (USD'm)	Pricing	Funder(s)	Commentary
Ravenswood Gold	650	SOFR + 6.875%, 4.5 year tenor	RRJ Capital (private credit loan)	Refinances Queensland's largest gold mine (owners: EMR Capital & Golden Energy and Resources); follows 2024 restructuring of vendor notes.
Shapoorji Pallonji Group	3,400	Zero coupon rupee bonds; ~19.75% yield; 3 year tenor	Ares, Cerberus, Davidson Kempner, Farallon; arranger & investor: Deutsche Bank	India's largest private credit deal; proceeds used to refinance group debt; collateral reportedly linked to Tata Sons stakes; spotlights both boom and risk in India private credit.
MYOB Group	1,003	Pricing not disclosed publicly	KKR Private Credit (~AUD200m facility in 2024)	Portfolio financing by KKR supports growth/capex for SME software amid competitive landscape. MYOB owned by KKR since 2019.
Jubilant Bhartia (Coca Cola India bottler)	600	Pricing not disclosed publicly	Goldman Sachs Asset Management via convertible shares	GSAM structured hybrid private credit/equity to fund 40% stake in Hindustan Coca Cola Holdings, limiting dilution while managing leverage.
Princeton Digital Group	400	Pricing not disclosed; Holdco debt for capex/refi of Asia Pacific DCs	Barclays, BNP Paribas, Deutsche Bank, Allianz GI, Keppel, OMERS, SMBC, SCB	Warburg Pincus backed. Part of PDG's >USD1.2b package to expand AI ready data centre campuses (Mumbai, Langfang, Tokyo); underscores strong sponsor backing.
Bohai Leasing	+550	Pricing not disclosed publicly	RRJ Capital, Barclays, Deutsche Bank, MBK Partners, Nomura	Secured loan to refinance offshore notes. Private credit refinancing helps manage maturities post HNA; RRJ expands footprint; Bohai pivots to aviation leasing.
Chandra Asri Group (Esso acquisition)	750	Unitranche, reported single digit rate	KKR Private Credit	Supports acquisition of ExxonMobil's Esso retail network in Singapore, diversifying downstream energy footprint.
FineToday	350	Pricing not disclosed publicly	Goldman Sachs Asset Management	Dividend recap for CVC backed Japanese personal care group after postponed Tokyo IPO; illustrates rise of private credit financed recaps in Asia Pacific. Proceeds used for shareholder payouts and potential bolt on M&A.
Meta Platforms (AI data center)	29,000	Debt at SOFR + 375-425bps, tenor 7-10 years	PIMCO (lead debt), Blue Owl Capital (equity), Apollo, KKR, Brookfield, Carlyle	Largest single-asset private credit deal to date: Meta's Louisiana AI data centre. PIMCO anchors USD26b debt, Blue Owl USD3b equity, backed by asset-level collateral. Signals private credit moving into investment-grade infrastructure.
Dubailand multifamily office	100	Pricing not disclosed publicly	Ares Management	Ares's USD100m facility to a Dubai-based multifamily office highlights growing appetite for Middle Eastern real-asset financing via private credit vehicles.
OpenAI Data Centre JV	15,000	Pricing not disclosed publicly	Blue Owl Capital	Blue Owl invests USD15b in AI data centre joint ventures with OpenAI — reflects private credit's entrance into mission-critical tech infrastructure.

Data source: Deloitte Research and Analysis

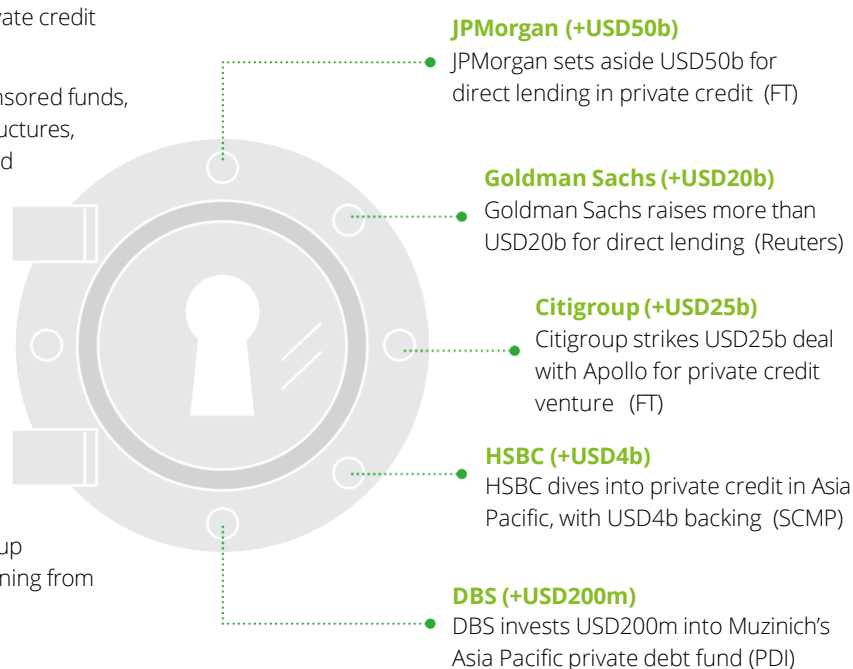
Key players in private credit

Globally, private credit is dominated by a relatively concentrated group of US-based managers with deep long-term capital pools. In Asia Pacific, global capital is increasingly complemented by regionally embedded platforms which combine valuable local market knowledge and network origination ability. Increasingly, banks are also seeking to participate in private credit markets.

	Manager	Estimated private credit AUM (USD)	Fund strategy overview
Global strategy	Apollo Global Management	480b	Global leader in private credit with diversified strategies across direct lending, opportunistic credit, and bespoke financing solutions.
	Blackstone Credit	355b	One of the largest private credit platforms globally; focuses on direct lending, mezzanine financing, and opportunistic credit investments.
	Ares Management	335b	Comprehensive private credit offering including senior secured loans, unitranche, and opportunistic credit strategies across multiple sectors.
	KKR Private Credit	240b	Global private credit platform specialising in direct lending, structured credit, and customised financing solutions; strong Asia Pacific presence.
Asia Pacific strategy	OCP Asia	3.0b	One of the largest Secured Direct Lending specialists in the Asia Pacific, having invested over USD6b across multiple fund vintages in the region.
	PAG Loan Funds	2.6b	Leading Asia Pacific private credit investor; focuses on senior secured lending and bespoke financing for regional corporates.
	SeaTown	2.5b	Singapore-based private credit platform offering direct lending and structured credit solutions tailored for Asia Pacific markets.
	ADM Capital Private Credit	1.6b	Specializes in mid-market private credit and distressed opportunities across emerging Asia Pacific.
	Edelweiss Private Credit	5.9b	India-focused private credit platform offering special situations and mid-market financing solutions.

Recent bank ventures into private credit

- Banks are increasingly adopting complementary private credit strategies.
- By operating through asset management arms, sponsored funds, co-investment vehicles, or originate-to-distribute structures, banks can monetise their origination, structuring, and relationship advantages while transferring balance-sheet risk to third-party capital. This allows banks to retain relevance in sponsor and mid-market financing while preserving regulatory capital efficiency.
- With private credit strategies, fee economics replace net interest margin. Banks earn origination, structuring, servicing, and sometimes performance-linked fees instead of spread income.
- It may seem counter-intuitive that banks are setting up private credit ventures. In effect, banks are repositioning from lenders to credit manufacturers and distributors.



Data source: Based on Deloitte research and analysis – list is non-exhaustive

Insider perspectives on private credit

Views from the experts

"Private credit fills the gap between debt and equity. Private credit often replaces equity dilution in situations where banks cannot lend and equity would be too expensive in control terms. It is best viewed as problem-solving capital, not as expensive debt."

Anupam Behura, Partner, Bain Capital

"Boards are recognising that **private credit is flexible and strategic** capital. The most effective management teams evaluate private credit alongside bank debt, bonds, and equity from day one, rather than turning to it only after other options do not fit."

Ernest Lee, Partner, OCP Asia

"Private credit provides the enabler capital for business owners to **scale while retaining control**. By offering tailored solutions that complement, rather than compete with traditional banking, private credit has become a primary financing tool for business owners rather than a last resort."

Jieying Huang, Portfolio Manager, Muzinich

"Private credit is here to stay. Private credit is a structural solution, not a cyclical one. Private credit is no longer a temporary substitute during stress or distress. Bank constraints and institutional demand have made private credit a significant and permanent feature of capital markets."

Emmanuel Hadjidakis, Partner, Baker McKenzie

"Private credit works for all parties best when it is planned upfront as part of capital strategy, rather than when it is introduced as a rescue solution. Options can quickly become limited and decisions can become harder deeper down the curve."

Rishi Hindocha, Partner, A&O Shearman

"Counterparty matters more than structure. Outcomes in most of Asia Pacific are driven less by documentation and more by the borrower's and lender's alignment, incentives, and ability to work through complexity. Choosing the wrong counterparty can erase the benefits of private credit, for both sides. Choose wisely and work to build and keep alignment."

Matt Becker, Partner, Deloitte

Comparing private credit

Private credit delivers flexibility in complex situations where banks may have lower appetites. It can accommodate higher leverage, more complex collateral packages, and cross-border structures. The trade-off is a higher headline cost of capital than bank debt and usually more intensive covenant and collateral packages. Private credit should therefore be viewed as a strategic form of “problem-solving” capital in complex or time-sensitive financing situations.

	Public equity	Public bonds	Bank loans	Private equity	Private credit
Execution certainty	Low-medium (market-dependent)	Low-medium (market windows)	Medium (syndication risk)	High (bilateral / negotiated)	High (underwritten)
Speed	Slow (6 to 18 months)	Slow	Moderate	Moderate	Fast (weeks, not months)
Leverage	N/A	2.5–4.0x EBITDA (IG / crossover)	2.0–3.5x EBITDA	4.0–6.0x total leverage	4.0–6.5x total leverage (higher in structured deals)
Flexibility	Low	Low	Medium	High	High (bespoke)
Cost of capital	N/A (market pricing)	Low-medium	Lowest	Highest	Medium-high
Illustrative pricing	Cost via dilution	~4–6% (IG) ~6–8% (HY)	SOFR / SORA + 150–300 bps	20–25% + IRR target	~10–15%
Covenants	None	Light	Standard, compliance driven	High	High, bespoke and tailored
Collateral	None	Typically unsecured	Senior secured, asset-based	None	Extensive and tailored
Tenor	Permanent	Long	Medium	Permanent	Flexible tenors
Confidentiality	Low	Low	Medium	High	High
Dilution	Yes	None	None	Yes	None
Control impact	Minimal	Minimal	Mild	High (board and veto)	Limited (via covenants)
Refi risk	N/A	High	Medium	N/A	Medium
Illustrative use cases	<ul style="list-style-type: none"> Liquidity event for owners Capital for expansion at scale Balance-sheet repair 	<ul style="list-style-type: none"> Large-scale refinancing Balance-sheet term-out Investment-grade funding 	<ul style="list-style-type: none"> Trade and working capital lines Stable capex funding Vanilla acquisition financing 	<ul style="list-style-type: none"> Control transactions / carve-outs Turnaround cases Founder succession 	<ul style="list-style-type: none"> Take private / buyout Growth financing, avoiding dilution Complex or structured deal

Data source: Based on Deloitte research and analysis – illustrative only

Is private credit right for your business?

Private credit is not a one-size-fits-all financing solution. Its suitability depends on business scale, cash flow predictability, leverage tolerance, and strategic priorities. Mid-market companies seeking speed, confidentiality, and bespoke structures in complex situations are typically a stronger fit.

	Stronger fit for private credit	Weaker fit for private credit
Business profile	Mid-market and up	Start-up, early-stage, pre-profit
Ticket size	USD15m and above	Less than USD15m
Cash flow profile	Predictable, recurring revenues	Highly cyclical or binary revenue model
Leverage tolerance	Can support moderate-high leverage (e.g. >3.5x EBITDA)	Challenges sustaining higher leverage or sensitive to covenants
Speed & certainty	Requires fast, underwritten, bilateral execution	Fine to accommodate longer syndication or market processes
Funding complexity	Non-standard structure, carve-out, cross-border, asset-heavy	Plain-vanilla corporate financing
Confidentiality needs	High need for discretion (e.g. take-private, restructuring)	Public disclosure is not an issue
Use of proceeds	M&A, buy-and-build, transitional capital	Pure growth equity or speculative investment
Collateral availability	Strong asset base, enterprise value and / or sponsor support	Asset-light with weak asset security package
Covenants & control	Able to accept tighter covenants and lender oversight	Strong preference for minimal lender oversight or control
Cost sensitivity	Willing to pay premium for speed, flexibility and certainty	Highly cost-driven: lowest-WACC is the priority
Capital markets access	Limited or unreliable access to public debt markets	Regular, efficient access to bonds or loans
Ownership preference	Sponsor-backed or sophisticated owner, averse to equity dilution	Founder-led with strong aversion to leverage

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