



Keerthika Subramanian Discusses the Wall of Maturity and SME Lending with *Private Debt Investor*

OCTOBER 1, 2024

Winston & Strawn partner Keerthika Subramanian was quoted in a *Private Debt Investor* article where she discussed questions that arise about the maturity wall and small and medium enterprise (SME) lending when looking towards 2028, including how Covid-era investment and speculative bonds will be refinanced as they reach maturity and if the banking industry will continue its retreat from loans to small and medium sized enterprises.

Keerthika explained that the maturity wall originated during the Covid crisis of 2020-2022, when many companies took on debt at low interest rates. This included borrowing by companies severely impacted by the pandemic, particularly those in the travel industry. She stated that she expects maturities on Covid-era issuances will peak in 2026.

“Maturities will tick up in 2028 near 2026 peak levels, but we should be clear of it after 2028,” she said.

She noted that borrowers will need to pursue bespoke liability management transactions such as exchange offers, tender offers, consent solicitations and complex equity and debt financings over the next 18-36 months, because they and their advisors will want to evaluate their options at least 18 months in advance of the significant maturity dates.

Winston has seen “some conventional refinancing activity and amends and extends, which have helped address more near-term maturities, but not all borrowers will be able to pursue traditional refinancing methods,” Keerthika said of the situation.

Beginning during the global financial crises of 2008-09, banks have been on the retreat from volatility, including from loans to SMEs. This was compounded by the Covid-19 pandemic and 2023 bank failures. Keerthika referenced the financial software company Finastra, which received a record-setting \$4.8 billion unitranche loan in August 2023 from several lenders in order to refinance bank debt, as a sign that the retreat may continue. She believes that banks will continue to be wary of SMEs and the opportunities of serving their needs will remain with the private lenders.

[Read the full article \(subscription required\).](#)

1 Min Read

Related Topics

Capital Markets

SMEs

Related Capabilities

Capital Markets

Transactions

Related Professionals



Keerthika M. Subramanian