NEXT SESSION

16.00 – 17.30

The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability

Leaseurope

The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability

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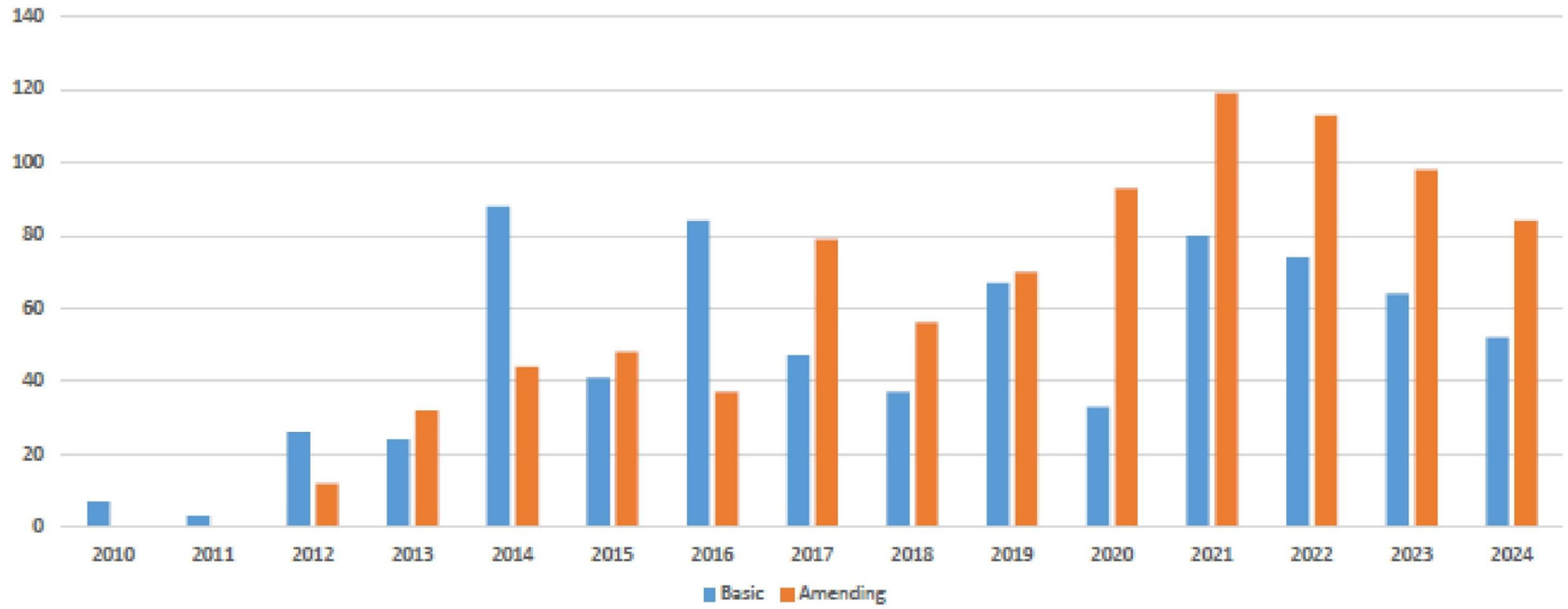
KEES KERSTENS
Prudential and Credit Risk Management Expert

The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability

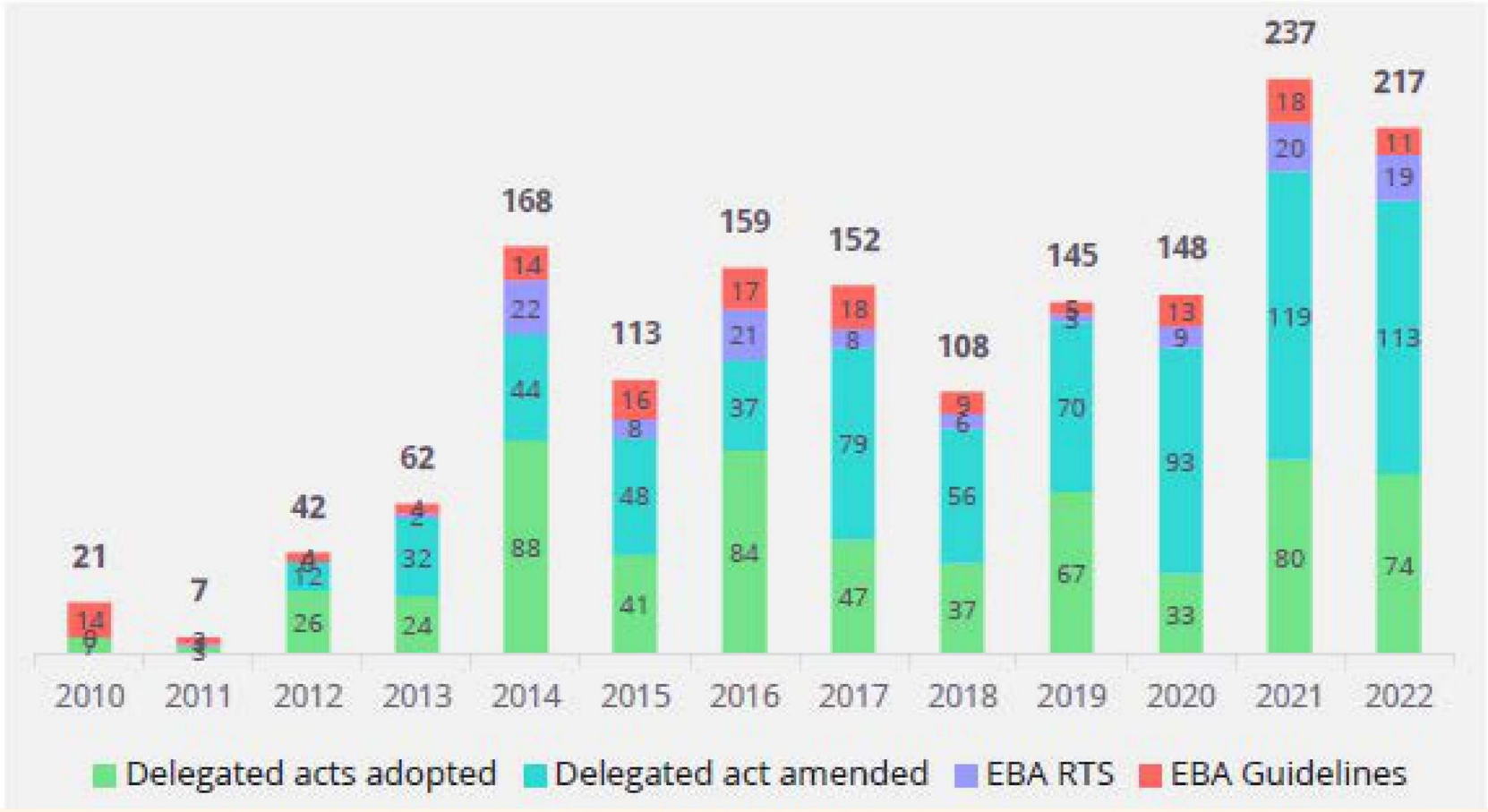


YVES-MARIE LEGRAND
Deputy Director General
ASF

NUMBER OF DELEGATED ACTS ADOPTED PER YEAR



LEVEL 2 AND 3 TEXT VOLUMES EVOLUTION



The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability



MARINA CERNOV
Senior Policy Expert
European Banking Authority

EBA mandate on leasing

Leaseurope Annual Convention 2026, Sofia, 15-16 October 2026

Today's presentation is about…

- Mandate
- Process and collaboration between EBA and Leaseurope
- Banks participating in the exercise
- Scope of the analysis

It is NOT about…

- The results of the analysis or
- Policy proposals

… as analysis and policy discussions are still ongoing (final report expected in Q1 2027)

EBA mandate

- According to Article 495c of the CRR, the EBA should **report on the appropriate calibrations** of:
  - **Risk parameters associated with leasing exposures under the IRB Approach**, in particular on the LGDs and Hc provided for in Article 230, and
  - **Risk weights under the Standardised Approach**.
- EBA shall in particular include in its report **data on average numbers of defaults and realised losses** observed in the Union for exposures associated with different types of properties leased and different types of institutions practicing leasing activities.
- EBA shall submit that report to the European Parliament, to the Council and to the Commission **by 10 July 2027**.
- On the basis of that report, and taking into account the internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2028.

Current treatment under CRR3

Discounted minimum lease payments:

→ Exposure class of the borrower (Corporate or Retail)

SA: No recognition of physical collateral

IRB: Recognition of physical collateral through the haircut that enters the effective LGD value (FIRB) or via LGD modelling subject to input floors (AIRB). Hc for 'other physical collateral' provided for in Article 230(2) → 40% (with transitional values until 2030)

Residual value risk:

→ SA: Exposure class Other items (SA) or Non-credit obligations (IRB)

RWA= 1/t x 100% x residual value

Leaseurope study on adequacy of RWs for leasing exposures

Database: > 2.4 million lease contracts , 12 major European leasing companies operating across 25 countries , portfolio of Euro 45.7 billion at the end of 2011 → ≈ 9% of the European leasing market

Comparison of regulatory capital requirements and unexpected losses

	2007	2008	2009	2010	2011	Total
Standardised	8.17%	7.97%	8.33%	8.44%	8.50%	8.31%
F-IRBA; CRR 2	5.29%	5.41%	5.92%	5.94%	5.92%	5.76%
F-IRBA without scaling factor	4.99%	5.10%	5.58%	5.60%	5.58%	5.43%
A-IRBA; CRR2	4.03%	4.57%	5.56%	6.12%	6.50%	5.55%
A-IRBA without scaling factor	3.80%	4.31%	5.25%	5.77%	6.13%	5.24%
Unexpected Loss	1.03%	1.45%	1.29%	0.65%	0.52%	1.09%

The study was used to justify the mandate on leasing exposures in CRR3.

Consultations with the industry

- **Close collaboration with Leaseurope** allowed us to define the perimeter of what we want to analyse:
  - Multiple technical calls to identify the issues related to the treatment of leasing exposures and to provide clarifications on the practical application of the rules in the case of leasing exposures
  - Co-operation in defining the detailed methodology and templates for the data collection
- **A roundtable with industry** carried out in May 2025 to gather additional input
- **Written consultation** on the actual templates with the industry

Data collection

- To address the mandate in Article 495c, a data collection was carried out as part of a larger Quantitative Impact Study exercise that EBA is doing annually to monitor the impact of Basel 3, collected on a mandatory basis for a representative sample of EU/EEA credit institutions, and included voluntary participants specifically for leasing.
- The templates for data collection
  - Leasing General: to get an overview of the leasing in the banking sector
  - Leasing IRB-SA: data to estimate impact of LGD input floor and adequacy of SA RWs
  - Leasing Additional: additional data on default rates and realized losses for publication, as requested by the mandate
- Scope:
  - CRR credit institutions at highest level of consolidation, who should provide data also for their subsidiaries.
  - Only minimum lease exposures (no residual risk)
- Reference date: 31 December 2025
- Final data was received on 15 June 2026

Table 1: Leasing overview

	Exposure class	Exposure value under standardised approach of leasing exposures	Exposure value of leasing exposures under IRB approach	
			A-IRB	F-IRB
		0010	0020	0030
0010	Central governments or central banks			
0020	Regional governments or local authorities			
0030	Public sector entities			
0040	Multilateral Development Banks			
0050	International Organisations			
0060	Institutions			
0070	Corporates - Other			
0080	Corporates - Specialised Lending			
0090	Retail			
0100	Secured by mortgages on immovable property and ADC exposures			
0110	Exposures in default			
0120	Subordinated debt exposures			
0130	Covered bonds			
0140	Claims on institutions and corporates with a short-term credit assessment			
0150	Collective investments undertakings (CIU)			
0160	Equity			
0170	Other items			

- **Goal:** to provide an estimate of the size of leasing exposures in the sample covered, and the distribution across exposure classes and approaches.
- Currently, no information on leasing in common supervisory reporting. Leasing is either part of corporate or retail exposure classes.
- Data is based on existing COREP datapoints, to leverage on data that already exists and is reported

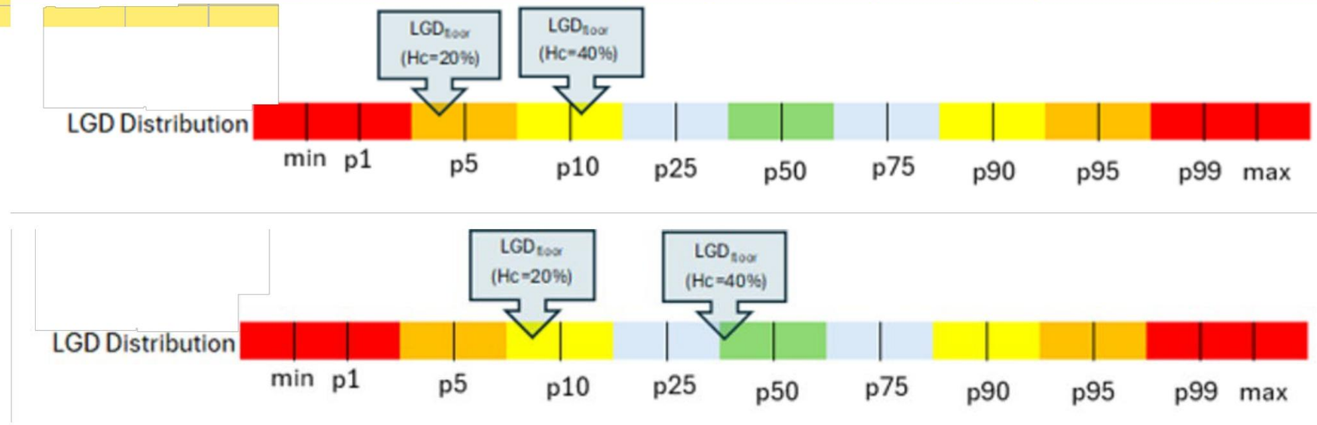
Table 2 – IRB analysis

Breakdowns:

Portfolios
IRB/ Large and mid-market general corporates
IRB/ SME treated as corporate
IRB/ Other retail exposures
Underlying leased assets
Commercial vehicles and passenger cars
Commercial real estate
Other leased assets

Share of secured amount (Es/E)
>=100%
<100% and >=80%
<80% and >=70%
<70% and >=60%
<60% and >=50%
<50% and >=40%
<40%
TOTAL

Distribution of the final estimated LGD (based on the number of exposures and without application of the LGD input floor) (split across E_s/E for H_c=40%)													Application of the LGD input floor (split across E_s/E for H_c=40%)		
Min	P1	P5	P10	P15	P20	P25	P30	P40	P50	P75	P95	Max	Average LGD floor (number weighted)	Number of exposures floored	EAD amount floored
0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160	0170	0180	0190
														0	0



eba European Banking Authority

Table 2 – SA analysis

CRR3 IRB average risk weights			CRR3 average SA risk weights
Current average A-IRB RW (Hc=20%)	Fully loaded average A-IRB (Hc=40%)	A-IRB RW, no LGD input floor	
0330	0340	0350	0360

Assuming that the level of conservatism of SA risk weights for corporate exposures compared to the IRB risk weights is appropriate, we can deriver an “adequate” RW for leasing under SA.

The increase in regulatory RW from CRR2 to CRR3 for leasing should be the same for leasing as for corporates (retail) (excluding leasing)

Same breakdowns as for IRB analysis

$$\frac{RW^{reg}_{leasing,CRR3}}{RW^{reg}_{leasing,CRR2}} \rightarrow \frac{RW^{reg}_{corp\ (retail),CRR3}}{RW^{reg}_{corp\ (retail),CRR2}}$$

Table 3 – Losses and average default rate

Data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of properties leased and different types of institutions practicing leasing activities.

	Portfolios	Type of exposures	Underlying leased assets	Long run average default rate (2025)	Long run average LGD (2025) *	Realised loan loss rate, 2020-2025 *					
						2020	2021	2022	2023	2024	2025 **
				0010	0020	0030	0040	0050	0060	0070	0080
0010	IRB/ Large and mid-market general corporates (SA / Corporate excluding SME)	Leasing exposures	Commercial vehicles and passenger cars								
0020			Commercial real estate								
0030			Other leased assets								
0040		Non-leasing exposures	NA								
0050	IRB/ SME treated as corporate (SA / Corporate SME exposures)	Leasing exposures	Commercial vehicles and passenger cars								
0060			Commercial real estate								
0070			Other leased assets								
0080		Non-leasing exposures	NA								
0090	IRB/ Other retail exposures (SA / Retail exposures)	Leasing exposures	Commercial vehicles and passenger cars								
0100			Commercial real estate								
0110			Other leased assets								
0120		Non-leasing exposures	NA								

Data and sample

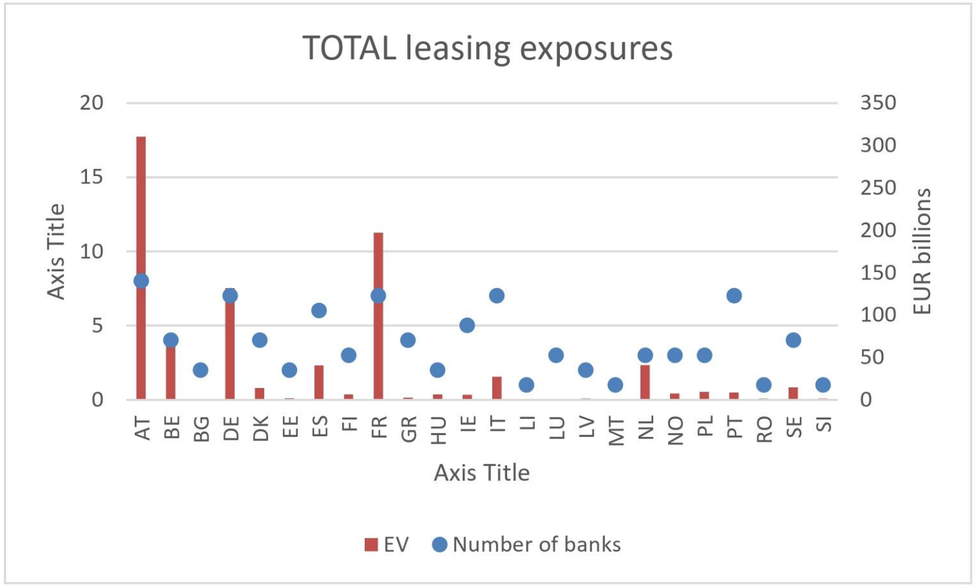
- **QIS sample (2025 Q4):**
- 90 credit institutions reporting having leasing exposures under any approach, of which 30 have AIRB exposures
- 28 credit reporting AIRB exposures for a more details analysis of the risk parameters and SA risk weights (however not all of these banks will end up in the analysis due to data quality issues)

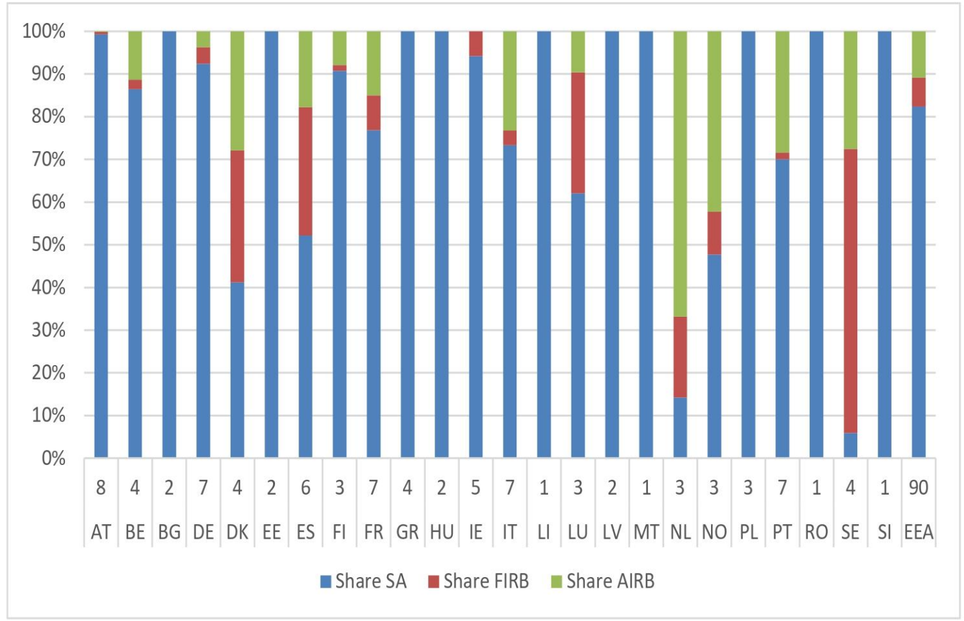
Preliminary overview of the leasing exposures by country

90 banks reported leasing exposures under any of the 3 approaches:

- 90 have leasing under SA
- 32 have leasing under FIRB
- 30 have leasing under AIRB

In terms of EAD, there are in total approximately EUR 904 billion leasing exposures reported by the 90 banks in the QIS sample. Most of it (more than 80%) is under SA.





Next steps

November: Draft report

Q1 2027: Final report

European Commission will be able to consider the results from the report already at draft stage.

Political discussion at the level of the Commission and co-legislators.

→ *On the basis of that report, and taking into account the internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2028.*

Thank you!

eba European Banking Authority

The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability



KEES KERSTENS
Prudential and Credit Risk Management Expert

Reviewing of the prudential treatment of leasing
CRR III - Article 495c - EBA mandate

EBA assessment of appropriate calibrations of risk parameters under the Standardised Approach and IRB

Leaseurope

Leasing’s low risk remains unrecognised under CRR III

IRB: a transitional arrangement in Basel IV reduces RWAs for leasing by approximately 10% compared with similar loans secured by comparable assets, but it ends in 2029.

SA: there is still no leasing-specific framework; leasing is treated as an unsecured loan.

The EBA is currently investigating the calibration of leasing risk parameters and will advise the European Commission on appropriate levels under both the SA and IRB approaches (due in 2027).

The EBA investigation will inform the decisions of the European Commission, Council and Parliament.

A permanent CRR adjustment, also covering the SA, should be in place by 2029.

Review of the risk weights relevant for leasing

If capital requirements better reflect the secured risk profile of leasing, this could:

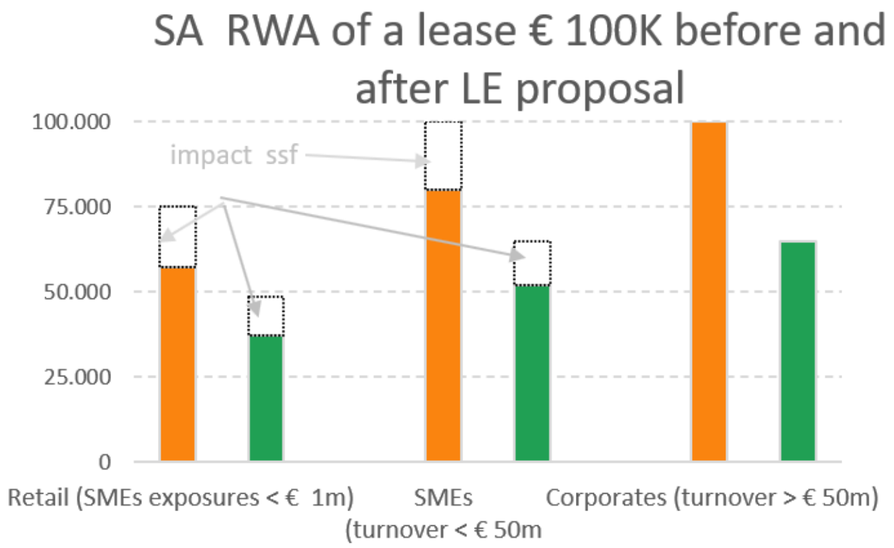
- ✓ free up capital and create room to increase financing
  - support the green transition and expand financing for SMEs
- ✓ increase product profitability (ROE)
  - allow benefits to be passed on to customers through lower margins for the same risk profile, improving competitiveness
- ✓ Strengthen the low-risk leasing proposition, making it more attractive in a bank's portfolio because it absorbs less capital
  - Leasing is already considered a low-risk product for entering new markets
- ✓ Lower the SA output floor for IRB banks [capital at a minimum of 72.5% of the SA level]
- ✓ It may be reflected in the credit risk assessment of lease-portfolio securitisations

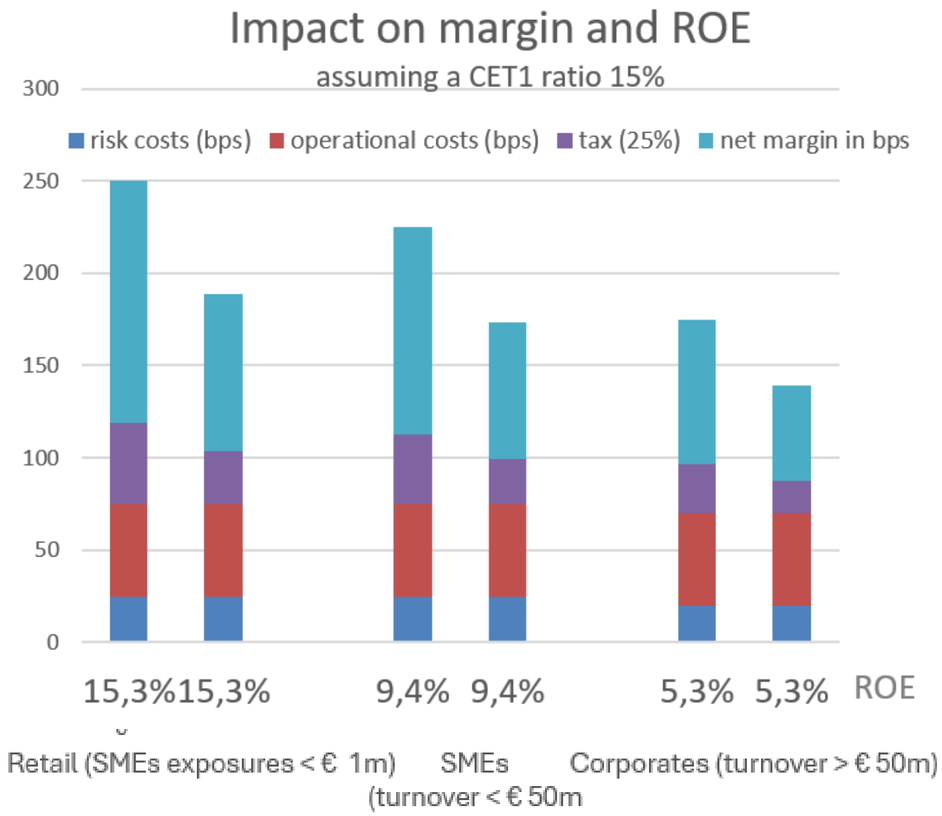
If it is not reviewed, the IRB transitional arrangement ends in 2029, increasing leasing risk weights by approximately 10%

Standardised Approach | Recognising leasing's secured nature

The effect on pricing and additional financing capacity through capital release could be significant if SA risk weights are reduced as proposed by Leaseurope from

- 100% to 65% for corporate exposures and
- 75% to 50% for retail exposures

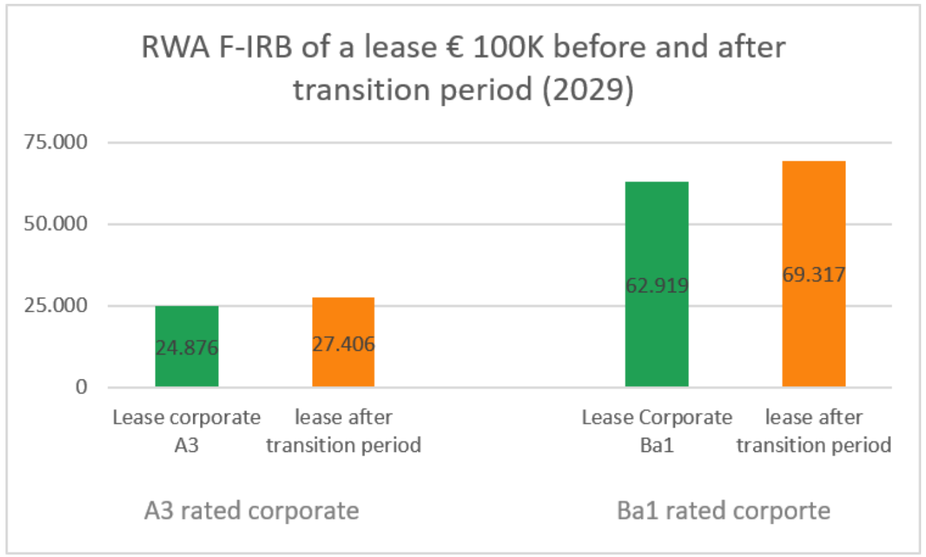


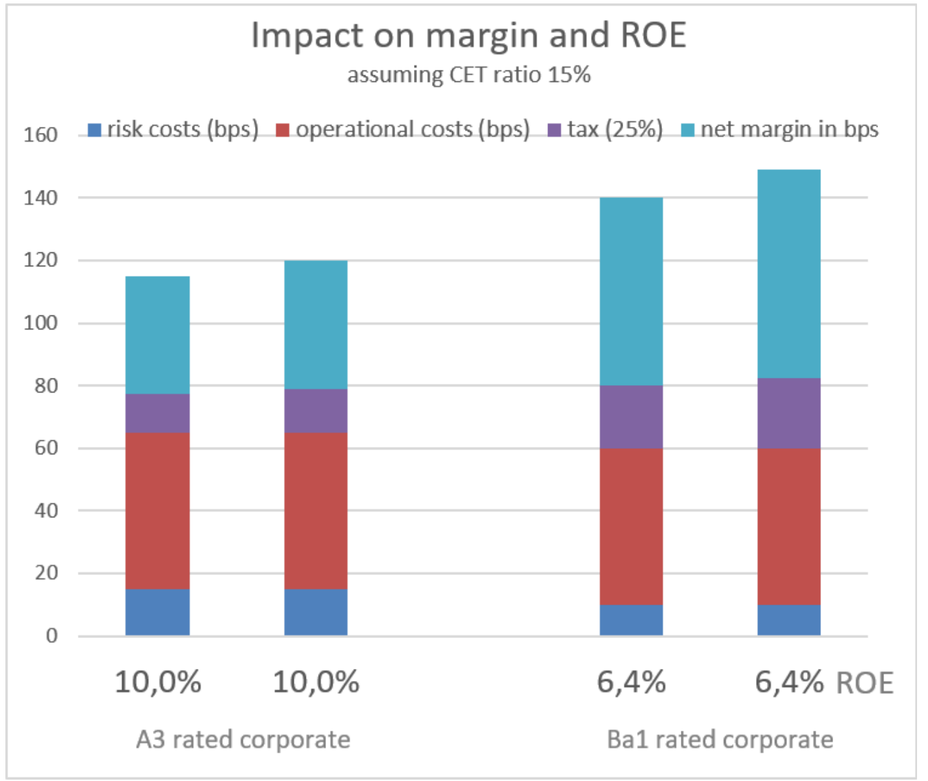


Foundation IRB | Transitional treatment lowers risk weights ≈10%

Leaseurope

Transitional arrangement leasing works via haircut on cover value of asset, being temporary reduced from 40% to 20%

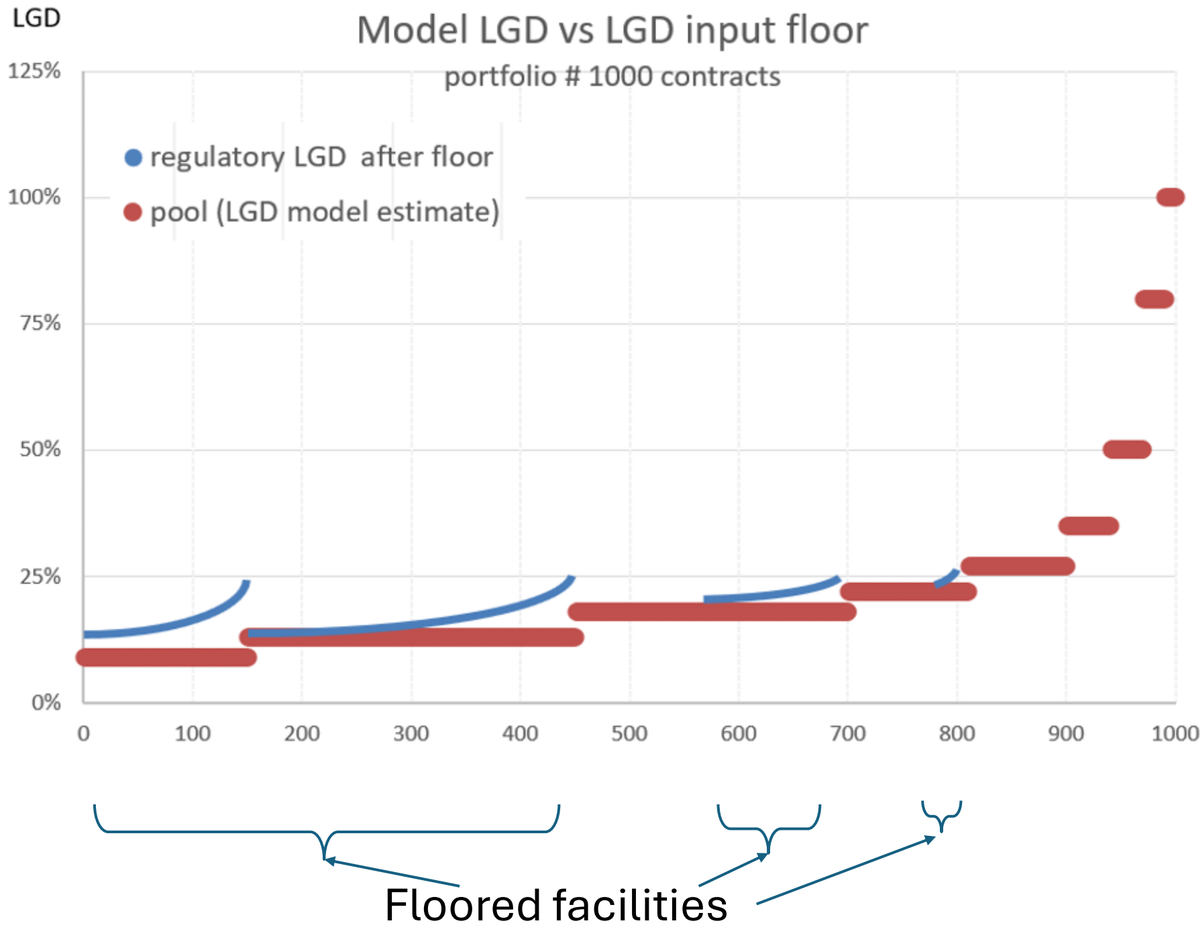




The pricing impact under Foundation IRB (mainly for large corporates) is smaller than under the SA.

Without a permanent replacement in 2029, the transitional treatment will end and eliminate the capital distinction between comparable loans and leases.

Advanced IRB | Transitional treatment lowers the LGD floor ≈10%



The A-IRB LGD input floor ranges between 15% and 25% (retail 30%)

This penalises leasing because the floor applies beyond outliers; in some portfolios, around half of LGD estimates are floored.

In 2029, the temporary 20% haircut will expire and revert to 40% unless the CRR is amended.

If the floor is reduced through a lower haircut on asset value or a multiplier, regulatory LGD will fall for the affected part of the portfolio.

Changes in LGD translate linearly into changes in capital requirements.

The impact on capital and pricing depends on each bank's internal model and its valuation of the underlying assets.

Also, LGD model improvements lifting MoCs will translate into lower capital requirements since less model results overriden by input floor

EBA investigation based on a dedicated data request

Leaseurope welcomes the EBA's engagement with the leasing industry on the feasibility and design of the data templates for the Article 495c data request.

- Between 2024 and 2026, the EBA and Leaseurope held several sessions to develop a prudent methodology that remains feasible for data collection.
- In March 2025, the EBA held a roundtable in Paris with the ECB, national supervisors, the European Commission and banking representatives on the leasing and specialised lending mandates.
- During 2025, Leaseurope frequently consulted experts from its membership.
- To avoid significant data-collection difficulties, the parties agreed to use a proportionate rather than comprehensive approach. It uses a year-end 2025 snapshot of LGD and risk-weight data from A-IRB banks, based on mandatory annual COREP reporting by more than 160 EU banks.
- The request also includes a historical overview of loss rates from 2020 to 2025 to reflect the risk profile of leasing under the Article 495c mandate.

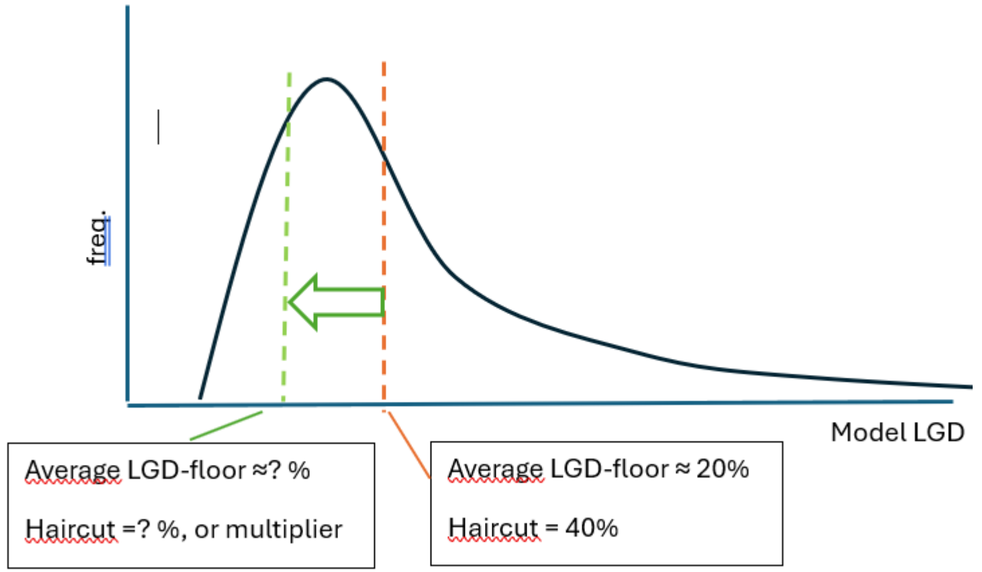
Distribution analysis for IRB and SA calibration

Leaseurope

IRB analysis

comparing the distribution of LGD estimates with the LGD floor to see if the floor is “adequate” vis-à-vis the LGD estimates.

“adequate” = not flooring the regular business



SA analysis

using IRB RWs to assess adequacy of SA RWs (comparison of the ratio SA risk weight/ IRB risk weight of leasing exposures with the same ratio for non-leasing exposures)

$$\frac{\text{new RW SA}_{\text{leasing}}}{\text{RW SA}_{\text{non leasing}}} = \frac{\text{RW IRB}_{\text{leasing}}}{\text{RW IRB}_{\text{non leasing}}}$$

Leasing: IRB and SA analysis overview

Exposures breakdowns

Amounts

Distributions of final LGD

Scenarios

Distributions of LGD before MoC and supervisory measures (BEST EFFORT BASIS)

RWs for SA analysis

	Portfolios *	Type of exposures	Underlying leased assets	Share of secured amount (Es/E)	Total exposures (split across E_s/E for H_s=40%)		Average LGD (exposure weighted) (split across E_s/E for H_s=40%)	Distribution of the final estimated LGD (based on the number of exposures and without application of the LGD input floor) (split across E_s/E for H_s=40%)												Application of the LGD input floor (split across E_s/E for H_s=40%)			Distribution of the estimated LGD without MoC and supervisory measures (based on the number of exposures and without application of the LGD input floor) (split across E_s/E for H_s=40%) (best effort basis)												CRR3 IRB average risk weights			CRR3 average SA risk weights
					Number of exposure	EAD		Min	P1	P5	P10	P15	P20	P25	P30	P40	P50	P75	P95	Max	Average LGD floor (number weighted)	Number of exposures floored	EAD amount floored	Min	P1	P5	P10	P15	P20	P25	P30	P40	P50	P75	P95	Max	Current average A-IRB RW (Hc=20%)	Fully loaded average A-IRB (Hc=40%)	A-IRB RW, no LGD input floor	
					0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160	0170	0180	0190	0200	0210	0220	0230	0240	0250	0260	0270	0280	0290	0300	0310	0320	0330	0340	0350	0360
0010	IRB/ Large and mid-market general corporates	Leasing exposures	Commercial vehicles and Passenger cars	>=100%																																		
0020				<100% and >=80%																																		
0030				<80% and >=70%																																		
0040				<70% and >=60%																																		
0050				<60% and >=50%																																		
0060				<50% and >=40%																																		
0070				<40%																																		
0080				TOTAL	0	0																0	0															
0090			Commercial real estate	>=100%																																		
0100				<100% and >=80%																																		
0110				<80% and >=70%																																		
0120				<70% and >=60%																																		
0130				<60% and >=50%																																		
0140				<50% and >=40%																																		
0150				<40%																																		
0160				TOTAL	0	0																0	0															
0170			Other leased assets	>=100%																																		
0180				<100% and >=80%																																		
0190				<80% and >=70%																																		
0200				<70% and >=60%																																		
0210				<60% and >=50%																																		
0220				<50% and >=40%																																		
0230				<40%																																		
0240				TOTAL	0	0																0	0															
0250		Non-leasing exposures	NA	Unsecured																																		
0260		Leasing exposures	Commercial vehicles and Passenger cars	>=100%																																		
0270				<100% and >=80%																																		
0280				<80% and >=70%																																		
0290				<70% and >=60%																																		
0300				<60% and >=50%																																		
0310				<50% and >=40%																																		
0320				<40%																																		
0330				TOTAL	0	0																0	0															
0340	IRB/ SME treated as corporate		Commercial real estate	>=100%																																		
0350				<100% and >=80%																																		
0360				<80% and >=70%																																		
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0390				<50% and >=40%																																		
0400				<40%																																		
0410				TOTAL	0	0																0	0															
0420				>=100%																																		

Leasing loss rate, 2020–2025

Exposures breakdowns

LR avg DR and LGD (mandatory for AIRB banks only)

Realised loan loss rate (mandatory for all banks)

	Portfolios	Type of exposures	Underlying leased assets	Long run average default rate (2025)	Long run average LGD (2025) *	Realised loan loss rate, 2020-2025 *					
						2020	2021	2022	2023	2024	2025 **
				0010	0020	0030	0040	0050	0060	0070	0080
0010	IRB/ Large and mid-market general corporates (SA / Corporate excluding SME)	Leasing exposures	Commercial vehicles and passenger cars								
0020			Commercial real estate								
0030			Other leased assets								
0040		Non-leasing exposures	NA								
0050	IRB/ SME treated as corporate (SA / Corporate SME exposures)	Leasing exposures	Commercial vehicles and passenger cars								
0060			Commercial real estate								
0070			Other leased assets								
0080		Non-leasing exposures	NA								
0090	IRB/ Other retail exposures (SA / Retail exposures)	Leasing exposures	Commercial vehicles and passenger cars								
0100			Commercial real estate								
0110			Other leased assets								
0120		Non-leasing exposures	NA								

Challenges for A-IRB banks in creating the dataset

Leaseurope

A mandatory ad hoc request, outside the planned roadmaps of the departments involved, had to be completed within a short timeframe (mid-February to early June 2026)

A multidisciplinary team was required, combining:

- group-reporting expertise on COREP (common reporting proces to regulator for prudential purposes)
- model development (credit-risk model owners)
- model application in central risk engines (input floor)
- business expertise to assess the outcome (sanity check)

- In parallel, a similar specialised-lending team had to be formed

Challenge in freeing the necessary expertise and staff for the ad hoc request

Model-maintenance issues receive higher priority (‘back to compliance’ under Article 146)
Local priorities compete with the broader interests of banks and leasing businesses
The exercise coincided with a specialised-lending ad hoc data request in a similar format

Why the leased asset can reduce loss severity

Leaseurope

Legal ownership and specialist asset-management capabilities support recovery after default.

OWNERSHIP	IDENTIFIABLE ASSET	SPECIALIST RECOVERY	SEPARATE RISKS
Asset owned by the lessor	Traceable through asset records	Repossess, sell or re-lease	Residual value remains distinct

Evidence of low loss severity

1.5m SME leases

2.64% one-year default rate
17.1% closed-default loss
21.8% including quasi-closed defaults

3.3m leases

67.2% of resolved defaults recorded no accounting loss

Historical evidence supports the direction of reform. The proposed 65%/50%, 20% and 15% calibrations remain subject to validation against current EBA data.

Three targeted legislative changes

Leaseurope

Targeted calibration subject to strict qualifying criteria and validation against current EBA data.

1 STANDARDISED APPROACH

65% corporate leasing
50% retail leasing

Only qualifying, non-defaulted leases meeting strict cumulative criteria. The treatment must never increase the otherwise applicable risk weight.

2 COLLATERAL HAIRCUT AND F-IRB

Permanent 20% haircut (Hc) and F-LGD review

Recognise the loss-mitigating value of legally owned leased assets within the existing prudential safeguards.

3 A-IRB LGD FLOOR

15% of the full lease exposure

Introduce a leasing-specific floor reflecting asset recoveries while maintaining a prudent minimum.

EUROPEAN COMMISSION ASK

Use Article 495c and current EBA data to test the three measures as one coherent package and, where supported, translate the evidence into targeted CRR amendments.

More finance for European businesses

Leaseurope

A risk-sensitive treatment of qualifying leasing could expand financing capacity for Europe while preserving strict safeguards.

IRB effects are not quantified at EU level and are not added to the Standardised Approach impact. Under A-IRB, the 20% haircut and proposed 15% full-exposure floor should not be added mechanically.

EUROPE COULD UNLOCK

>€100 BILLION

IN POTENTIAL ADDITIONAL OUTSTANDING FINANCING CAPACITY

at full deployment

EUROPE COULD SUPPORT

€46–57 BILLION

INDICATIVE ADDITIONAL ANNUAL FINANCING CAPACITY FOR THE EUROPEAN ECONOMY

at full deployment, based on the 42.9% EU turnover ratio

How the estimate connects

c. €425bn

ECB financial-leasing stock

WORKING FILTERS

70–80% SA × 75% eligibility × 96% relevant clients

€214–245bn

eligible SA stock proxy

€107–132bn

additional outstanding capacity × 42.9% = €46–57bn/year

CORPORATE 100% to 65% **+53.8% theoretical capacity**

RETAIL 75% to 50% **+50.0% theoretical capacity**

Illustrative full-deployment sensitivity. Capital must be binding. Linked measures are not additive. This is not ECB flow data or a financing forecast.

Where additional leasing capacity supports investment

Leasing finances the physical assets that businesses and households use every day.

PRODUCTIVE SMEs and CORPORATES

- Machinery and production equipment
- Commercial vehicles and logistics assets
- Investment without a large upfront cash outlay

GREEN INVESTMENT

- Electric and low-emission vehicles
- Energy-efficient and renewable-energy equipment
- Earlier replacement of older, less efficient assets

DIGITAL TRANSITION

- IT hardware, servers and communications equipment
- Robotics and automated production systems
- Connected tools that improve productivity

HOUSEHOLDS AND LOCAL SERVICES

- Vehicles, computers and essential equipment
- Predictable payments over the asset's useful life
- Access without paying the full purchase price upfront

LEASEUROPE MEMBERS ALREADY CHANNEL INVESTMENT AT SCALE

€454bn new business in 2024

€442bn equipment and vehicles

Examples illustrate possible transmission channels and are not forecasts or sectoral allocations.

THANK YOU!
QUESTIONS?

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Annex

Supporting material

Haircut and secured/unsecured exposure to determine LGD

Transitional arrangement leasing works via haircut on cover value of asset, being temporary reduced from 40% to 20%, reducing the level with

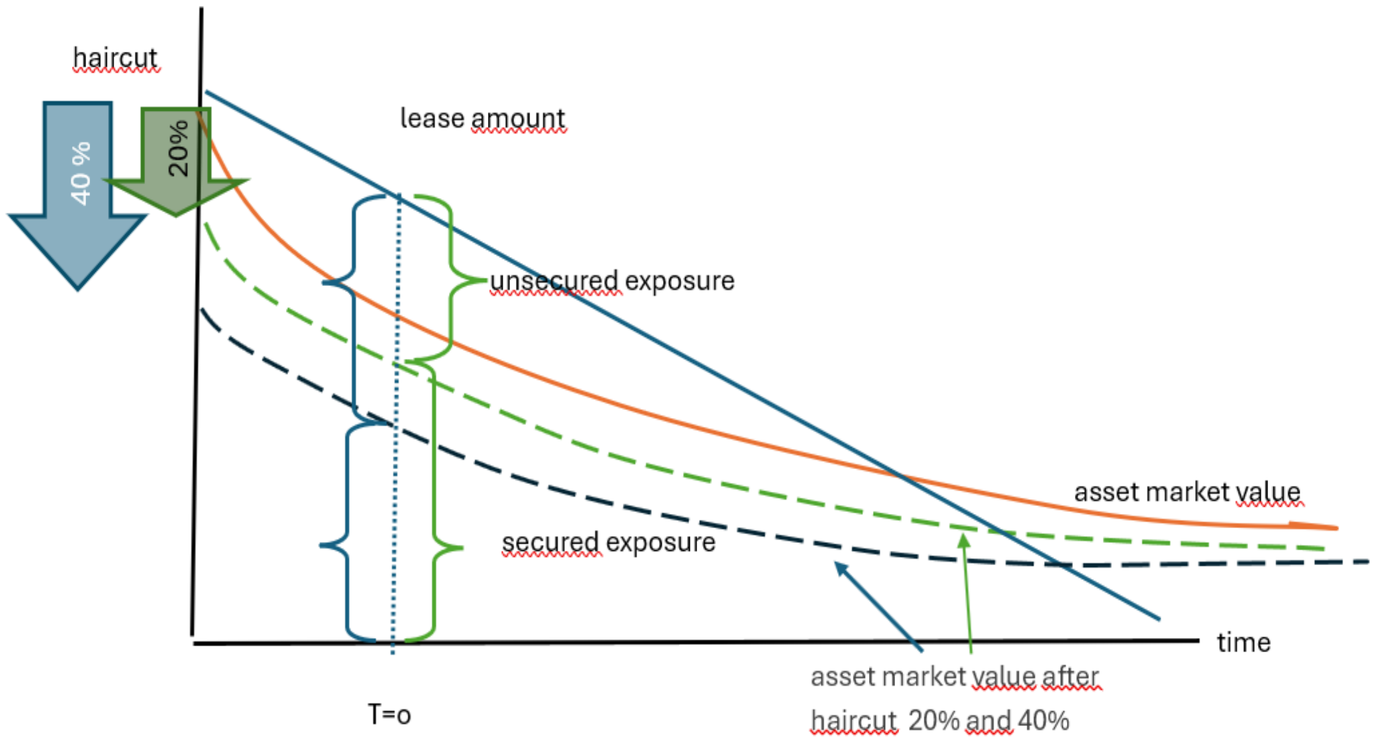
LGD Foundation

$$LGD^* = \frac{(LGD_s * E_s) + (LGD_u * E_u)}{E_s + E_u}$$

where $LGD_s = 25\%$; $LGD_u = 40\%$

E.g. Hc= 40%: LGD* {(25% * 50)+(40% * 50)}/100 = 32.5%

Hc= 20%: LGD* {(25% * 67)+(40% * 33)}/100 = 30 %



LGD floor Advanced

$$LGD_{floor} = \frac{(LGD_s * E_s) + (LGD_u * E_u)}{E_s + E_u}$$

Where $LGD_s = 15\%$; $LGD_u = 25\%$

E.g. Hc= 40%: LGD_f {(15% * 50)+(25% * 50)}/100 = 20 %

Hc= 20%: LGD_f {(15% * 67)+(20% * 33)}/100 = 18 %

Leasing’s low risk remains unrecognised under CRR III

SA Leasing is treated as an unsecured loan:

Risk weight: 100% (corporate) or 75% (retail)

Foundation IRB Prescribed LGD levels of approximately 30% (blend of secured and unsecured LGD parameters)

Corporate risk weight ≈72% (PD = 1%; Moody’s Ba1–Ba2)

Retail risk weight ≈43% (PD = 3.5%; Moody’s B1)

Advanced IRB LGD input floors of approximately 20%. A significant share of leasing portfolios can be floored (around 50% in the example), although floors are intended to address outliers.

Corporate risk weight floored at ≈48%

Retail risk weight floored at ≈28%

Mapping Moody’s ratings to PDs

A more granular Basel master scale often used by European banks is:	
Moody's	Typical Basel IRB PD (one year PD)
Aaa	0.01%
Aa1	0.015%
Aa2	0.02%
Aa3	0.03%
A1	0.05%
A2	0.07%
A3	0.10%
Baa1	0.15%
Baa2	0.25%
Baa3	0.40%
Ba1	0.70%
Ba2	1.20%
Ba3	2.00%
B1	3.50%
B2	6.00%
B3	10.00%
Caa1	18.00%
Caa2 and below	>20.00%

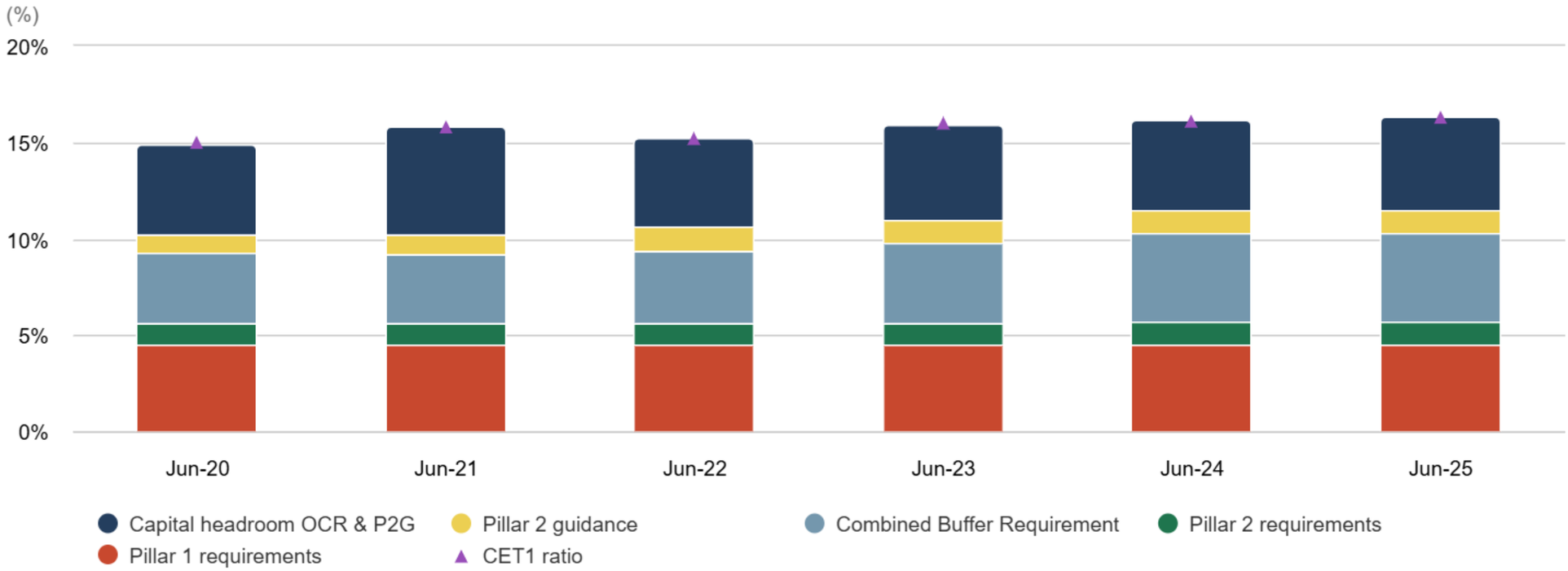
The exact calibration differs by institution because:

- Basel requires **long-run average PDs**, not agency default rates directly.
- Banks apply **margins of conservatism** and downturn adjustments.
- Low-default portfolios (banks, sovereigns, large corporates) are usually calibrated differently.
- EBA/ECB supervisors often require evidence that the internal grade-to-PD mapping is stable and conservative. [moodys.com], [ebrary.net]

Average EU bank CET1 ratios range between 15% and 16%

Leaseurope

Figure 29: CET1 requirements and P2G vs CET1 ratio



Source: EBA supervisory reporting data

The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability



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Leaseurope



Leaseurope

Securitisation for leasing

Leaseurope

Annual Convention 2026

Sofia



15 October 2026

WHY SECURITISATION MATTERS FOR LEASING

Investors fund securities backed by pools of lease receivables

- Access capital markets alongside bank and corporate funding.
- Convert a portfolio of contractual payments into funding for new leases.
- Diversify funding sources and support continuity of origination.
- Transfer credit risk and release regulatory capital where significant risk transfer qualifies.

Funding benefits can reach all types of lessor. Capital relief applies to entities or groups subject to the CRR.

RELEVANCE ACROSS THE LEASING BUSINESS

Leasing portfolios	Investment financed
Vehicles and transport	Cars, commercial vehicles and transport fleets
Equipment and machinery	Industrial, agricultural and construction equipment
Technology and specialist assets	IT, medical equipment and energy equipment
Real estate and other assets	Potential funding uses, with distinct structures and eligibility

Financial and operating lease receivables may be securitised.

DIFFERENT ROUTES FOR FUNDING AND RISK TRANSFER

Route	Main business purpose	Capital implications
Public or private ABS	Term funding against a pool of lease receivables	Relief depends on qualifying risk transfer
ABCP programmes	Funding through a bank-sponsored conduit	Benefits depend on the lessor and sponsor roles
Synthetic securitisation	Transfer portfolio credit risk while retaining receivables	Capital management for regulated originators

ABS: asset-backed securities. ABCP: asset-backed commercial paper.

THE EU SECURITISATION REVIEW PACKAGE

Framework	Purpose of the changes	Current status
Securitisation Regulation	Simpler due diligence for investors and reporting for originators	Council and Parliament negotiating
CRR	More risk-sensitive bank capital treatment of securitisations positions Improvements to significant risk transfer criteria	Council and Parliament negotiating
Liquidity Coverage Ratio (LCR)	Improve eligibility criteria and better treatment of qualifying securitisations for banks' LCR	Delegated reform proposed
Solvency II	More attractive insurer prudential treatment for investing in securitisations	Adopted, applies 30 January 2027

The package combines issuance and originating legislative improvements under the Savings and Investments Union.

SIMPLER REQUIREMENTS FOR ISSUERS AND INVESTORS

- Fewer reporting fields, with a target reduction of at least 35%.
- A dedicated, simpler reporting template for private securitisations.
- Investor due diligence proportionate to risk, with fewer duplicated compliance checks.
- Simpler investor due diligence for repeat transactions and established programmes.

Lower recurring costs could make more leasing transactions viable

BETTER CAPITAL ECONOMICS AND INVESTOR DEMAND

Measure	Potential benefit for leasing
Bank capital reform (CRR)	Lower capital charges for qualifying senior positions and more consistent risk-transfer assessment
Insurance reform (Solvency II)	Reduced standard-formula capital charges for STS and non-STS positions from January 2027
Bank liquidity reform (LCR)	Proposed broader eligibility criteria and treatment improvement could support demand for more lease-backed transactions

More competitive investment economics could broaden the funding base

CRR: CURRENT LAW, COUNCIL AND PARLIAMENT PROPOSALS

- **Vehicle and equipment leases receive automatic recognition of resilience securitisations**

Treatment senior STS tranche of lease ABS	Current law	Council position	EP position
Risk weight	10%	6%	**5%**
Reduction versus current	Baseline	40%	**50%**
Minimum Pillar 1 capital per €100m	€800,000	€480,000	**€400,000**

HOW THE REFORMS CAN SUPPORT MORE LEASING

Regulatory improvement	Business effect	Potential customer benefit
Simpler issuance and reporting	Lower recurring transaction costs	More portfolios become viable to finance
Better investor treatment	A wider potential funding base	More capacity and potentially better pricing
Qualifying risk transfer	More capacity in regulated groups	Further equipment and vehicle investment

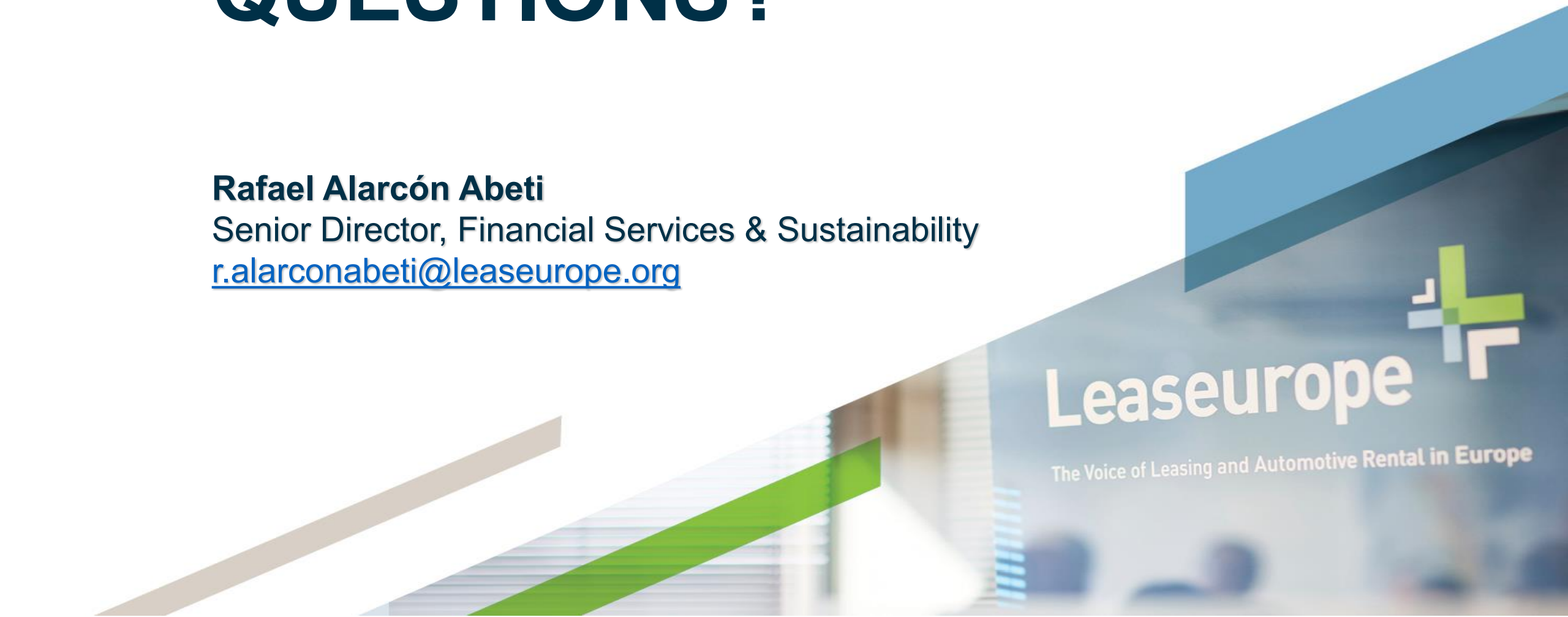
The opportunity extends to SME investment and the green and digital transition

LEGISLATIVE PROGRESS AND IMPLEMENTATION

Milestone	Position
June 2025	Commission publishes the review package
December 2025	Council agrees its negotiating mandates
May and June 2026	Parliament confirms its mandate and trilogues begin
Next stages (Q4 2026 – Q1 2027)	Agreement, formal adoption and technical implementation

THANK YOU
QUESTIONS?

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The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability



ROB VAN DEN HEUVEL
COO and Member of the Executive Board
DLL Group

- Leaseurope Annual Convention, October 2026

The Regulatory Landscape for Leasing: Prudential, Securitization and Sustainability

Rob van den Heuvel
Chief Operating Officer
DLL Group

DLL facts and figures

- Founded in 1969 in NL



Active in more than 25 countries.



- Portfolio of more than
- **€45 billion**
- **100%**
- owned subsidiary of the
- Rabobank Group.

- **DLL provides financing solutions for assets across eleven distinct industries:**
- Agriculture
- Construction
- Energy Transition
- Food
- Healthcare
- Intralogistics
- Outdoor
- Materials Handling
- Technology
- Transportation
- Workplace



- More than **6000 members** globally.
- Employees receive **2 paid volunteering days**.
- In 2025, **3,805 members volunteered** for 20,054 hours.

Recognitions & Ratings

- Leasing Life Energy Transition Financing Programme Award 2025.
- EcoVadis Silver Medal; placing DLL in the top 15% among all companies rated in 2026. Our overall score is 79/100 (previously 49/100), which is in the top 7% based on EcoVadis' methodology and assessed population.

Our foundation

The foundation of DLL's strategy is built on six core elements that define how we create value for partners, customers, members, our shareholders, and regulators:

- A partnership
- mentality



- International presence



- Empowered people & an inclusive culture



- Deep industry specialization



- Expertise in
- assets
- & risk



A commitment to stability, security & compliance



Vendor Finance is more than providing capital

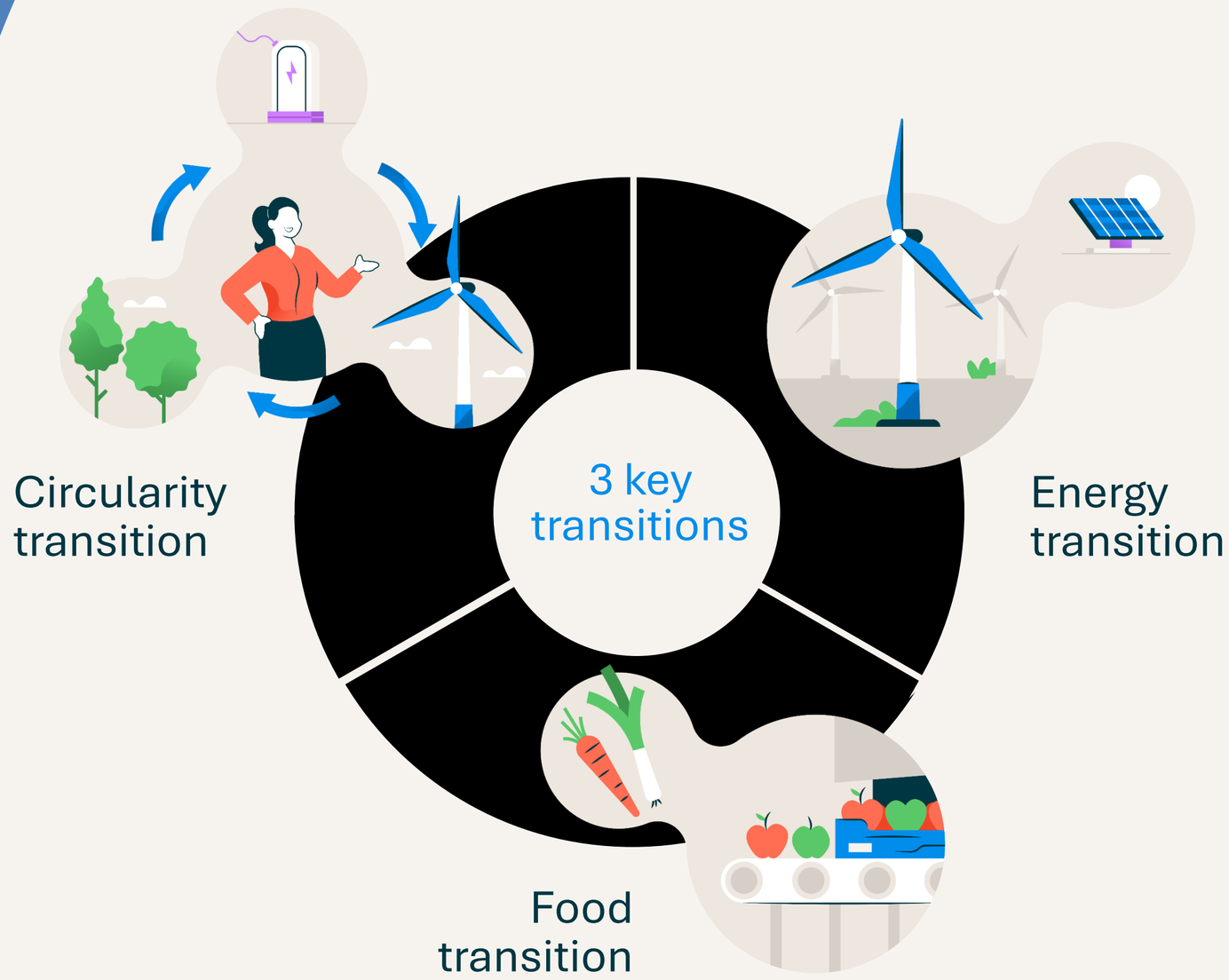
1. It begins with a partnership
2. DLL aims to support the collaboration from every angle
3. Together, we can drive each other forward



- **Who we are and what we do**

Sustainability

- We contribute to a more sustainable future accelerating circularity, food, and energy transitions while driving social impact.



How DLL can support the transition

- **Airport ground support equipment**
- **electrification**



How DLL can support the transition

- **Precision agriculture technologies**



How DLL can support the transition

- **Public transportation**
- **fleet modernization**



Summary

- Sustainability and circularity regulations are strategic enablers, not just compliance requirements.
- They drive innovation, productivity, resilience, and the transition to a more sustainable economy.
- DLL helps partners and customers navigate regulatory complexity through practical financing and transition solutions.



Thank you

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The Regulatory Landscape for Leasing: Prudential, Securitisation and Sustainability

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Prudential and Credit Risk Management Expert

SEE YOU AT

19.30

Ozone Skybar & Lounge

