Leaseurope

The Voice of Leasing and Automotive Rental in Europe

Unlocking more finance for Europe

A risk-sensitive treatment of qualifying leasing could unlock more than €100 billion in additional outstanding financing capacity and an indicative €46–57 billion in annual financing capacity for the European economy—while preserving strict safeguards.

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

What more leasing finance can deliver for Europe

PRODUCTIVE SMEs

- 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
- Faster 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 to use without the full cost of ownership upfront

The calculation in one line

c. €425bn ECB finance-lease stock	**WORKING FILTERS** 70–80% SA × 75% strict eligibility × 96% relevant clients	**€214–245bn** eligible SA stock proxy	**€107–132bn** capacity; × 42.9% = €46–57bn/year

How lower risk weights create capacity

CORPORATE 100% → 65%

+53.8% theoretical capacity

RETAIL 75% → 50%

+50.0% theoretical capacity

LEASEUROPE MEMBERS ALREADY CHANNEL INVESTMENT AT SCALE **€454bn new business in 2024, including €442bn of equipment and vehicles**

Scope: the prudential estimate starts from the rounded sum of available public end-2024 ECB CBD2 A1114 finance-lease observations for domestic banking groups and stand-alone banks, on a consolidated world-counterparty basis; it is not the total European leasing market and does not gross up unavailable/confidential observations or operating leases. The 96% relevant-client proxy comprises 74% private-sector and 22% consumer business; 4% is excluded. The annual figure uses the EU Leaseurope reporting-member turnover ratio (€323.767bn new business / €754.370bn outstanding) as an external proxy.

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Three targeted legislative changes to recognise leasing's risk profile

Targeted calibration—not a broad relaxation—subject to strict qualifying criteria and validation against EBA report on leasing (Article 495c – CRR III)

LEASEUROPE'S THREE PROPOSALS		
1 STANDARDISED APPROACH **65% corporate leasing 50% retail leasing** Only qualifying non-defaulted leases under strict cumulative criteria. The treatment must never increase the otherwise applicable risk weight.	2 LEASE HAIRCUT AND F-IRB CALIBRATION **Permanent 20% haircut (Hc) and F-LGD review**	3 A-IRB LGD FLOOR **15% full lease exposure**

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

Why the leased asset can reduce loss severity

LEGAL 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	3.3m leases
2.64% one-year default 17.1% closed-default loss; 21.8% including quasi-closed defaults	67.2% of resolved defaults: zero accounted loss

Historical evidence supports the direction of reform. The 65%/50%, 20% and 15% calibrations remain Leaseurope policy proposals for validation against current EBA data.

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

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