

Brussels, 27 November 2018

***Leaseurope and Eurofinas response to the European Banking Authority (EBA) consultation on ITS on Supervisory Reporting amendments with regards to COREP securitisation***

Eurofinas and Leaseurope, the voices of consumer credit and leasing providers at European level, welcome the opportunity to respond to EBA consultation on COREP securitisation.

**RESPONSES TO THE EBA QUESTIONS:**

**Question 1: There is a need to have the breakdown by approach of the exposure values, RWAs and capital charge after cap. The current template C 14.00 cannot address this for cases where there is more than one approach in the same securitisation.**

**Our proposal is to split template C 14.00 in two parts, where the first part is the information that does not change with different approaches and the second part (C 14.01) is the information that changes with different approaches. Template C 14.01 would be broken down by sheets, where each sheet would be a different approach. This option leads to more lean templates, it does not provide additional burden for cases where only one approach is used in the same securitisations and it delivers relevant supervisory insight on how the new framework is functioning regarding the new hierarchy of approaches.**

**Do respondents agree with this option?**

**As an alternative, we propose to add 12 new columns in template C 14.00 - the four possible approaches as a breakdown of exposure value, RWAs and capital charge after cap.**

We agree with the proposed option. The alternative would also be workable as we think that implementation cost is similar.

**Question 2: Are the instructions and templates clear to the respondents?**

We would welcome further clarification on the columns 351, 361 and 370 of the 14.1, especially on the definition of “eligible guarantor” and the reference to the Chapter 2 or 3 under the Title II of Part One of CRR.

**Question 3: Do the respondents identify any discrepancies between these templates and instructions and the calculation of capital requirements set out in the underlying regulation?**

We have not identified any discrepancies between these templates and instructions and the calculation of capital requirements set out in the underlying regulation.

**Question 4: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?**

We agree with the statement that the amended ITS fits the purpose of the underlying regulation. In particular due to the higher risk-sensitivity of the new approaches, regarding the comparison of the securitisation.

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**About us**

The membership of our two Federations covers institutions specialised in one or more of the following activities:

- Lending to consumers, for instance via personal loans, credit cards or lease/hire purchase agreements
- Leasing to businesses of all asset types, including machinery and industrial equipment, ICT and others assets
- Motor finance, granted to individuals or businesses, either in the form of loans or leases

The consumer credit, asset finance and leasing markets have developed to respond to business investment and consumption needs as well as to accompany the development of local industrial production and distribution. The types of institutions represented by the Federations include specialised banks, bank-owned subsidiaries, the financing arms of manufacturers as well as other, independently-owned institutions.

Specialised financial services providers across the European Union (EU)/European Economic Area (EEA) encompass a diversity of organisations of different legal nature (i.e. credit institutions, financial institutions) and with various operational characteristics (independent companies, subsidiaries of banks, captive finance companies of manufacturers). All share a very high degree of specialisation and have a very limited mix of business activities compared to traditional mainstream banking organisations.

In 2017, the leasing firms represented through **Leaseurope's membership helped European businesses invest in assets worth more than 384 billion EUR**, reaching 802 billion EUR of

outstandings at the end of the year<sup>1</sup>. Leasing is used by more European SMEs than any individual category of traditional bank lending taken altogether (around 46% of all European SMEs make use of leasing which is more than any other individual form of lending)<sup>2</sup> and is also popular amongst larger corporates<sup>3</sup>. Leasing is also useful to support the public sector (e.g. leasing to schools, hospitals, etc.).

In 2017, consumer credit providers that are members of **Eurofinas helped support European consumption by making more than 457 billion EUR goods, services, home improvements and private vehicles available to individuals**, reaching 1.078 trillion EUR of outstandings at the end of the year<sup>4</sup>. Consumer lending is procyclical and is highly positively correlated with households' disposable income<sup>5</sup>. By providing access to finance to individuals and households, consumer credit supports the social and economic well-being of millions of consumers across Europe.

***Eurofinas and Leaseurope are entered into the European Transparency Register of Interest Representatives with ID n° 83211441580-56 and 430010622057-05***

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<sup>1</sup> Leaseurope 2017 Annual Statistical Enquiry

<sup>2</sup> Oxford Economics, *The Use of Leasing Amongst European SMEs*, 2015; European Investment Fund, *The importance of leasing for SME finance, 2012*; European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018

<sup>3</sup> European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018

<sup>4</sup> Eurofinas 2017 Annual Statistical Enquiry

<sup>5</sup> Eurofinas, *Consumer Credit, Helping European Households Finance their Tomorrow*, 2015