Brussels, 13 October 2025

ECON – public hearing on the '*Review of the Securitisation Framework*'

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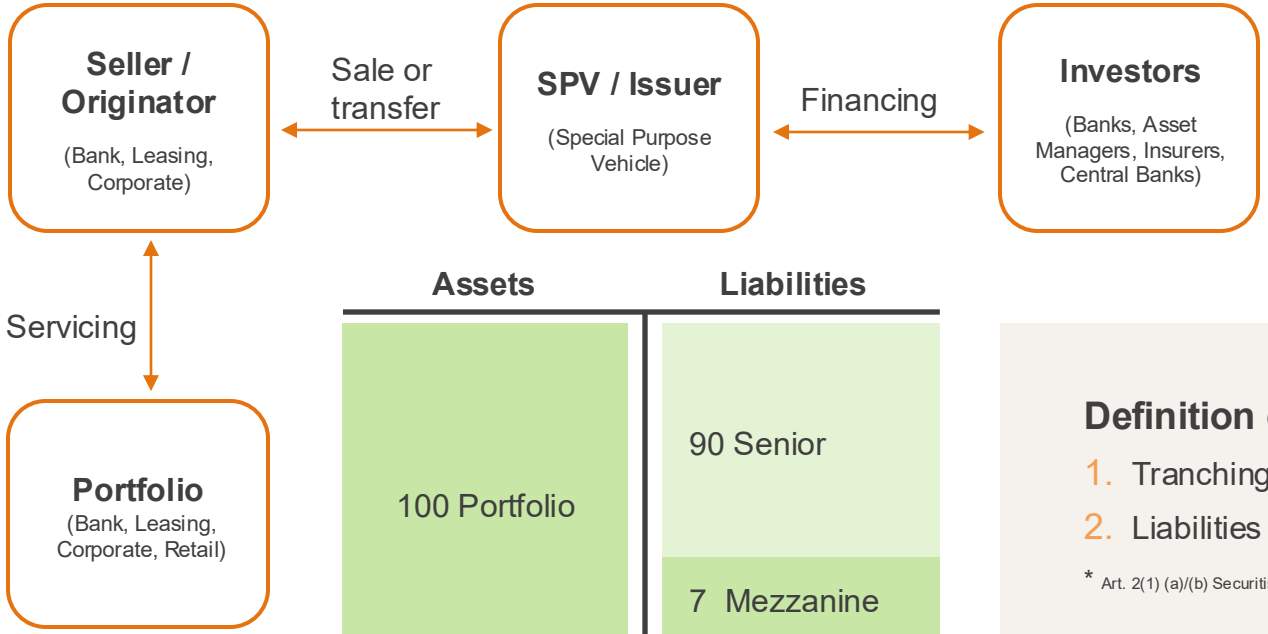
Agenda

1. What is a Securitisation
2. Why is Securitisation so important for Europe
3. How does Securitisation finance the Economy
4. Securitisation Regulation – Achievements and Challenges

Appendix

- EU COM Proposals - What needs to be improved in detail
- Securitisation market segments
- Overview True Sale International

1. What is a Securitisation



Definition of a Securitisation*

1. Tranching
2. Liabilities repaid from the portfolio

* Art. 2(1) (a)/(b) Securitisation Regulation

2. Why is Securitisation so important for Europe

Securitisation is...

- Part of the solution to **finance huge investment** needs in Europe (see Noyer, Letta)
- **Especially important for Europe, with 80% of corporate debt finance** by banks (vs. 20% in the US)
- **Bridging** bank-based lending with **capital markets**
- Including **elements of risk sharing**, similar to re-insurance
- One of several cornerstones of the **CMU/SIU**, but pending for a while
- **Independent** of further harmonisation of insolvency, tax or civil law across EU
- Contributing to **financial markets stability**
- Strengthening **European Competitiveness**

3. How does Securitisation finance the Economy

Customers	Assets	Securitisation	Investors
Corporates and >30m SMEs in Europe Lufthansa, KION GROUP, klöckner & co, ELIOR GROUP, Hapag-Lloyd, CLAAS	**SME & Corporate Loans**	**Synthetic balance sheet** (Risk sharing)	**Non-banks** (credit funds, pension funds, insurers)
Banks / non-Bank FI Enpal, Deutsche Leasing, PKO Bank Polski, Santander, BNP PARIBAS, Raiffeisen Bank International, VOLKSWAGEN FINANCIAL SERVICES, ERSTE Group, ING, obvion hypotheken, UniCredit, Deutsche Bank, BMW	**Working Capital** (trade receivables) **Sales financing** (cars, trucks, machinery, equipment, IT, solar panels)	**Private lending** (Banks finance senior tranches, refinancing via balance sheet or Asset Backed Commercial Paper)	**Banks** **Funds** **Insurers**
	Sales financing **Residential Mortgages** **Corporate Loans**	**Public ABS** (Auto ABS, Residential Mortgage Backes Securities, Collateralised Loan Obligations)	**Banks, Non-banks** (credit funds, pension funds, insurers)

4. Securitisation regulation – Achievements and Challenges

What we already have!

STS Standard
High quality

Capital Requirements
High non-neutrality capital requirements

Risk Retention
5% skin in the game

Transparency
Detailed information obligation

Due Diligence
Clear investor obligations

Re-Securitisations
prohibited

Challenges today

Already a highly demanding framework, creating high costs for market participants and high entry barriers for new originators and investors.

EU COM Proposal

SECR & CRR

- Initiative to be welcomed
- Unintended consequences
- 50% higher risk weights for prime Auto ABS
- 30% higher risk weights for Trade Receivables
- complexity increases
- Risk: fewer new issuers and investors

Parliament to act

- ✓ **Make proposal for capital requirements work**
  - ➢ Resilience concept to be focussed
- ✓ **Increase incentives for new investors**
- ✓ **Refine SECR**

Thank you for your interest!

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Appendix

EU COM Proposals - What needs to be improved in detail?

CRR	Change
Senior position	withdraw proposed changes of definition, Art. 242 (6)
Carve-out Auto ABS, Trade Receivables	refine measures for public ABS and ABCP/private, Art. 243 (3) & (4)
“Resilient” status only at origination	change Art. 243 (3) & (4)
Originator/Sponsor vs. Investor	remove differentiation, Art. 259ff
Cap on risk-weight floor	adjust formulas Art. 259ff
Transitional rules for p-factor	keep transitional rules, reward resilience, Art. 465 (13)
Attachment point for SEC-SA	to be reduced in Art. 243 (3) & (4)
SECR	**Change**
Unfunded Credit Protection	UFCP, revise safeguards for STS eligibility
Public Transactions	adjust definition to avoid unintended consequences, Art. 2 (32)
Sanction Language	delete extension Art. 32 (1) (i)
Competitive disadvantages EU	reduce hurdles for European banks for due diligence in 3rd country transactions (Art. 5)
SSPE requirement	remove for traditional STS transactions, Art. 20 (1), 24 (1)

Overview European Securitisation Markets (EU27 and UK)

Market segment	True Sale Public ABS	True Sale CLOs	Synthetic On-Balance Securitisation	True Sale ABCP / Private Non-ABCP
Description	Public market; Broad investor base	„Public by nature/Private by regulation“ Broad investor base	Private market Non-Bank Investors	Private market Financing through banks
Volumes 2024 Volumes Ø 2019-2024	€ 170 bn. (UK: 30%) € 166 bn. Ø new issue p.a. New Issuance Volume	€ 80 bn. (UK: n.a.) € 75 bn. Ø new issue p.a. New Issuance Volume	€ 140 bn.* (UK: n.a.) (* per 2023) € 97 bn.* Ø new issue p.a. New Issuance Volume (Pool)	€ 232 bn. (UK: 18%) € 205 bn. Ø outstandings p.a. Outstanding Volumes
Asset classes	55% Real estate loans 40% Auto/Leasing 5% Other	80% (Large) corporate loans 20% SME loans	55% (Large) corporate loans 25% SME loans 20% Other	60% Trade receivables 25% Auto/Leasing 15% Other
Investors (no. per transaction)	Broad investor base (incl. ECB) 30-50 investors	Broad investor base 10-25 investors	Non-bank investors 1-3 investors	Financing through banks 1-3 (sponsor) banks
Funding the real economy	Direct (Liquidity)	Direct (Liquidity)	Indirect (bank capital)	Direct (Liquidity)
Goals	Funding/Capital relief	Funding	Capital relief	Funding, balance sheet relief
Performance	Study S&P: Defaults of European securitisation consistently low before, during and after the great financial crisis	Study S&P: Defaults of European securitisation consistently low before, during and after the great financial crisis	Study EBA: Defaults of synthtetic securitisations in Europe slightly lower than of public true sale securitisations	Study AFME/EDW/TSI: Strong performance. BB rated companies are funded in the range of A and AA ratings
Market transparency Disclosure to investors	High High	High High	Low Very high	Low Very high
Data sources	*Bloomberg, ConceptABS, Rating Agencies, Other*	*Bloomberg, ConceptABS, Rating Agencies, Other*	*ECB, EBA, SCI, IACPM*	*EBE - European Benchmark Exercise - AFME/EDW/TSI*

Appendix

Perspective – Overview True Sale International

TSI Congress

Flagship event as plattform for exchange between market participants, politics and regulators

TSI Congress

Events

Several formats for the exchange of all market participants

TSI Events

German & Lux SPV

Service provider for German SPV and provision and management of securitisation platform

TSI SERVICES

Science & Practice

Market practice and research hand in hand

Stiftungsprojekt Kapitalmarktunion

Verification

Verified quality in securitisations

verified STS Verification International

Sustainable securitisation market in Germany and Europe

Europe-wide quality label ´STS` with a standardised regulation and high transparency

TSI Partner Network

Expertise and experience in securitisation and asset-based finance

Public relations, development of legal framework and market transparency

Promoting the exchange between the market and the regulators to foster the framework for a sustainable development of the securitisation markets in Germany and Europe.

EDW

Transparency for the European securitisation market

EUROPEAN DATAWAREHOUSE