PERSONAL FINANCE & MOBILITY

Consultation on the EBA Guidelines on Ancillary Services Undertakings

Group CAPFM Response

Crédit Agricole Personal Finance & Mobility distributes directly, at the point of sale or through its partners' e-commerce platforms, including car manufacturers, a broad range of financing solutions along with associated services such as insurance and mobility services. Its mission is to support the energy transition in mobility, housing, and consumption. CAPFM aspires to be a European leader in green mobility and offers a continuum of mobility solutions across the 22 countries where it operates (operational leasing, medium- and rent-a-car (short-term rentals), subscription services, car sharing, charging station installations, etc.). It builds on its joint venture with Stellantis, the full integration of Crédit Agricole Auto Bank (formerly FCA Bank) and Drivalia, as well as the expansion of automotive financing within its historic European entities, Crédit Agricole's Regional Banks, and LCL through Agilauto.

CAPFM which is part of the Credit Agricole Group, is fully owned by CA S.A. and is consumer finance and mobility provider offering a wide range of financing solutions (instalment loans, revolving credit, leasing and loan consolidation) and associated services including split payment solutions, insurance and mobility solutions.

Amongst the above, CAPFM is a player in operational leasing in Europe through its subsidiaries offering individuals and professionals mobility solutions for their vehicles with long - term leasing – so called operational leasing - (Leasys, CA Mobility, Drivalia) and short term rental - following "Rent-a-Car" - (Drivalia which is fully owned by CA Auto Bank, fully owned by CAPFM).

The CAPFM group is particularly interested in the definition that will be adopted for "operational leasing" and on which the scope of prudential consolidation of the group depends. Based on the latest consolidated RWA figures for CA Auto Bank, as of June 2025, Drivalia's Rent-a-car business represents €600 million out of a total of €24 billion, and its Long-Term Rental – operational leasing - business represents €2 billion.

CAPFM welcomes the fact that future EBA guidelines clarify the criteria according to which operational leasing activities should fall within the scope of prudential consolidation according to CRR III (par. 25 see the box below). That is why CAPFM will focus its response to the consultation solely on Question 9.

EBA/CP/2025/11- **Par. 25**

Notwithstanding the general criteria provided in paragraphs 16 to 23, operational leasing activities should be considered as ancillary to banking, in any of the following situations:

***a**. the leasing of assets is provided to institutions or financial institutions within or outside the group (e.g. leasing of buildings or premises);*

***b**. the leasing of assets is complemented by the offer and sale of banking products or services to the lessee through an institution or financial institution of the group (e.g. current account or payment services); or*

> *i. the leasing of assets relies significantly on the banking business, including situations when the undertaking:*
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> *ii. significantly relies on relevant banking products or services provided by an institution or financial institution of the group. For instance, where (i) the contract initiation and processing rely on the credit risk assessment per-formed by an institution or a financial institution of the group; or (ii) the collection of the leasing payments - or any actions to recover the operational leasing claims or underlying assets - is managed by an institution or financial institution of the group; or*
>
> *iii. significantly relies on funding provided by institutions or financial institutions of the group*

Question for Public Consultation

Q9. Do you have any comments on the specifications provided for the activities explicitly referred to in Article 4(1)(18)(b) of Regulation (EU) No 575/2013? In particular, are the illustrative examples provided therein adequately defined?

According to the Draft Guidelines on ancillary services undertakings submitted to consultation, operational leasing is defined as an ancillary service when one of the listed criteria is met. Therefore, we understand that the criteria listed in paragraph 25 should not be considered as cumulative and that in any of the described circumstances, the leasing activity is deemed to be regarded as “operational leasing” under Regulation (EU) 575/2013 and fall within the scope of prudential consolidation.

However, CAPFM is of the view that that Rent-a-Car activity, is of a different nature and, above all, does not generate the same risks as other forms of operational leasing. Therefore, **we believe that Rent-a-Car should be explicitly excluded from the scope of “operational leasing”.** These activities are characterized by their very limited duration, from one minute to 30 days (in any case no more than 360 days) and by the absence of repayment risk, which fundamentally distinguishes them from leasing operations.

We could summarize the main differences between short-term rental (STR) business and other forms of leasing as follows:

1. **Risks**: for Rent-a-Car business, **no credit risk is envisaged** as clients pay the service fees at the time of booking or at latest at the time of the delivery of the car.
2. **Duration:** for Rent-a-Car business has a duration from 1 minute to 30 days (in any case no more than 360 days) with an average use, as far as Drivalia is concerned, of **17 days**.
3. **Presence of Commitment from the renter that could lead to a risk exposure:** for Rent-a-Car business, **no commitment** to buy the vehicle chosen by the clients and to rent it until the end of the contract because cars, chosen by the clients, are those part of the fleet already available at the Drivalia premises.
4. **Step in Risk:** *for* the Rent-a-Car business, the rental company itself holds no long-term obligations to its clients. Therefore, under potential stress conditions, the company can readily liquidate its assets (vehicles) to manage financial pressure, as it has no significant commitments to counterparties. This allows it to repay its debt, which is primarily held by external banks. In light of the above, the financial institution does not envisage a "step-in risk" in relation to the subsidiary.

Furthermore, for the reasons outlined above, the inclusion of Rent-a-car business within the scope of operational leasing leads, following the inclusion of the undertakings in the banking perimeter, to the application of RWA, which **creates a distorting effect with competitors not belonging to banking groups.**
Indeed, the latter would benefit from lower costs compared to banking companies, which, in order to maintain competitive prices, cannot pass on the higher financial costs they incur to their customers.

In our assessment, only operational leasing activities with extended duration and that generates material prudential risks, should fall within the scope of prudential consolidation. By contrast, Rent-a-car activity does not involve such risks and should therefore remain outside the consolidation perimeter and additionally, it seems to be supported by the criteria set in Par. 25 of the EBA Guideline Consultation.

Consequently, CAPFM believes that it would be appropriate to introduce in the draft EBA Guidelines a definition of Rent-a-car activity, to make clear that this activity does not fall under the definition of the "operational leasing", and therefore, from the prudential consolidation perimeter. On this point, it should be recalled that in its Final Report on the ex-post evaluation of Directive 2006/1/EC, the European Commission gives an interesting definition of short-term rental that could be a useful source of inspiration: *"(lasting from a few days to up to a year) is generally geared towards addressing immediate capacity constraints or need for replacement of vehicles during maintenance/service. The user hires a vehicle from within the range of vehicles offered by the rental company, which is also responsible for the servicing and maintenance of the vehicle."*

Should such an exclusion not be retained, we propose to clarify the final criterion provided for by paragraph 25 to determine whether Rent-a-car activities should be regarded as ancillary services.

Amongst the criteria provided for by paragraph 25 of the Guidelines, the last one if the most problematic regarding Rent-a-car activities offered within a banking group. Indeed, the fact that the operational leasing activity, as set "*significantly relies on funding provided by institutions or financial institutions of the group*" is not a sufficiently discriminating criterion to allow leasing activities to be targeted as genuinely relying on banking and, as such, as "ancillary services" under CRR III. This criterion should be restricted to target the sole leasing activities that "***exclusively*** *relies on funding provided by institutions or financial institutions of the group*". Consequently, the criterion under paragraph 25.b. should be reviewed accordingly. Another possibility would be to introduce thresholds in order to clearly define what "significantly" means.

Moreover, the other two criteria under paragraph 25 should also be clarified.

With respect to **Criterion A**, it would be appropriate to establish a threshold for the volume of vehicles rented internally to institutions within the group. For example, for entities such as Drivalia and CA Auto Bank within the CAPFM group, this concerns about a 7^{th} hundred vehicles in total rented to employees of the company. This business is insufficient to characterize this as a real complement to banking products/services.

Finally, with respect to criterion b under paragraph 25: should the financing of the installation of a charging station by means of a loan, granted to a customer who rented an electric vehicle from a leasing entity of the same group, be considered as bringing down the leasing activity as complementing banking activities? It would be useful to clarify this criterion, as well as to expressly exclude the complement of financial non-banking products such as insurance.