

INNOVIA ASSET FINANCE LETTER

The month in machines and money.

02

OCTOBER 2026

One swallow

Britain's June turn did not survive July. The stall in Europe's equipment books did.

-10%

BRITAIN, ASSET FINANCE TO LARGER BUSINESSES, JULY

Last month we said the big companies would lead again. Small and medium-sized firms grew by 8%.

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LEADER

One swallow

Britain's June turn did not survive July. The stall in Europe's equipment books did.

WE SAID last month that Britain's big companies would keep the lead they took in June. They did not. On September 23rd the Finance and Leasing Association reported that new asset-finance lending to small and medium-sized firms rose by 8% in July, while lending to larger businesses fell by 10%. The test we set was whether small firms would match or beat the large ones. They beat them by eighteen points. June, with big companies up 24% and small ones 11%, was one month, and the nine before it are the pattern.

The British turn was offered as one more sign of a wider argument: that Europe's leasing growth rides on vehicles and bigger tickets while the equipment base stalls. Remove it and the argument has to stand on the continent alone. September's releases give it firmer ground than August's did.

France first. Last month we flagged the half-year pack as the test of whether a flat year would hold. It arrived on September 28th, and it holds only in the aggregate. Equipment leasing proper fell by 1.8% to EUR 17.2bn, which the Association francaise des Societes Financieres calls the fourth consecutive half-year decline. The total stays level because plain credit for equipment rose by 16.6%. July's consumer figures, meanwhile, fell by 5.7% on the same 26 working days as a year earlier: the first fall of 2026 with no calendar to blame.

Italy shows the mechanism. Assilea counted 7.3% more equipment contracts in the first eight months than a year before, and 0.5% less money in them. Its own commentary has financial equipment leasing growing

below EUR 0.5m a ticket and shrinking above it. Industrial vehicles rose by 13.1%.

More contracts, less money in them.

Spain's equipment and vehicle line, positive through July, turned negative in August, a month in which total new leasing fell by 13.1%; the average contract has stretched to 71.9 months from 67.4. Poland's lorries are up by 24% over eight months, its machinery by 1.7%, its farm machinery down by 20.6%. Germany's credit banks wrote 1.5% less investment finance in the first half and 3.7% more consumer finance. Austria's half year was four-fifths vehicles.

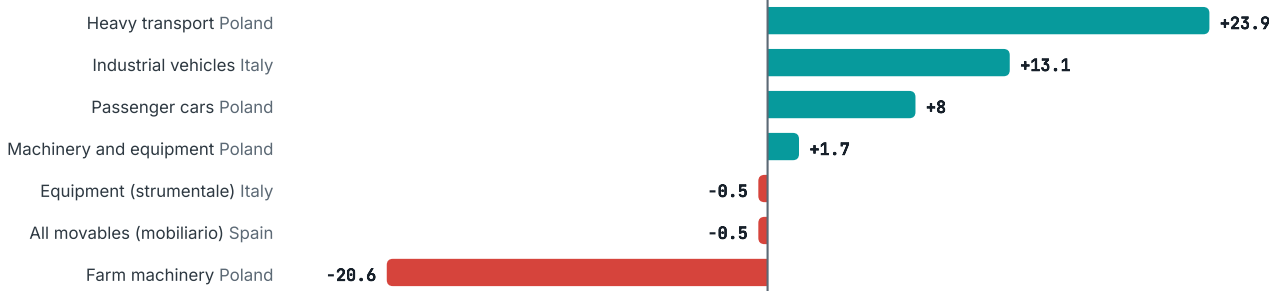
Britain is the exception twice over: plant and machinery rose by 9% in July, and the small firms we bet against reached a record GBP 25.6bn over the year. On the continent the lessor with a small-ticket equipment book is writing more contracts for less money, for longer, while the headline is carried by trucks.

The dog barks

Leaseurope has at last published its 2025 enquiry, as a dashboard: EUR 464bn of new leasing, up by 3.2% on a like-for-like sample, and EUR 1.02trn outstanding. Cars are 56% of new business, commercial vehicles 18%, machinery 14%. The 2024 figure has been restated to EUR 449.6bn from the EUR 454bn we printed, so the two vintages cannot be divided into each other. The quarterly index has still printed nothing since the end of 2024.

Heavier still

New leasing volumes by asset class, January to August 2026 against January to August 2025, % change in value



Sources: Związek Polskiego Leasingu (Poland, leasing plus leasing loan); Assilea (Italy); Asociacion Espanola de Leasing y Renting (Spain), via press wire. Polish farm machinery is a subset of Polish machinery. Spanish movables include vehicles. Property is left out in all three. All three report the same eight months, which is why they share an axis.

Small print

Every row states its period, its basis and the currency it was published in. Nothing has been converted, averaged or added up across borders.

MARKET	MEASURE	VALUE	PERIOD	CHANGE	BASIS
Britain	Asset finance new business, month	GBP 3,560m	July 2026	+2%	Finance and Leasing Association members, all asset types. Published in GBP, not converted. Rolling year GBP 41,669m, +6%.
Britain	Growth, smaller firms against larger businesses	+8% / -10%	July 2026	June: +11% / +24%	Growth rates only, no level split. Settles last month's claim against us.
Britain	Plant and machinery finance, month	GBP 763m	July 2026	+9%	Subset of the first line. The subsets do not sum to it.
France	Equipment leasing (location de matériels)	EUR 17,191m	H1 2026	-1.8%	Leasing only. Fourth consecutive half-year fall, in the association's own words.
France	Business equipment finance, all products	EUR 19,283m	H1 2026	-0.1%	Leasing plus plain credit, the latter +16.6%. Do not subtract last month's Q1 figure: the member perimeters differ.
France	Consumer and vehicle finance production, month	EUR 4,324m	July 2026	-5.7%	26 working days in both years, per the release: no calendar effect. Split payments are now reported apart, a break in the series.
Germany	ifo business climate, leasing (survey balance)	-3.0	September 2026	from -6.2	Sentiment, not volume. August, printed here at -6.6, was revised to -6.2. Expectations turned positive, +6.6.
Germany	Investment finance, credit banks	EUR 7.3bn	H1 2026	-1.5%	Kreditbankenverband members, not the leasing market. Growth is against a restated prior year; do not rebuild it from older levels.
Austria	Vehicle leasing new business	EUR 4,416m	H1 2026	+16.5%	About 81% of a EUR 5.47bn half year. No total growth rate published.
Italy	New leasing written (stipulato)	EUR 23,874m	January to August 2026	+3.8%	Includes long-term car and van rental, about a third of the total. Contract count +0.1%.
Italy	Equipment leasing (strumentale)	EUR 6,243m	January to August 2026	-0.5%	On 7.3% more contracts. Falling above EUR 0.5m a ticket, rising below.
Spain	New leasing investment	EUR 5,171.8m	January to August 2026	-2.8%	Secondary, press wire; the association's site stops at May. Movables -0.5%, August alone -13.1%.
Spain	Average contract term	71.9 months	January to August 2026	from 67.4	Secondary. Published only in press releases, never in the statistical files.
Poland	Movables, leasing plus leasing loan	PLN 81.99bn	January to August 2026	+9.05%	Monthly estimate, workbook only, no press release. Published in PLN, not converted.
Poland	Farm machinery	PLN 4.39bn	January to August 2026	-20.6%	The whole fall is in the leasing loan. Farm leasing proper rose by 6.8%.
Europe	Total new leasing volume granted	EUR 464,149m	FY2025	+3.2%	Leaseurope, like-for-like sample. 2024 restated to EUR 449,555m; last month we printed EUR 454bn.

Read from the associations' own public releases between September 1st and October 13th 2026, bar the Spanish rows, which exist only on a press wire and are marked secondary. Growth rates are as each association published them, against its own comparable prior period.

Second reading

Four legal claims from last month, checked against the texts, and a lessor changing hands.

Option to buy, in scope

Last month the scope test of the second consumer-credit directive rested on secondary summaries. The text settles it. Article 2(2)(g) of Directive 2023/2225 excludes a lease only where no obligation or option to purchase is laid down, in the agreement or in a separate one. A consumer lease with a purchase option is therefore inside from November 20th; credit above EUR 100,000 and agreements already running on that date stay out. Germany, France and Italy have notified transposing measures; Spain, Poland and Romania have notified none. A notified measure is not proof of complete transposition, and an empty column is not proof of none, but a lessor running consumer books in those three markets should plan to meet the date without a national rulebook to read it against.

Default, on schedule

The European Banking Authority's amended guidelines on the definition of default apply from October 19th, as printed. The operative text speaks of purchased receivables recorded on the balance sheet, which is narrower than the shorthand we used. On leasing it says no change. The authority's 2027 work programme lists a report on leasing exposures, so the capital argument has moved to a new venue rather than ended.

Residuals, more precisely

The ECB rule we described is Guideline 2026/689, which national central banks apply from March 30th. Its new Article 73(7) reads: "The issuer of an ABS must not be subject to residual value risk." The bar falls on the issuer, whatever any third party guarantees. The reading now rests on the instrument, not on commentary.

Fraikin changes hands

On October 12th Asterion Industrial Partners agreed to buy Fraikin, a commercial-vehicle lessor in ten countries with more than 50,000 vehicles and close to EUR 1bn of revenue, from funds of Benefit Street, Varde and Canyon. Closing is expected in the first quarter. It is a different shape again: an infrastructure investor buying a truck lessor from credit funds, with neither a carmaker nor a bank on either side. In funding, RCI Banque placed EUR 1.25bn of senior preferred notes on September 24th, EUR 750m to 2031 at 4.625% and EUR 500m to 2033 at 5%.

Nobody new on the list

No European lessor or captive announced a new core-system project in the six weeks to October 13th, so the count stays at twenty-two projects at twenty-one institutions. Two on the list went live. BNP Paribas Leasing Solutions now runs its origination platform in eight markets, Ireland among them though it was not in the original plan, and Liberty Finance in Britain went live on a platform it selected in April 2025. We name the institutions and not their technology suppliers.

Still quiet

Romania's second-quarter study has not appeared, but at 105 days it is not yet late: the last five took between 97 and 125. Spain's association site still ends at May. Britain's August figures are not out. Leaseurope's enquiry arrived, its quarterly index did not.

Corrections

Three, from issue 1. The artificial-intelligence omnibus also gives generative systems already on the market before August 2nd until December 2nd 2026 to meet the marking duty in Article 50(2); we said the transparency duties applied in full from August 2nd. We wrote that four transactions all moved a balance sheet from a manufacturer to a bank, which is true of one, Arval's purchase of Athlon from Mercedes-Benz. Free2move's car-sharing went to Mutares, an investment group; Business Lease was sold by AutoBinck, a motor distributor; and Honda's arrangement with Credit Agricole Personal Finance & Mobility, announced on February 17th, is a white-label financing partnership, not a transfer. And the method note overstated our reach: thirteen national associations and the two federations, not fifteen national associations. Issue 1 has been amended online, with a note saying so.

Keeping score

Last month's claim, scored. Four rules for next month's releases, a new claim, and the diary.

Last month's claim: wrong

We said larger British businesses would again grow faster than smaller ones in July. Smaller firms grew by 8% and larger businesses fell by 10%. The falsifier we printed was met in full.

Count contracts as well as euros

Italian equipment leasing wrote 7.3% more contracts for 0.5% less money. If your own average ticket is not falling, you are writing different business from the market, and the gap is worth knowing before a target is set.

Watch the term

The average Spanish contract has lengthened by four and a half months in a year. The same volume now carries more months of credit and more residual exposure, which is a pricing question before it is a sales one.

Separate the product from the asset

Polish farm machinery is down by a fifth, and all of it in the leasing loan; the lease itself grew. A collapse by asset class can be a shift between products, and the remedy for one is not the remedy for the other.

Quote the vintage

In six weeks the German leasing climate for August moved from -6.6 to -6.2, Leaseurope restated 2024 by four billion euros, and Polish lending rejection rates came down half a point on second print. Say which print a comparison uses.

A HOSTAGE TO FORTUNE

The gap holds. When Zwiazek Polskiego Leasingu publishes its first nine months in November, heavy transport will still be growing by more than 20% and machinery and equipment by less than 3%.

Wrong if: heavy transport at 20% or below, or machinery and equipment at 3% or above, which would mean the lorries and the workhorses are converging. Testable by the end of November 2026.

Method. Public sources only, read between September 1st and October 13th 2026: the statistical and news pages of thirteen national associations and the two European federations, the trade press and company releases as leads, and the Official Journal texts for the regulatory items. Every figure carries its period and its basis. Anything resting on one source says so.

THE DIARY

Mid-October

France's August consumer survey and Italy's September stipulato. Leaseurope's convention in Sofia on October 15th and 16th, where the written 2025 release is expected.

October 19th

The amended definition of default applies.

Late October

Poland's September estimate, the October ifo climate for leasing, and Britain's August figures.

Early November

Romania's second-quarter study, if it keeps to its range. Read the contributor count first. Poland's nine months, which settle the claim above.

November 20th

The second consumer-credit directive applies.

Late November and December 2nd

France's nine-month dashboard. Then the deadline for marking generated content in systems already on the market.

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