Moody's Investors Service

Global Credit Research
Credit Opinion
30 OCT 2007

Credit Opinion: LeasePlan Corporation N.V.

LeasePlan Corporation N.V.

Almere, Netherlands

Ratings

Category	**Moody's Rating**
Outlook	Stable
Bank Deposits (ST) -Dom Curr	--/P-2
Bank Financial Strength -Dom Curr	C
Issuer Rating -Dom Curr	A3
Senior Unsecured	A3
Subordinate -Dom Curr	Baa1
Commercial Paper	P-2
Other Short Term -Dom Curr	P-2
Lease Plan New Zealand Limited	
Outlook	Stable
Commercial Paper	P-2
Lease Plan Finance N.V. (Dublin Branch)	
Outlook	Stable
Bkd Senior Unsecured	A3
Commercial Paper	P-2
Bkd Other Short Term -Dom Curr	P-2

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Key Indicators

LeasePlan Corporation N.V.

	[1]**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	[2]**Avg/CAGR**
Total assets (EUR bn)	**15.81**	**14.32**	**11.86**	**10.84**	**10.8**	**10.62**	**7.8**
Total Capital (EUR bn)	**1.87**	**1.45**	**1.27**	**1.32**	**1.19**	**1.02**	**9.1**
Return on average assets	**1.39**	**1.52**	**1.85**	**1.78**	**1.68**	**1.65**	**1.7**
Recurring earning power [3]	**1.9**	**1.79**	**2.05**	**2.39**	**2.34**	**2.42**	**2.2**
Net interest margin	**3.74**	**3.72**	**4.03**	**2.79**	**2.72**	**2.76**	**3.2**
Cost/income ratio	**75.44**	**78.3**	**78.21**	**68.22**	**68.47**	**68.16**	**72.27**
Problem loans % gross loans	**--**	**--**	**--**	**--**	**--**	**--**	
Tier 1 ratio (%)	**8.7**	**8.2**	**10.4**	**10.6**	**9.3**	**7.8**	**9.26**

[1] As of Dec. 31. [2] Compound Annual Growth Rate for total assets. [3] Preprovision income % average assets.

Opinion

SUMMARY RATING RATIONALE

Moody's assigns a bank financial strength rating (BFSR) of C to LeasePlan Corporation N.V. (LeasePlan) which translates into a baseline risk assessment of A3. The rating derives from the company's important global car leasing franchise, not only in the Netherlands but also in other European markets, Australasia and the United States, well-diversified client portfolio and solid financial fundamentals. The rating is, however, constrained by total reliance on wholesale funding sources and the monoline nature of the institution.

LeasePlan's global local currency (GLC) deposit rating is at the A3 / Prime 2 level, resulting from a straightforward mapping of the bank's BFSR of C to a baseline risk assessment of A3 without the incorporation of any systemic or parental support (components of joint default analysis, referred to as JDA). We note that VW Bank owns 50% of the company, and two financial investors each hold 25%: the Saudi Investment house Olayan and the Abu Dhabi government's Mubadala Development Company (both unrated). LeasePlan is not a consolidated subsidiary of VW Bank -- a 100% owned subsidiary of VW Financial Services -- but instead is carried as an investment under the equity method by its parent. We further note that VW regards LeasePlan very much as a financial investment and as such the company is operationally and managerially independent from its owners. Given this we do not impute support from the parent in the event of difficulties.

Credit Strengths

(1) LeasePlan has been successful in restructuring its funding profile in the International Capital Markets

(2) Important franchise as Europe's largest Corporate Vehicle fleet manager

(3) Diversified geographical franchise built around strong position in home market of the Netherlands

(4) Solid financial fundamentals, notwithstanding dependence upon wholesale funding, supported by good risk management.

Credit Challenges

[1] Reliance upon wholesale funding sources and debt capital markets;

[2] Profitability may come under pressure over time due to higher funding costs and high cost structure related to multi-subsidiary group structure

[3] Revenue mix, while diversified in as much as it includes earning from leasing-related services, as well as margin income, is essentially mono-line in as much as it relates to/is linked to success of core central purpose of leasing.

Rating Outlook

The outlook on the A3/P-2 issuer rating and C financial strength rating is stable.

What Could Change the Rating - Up

We view LeasePlan's BFSR as well placed at C. The continued development / consolidation of the company's funding profile in terms of diversification by investor base and funding source will be crucial, especially in light of the current market. A clear ability to maintain a positive net funding requirement to cover a minimum of 12 months non access to the capital markets with no reduction in business is a sine qua non in this respect. Such a solid liquidity profile also needs however to be accompanied by further improvements in financial fundamentals along with further improvements in the cost/income ratio to create upward pressure on the ratings. As we anticipate that the company's cost of funds will increase over the medium term due to the change in its funding mix, we view reducing the cost base as an important step for LeasePlan to maintain its relative profitability.

What Could Change the Rating - Down

Deterioration in the funding profile- especially in light of the reliance on wholesale funding would place downward pressure on the rating, given the importance of the standalone funding profile of LeasePlan in supporting the ratings at their present level. Were profitability to come under pressure or Tier 1 capital to decline then this might also put negative rating pressure on the rating.

Recent Results and Developments

For the first half of 2007, LeasePlan reported a net profit of EUR126,3 million, up 28% from EUR 98.4 million for the same period in 2006.The lease contract portfolio expanded by 3.6% to EUR13.7 billion in the first half-year 2007. Total operating income for continuing operations increased by 3.1% to EUR 446 million (from EUR 443 million in June 2006), while operating expenses were almost 1.2% lower at EUR 300 million (from EUR 304 million in June 2006). The tier 1 ratio decreased to 8.1% from 8.7% at year-end 2006, and the total capital ratio deteriorated to 11.3% from 12.2% at year-end 2006. LeasePlan has stated that it has no exposure to currently distressed asset classes (CDO/CLOs, RMBS, SIVs, conduit vehicles or ABCP).

The most significant recent geographic diversification has involved Turkey, where LeasePlan reached the agreement in May 2007 to buy the 51% stake of Volkswagen Financial Services AG (VWFS) in its fleet operational leasing joint venture in Turkey, vdf Holding A.S. This expands LeasePlan's worldwide network from 28 to 29 countries. In June 2007 LeasePlan finalised the divestment of its vehicle body repair companies in the Netherlands and Belgium to a specialist buyer

Full year 2006 results:

LeasePlan achieved net profit of EUR211million in 2006, an increase of 6% on the result of 2005. Total operating income from continuing operations rose 9% to EUR897 million (+ 10% to EUR919 million before the deduction of impairment losses), total expenses from continuing operations rose 7% to EUR615 million. Following a 14% rise in shareholders' equity to EUR1372 million, the tier I ratio improved from 8.2% to 8.7%, and the total capital ratio strengthened from 10.0% to 12.2%.

DETAILED RATING CONSIDERATIONS

The rating considerations for LeasePlan's currently assigned ratings are as follows:

Bank Financial Strength Rating

Moody's assigns a BFSR of C to LeasePlan, which is based on the company's important global car leasing franchise, not only in the Netherlands but also in other European markets, Australasia and the United States, well-diversified client portfolio and solid financial fundamentals. The rating is, however, constrained by total reliance on wholesale funding sources and the monoline nature of the bank.

As a point of reference, the assigned BFSR of C is a notch below the scorecard derived BFSR of C+. The decision to assign a lower BFSR reflects our belief that LeasePlan's total reliance on wholesale funding sources and the monoline nature of the firm coupled with pressure on profitability due to higher funding costs are sufficiently important rating constraints on the BFSR for there to be an assigned BFSR which is divergent to that of the scorecard output. Moody's is cognisant of the shortcomings the bank financial strength scorecard may display for certain banks, especially with regard to their business model.

QUALITATIVE RATING FACTORS (50%)

FACTOR 1 : FRANCHISE VALUE

Trend: Improving

LeasePlan is dominant in the Netherlands with around 22% of the car fleet leasing market in the Netherlands, making it nearly twice as big as the second-placed firm, ING Carlease. It is the leading car leasing company in Australia, Spain, Italy and Belgium. It is within the top 3 in US, UK and Germany.

Generally, Moody's believes that competition remains fierce in this sector, especially as more players - usually banks - are entering the market and as markets have been maturing. LeasePlan's competition in Europe tends to be leasing companies backed by major financial institutions (e.g. SG, BNPP etc.) or the captive finance arms of auto companies - the latter is also true in the US. Large banking groups tend to benefit from extensive networks, thus distribution capacity, in their respective countries, but also, for some, across geographies. The latter is taking more and more importance as large corporate groups internationalise themselves further and expand in different countries. As such, a partner of choice for those large corporate is a firm that can service across geographies, if only to reduce their overhead costs. In this respect, we note that Leaseplan has successfully been targeting those large corporates.

Leaseplan, with operations in 28 countries globally as of mid-year 2007, displays excellent geographical diversification. Most of its revenues were generated in Western Europe in 2006 (ca. 72% of total revenues), with the Netherlands, its core market, representing ca. 16% of total revenues and with strong presence in the United Kingdom and Spain. We expect geographical diversification in terms of revenues and assets to broadly remain at its current level in the medium term - bar any large acquisitions.

That said, LeasePlan continues to expand its activities internationally with the incorporation of LeasePlan Romania and the newly operational joint-venture in United Arab Emirates. Moody's also notes that LeasePlan acquired a 51% share in Turkish VDF Holding A.S. last May. Furthermore, we note that Leaseplan has successfully integrated VW's multi-brand fleet management activities (Europcar Fleet Services) in Italy, Spain and Portugal (acquired on 29 September 2005). Moody's believe that this acquisition is helpful in strengthening Leaseplan's franchise in these countries.

At end-2006, LeasePlan had 1.246million cars either financed or under management. This fleet of cars is expected to continue to increase going forward. Scale of operations is important in the fleet leasing business, since it drives internal cost efficiencies and influences the ability to demand rebates and bonuses from suppliers. The information received from large-scale operations also enables more accurate prediction of maintenance and usage levels of leased vehicles.

The monoline nature of the firm, while a strength in that it provides focus on a core, defensible franchise, is a rating constraint. The company, which while holding a banking license, is essentially a car leasing company and subsidiary activities are related to and largely driven off this core purpose.

FACTOR 2: RISK POSITIONING

Trend: Neutral

Most of LeasePlan's leases are operational leases rather financial leases. Operational leases are split into two types: "open calculation" and "closed calculation". Under an open calculation lease, all the different pricing components of the contract are broken down for the client, and part of the negative deviation is borne by LeasePlan, while any positive deviation on a portfolio basis is credited to the client. Under a closed calculation lease, a single price is quoted to the customer, who does not see a breakdown, and any deviation from budget is credited (or debited) to LeasePlan.

While historically the company specialised in open calculation contracts, since the 1990s, LeasePlan has been offering both forms. About 55% of the current contracts are open. LeasePlan has efficient statistical tools and a strong track record in assessing future vehicle prices which help mitigate risk of loss at the end of a contract. Indeed, while there have been losses on terminated contracts in the UK, the overall result has been positive in all recent years.

The size of the top 20 Group exposures is material relative to Tier 1 and pre-provision income (around 130% of Tier 1 capital and 517% of pre-provision income at YE 2006). Moody's views such exposure to single credits negatively. As such, we will continue to monitor these exposures closely and we would also expect LeasePlan to take significant steps to improve the loan granularity of its business portfolio, thereby, lessen its vulnerability to the deterioration or the contract termination of single credits. That said, Moody's takes into consideration that most single credit exposures tend to be to highly rated well-known European or international companies, with whom LeasePlan has established strong relationships. Overall, industry concentrations are diversified once the bank's largest sector exposure to financial institutions is taken out.

LeasePlan's central treasury activities are focused on funding LeasePlan's subsidiaries. All core assets are held to maturity. LeasePlan has no trading book or assets held for sale. For DNB purposes LeasePlan solely has a banking book. In these activities there is a very limited appetite for risk taking.

Until fairly recently funding and liquidity support from a highly rated parent, ABN AMRO, was the central pillar of LeasePlan's funding profile. Indeed, under the terms of the Framework Credit Agreement between ABN AMRO and LeasePlan, the former was to provide up to Eur 5 billion of funding support to LeasePlan until June 2009, with the amount reducing from December 2007 until the Agreement's final maturity date. Following that agreement and the transfer of LeasePlan's shares to its new owners, LeasePlan has sought to replace existing bank facilities with public bond issues and private placements.

Consequently, the un-drawn part of the ABN AMRO Eur 5bn facility has now been replaced by back-stop liquidity facilities, which include a Eur 2 billion 25 bank syndicated back-stop facility and a

Eur 1 billion ECB eligible own-book securitisation of Dutch operational car lease receivables in addition to the existing Eur 625 million of the Dutch Central Bank approved liquidity back-stop facilities from two Dutch Banks. Moody's considers the new credit facility, especially if augmented by further development of a track record in successful securitisation, as demonstrating prudent liquidity management consistent with LeasePlan's current ratings.

Furthermore LeasePlan has excess funding of Eur 650 million in place to cover new operational car leases. The company also has a Eur 245 million in Belgian CD outstandings and a Eur 2 billion ECP program, which had Eur 825 million in outstanding as of 3 October 2007. We note that the company limits maturities of all funding instruments (such as ECP, CD, EMTN and bank loans) to a maximum of Eur 900 million per month and has been able to absorb ECP redemptions whilst keeping its cash balance at its target level of Eur 500 million by raising Eur 700 million in deposits from Dutch local municipalities and provinces. LeasePlan is currently establishing a second securitisation in the amount of Eur 750 million involving German operational car leases. We also note that LeasePlan has no exposure to CDO/CLOs, RMBS/CMBS senior or mezzanine tranches, SIVs, conduit vehicles or ABCP.

Moody's views positively the progress made in relation to LeasePlan's diversification of its funding base. Specifically, the investor base is increasingly diversified, with more than 550 private and public investors in 28 countries (mainly Germany, UK, Netherlands, France and Italy). Most of these are buy-and-hold investors, such as pension funds, insurance companies, money market funds and (small) banks. At half-year 2007 more than 300 investors had invested ca. Eur 5 billion in LeasePlan private placements.

LeasePlan's central treasury activities are mainly focused on managing all debt capital market transactions, intra-Group financing and related treasury services. In accordance with its treasury policy, financial assets and liabilities held by LeasePlan are intended to be held-to-maturity rather than held-for-trading. LeasePlan uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange rate risks arising from operational, financing and investment activities. In these activities there is a very limited appetite for risk taking. Though it has no trading books, LeasePlan has open interest positions in currencies such as EUR, USD, GBP and CHF due to timing issues. The open interest positions are sensitive for any change in interest rates but a parallel interest movement of 200bp (2.00%) would impact the pre-tax profit by Eur 7.4 million as at June 2007. On an annualised basis this would affect the pre-tax income by ca. Eur 3.0 million.

A 100bp shift for the EUR interest rate position and a 200bp for other developed country interest rate positions would result in an annual pre-tax income effect of ca. Eur 2.1 million. We note that interest rate risk is centrally controlled and that LeasePlan uses both gap and sensitivity analysis for monitoring interest rate risk. What is more, LeasePlan subsidiaries are capitalised and funded in local currencies which eliminates FX risks. LeasePlan generally does not run currency risk. However, when providing inter-company funding, it has to build up positions resulting from inter-company interest spread margin in various currencies but their amounts are limited. In the event all FX rates would move against LeasePlan by a 20% movement, the June 2007 positions would result in a pre-tax Eur 304,000 loss.

FACTOR 3 : REGULATORY ENVIRONMENT

As a holder of a Dutch banking license, LeasePlan is subject to regulation by the Dutch bank supervisors. All banks in the Netherlands are subject to the same score on the regulatory environment, which Moody's considers to be supportive of the creditworthiness of banks in the Netherlands. This factor does not address bank-specific issues; instead, it evaluates whether or not regulatory bodies are independent and credible, demonstrate enforcement powers and adhere to global standards of best practices for risk control. Refer to Moody's Banking System Outlook for The Netherlands, published July 2006, to obtain a detailed discussion on Regulatory Environment.

FACTOR 4 : OPERATING ENVIRONMENT

Trend: Neutral

Moody's assigns an A- for overall operating environment. This is a blended score for the largest OECD countries in which LeasePlan operates.

LeasePlan generates 16% of revenue in the Netherlands. Moody's takes note that LeasePlan has expanded its international activities by integrating Europcar Fleet Services in Italy, Spain and Portugal but also by opening new subsidiaries (incorporation of a subsidiary in the United Arab Emirates last December and planned opening of a subsidiary in Romania). Given that Leaseplan operates mostly in mature economies (Western Europe representing ca. 70% of revenues), we do not expect a deterioration in the overall operating environment. However, we would follow closely any expansion in emerging markets, such as in India, Turkey or the CIS countries.

Refer to Moody's Banking System Outlook The Netherlands, published July 2006, to obtain a detailed discussion on the Dutch operating environment

QUANTITATIVE RATING FACTORS (50%)

FACTOR 5 : PROFITABILITY

Trend: Neutral

Over the last 5 years total income arising from interest has been pretty consistent at 32% on average and indeed overall composition of operating income has remained stable. In this respect, Moody's views LeasePlan's strong and diverse sources of non-interest income as a key area of strength for a fleet leasing company. What's more, we note the long record of consistent profit increases, , though we are more focused on levels of relative profitability.

In this respect, profitability as a percentage of risk weighted assets has been decreasing in recent years to 2.2% at year-end 2006 from 2.6% at year-end 2004. This downward movement in this profitability measure was primarily driven by risk weighted assets rising faster than profits and a deteriorating net interest margin. In this respect, we note that margin on interest-earning assets, nearly all of which stem from the lease portfolio, has continued to lower from 2.7% at year-end 2004 to 1.86% as at 30 June 2007. This, we believe, is both a function of rising cost of funds and competitive pressure in markets where Leaseplan operates.

Moreover, we expect Leaseplan to be impacted negatively by the re-pricing of risk that ensued following the turmoil in the financial markets. This should translate in further increase in the company's cost of funds, which will have a direct impact on the net interest margins and thus, overall profitability. As such, Leaseplan will be willing to pass on some of the costs to its clients. However, given the intensifying competitive pressure, we believe it may be challenged to fully pass on its rising costs of funds. Consequently, margins should remain under pressure, and we would expect further deterioration in Leaseplan's net interest margins going forward.

In addition, following a DNB requirement to add-on RWAs to Leaseplan in order to account for unforeseen foreign exchange risk, we note that profitability in terms of pre-provision income as a percentage of risk weighted assets deteriorated further as at June 2007. This resulted in a significant downward movement of profitability as a percentage of risk-weighted assets from 2.2% at year-end 2006 to 2.05% at June 2007. Moody's understands that this was a one-off add-on requirement, which is not expected to increase going forward.

Lastly, potential deterioration in the economic environment in countries where LeasePlan operates, such as in the US, could lead to higher cost of risks, impacting the firm's net income. Under such scenario, LeasePlan's ability to maintain a lean cost structure will be an important step, in Moody's view, to maintain relative its relative profitability.

FACTOR 6 : LIQUIDITY

Trend : Neutral

While we acknowledge the improvements in LeasePlan's standalone funding profile and view positively its prudent approach to managing liquidity, we continue to believe that LeasePlan's credit profile, as reflected in its A3 long-term rating, is not consistent with a Prime-1 short-term rating. LeasePlan's ability to finance itself in the capital markets remains an essential component of its operating model. Thus, while the transition to a market-funded model is being managed well, we continue to believe that LeasePlan's market-funded model is not a credit positive, but a credit necessity. The more so given the company's relative rating position (at A3) which throws greater emphasis on the need for ample and reliable liquidity than might be the case for an institution in say the Aa range where rating transition risk is lower.

FACTOR 7 : CAPITAL ADEQUACY

Trend: Neutral

LeasePlan has set a minimum target of 8% for its Tier 1 ratio. The latter stood above this at end 2006 and comprised shareholders' equity and reserves but does not contain any "hybrid capital". The Tier 1 ratio reached a high 8.7% in 2006 because LeasePlan was then considering an acquisition.

Following the implementation of the Basel II regulation on capitalisation, we can expect a material decrease in LeasePlan's capital requirements, as Basel II appears to be generous for non-real estate leasing. This would be in line with LeasePlan's credit risk profile and good monitoring of residual value. As such, LeasePlan expects to be able to free up additional capital. This should however be offset to a certain degree by Pillar II, although it is not clear yet to what extent it may be the case. Likewise, though a Basel II dividend policy has not been defined yet, we expect shareholders to further preserve LeasePlan's adequate capitalisation, which would maintain sufficient cushion for business growth.

FACTOR 8: EFFICIENCY

Trend: Improving

The cost-income ratio remains high, at ca. 68% in 2006. While this is similar to some European retail banks, LeasePlan does not have the expense of a retail branch network (and by the same token does not benefit from cheap retail funding). The cost-income ratio is not helped by the fact that by the nature of its business the company handles 1,250,000 of leases with an average new car or ticket value of around Eur 20,000 - something which is both IT and staff intensive. In this respect, we note that LeasePlan has been streamlining its workforce in recent years, from 7,237 employees at end 2004 to 5,914 employees at half-year 2007.

Over the last two years, LeasePlan's cost to income ratio has improved, reflecting its leaner cost structure and higher income generation. That said, we anticipate that the company's cost of funds will continue to increase over the medium term due to the change in its funding mix and possibly wider spreads in the debt markets, following this summer's liquidity crisis. This could hinder any further improvement in the firm's cost structure, as it is highly dependent on its ability to fund itself in the financial markets. However, LeasePlan has stated that it will continue to focus on improving its efficiency ratio, which should result in further rationalisation in terms of IT infrastructure and workforce to mitigate rising costs of funds. Moody's views any reduction in the cost base as an important step for LeasePlan to maintain its relative profitability.

FACTOR 9 : ASSET QUALITY

Trend: Neutral

LeasePlan's asset quality remains solid. Credit losses arising from lease contracts remain subdued. The company has a very low level of problem loans and a high recovery rate. Residual value risk (asset revaluation risk) is among the largest risks faced by LeasePlan. This arises from the possibility that the company overestimates the residual value of a vehicle and is unable to recover from the client the difference between its estimate and actual market values. This can occur if the market prices of used cars fall due to changes in local taxation or economic conditions. Historically, the company has generated profits on terminated contracts. At the end of December 2006, the total contracted residual values that the Group bears risk on approximates to Eur 6.4 billion. Going forward, a deterioration in the economic environment in countries where LeasePlan operates - such as in the US where leasing indicators for delinquencies on auto-loans have in recent times turned decisively negative - could have a detrimental impact on its asset quality. Moody's note however that in the US LeasePlan mainly sells track leases whereby the residual value risks reside with its clients.

Global Local Currency Deposit Rating (Joint Default Analysis)

The deposit and debt ratings of LeasePlan incorporate two main elements. They are 1) LeasePlan's financial strength rating, and 2) seniority of its deposits and debt.

LeasePlan's deposit rating of A3/P-2 is based on the financial strength rating of C (which translates into baseline risk assessment of A3) and Moody's assessment of the probability that LeasePlan would not receive systemic support in the event of distress. We do not factor in support from the main shareholder, VW Bank who we believe view LeasePlan entirely as a financial investment, as demonstrated by the fact that Leaseplan is not a consolidated element of VW Bank's accounts and remains managerially and financially independent.

Notching Considerations

Ratings for LeasePlan's junior obligations should be notched off the fully supported deposit rating because Moody's believes that there is no legal authority in place in the Netherlands' bank regulators to impose losses on subordinated creditors outside of a liquidation scenario.

Foreign Currency Deposit Rating

The Foreign Currency Deposit ratings of LeasePlan are unconstrained given the Netherlands, in common with other EU members, has a country ceiling of Aaa.

Foreign Currency Debt Rating

The Foreign Currency Debt Rating's ratings of LeasePlan are unconstrained given the Netherlands, in common with other EU members, has a country ceiling of Aaa.

ABOUT MOODY'S BANK RATINGS

Bank Financial Strength Rating

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings. Bank Financial Strength Ratings do not take into account the probability that the bank will receive such external support, nor do they address risks arising from sovereign actions that may interfere with a bank's ability to honour its domestic or foreign currency obligations. Factors considered in the assignment of Bank Financial Strength Ratings include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although Bank Financial Strength Ratings exclude the external factors specified above, they do take into account other risk factors in the bank's operating environment, including the strength and prospective performance of the economy, as well as the structure and relative fragility of the financial system, and the quality of banking regulation and supervision.

Global Local Currency Deposit Rating

A deposit rating, as an opinion of relative credit risk, incorporates the Bank Financial Strength Rating as well as Moody's opinion of any external support. Specifically, Moody's Bank Deposit Ratings are opinions of a bank's ability to repay punctually its deposit obligations. As such, Moody's Bank Deposit Ratings are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to deposit obligations, and includes: intrinsic financial strength, sovereign transfer risk (in the case of foreign currency deposit ratings), and both implicit and explicit external support elements. Moody's Bank Deposit Ratings do not take into account the benefit of deposit insurance schemes which make payments to depositors, but they do recognize the potential support from schemes that may provide assistance to banks directly.

According to Moody's joint default analysis (JDA) methodology, the global local currency deposit rating of a bank is determined by the incorporation of external elements of support into the bank's Baseline Risk Assessment. In calculating the GLC rating for a bank, the JDA methodology also factors in the rating of the support provider, in the form of the local currency deposit ceiling for a country, Moody's assessment of the probability of government support for the bank in case a stress situation occurs and the degree of dependence between the issuer rating and the LCDC.

National Scale Rating

National scale ratings are intended primarily for use by domestic investors and are not comparable to Moody's globally applicable ratings; rather they address relative credit risk within a given country. An Aaa rating on Moody's National Scale indicates an issuer or issue with the strongest creditworthiness and the lowest likelihood of credit loss relative to other domestic issuers. National Scale Ratings, therefore, rank domestic issuers relative to each other and not relative to absolute default risks. National ratings isolate systemic risks; they do not address loss expectation associated with systemic events that could affect all issuers, even those that receive the highest ratings on the National Scale.

Foreign Currency Deposit Rating

Moody's ratings on foreign currency bank obligations derive from the bank's local currency rating for the same class of obligation. The implementation of JDA for banks can lead to a high local currency ratings for certain banks, which could also produce high foreign currency ratings. Nevertheless, it should be reminded that foreign currency deposit ratings are in all cases constrained by the country ceiling for foreign currency bank deposits. This may result in the assignment of a different, and typically lower, rating for the foreign currency deposits relative to the bank's rating for local currency obligations.

Foreign Currency Debt Rating

Foreign currency debt ratings are derived from the bank's local currency debt rating. In a similar way to foreign currency deposit ratings, foreign currency debt obligations may also be constrained by the country ceiling for foreign currency bonds and notes, however, in some cases the ratings on foreign currency debt obligations may be allowed to pierce the foreign currency ceiling. A particular mix of rating factors are taken into consideration in order to assess whether a foreign currency bond rating pierces the country ceiling. They include the issuer's global local currency rating, the foreign currency government bond rating, the country ceiling for bonds and the debt's eligibility to pierce that ceiling.

Rating Factors

LeasePlan Corporation N.V.

Rating Factors [1]	**A**	**B**	**C**	**D**	**E**	**Total Score**	**Trend**
Qualitative Factors (50%)						**C+**	
Factor 1: Franchise Value (20%)						**D+**	**Improving**
Market Share and Sustainability			**x**				
Geographical Diversification	**x**						
Earnings Stability					**x**		
Earnings Diversification [2]					**x**		
Factor 2: Risk Positioning (20%)						**C+**	**Neutral**
Corporate Governance [2]							
- Ownership and Organizational Complexity							
- Key Man Risk							
- Insider and Related-Party Risks				--	--		
Controls and Risk Management		**x**					
- Risk Management			x				
- Controls	x						
Financial Reporting Transparency			x				
- Global Comparability	x						
- Frequency and Timeliness			x				
- Quality of Financial Information			x				
Credit Risk Concentration	**--**	**--**	**--**	**--**	**--**		
- Borrower Concentration	--	--	--	--	--		
- Industry Concentration	--	--	--	--	--		
Liquidity Management			**x**				
Market Risk Appetite		**x**					
Factor 3: Regulatory Environment (5%)						**--**	**--**
Factor 4: Operating Environment (5%)						**A-**	**Neutral**

Economic Stability	**x**						
Integrity and Corruption		**x**					
Legal System	**x**						
Financial Factors (50%)						**C+**	
Factor 5: Profitability (7.9%)						**C+**	**Neutral**
PPP % Avg RWA			2.33%				
Net Income % Avg RWA		1.71%					
Factor 6: Liquidity (7.9%)						**D+**	**Neutral**
(Mkt funds-Liquid Assets) % Total Assets					74.94%		
Liquidity Management			x				
Factor 7: Capital Adequacy (7.9%)						**B+**	**Neutral**
Tier 1 ratio (%)		9.10%					
Tangible Common Equity % RWA	8.45%						
Factor 8: Efficiency (3.5%)						**D**	**Improving**
Cost/income ratio				69.28%			
Factor 9: Asset Quality (7.9%)						**A**	**Neutral**
Problem Loans % Gross Loans	0.15%						
Problem Loans % (Equity + LLR)	1.53%						
Lowest Combined Score (15%)						**D+**	
Economic Insolvency Override						**Neutral**	
Total Scorecard Implied BFSR						**C+**	
Assigned BFSR						**C**	

[1] - Where dashes are shown for a particular factor (or sub-factor), the score is based on non public information
[2] - A blank score under Earnings diversification or Corporate Governance indicates the risk is neutral