Global Credit Research
Credit Opinion
28 NOV 2008

Credit Opinion: LeasePlan Corporation N.V.

LeasePlan Corporation N.V.

Almere, Netherlands

Ratings

Category	Moody's Rating
Outlook	Rating(s) Under Review
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
Bkd 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	Rating(s) Under Review
Bkd Senior Unsecured	*A3
Bkd Commercial Paper	P-2
Bkd Other Short Term -Dom Curr	P-2

* Placed under review for possible downgrade on October 31, 2008

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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 under review for possible downgrade to LeasePlan Corporation N.V. (LeasePlan), which translates into a baseline credit assessment of A3 under review for possible downgrade. The rating derives from the company's sizeable global car leasing franchise, not only in the Netherlands but also in other European markets, Australasia and the United States, as well as its well-diversified client portfolio and solid financial fundamentals. The rating is, however, constrained by the company's total reliance on wholesale funding sources and its monoline nature.

LeasePlan's global local currency (GLC) deposit ratings are at the A3 (under review for possible downgrade)/Prime-2 level, based solely on its baseline credit assessment of A3 under review for possible downgrade, and do not incorporate any expectation of either systemic or parental support. VW Bank -- a 100% owned subsidiary of VW Financial Services and thus indirectly from VolksWagen AG -- owns 50% of the company, while the remaining shares are equally split between two financial investors: the Saudi Investment house Olayan (unrated) and the Abu Dhabi government's Mubadala Development Company (rated Aa2/Prime-1/Stable). However, LeasePlan is not a consolidated subsidiary of VW Bank but instead is carried as an investment under the equity method by its parent, and VW regards LeasePlan very much as a financial investment and as such the company is operationally and managerially independent from its owners. Nevertheless, in October 2008, Volkswagen AG provided LeasePlan with a EUR 1.5 billion three-year committed line.

On 24 November 2008, LeasePlan announced it had been declared eligible for the State guarantee on banks from the Dutch Government. For more details on the Dutch Government guarantee scheme and the other measures announced, please refer to moodys.com.

Credit Strengths

- Sizeable franchise as Europe's largest corporate vehicle fleet manager

- Diversified geographical franchise built around strong position in home market of the Netherlands

- Sound financial fundamentals, notwithstanding dependence upon wholesale funding, supported by good risk management

Credit Challenges

- Reliance upon wholesale funding sources and debt capital markets

- More stringent haircuts to be introduced by new ECB framework expected in February 2009 may put some put some limitation on the company's resort to its own securitised debt against liquidity

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

- Revenue mix may be diversified in terms of both earnings from leasing-related services and margin income, but is essentially monoline as it is all linked to success of core central purpose of leasing

- Impact of a potential severe downturn in the automotive market on LeasePlan's operating efficiency

- Increase of residual value risk as a result of deteriorated second-hand car market will exert pressure on the bank's profitability

Rating Outlook

LeasePlan's BFSR and long-term deposits and debt ratings are under review for possible downgrade. The review was triggered by Moody's assessment of the potential impact of current market conditions on LeasePlan's medium-term liquidity profile, but also addresses any longer term concerns over the solvency and profitability impact of a marked deterioration of the automotive market across LeasePlan's franchise.

What Could Change the Rating - Up

The BFSR and long-term deposit ratings are currently under review for possible downgrade and are as such not likely to be upgraded.

What Could Change the Rating - Down

Any deterioration in the funding profile -- especially in light of the reliance on wholesale funding -- would place downward pressure on the ratings, given the importance of LeasePlan's standalone funding profile in supporting the ratings at their present level. Other elements that could potentially exert pressure on the bank's ratings would be a declining profitability or Tier 1 capital as would a perception by Moody's of a higher residual value risk for

LeasePlan.

Lastly, any severe deterioration of the performance of the automotive industry may put pressure on LeasePlan's operating performance and affect its rating.

Recent Results and Company Events

In March 2008, LeasePlan announced that its French subsidiary LeasePlan France had agreed to acquire Daimler Chrysler's operational car leasing entity in France, Daimler Chrysler Fleet Management France. This entity, which operates under the brand DCS Fleet, manages a fleet of approximately 20,000 vehicles. Through this acquisition, which was closed in May 2008, LeasePlan France has increased its fleet to more than 100,000 cars managed in France.

LeasePlan has stated that it has no exposure to currently distressed asset classes (CDO/CLOs, RMBS, SIVs, conduit vehicles or ABCP).

For the first six months of June 2008, LeasePlan's net profit was EUR 112.3 million, down 10.8% from EUR 126.0 million in the same period last year. Total operating income was up 5.4%, while operating expenses were up 7% over the same period, mainly on the back of higher personnel and administrative expenses. The cost of risk was EUR 8.6 million in H1 2008, up from EUR 6.7 million in H1 2007.

LeasePlan's H1 2008 net result was negatively affected by the negative contribution linked to the sale of discontinued operations for an amount of EUR 4.9 million. In H1 2007, the institution had booked a EUR 14.1 million net profit on the sale of discontinued operations.

At end-June 2008, LeasePlan's total assets stood at EUR 17.2 billion, up 5.1% from year-end 2007, and the Tier 1 ratio was 7.7%, down from 8.3% at year-end 2007.

In October 2008 LeasePlan's 50%-ultimate owner, Volkswagen AG, provided LeasePlan with a EUR 1.5 billion three-year committed line.

On 24 November 2008, LeasePlan announced it had been declared eligible for the State guarantee on banks from the Dutch Government. For more details on the Dutch Government guarantee scheme and the other measures announced, please refer to moodys.com.

DETAILED RATING CONSIDERATIONS

Detailed considerations for LeasePlan's currently assigned ratings are based on the latest financial report available, which has 2007 year-end figures as well as on the information publicly disclosed by LeasePlan for the first half of 2008. Moreover, the quantitative scores are based on the three-year averages for the years 2005-2007.

Bank Financial Strength Rating

Moody's assigns a BFSR of C to LeasePlan, which is based on the company's sizeable global car leasing franchise, not only in the Netherlands but also in other European markets, Australasia and the United States, as well as its well-diversified client portfolio and solid financial fundamentals. The BFSR also reflects our belief that LeasePlan's total reliance on wholesale funding sources and the monoline nature of the firm, coupled with the pressure on its profitability due to higher funding costs, are notable constraints on its financial strength.

As a point of reference, the assigned BFSR of C is in line with the outcome of Moody's bank financial strength scorecard. We recognise, however, that this scorecard displays some shortcomings in terms of its application to certain banks, especially with regard to their business model.

Qualitative Factors (50%)

Factor 1: Franchise Value

Trend: Neutral

LeasePlan has a dominant position in the Netherlands, where it has around 19% of the car fleet leasing market, making it slightly bigger than the second-placed firm. It is also the leading car leasing company in Australia, Spain, Italy and Belgium and within the top three in the US, the UK and Germany.

However, generally Moody's believes that competition remains fierce in this sector, especially as more players - usually banks - are entering the market and markets have been maturing. LeasePlan's competitors in Europe tend to be leasing companies backed by major financial institutions (e.g. Société Générale, BNP Paribas) or the captive finance arms of auto companies - the latter is also true in the US. Such large banking groups tend to benefit from extensive networks, and thus distribution capacity, not only in their respective countries, but also, for some, across geographies. The latter is becoming more important as large corporate groups internationalise themselves further and expand in different countries. As such, a partner of choice for those large corporates 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 30 countries globally, displays excellent geographical diversification. Most of its revenues were generated in Western Europe in 2008 (over 80% of total profit before tax), with the Netherlands representing around 22%. 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 the United Arab Emirates. LeasePlan also acquired a 51% share in VDF Holding A.S. in Turkey in May 2007 and 100% of Daimler Chrysler Fleet Management in France in May 2008. It has also successfully integrated VW's multi-brand fleet management activities (Europcar Fleet Services) in Italy, Spain and Portugal (acquired in 2005). Moody's believes that this acquisition is helpful in strengthening LeasePlan's franchise in these countries.

At end-June 2008, LeasePlan had 1.3 million 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 a focus on a core, defensible franchise, is a rating constraint. The company holds a banking licence but is essentially a car leasing company and subsidiary activities are related to and largely driven off this core purpose.

The scorecard outcome of C is commensurate with LeasePlan's franchise value, in our view.

Factor 2: Risk Positioning

Trend: Weakening

Most of LeasePlan's leases are operational leases rather than 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 had been positive in all recent years. That said, although the company may be able to adapt to a limited decline in the prices of second-hand cars by adjusting residual values in its new contracts, Moody's is concerned that its profitability would come under significant pressure, were the prices to decline markedly and for a prolonged period. Residual value risk will be a key determinant in Moody's conclusion of the current review on LeasePlan's ratings. In particular, Moody's will assess possible mitigants to residual value risks, review the bank's flexibility in reducing its cost base, should the volume of its business decrease in line with the overall automotive market.

With regards to credit risk concentration, the top 20 group exposures (as defined under Moody's BFSR methodology, and including interbank) are sizeable relative to both Tier 1 capital and pre-provision income (around 188% of Tier 1 capital and 834% of pre-provision income at end-June 2008), while the top 20 lease exposures accounted for 164% of Tier 1 capital and 457% of pre-provision income at the same date (source: LeasePlan). Moody's views such exposures to single credits negatively. As such, we will continue to monitor them closely and would also expect LeasePlan to take significant steps to improve the loan granularity of its business portfolio and thereby reduce its vulnerability to the deterioration or the contract termination of single credits. That said, we take 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 excluded.

LeasePlan's central treasury activities are focused on funding its subsidiaries. All core assets are held to maturity. LeasePlan has no trading book or assets classified as "available-for - sale". For Dutch central bank purposes, the company solely has a banking book, in which activities there is a very limited appetite for risk-taking.

In the past, 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 falling 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.

The bank has now EUR 2.6 billion back-stop liquidity facilities, including a EUR 2 billion 25-bank syndicated back-stop facility and a EUR 625 liquidity back-stop facilities from two Dutch banks approved by the Dutch central bank. We note that in May 2008 LeasePlan successfully obtained a EUR 750 million syndicated bridging facility with 10 banks designed to bridge the time needed to secure term financing via a securitisation of the lease assets of LPUK (EUR 800 million) and an increase in LP Netherlands' securitised assets (EUR 200 million).

LeasePlan also has a EUR 1.64 billion ECB-eligible own-book securitisation of Dutch operational car lease receivables. Although we view this securitisation as an important extra liquidity buffer at present, we note that the new framework announced by the ECB may have an adverse impact on banks that use their own securitised debt as collateral for ECB refinancing from February 2009 onwards.

In October 2008, LeasePlan's ultimate parent Volkwagen AG, has provided LeasePlan with a EUR 1.5 billion three-year committed line. Moody's however perceives the overall liquidity as a particular point of scrutiny for LeasePlan, which will be assessed during Moody's review on the bank's ratings. In particular, Moody's will discuss LeasePlan's reliance on its parents and on repo with the ECB to ensure that it maintains an adequate liquidity position. In addition, Moody's also noted that, according to its stress tests on liquidity, which assume no access to the capital markets and no reduction of the activity, LeasePlan is now short of a 12 months objective. Both the quality and the evolution of LeasePlan's liquidity position will be key elements in determining the outcome of the review for possible downgrade. Moody's will closely monitor the possible impact on LeasePlan from the new ECB framework for refinancing, the evolution of the securitisation markets as well as the measures to be taken by the institution to restore its extra liquidity buffer. Any further deterioration will have a negative impact on both BFSR and debt rating. Moody's notes however, that LeasePlan has been declared eligible to the Dutch Government guarantee schemes for banks on 24 November.

The overall scorecard outcome of D for risk positioning takes into account LeasePlan's total reliance on market funding, its sound liquidity management as well as the credit risk concentration resulting from the recourse to the interbank market. That said, it does not account for the potential risks linked to residual value should the European second-hand markets experience a significant and prolonged decline, which Moody's will assess in its review.

Factor 3: Regulatory Environment

Please refer to Moody's most recent Banking System Outlook for the Netherlands, published in February 2008, to obtain a detailed discussion on the regulatory environment.

Factor 4: Operating Environment

Trend: Neutral

This factor is common to all Dutch banks. Refer to Moody's most recent Banking System Outlook for the Netherlands, published in February 2008, to obtain a detailed discussion on the operating environment.

However, given the increasing weight of the company's non-Dutch operations, Moody's believes the score for the Netherlands is not a fair representation of LeasePlan's operating environments. We have therefore assessed the company's overall operating environment using a weighted average of the scores for the countries in which it has operations.

Given that LeasePlan operates mostly in mature economies (Western Europe accounting for over 80% of revenues), we do not expect a deterioration in the overall operating environment. However, we would monitor closely any expansion in emerging markets, such as in India, Turkey or the CIS countries.

Quantitative Factors (50%)

Factor 5: Profitability

Trend: Weakening

Over the last five years, total income arising from interest has consistently accounted for around 30% of total operating income, the overall composition of which 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.

Profitability as a percentage of risk-weighted assets has been decreasing in recent years to 2.17% at year-end 2007 from 2.60% at year-end 2004 (Moody's calculations) -- primarily driven by risk-weighted assets rising faster than profits. The net interest margin, nearly all of which stems from the lease portfolio, has also continued declining, to 1.92% at year-end 2007 (end-June 2008: 1.89%) from 2.7% at year-end 2004. This, we believe, is a function of both rising cost of funds and competitive pressure in LeasePlan's markets.

Moreover, we expect LeasePlan to be impacted negatively by the re-pricing of risk that has ensued following the turmoil in the financial markets. This should translate into a further increase in the company's cost of funds, which will have a direct impact on the net interest margins and, thus, overall profitability. LeasePlan will be keen to pass on some of its rising costs to its clients but, given the intensifying competitive pressure, it may find it hard to do so fully. Consequently, margins are likely to remain under pressure, and we would expect a further deterioration in LeasePlan's net interest margins going forward.

Finally, a 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 a scenario, the company's ability to maintain a lean cost structure will be a critical factor in maintaining its relative profitability, in our view.

The score of C is in line with our assessment of LeasePlan's current level of profitability. Upon the conclusion on the review on LeasePlan's ratings, Moody's will nonetheless assess the potential impact on profitability of an increase of residual value risk and of a marked deterioration of the automotive market across LeasePlan's franchise.

Factor 6: Liquidity

Trend: Neutral

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 was well managed until the worsening of the crisis, we continue to believe that this 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 the Aa range, for example, where rating transition risk is lower.

Moody's perceives the bank's overall liquidity as a particular point of scrutiny which will be assessed during Moody's review. In particular, Moody's will discuss LeasePlan's reliance on its parents, on repo with the ECB and on Government guarantees to ensure that it maintains an adequate liquidity position.

Please refer to the risk positioning section of this Credit Opinion for more information on the bank's liquidity management and recent developments on liquidity.

The scorecard outcome of D+ for liquidity is a fair representation of the institution's reliance on market funding.

Factor 7: Capital Adequacy

Trend: Weakening

LeasePlan has set a minimum target of 8% for its Tier 1 capital ratio. The latter stood above this at 8.30% under Basel I at year-end 2007 and does not contain any "hybrid capital". LeasePlan had a tier 1 ratio of 7.7% under Basel 2 standardised approach at end-June 2008, a level below those currently targeted by banks across Western Europe. We expect the regulatory ratios to benefit significantly from LeasePlan's adoption of an advanced approach in 2009.

The scorecard outcome of B+ is commensurate with our assessment of LeasePlan's capital adequacy. In its review on LeasePlan's ratings, Moody's will assess the potential impact of current market conditions on LeasePlan's solvency of a marked deterioration of the automotive market across LeasePlan's franchise and a deterioration of residual value risk.

Factor 8: Efficiency

Trend: Weakening

The cost-to-income ratio remains high, at around 67.16% at end-June 2008 (Moody's estimates). This ratio was at 65.90% at year-end 2007 down from more than 70% at year-end 2005.

While LeasePlan's efficiency ratios are commensurate with those of some European retail banks, it does not have the expense of a retail branch network (and by the same token does not benefit from cheap retail funding). This is mainly linked to the nature of LeasePlan's business as the company handles around 1.3 million leases with an average new car or ticket value between EUR 15.000 and EUR 20,000, 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 5,971 at year-end 2007. The total headcount was up to 6,213 at end-June 2008 mainly on the back of the acquisition of new businesses.

Moody's anticipates 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 the 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's ability to maintain its relative profitability.

The scorecard outcome of D is a fair representation of the institution's efficiency level. Moody's will however weigh the potential impact on efficiency of an increase of residual value risk and of a marked deterioration of the automotive market across LeasePlan's franchise.

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 risk 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 year-end 2007, contracted residual values on which the Group bears risk totalled approximately EUR 7.4 billion. Going forward, a deterioration in the economic environment in countries where LeasePlan operates could have a detrimental impact on its asset quality

The scorecard outcome of A reflects LeasePlan's current asset quality. We will, however, closely monitor the residual value risk linked to the company's leases.

Global Local Currency Deposit Rating (Joint Default Analysis)

Moody's assigns a long-term global local currency (GLC) deposit rating of A3 to LeasePlan Corporation N.V., under review for possible downgrade.

This is at the same level as the company's baseline credit assessment given our assessment that LeasePlan would be unlikely to receive systemic support in the event of distress. Nor do we factor in any support from the main shareholder, VW Bank, which we believe views LeasePlan entirely as a financial investment, as demonstrated by the fact that the company is not a consolidated element of VW Bank's accounts and remains managerially and financially independent.

Foreign Currency Deposit Rating

LeasePlan's A3 (under review for possible downgrade)/Prime-2 foreign currency deposit ratings are at the same level as the GLC deposit ratings and are unconstrained given that the Netherlands, in common with other EU members, has a country ceiling of Aaa.

Foreign Currency Debt Rating

LeasePlan's A3 (under review for possible downgrade)/Prime-2 foreign currency debt ratings are at the same level as the GLC deposit ratings are unconstrained given that 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. BFSRs 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 honor its domestic or foreign currency obligations. Factors considered in the assignment of BFSRs include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although BFSRs 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 BFSR 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, they are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to deposit obligations, which 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 Credit Assessment. In calculating the Global Local Currency Deposit 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 systemic support for the bank in the event of a stress situation and the degree of dependence between the issuer rating and the Local Currency Deposit Ceiling.

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. A 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 high local currency ratings for certain banks, which could also produce high foreign currency ratings. Nevertheless, it should be noted 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 ratings 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.

About Moody's Bank Financial Strength Scorecard

Moody's bank financial strength model (see scorecard below) is a strategic input in the assessment of the financial strength of a bank, used as a key tool by Moody's analysts to ensure consistency of approach across banks and regions. The model output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating Factors

LeasePlan Corporation N.V.

Rating Factors [1]	**A**	**B**	**C**	**D**	**E**	**Total Score**	**Trend**
Qualitative Factors (50%)						**C**	
Factor: Franchise Value						**C**	**Neutral**
Market Share and Sustainability			**x**				
Geographical Diversification	**x**						
Earnings Stability			**x**				
Earnings Diversification [2]					**x**		

Factor: Risk Positioning						**D**	**Weakening**
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					**x**		
- Borrower Concentration					x		
- Industry Concentration		x					
Liquidity Management			**x**				
Market Risk Appetite		**x**					
Factor: Operating Environment						**A**	**Neutral**
Economic Stability	**x**						
Integrity and Corruption	**x**						
Legal System	**x**						
Financial Factors (50%)						**C**	
Factor: Profitability						**C**	**Weakening**
PPP % Avg RWA			2.18%				
Net Income % Avg RWA			1.62%				
Factor: Liquidity						**D+**	**Neutral**
(Mkt funds-Liquid Assets) % Total Assets					74.87%		
Liquidity Management			x				
Factor: Capital Adequacy						**B+**	**Weakening**
Tier 1 ratio (%)		8.40%					
Tangible Common Equity % RWA	8.47%						
Factor: Efficiency						**D**	**Weakening**
Cost/income ratio				67.75%			
Factor: Asset Quality						**A**	**Neutral**
Problem Loans % Gross Loans	0.32%						
Problem Loans % (Equity + LLR)	3.06%						
Lowest Combined Score (15%)						**D+**	
Economic Insolvency Override						**Neutral**	
Aggregate Score						**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