MOODY'S INVESTORS SERVICE

Credit Opinion: LeasePlan Corporation N.V.

Global Credit Research - 17 Feb 2012

Almere, Netherlands

Ratings

Category	**Moody's Rating**
Outlook	Rating(s) Under Review
Bank Deposits -Dom Curr	*A3/*P-2
Bank Financial Strength	*C
Issuer Rating -Dom Curr	*A3
Senior Unsecured	*A3
Bkd Commercial Paper	*P-2
Other Short Term -Dom Curr	*(P)P-2
LeasePlan 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)P-2
LeasePlan Australia Limited	
Outlook	Rating(s) Under Review
Bkd Senior Unsecured -Dom Curr	*A3
Bkd Commercial Paper	*P-2
Bkd Other Short Term	(P)P-2

* Placed under review for possible downgrade on February 16, 2012

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Key Indicators

LeasePlan Corporation N.V. (Consolidated Financials)[1]

	[2]**6-11**	[2]**12-10**	[2]**12-09**	[2]**12-08**	[3]**12-07**	**Avg.**

Total Assets (EUR million)	**18,291.5**	**17,469.3**	**17,126.2**	**17,698.8**	**16,345.3**	[4]**2.9**
Total Assets (USD million)	**26,519.8**	**23,435.8**	**24,571.7**	**24,602.2**	**23,897.7**	[4]**2.6**
Tangible Common Equity (EUR million)	**1,939.0**	**1,809.0**	**1,567.5**	**1,393.7**	**1,256.3**	[4]**11.5**
Tangible Common Equity (USD million)	**2,811.2**	**2,426.9**	**2,249.0**	**1,937.3**	**1,836.8**	[4]**11.2**
Net Interest Margin (%)	**2.0**	**1.8**	**1.7**	**1.7**	**1.9**	[5]**1.8**
PPI / Avg RWA (%)	**2.8**	**2.4**	**2.1**	**2.3**	**2.2**	[6]**2.4**
Net Income / Avg RWA (%)	**2.1**	**1.6**	**1.3**	**1.6**	**1.7**	[6]**1.7**
(Market Funds - Liquid Assets) / Total Assets (%)	**50.5**	**53.8**	**67.6**	**65.1**	**70.0**	[5]**61.4**
Core Deposits / Average Gross Loans (%)	**--**	**13.3**	**1.5**	**11.1**	**5.7**	[5]**7.9**
Tier 1 Ratio (%)	**14.5**	**14.6**	**12.8**	**11.9**	**8.3**	[6]**13.4**
Tangible Common Equity / RWA (%)	**14.6**	**14.1**	**12.3**	**11.6**	**8.1**	[6]**13.1**
Cost / Income Ratio (%)	**65.8**	**69.1**	**69.3**	**69.5**	**65.7**	[5]**67.9**
Problem Loans / Gross Loans (%)	**--**	**0.6**	**0.7**	**0.3**	**0.3**	[5]**0.5**
Problem Loans / (Equity + Loan Loss Reserves) (%)	**--**	**4.0**	**5.9**	**3.5**	**3.0**	[5]**4.1**

Source: Moody's

[1] All ratios are adjusted using Moody's standard adjustments [2] Basel II; IFRS [3] Basel I; IFRS [4] Compound Annual Growth Rate based on IFRS reporting periods [5] IFRS reporting periods have been used for average calculation [6] Basel II & IFRS reporting periods have been used for average calculation

Opinion

RECENT CREDIT DEVELOPMENTS

On 15 February 2012, Moody's placed LeasePlan's C standalone bank financial strength rating (BFSR) which maps into an A3 on the long-term scale under review for downgrade. Simultaneously, the A3/Prime-2 debt and deposit ratings were put on review for possible downgrade. During the review, we will consider a potential downgrade to the long-term ratings of up to three notches, i.e. to Baa3.

This follows Moody's announcement on the same day to place a number of European banks on review for downgrade, reflecting the multiple challenges we consider these banks face, notably (1) a weakening macroeconomic environment; (2) costly and constrained market funding; and (3) pressure on profits. These challenges may lead us to reduce our assessment of several important rating factors, notably economic stability, franchise value, risk positioning, liquidity, profitability and capital. Moreover, some governments are becoming more constrained in their ability to provide support for banks over the medium term. As a consequence, European banks face immediate pressures centered on their ability to retain the confidence of investors. For more details please see our reports "Global Bank Ratings Likely To Decline In 2012", "Euro Area Debt Crisis Weakens Bank Credit Profiles" and "European Banks: How Moody's Approach Reflects Evolving Challenges", published on 19 January 2012.

The review on LeasePlan's standalone bank financial strength rating will particularly focus on the sustainability of its franchise value in the context of deteriorating economic environment and disrupted wholesale funding markets. Economic prospects are worsening and increasingly uncertain, with signs of double-dip recessions emerging in several euro area countries and GDP growth likely to be lower and less predictable over the next two to three years. Moody's will assess how the deteriorating economic environment could negatively impact LeasePlan's franchise value, risk positioning, liquidity, profitability and capital.

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 (BCA) of A3. 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 US, as well as its well-diversified client portfolio and solid financial fundamentals. The rating is, however, constrained by the company's high, albeit reducing, reliance on wholesale funding sources and its mono-line nature.

LeasePlan's global local currency (GLC) deposit ratings are A3/Prime-2 under review for possible downgrade, based solely on its BCA of A3, and do not incorporate any probability of systemic or parental support. Volkswagen Bank GmbH (VW, C- stable / A3 positive / Prime-2) - a 100%-owned subsidiary of Volkswagen Financial Services (unrated) and thus indirectly of VolksWagen AG (VW, A3 positive/Prime-2) - owns 50% of the company, while the remaining shares are owned by Fleet Investments B.V., an investment company.

It is Moody's understanding that VW considers LeasePlan as a financial investment. As such, the company is operationally and managerially independent from its owners (as evidenced by VW Bank's IFRS accounts, where LeasePlan is accounted for as an investment under the equity method).

Rating Drivers

Strengths

- Leading fleet and vehicle management company

- Geographically diversified franchise with strong foothold in the Netherlands and other European markets, as well as in Australasia and the US

- Good risk management and proven ability to adapt residual values to market changes

Weaknesses

- High, albeit reducing, reliance over wholesale funding sources and debt capital markets

- Monoline type of business focused on car leasing and fleet management

- High sensitivity of revenues to the evolution of the second-hand car market prices and residual values

- Potential reduced attraction of leasing to corporate customers due to future changes in accounting principles.

Rating Outlook

LeasePlan's BFSR, long-term and short-term deposit and debt ratings are on review for downgrade. During the review we will consider the impact on LeasePlan's standalone creditworthiness of weakening fundamentals, notably economic stability, franchise value, risk positioning, liquidity, profitability and capital, in the context of the current environment.

What Could Change the Rating - Up

LeasePlan's BFSR, long-term and short-term deposit and debt ratings are on review for downgrade. At present and over the immediate rating horizon, we therefore do not see any meaningful upwards rating pressure on the bank's standalone rating, and also on the bank's debt and deposit ratings.

What Could Change the Rating - Down

The BFSR could be downgraded following our review which will re-assess the impact of disrupted wholesale market and deteriorating economic environment on the bank's financial fundamentals, notably economic stability, franchise value, risk positioning, liquidity, profitability and capital.

The main factors that would lead us to downgrade LeasePlan's intrinsic financial strength rating are:

(i) Any broader reappraisal of the implications of the highly fragile funding environment for banks that are reliant on wholesale funding and vulnerable to a loss of investor confidence;

(ii) A further material increase in the probability of a recession leading to potential lease termination losses or credit losses on the bank's corporate customers

Given that we do not factor-in probability of systemic support for LeasePlan, the long-term debt ratings are aligned with the bank's BCA. Any downgrade of the BFSR would therefore result in a similar action on the bank's long-term ratings.

Recent Results and Company Events

LeasePlan recorded a net profit of EUR225 million for the full year 2011, up by 13% from EUR199 million in 2010. At end-December 2011, LeasePlan's total assets were up 8% and stood at EUR18.9 billion. The bank's core Tier 1 ratio stood at 14.9%, up from 14.6% at year-end 2010 (figures under Basel II with 80% transitional floor).

DETAILED RATING CONSIDERATIONS

Detailed considerations for LeasePlan's currently assigned ratings are based on the latest financial report available (2010 year-end figures) as well as on the information publicly disclosed by LeasePlan for the first half of 2011.

Bank Financial Strength Rating

Moody's assigns a BFSR of C on review for downgrade 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 US, as well as its well-diversified client portfolio.

Furthermore, the BFSR also reflects our belief that LeasePlan's reliance on wholesale funding sources and the mono-line nature of the firm, coupled with the risk of downward pressure on its profitability due to potential negative residual value performance and the higher cost of funding, exert some constraint 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. Moody's is cognizant of the shortcomings the bank financial strength scorecard may display for certain banks and is of the opinion that the scorecard does not fully capture the business and financial risks, notably the residual value risk, inherent in car leasing activities. As a result, the scorecard-derived BFSRs has been adjusted accordingly.

Franchise Value

Moody's currently considers LeasePlan's global franchise as a credit strength. That said, as part of our review, we will consider the potential impact on the bank's franchise of (i) expected more costly/constrained refinancing conditions for banks, and (ii) weakening macroeconomic environment, especially in the euro area.

LeasePlan is the world's leading fleet and vehicle management company with 1.3 million cars under management and a consolidated lease portfolio of more than EUR13 billion at end-June 2011. It has a dominant position in key markets: in the Netherlands, where it has around 19% of the car fleet leasing market, thereby making it the second-placed firm. LeasePlan also has a leading position in Australia, Belgium, Italy and Spain. It is also within the top three car leasing companies in the US, the UK and

Germany and ranks fourth in France.

In 2010, most of LeasePlan's revenue were generated in Europe (over 87% of total revenues), with the Netherlands accounting for around 15%. While we consider the bank's geographic diversification to be a credit strength through the cycle, we expect it to be less so the case in the short-to-medium term, given the unprecedented economic crisis facing Europe, especially the euro area. Our review will therefore assess the potential impact the current macroeconomic environment may have on new business flows for LeasePlan, on its profitability and ultimately on its franchise value.

The mono-line nature of the firm, while a function of its focus on a core, defensible franchise, is however a rating constraint. Indeed, the bank's displays very limited earnings diversification. In addition, although in recent years the bank started collecting deposits, the bank remains primarily reliant on wholesale funding, which is also an indirect consequence of its mono-line nature.

Moody's views LeasePlan's large fleet scale as a competitive advantage. The scale of operations drives internal cost efficiencies and influences the ability to demand rebates and bonuses from suppliers. Also, the information received from large-scale operations enables more accurate predictions of maintenance and usage levels of leased vehicles. Moody's expects LeasePlan's already strong global franchise to remain one of the company's key strengths.

LeasePlan achieves a score of C on franchise value, which is one of the factors that will be considered during our review, particularly the longer-term sustainability of the franchise and of core earnings stability. In light of the current market conditions, the scoring of C may overstate the overall franchise strength of LeasePlan.

Risk Positioning

Moody's considers LeasePlan's risk position to be overall modest and on a weakening trend. In our view, LeasePlan's biggest risk factor in the current environment is its wholesale funding reliance, which will be the main focus of our review.

Below is a discussion of the main risks for LeasePlan.

Funding and Liquidity:

Our review will consider to which extent LeasePlan's current intrinsic financial strength rating adequately reflects the increasing challenges facing financial institutions with large wholesale funding reliance and a sensitivity to the loss of investor confidence. Specifically, our current review will reassess LeasePlan's ability to withstand current pressures of costly and constrained market funding also in the future together with the bank's ability to replace existing forms of long-term funding (including guaranteed debt) and maintain satisfactory levels of liquid buffers.

As part of its business model, LeasePlan historically relied on wholesale funding to refinance its assets. The institution's profile was significantly challenged in late 2008 as financial markets were closed. Since then, the institution has taken several measures to improve its liquidity and funding profile.

The most visible initiative was the launch of an online saving bank at the beginning of 2010 with the goal of building a stable deposit base with a high portion of term-deposits. As of end-December 2011 the bank had outstanding retail deposits amounting to EUR2.8 billion, i.e. approximately 15% of its balance sheet as at year-end 2011. Although Moody's views internet deposits as less sticky than "traditional" retail deposits, the inclusion of LeasePlan Bank under the Dutch Deposit Guarantee scheme, which guarantees up to EUR 100 000, adds an element of stability. Stability is further enhanced by the fact that more than 1/2 of these deposits are term-deposits.

That said, these retail deposits won't fully address the bank's dependence over market funding. Instead, LeasePlan's ability to finance itself in the capital markets remains an essential component of its operating model. Without such access, the franchise could be quickly eroded as the institution goes into a "run-off" mode, once all available liquidity sources have been used.

With a balance sheet of EUR18.9 billion and a lease portfolio of EUR 14.3 billion at end-June 2011, the bank's annual funding requirement is estimated at around EUR 3.5 billion. LeasePlan has recently demonstrated its ability to tap senior unsecured markets without recourse to central bank funding. In early 2012, LeasePlan managed to place two long-term senior unsecured issuances of respectively EUR500 million and EUR700 million. We also positively note that LeasePlan reinforced its liquidity profile by issuing longer-dated notes to match the increased maturity profile of contract leases. The bank's funding profile is supported by a "matched funding" strategy, which consists of issuing liabilities for maturities that match or exceed the maturity profile of leased assets in a run-off scenario. Despite the significant use of lease contract extensions (to mitigate its residual value risk), the bank's liquidity gaps have not materially changed.

Several standby liquidity facilities safeguard LeasePlan's ability to continue to originate new business in adverse market conditions. These facilities, which have been recently renewed, consist of a EUR1.475 billion line committed from its 50% ultimate shareholder Volkswagen AG (A3 positive/Prime-2) maturing in January 2014 and a committed line from a syndicate of 16 banks which was renewed in December 2010 for 3 years and increased to EUR1.475 billion (from EUR1 billion). Although these lines do not include material adverse change (MAC) clauses, they contain specific mandatory repayment triggers and therefore may not be available at all times.

Further comfort is provided by LeasePlan's ability to refinance via securitisation transactions. LeasePlan made several securitisation transactions in 2011, resulting in a total securitized debt of ca. EUR 1.5 billion as at end-June 2011. LeasePlan plans further securitisations of lease assets within the next 12 months.

While the access to the ECB granted by its banking license has proven invaluable in the current market environment, Moody's considers ECB refinancing as an external source of support and believes it is critical for wholesale funded institutions to be able to refinance directly on the senior unsecured market. Moody's further cautions that in 2012 the bank will face the challenge of refinancing its maturing government guaranteed debts.

At end-June 2011, LeasePlan's main sources of funding were:

- Senior unsecured and unguaranteed debt (38% of total funding sources)

- State guaranteed debt (36%)

- Internet deposits (15%)

- Interbank (9%)

- Subordinated debt (2%)

(Total funding sources is defined as the sum of the items listed above.)

Residual value risk:

Residual value risk (asset revaluation risk) is among the largest risks faced by LeasePlan. It arises from the uncertainty on the future market value of automobiles and the risk that the car price settled at the beginning of a lease might differ from the vehicle's true value at the end of the contract. Termination losses can occur if the market prices of used cars fall (due to changes in local taxation, economic conditions or market structure) below the book value of the vehicle on the day it is written off the balance sheet (i.e. it is sold on the second hand car market). This risk is mainly borne on operational leases.

While it is part of operational leasing activities to take residual value risk, managing it effectively is key in maintaining potential residual value risk within the firm's risk appetite. In this respect, we note that LeasePlan has been successful into taking measures during the crisis to adapt to the lower second-hand car market prices.

These actions, coupled with the structural short-duration of car leases (between three to four years) and a slight improvement of the market prices (yet below pre-crisis levels), have enabled LeasePlan to partly mitigate the effect of a prolonged depression in the second-hand car market prices. Based on our stress test analysis, we believe that LeasePlan is well positioned to absorb a material worsening in termination losses. In our view, the bank's residual value risk may however increase in the event of a severe deterioration of the macroeconomic fundamentals of the euro area and more generally of Europe.

Credit risk:

In LeasePlan's operations, credit risk stems from the inability of a lessee to make contractually agreed lease payments. As this risk is mostly correlated to corporate defaults, in estimating the credit loss on finance leases and on the NPV of future cashflows, we used the approach described in Moody's special comment entitled "Moody's Approach to Estimating Dutch Banks Credit Losses" published in October 2009. Moody's notes that the leased vehicles remain owned by LeasePlan, which allows it to partly mitigate potential credit losses.

In terms of concentration, LeasePlan's top 20 group exposures (as defined under Moody's BFSR methodology, and including interbank) are sizeable relative to both its Tier 1 capital and pre-provision income, especially due to the bank's large exposures to financial institutions. That said we positively note that the concentration to customers (lessees) remains limited, owing to the large size of the bank's franchise as well as its good geographical and industry diversification. The largest part of LeasePlan's credit exposure is to large corporate, while it is less exposed to SMEs, which we consider as more risky individually although more granular. In terms of industry concentrations, excluding the exposure to financial institutions, LeasePlan's exposures to other industries are diversified. LeasePlan has no trading book or assets classified as "available-for-sale".

Profitability

Overall LeasePlan's profitability is strong and has been stable in recent years. That said, we expect the weakening macroeconomic environment and more costly/constrained refinancing conditions to negatively affect the profitability of wholesale funded institutions. These factors will therefore form part of our review of the bank's intrinsic financial strength.

Pre-provision income as a percentage of risk-weighted assets improved to 2.8% during the first-half of 2011, up from 2.3% in 2010. LeasePlan's profitability has been sustained by the firm ability to manage costs and termination results. Since 2008, we positively note that LeasePlan has extensively used these mitigating factors to alleviate the negative termination results. Moody's views LeasePlan's strong and diverse sources of non-interest income - mainly composed of management fees, rebates and bonuses from car manufacturers and suppliers, as well as insurance revenue, which has steadily increased over the past few years - as a key strength and a mitigating factor against negative termination results. Moody's believes that LeasePlan's scale and market shares should continue to enhance its negotiating power for discounts and bonuses from car suppliers in particular.

Additionally, interest income has been continuously improving over the past years, with LeasePlan's net interest margin up to 1.9% in H1-2011 from 1.8% in 2010 and 1.7% in 2009. Despite elevated cost of funds due to the higher cost of interest in the debt markets along with non-negligible charges related to the state guarantee on debt issuance and the launch of internet deposits offering attractive yields, the bank was able to maintain a positive trend on the net interest margin in 2011. This can be explained by the ability of the firm to pass on some of its rising costs to its clients. We however believe it may become more challenging to maintain such margins in the medium term, as we expect wholesale refinancing costs to remain elevated. In addition, we continue to view the Dutch internet deposit market as highly competitive, thereby maintaining such funding costs elevated.

The company's ability to manage its cost structure has been a critical factor in maintaining its relative profitability. The cost-to-income ratio remains high, but improving at around 66% during H1-2011, from 70% in 2010. LeasePlan's efficiency ratios are commensurate with those of some European retail banks. While Leaseplan does not have to deal with the expenses that arise from a retail branch network, the group's multi-subsidiary organisation results in a relatively high cost structure overall. LeasePlan's expenses are mainly linked to the nature of its business as the company handles around 1.3 million vehicles with an average new car or ticket value of between EUR 15,000 and EUR 20,000, which is both IT- and staff-intensive. LeasePlan's ability to manage its cost structure has been a critical factor in maintaining its relative profitability and Moody's views any reduction in the cost base as an important step towards maintaining its profitability.

Looking ahead, we expect LeasePlan's profitability to be constrained by both difficult market conditions implying higher than pre-crisis cost of funds, and competitive pressure in its main fleet leasing markets. This should continue to translate into renewed pressure on net interest margins and, thus, overall profitability. Also, we caution that LeasePlan's profitability remains highly correlated to second-hand car market prices, which could be volatile in the current deteriorating economic environment.

Capital Adequacy

LeasePlan's disclosed a solid Tier 1 capital ratio of 14.9% at end-December 2011 (figures under Basel II with 80% transitional floor), comprising exclusively core Tier 1 components, slightly up from 14.6% in December 2010. Moody's views the bank's capital as adequate to absorb potential termination and credit losses under our stress scenarios. However the bank's capitalization may suffer from a sharp deterioration of the residual value risk. Our review will assess the potential impact of a severe deterioration of the macroeconomic fundamentals in Europe on LeasePlan's residual value risk and credit risk.

Asset Quality

When looking at credit risk in isolation, LeasePlan's asset quality remains strong as credit losses arising from lease contracts have been subdued so far. The company has historically registered a very low level of problem loans and a high recovery rate, the latter being due to the fact that the collateral of cars results in a modest loss given default, historically close to 30%. Additionally, LeasePlan's business is mainly focused on large international corporate clients with traditionally lower default rates than for smaller fleets, and the company has no consumer-related activity, which typically bears a higher risk profile.

We however caution that in the case of LeasePlan, the asset quality factor should also reflect residual value risk, which is one of LeasePlan's main risks. Consequently, we have adjusted this score downward to capture the potential residual value risks borne on top of credit risk. Our review will assess the potential impact of a severe deterioration of the macroeconomic fundamentals in Europe on LeasePlan's asset quality indicators.

Global Local Currency Deposit Rating (Joint Default Analysis)

Moody's assigns a long-term GLC deposit rating of A3 to LeasePlan, under review for downgrade.

This is at the same level as the company's BCA 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.

The Prime-2 short-term rating, also under review for downgrade, incorporates the challenges linked to the still high, yet decreasing, reliance over market funding, which are inherent to LeasePlan's structure.

Foreign Currency Deposit Rating

LeasePlan's A3/Prime-2 foreign currency deposit ratings on review for downgrade.

Foreign Currency Debt Rating

LeasePlan's A3/Prime-2 foreign currency debt ratings on review for downgrade.

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**	**Weakening**
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-**	**Weakening**
Economic Stability		**x**					
Integrity and Corruption	**x**						
Legal System	**x**						
Financial Factors (50%)						**C**	
Factor: Profitability						**C**	**Weakening**
PPI / Average RWA - Basel II			2.24%				
Net Income / Average RWA - Basel II			1.51%				
Factor: Liquidity						**D-**	**Weakening**
(Mkt funds-Liquid Assets) / Total Assets					62.18%		
Liquidity Management				x			
Factor: Capital Adequacy						**A**	**Neutral**
Tier 1 Ratio - Basel II	13.10%						
Tangible Common Equity / RWA - Basel II	12.66%						
Factor: Efficiency						**D**	**Neutral**
Cost / Income Ratio				69.33%			
Factor: Asset Quality						**A**	**Weakening**
Problem Loans / Gross Loans	0.53%						
Problem Loans / (Equity + LLR)	4.47%						
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

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