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Research Update:

LeasePlan Corporation N.V. 'BBB/A-2' Ratings Still On Watch Negative On Proposed Acquisition By Investor Consortium

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Overview

- We had previously placed the 'BBB/A-2' long- and short-term ratings on LeasePlan Corporation N.V. on CreditWatch with negative implications on July 28, 2015, following the announcement by Volkswagen AG and Dutch company Fleet Investments B.V. that they intended to dispose of their stakes to a consortium of investors.
- We are maintaining the rating on LeasePlan on CreditWatch, reflecting downside risks to the bank's financial profile, particularly its leverage, under the ownership of financial sponsors. At this stage, we consider these downside risks are limited to one notch.
- We intend to resolve the CreditWatch pending regulatory approval of the new ownership structure, whether in its current form or not.

Rating Action

On Nov. 3, 2015, Standard & Poor's Ratings Services maintained its 'BBB' long-term and 'A-2' short-term counterparty credit ratings on Dutch bank LeasePlan Corporation N.V. (LeasePlan) on CreditWatch with negative implications.

Rationale

We are maintaining the ratings on LeasePlan on CreditWatch while we await confirmation on whether the Dutch regulator will approve the proposed acquisition by a consortium of investors.

CreditWatch

We plan to resolve the CreditWatch once we have confirmation of the Dutch regulator's approval of the planned disposal in its current form and full clarity on the company's strategy and financial policy, even though at this stage we do not expect any substantial change. This is likely to occur within three months.

We will focus our review on LeasePlan's capital and leverage plans, the new ownership structure, and its capacity to maintain ample liquidity buffers. At this stage, we consider that any downside risk is limited to one notch; the company's business profile provides recurrent earnings streams and valuable

geographic diversification, and we do not expect this to change. We also anticipate that the Dutch regulator will ensure that LeasePlan, which is a fully fledged and regulated bank, continues to demonstrate healthy regulatory liquidity and capital ratios.

Related Criteria And Research

- Criteria - Financial Institutions - Banks: Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework - June 22, 2012
- General Criteria: Group Rating Methodology - November 19, 2013
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- Criteria - Financial Institutions - Banks: Methodology For Mapping Short-And Long-Term Issuer Credit Ratings For Banks - May 04, 2010
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks - March 23, 2004
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria - Financial Institutions - Banks: Bank Capital Methodology And Assumptions - December 06, 2010
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions - November 09, 2011

Ratings List

Ratings Remain On CreditWatch

LeasePlan Corporation N.V.

Counterparty Credit Rating	BBB/Watch Neg/A-2
Senior Unsecured*	BBB/Watch Neg
Commercial Paper*	A-2/Watch Neg
Short-Term Debt*	A-2/Watch Neg

LeasePlan Australia Ltd.

Senior Unsecured*	BBB/Watch Neg
Commercial Paper*	A-2/Watch Neg
Short-Term Debt*	A-2/Watch Neg

LeasePlan Finance N.V. (Dublin Branch)

Commercial Paper*	A-2/Watch Neg
Short-Term Debt*	A-2/Watch Neg

LeasePlan New Zealand Ltd.

Commercial Paper*	A-2/Watch Neg
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*Guaranteed by LeasePlan Corporation N.V.

Additional Contact:

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