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Research Update:

Dutch Bank LeasePlan 'BBB+/A-2' Ratings Placed On Watch Negative On Potential Ownership Change

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Overview

- On March 31, 2015, LeasePlan publicly stated that a group of investors was in discussions with LeasePlan's current 100% shareholder, GMH, to acquire 100% of LeasePlan.
- As our long-term rating on LeasePlan benefits from one notch of group support from Germany-based automaker, VW, the 50% owner of GMH, a sale could reduce the creditworthiness of the bank.
- We are placing our 'BBB+/A-2' ratings on LeasePlan on CreditWatch with negative implications.
- We could affirm the ratings or lower them by one or more notches within the next 90 days, depending on whether a sale agreement is reached, and, if so, on the impact of this ownership change on the bank's financial profile.

Rating Action

On April 8, 2015, Standard & Poor's Ratings Services placed its 'BBB+/A-2' long- and short-term counterparty credit ratings on Dutch bank LeasePlan Corporation N.V. on CreditWatch with negative implications.

Rationale

The CreditWatch placement follows LeasePlan's announcement on March 31, 2015, confirming that a group of investors is in discussions to acquire full ownership of LeasePlan from its current 100% shareholder, Global Mobility Holding B.V. (GMH), which is 50% owned by Volkswagen AG (VW). If ownership changed, we might no longer consider the bank to be a "moderately strategic" subsidiary of VW, as our criteria define this term. If VW is no longer a shareholder of LeasePlan, we would remove the notch of group support from VW that we factor into the long-term rating on LeasePlan.

We note that there has been no official communication from VW on this topic. The potential transaction would be subject to approval by regulatory and competition authorities.

Also, if the transaction proceeds, we will monitor the effect on LeasePlan's stand-alone credit profile (SACP), which we currently assess at 'bbb'. Depending on the strategic priorities of the new shareholders, and how this

would translate into capital, risk, and funding and liquidity management at LeasePlan, we may reassess the bank's SACP. For example, new shareholders could decide to upstream a significant amount of dividends, which could weaken the bank's risk-adjusted capital ratio below 10% and lead us to revise our view on the bank's capital position. We also note that LeasePlan's currently satisfactory liquidity buffer (of €4.5 billion in December 2014), comprises among other things an unused €1.25 billion of irrevocable credit commitments from VW, which could be reduced in case of a new ownership structure.

CreditWatch

We aim to resolve the CreditWatch within the next 90 days. We could affirm the ratings or lower them by one or more notches, depending on whether a sale agreement is reached, and, if so, on the impact of this ownership change on the bank's financial profile.

Ratings Score Snapshot

Issuer Credit Rating	BBB+/Watch Neg/A-2
SACP	bbb
Anchor	bbb+
Business Position	Moderate (-1)
Capital and Earnings	Strong (+1)
Risk Position	Adequate (0)
Funding	Below Average (-1)
Liquidity	Adequate
Support	+1
GRE Support	0
Group Support	+1
Sovereign Support	0
Additional Factors	None

Related Criteria And Research

Related Criteria

- Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Group Rating Methodology, Nov. 19, 2013
- Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012

- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- LeasePlan Corporation N.V., Jan. 8, 2015

Ratings List

CreditWatch Action

	To	From
LeasePlan Corporation N.V. Counterparty Credit Rating Senior Unsecured Commercial Paper	BBB+/Watch Neg/A-2 BBB+/Watch Neg A-2/Watch Neg	BBB+/Stable/A-2 BBB+ A-2
LeasePlan Australia Ltd. Senior Unsecured Commercial Paper	BBB+/Watch Neg A-2/Watch Neg	BBB+ A-2
LeasePlan Finance N.V. (Dublin Branch) LeasePlan New Zealand Ltd. Commercial Paper	A-2/Watch Neg	A-2

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