



Fitch Upgrades LeasePlan's Short Term IDR to 'F1'; Removes from UCO

Fitch Ratings-Frankfurt-22 July 2019: Fitch Ratings has upgraded LeasePlan Corporation N.V.'s (LeasePlan) Short-Term Issuer Default Rating (IDR) and its short-term programme rating to 'F1' from 'F2'.

The affected ratings have been removed from Under Criteria Observation (UCO), where they were placed following the publication of our updated Short Term Ratings Criteria on 2 May 2019.

All other ratings of LeasePlan are unaffected by this criteria change.

KEY RATING DRIVERS IDRS AND SENIOR DEBT

The upgrade of LeasePlan's Short-Term IDR to 'F1' from 'F2' reflects a sound funding and liquidity profile. This in turn is supported by LeasePlan's diversified and well-spread funding mix (which remains predominantly unsecured), good capital market access and funding benefits relating to the company's status as deposit-taking bank. Under the revised criteria the correspondence table between Long- and Short-Term IDRs provides a substantially more differentiated analytical view of short-term risk among issuers. For LeasePlan this permits its Long-Term IDR of 'BBB+' to correspond to a 'F1' or a 'F2' Short-Term IDR.

Fitch's funding and liquidity score for LeasePlan takes into account the company's solid performance under the agency's NBF1 funding and liquidity score benchmark metric (unsecured debt/total debt of 89% at end-2018).

The Long-Term IDR of LeasePlan reflects its franchise position as one of the world's leading vehicle leasing companies, its regulation as a deposit-taking bank by De Nederlandsche Bank and its stable and sound financial profile. The ratings also take into account its sizeable, but historically well-managed, exposure to residual-value risk, and the presence of holding company debt in addition to LeasePlan's own direct obligations.

RATING SENSITIVITIES IDRS AND SENIOR DEBT

LeasePlan's Short-Term IDR is primarily sensitive to a change in the company's Long-Term IDR. The Short-Term IDR is also sensitive to a weakening of the funding and liquidity score, which ultimately feeds into the company's IDRs. A weakening of the funding and liquidity profile could arise from a sustained increasing proportion of secured funding (thereby increasing the encumbrance of the balance sheet), a notable weakening in interest coverage ratios and/or a departure from current prudent liquidity management practices associated with its bank regulatory requirements.

Existing Rating Sensitivities identified in the most recent rating action commentary for LeasePlan (dated 15 October 2018) continue to apply to the rating more generally and are available at www.fitchratings.com.

The rating actions are as follows:

LeasePlan Corporation N.V.

Short-Term IDR: upgraded to 'F1' from 'F2'; removed from 'UCO'

Short-Term programme rating (EUR15 billion EMTN and USD5 billion MTN programme): upgraded to 'F1' from 'F2'; removed from 'UCO'

Contact:

Primary Analyst

Benjamin Schmidt

Director

+49 69 76 80 760115

Fitch Deutschland GmbH

Neue Mainzer Strasse 46-50

60311 Frankfurt

Germany

Secondary Analyst

Christian Kuendig

Senior Director

+44 20 3530 1399

Committee Chairperson

Mark Young

Managing Director

+44 20 3530 1318

Media Relations: Louisa Williams, London, Tel: +44 20 3530 2452, Email:

louisa.williams@thefitchgroup.com

Additional information is available on www.fitchratings.com

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (pub. 12 Oct 2018)

Short-Term Ratings Criteria (pub. 02 May 2019)

Additional Disclosures

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