



## **LeasePlan Finance N.V.**

### **Financial report for the year 2015**



PricewaterhouseCoopers  
Accountants N.V.  
For identification  
purposes only

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## Management report

The Managing Board takes pleasure in submitting the LeasePlan Finance N.V. (the "Company") annual report for the financial year ended 31 December 2015. The Company is a direct subsidiary of LeasePlan Corporation N.V.. The original purpose of the Company was to provide financial services to LeasePlan subsidiaries worldwide. In this capacity it was engaged in treasury activities in its own right and also on behalf of the parent company, LeasePlan Corporation N.V. The activities of the Company continue to be scaled back as it moves further towards an administrative role on behalf of the parent company. The Company no longer issues bonds under the EMTN programme and its engagement in creating new loans to companies within the group has substantially reduced. The primary role of the Company is to provide a comprehensive set of treasury support services to LeasePlan Corporation N.V. and to execute the treasury strategy set out by the Managing Board of LeasePlan Corporation N.V.

The balance sheet total amounts to EUR80 million. Compared to 2014 (EUR134 million) the balance sheet has decreased by EUR54 million. The reduction is due to aforementioned reduction in the Company's activities. A dividend of EUR19 million was also paid during the year.

The outstanding balance of issued debt securities dropped from EUR90 million as at 31 December 2014 to EUR74 million as at 31 December 2015. The Company has not issued any debt securities during the year. The amount of borrowings and loans from third parties is relatively small with listed debt outstanding being covered by loans from the parent company.

LeasePlan Finance N.V. ceased to issue bonds in 2010 and was removed as co-issuer from the EMTN program with LeasePlan Corporation N.V. in 2011.

The Company's funding requirements for the coming year are primarily dependant on the requirements of the Group subsidiaries that borrow from it. Any such loans will be covered through additional funding, as required from the parent company. However, as mentioned above, the activities of the Company continue to be scaled back as it moves further towards an administrative role on behalf of the parent company, and as a result, we do not expect any increase in the company's funding requirements.

The Company is exposed to various risks such as currency risk and interest rate risk. The Company manages these risks through the use of over the counter (OTC) derivatives, mainly interest rate swaps, cross-currency interest rate swaps and currency swaps. For details of the Company's financial risk management and derivatives used, refer to note 4 of the Financial Statements.

The profit after tax for 2015 is EUR2.5 million (2014: EUR4.4 million).

Based on the results for the year, the company is in a solvent position and the Directors have considered the appropriateness of the going concern basis in preparing the financial statements for the year ended 31 December 2015 on pages 6 to 28, which form part of the financial report. As part of their review of the financial statements for the year ended 31 December 2015, the directors have assessed and have satisfied themselves as to appropriateness of the future liquidity requirements and risks of the Company as set out in note 4 to the accounts.

The Managing Board cannot predict with reasonable accuracy the expected results of the Company for the forthcoming year, due to the number of external factors influencing the result. It is expected that the Company will continue to return some profit but this will continue to reduce as the intercompany loans activity decreases. It is expected that the number of employees of the Company will reduce in 2016 to 19 (2015: 20). It is anticipated that the level of total assets of the Company will further decrease in 2016 due to reduced funding activities.

### **Managing Board responsibility on financial reporting**

The Managing Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and responsible. It is also responsible for establishing and maintaining internal procedures which ensure that all financial information is known to the Managing Board, so that timeliness, completeness and correctness of external financial reporting is assured.

### **Conformity Statement pursuant to section 5:25C paragraph 2(c) of the Dutch Act on Financial Supervision (Wet op het Financieel Toezicht)**

As required by section 5:25c paragraph 2(c) of the Dutch Act on Financial Supervision, each member of the Managing Board hereby confirms that to the best of their knowledge:

- The Company's 2015 annual financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The Company's 2015 annual financial statements give a true and fair view of the position at the balance sheet date, the development and performance of the business during the financial year 2015 of the Company, together with a description of the principal risks that the Company is being confronted with.

### **Corporate Governance Statement**

Pursuant to the Dutch Decree of 20 March 2009, updated on 1 January 2010, implementing further accounting standards for annual reports (Besluit Corporate Governance) and based on the listing of LeasePlan debt securities issued on regulated markets in the EU, the following information is provided. The most important features of the control systems set-up for securing reliable financial statements are:

- As a subsidiary in the LeasePlan Corporation Group, the Company has a uniform set of accounting and reporting principles for its business based on its application of Dutch GAAP;
- A monthly cycle of reporting is maintained and throughout the year financial results and movements therein are analysed, explained and linked to the risk management information;
- Compliance with these uniform accounting and reporting principles is reviewed by the Group function 'Control, Reporting and Tax', and both internal and external independent auditor;
- As a reporting entity within the LeasePlan Group, the management of LeasePlan Finance N.V. submit a letter of representation to the auditors emphasising compliance with the uniform set of accounting and reporting principles.

### **Act On Management and Supervision**

Gender diversity is important for LeasePlan and providing a non-discriminatory environment for our people is one of the principles of our Code of Conduct. The Act on Management and Supervision requires that the Company (as defined in the Act) aims to establish an equal division of gender in the Managing Boards and Supervisory Boards thereof, i.e. at least 30% male and at least 30% female members. The profiles in case of (re-)appointment of Managing or Supervisory Board members of LeasePlan require indeed a diverse composition of the Boards. Below we provide an overview of the status of our efforts to aim for at least 30% male and 30% female board members in our Company, as required by the Act on Management and Supervision:

The Managing Board consists of one male member and one female member.

The Supervisory Board consists of two male members. There were no changes in the year and it was deemed not in the interests of the Company to replace and nominate a female member in either place. It is not anticipated that this will change in the foreseeable future.

Managing Board:

William O'Dwyer  
Director

Yolanda Paulissen  
Director

Date: 26 April 2016

## Balance sheet as at 31 December 2015

(after appropriation of result)

EUR (x1,000)	Notes	2015	2014
<i>Non-Current Assets</i>			
Intangible Fixed Assets	5	68	67
Tangible Fixed Assets	5	332	76
Loans to Group Companies	6	15,600	36,500
Loans to Third Parties	8	30	
Derivatives	9	2,454	3,534
Deferred Tax Asset	12	10	8
		<u>18,494</u>	<u>40,185</u>
<i>Current assets</i>			
Loans to Group Companies	6	35,801	90,800
Loans to Financial Institutions	7	0	500
Loans to Third Parties	8	-	30
Interest receivable on inter-company loans	10	407	1,939
Other Assets		395	547
Derivatives	9	-	137
Cash at banks	13	25,125	73
		<u>61,728</u>	<u>94,026</u>
		<u>80,222</u>	<u>134,211</u>
<i>Shareholders' Equity</i>			
Issued and paid-up capital	14	45	45
Retained Earnings	14	3,209	19,720
		<u>3,254</u>	<u>19,765</u>
<i>Non-Current liabilities</i>			
Debt securities	16	26,488	75,541
<i>Current liabilities</i>			
Loans from Group Companies	15	-	19,595
Debt Securities	16	47,989	14,611
Derivatives	9	-	2
Interest due on loans	17	968	1,059
Taxation	11	749	2,849
Other liabilities		774	789
		<u>50,480</u>	<u>38,905</u>
		<u>80,222</u>	<u>134,211</u>

## Income statement for the year ended 31 December 2015

EUR (x1,000)

	Notes	2015	2014
<i>Income</i>			
Interest and similar income	18	2,095	10,127
Interest and similar expenses	19	(381)	(4,869)
Fair value (loss) / gain on derivatives	20	(7)	459
		<hr/>	<hr/>
		1,707	5,717
<i>Expenses</i>			
General Expenses	21	<hr/> 112	<hr/> 98
Profit before tax		1,819	5,815
Income tax credit / (expense)	11	<hr/> 670	<hr/> (1,400)
Profit for the year		<hr/> <u>2,489</u>	<hr/> <u>4,415</u>

## Notes to the Financial Statements

### 1. GENERAL INFORMATION

#### 1.1. *Operations*

The Company, which is a wholly owned subsidiary of LeasePlan Corporation N.V., was incorporated on 30 November 1994. The Company is domiciled in the Netherlands, having its statutory seat at P.J. Oudweg 41, 1314 CJ Almere, The Netherlands. The objective of the Company is to provide treasury support activities to its parent company, LeasePlan Corporation N.V., and the parent company's related subsidiaries. It also acts as a finance company, by borrowing and lending money to and from third parties and related companies, and provides treasury support activities to the Group. The Company operates through its Irish Branch at 6 Suffolk Street, Dublin 2.

#### 1.2. *Basis for Preparation*

The financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in Euro.

#### 1.3. *Going Concern*

The financial statements have been prepared on the basis that the entity is a going concern. The Company has positive equity of EUR3.3m as at 31 December 2015 (2014: EUR19.7 million).

#### 1.4. *Group Structure*

The Company is a member of the LeasePlan Group. The ultimate parent company of this group is LeasePlan Corporation N.V. in Amsterdam (the Netherlands). The financial statements of the Company are included in the consolidated financial statements of LeasePlan Corporation N.V. in Amsterdam (the Netherlands). Copies of the annual report of LeasePlan Corporation N.V. can be downloaded or viewed online at [www.leaseplan.com](http://www.leaseplan.com). Printed copies of the annual report are available on request.

Art 403 of the Dutch Civil Code means that LeasePlan Corporation N.V. is jointly and severally liable for all debts resulting from legal acts performed by the Company. LeasePlan Corporation N.V. has issued a so-called article 403 statement. Repayment of the bonds to the investors is guaranteed by LeasePlan Corporation N.V.

#### 1.5. *Changes in Accounting Policies*

There were no changes in accounting policies in 2015.

#### 1.6. *Related Party Transactions*

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of the Company or the ultimate Parent and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes. The nature, extent and other information is disclosed if this is required for to provide a true and fair view.

#### 1.7. *Cashflow Statement*

The Company is exempt under RJ 300.104 from preparing a cash flow statement since it is included in its parent company's consolidated financial statements, which can be downloaded or viewed online at [www.leaseplan.com](http://www.leaseplan.com). Printed copies of the annual report are available on request.

#### 1.8. *Estimates*

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.



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## 2. ACCOUNTING POLICIES FOR THE BALANCE SHEET

### 2.1. *General*

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

In general, assets and liabilities (except for group equity) are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

### 2.2. *Comparative Figures*

The accounting policies have been consistently applied to the years presented.

### 2.3. *Foreign Currencies*

#### *Functional currency*

The financial statements are presented in Euro, which is the functional and presentation currency of the Company.

#### *Transactions, assets and liabilities*

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

### 2.4. *Interest Payable and Receivable*

Interest payable and receivable on interest rate swaps are valued in the balance sheet at the year-end spot exchange rate. The commitment for the principal amount and the fair values of the swaps are disclosed by way of notes to the financial statements. Interest income and expenses on interest rate swaps and the related interest payable and receivable are stated at the net contracted amounts and are attributed to the financial year to which they relate.

### 2.5. *Taxation*

The provision for corporation tax is calculated based upon applicable Dutch and Irish Tax Law.

The rate of taxation in the Netherlands for the year 2015 was 25% (2014: 25%) and it was 12.5% (2014: 12.5%) in Ireland.

### 2.6. *Intangible fixed assets*

Intangible fixed assets is comprised of the treasury system and is stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 2.14 below.

### 2.7. *Tangible fixed assets*

Tangible Fixed Assets comprise of furniture & fittings and IT equipment and are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives. Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether tangible fixed assets is impaired, please refer to note 2.14 below.

Other tangible fixed assets are valued at historical cost including directly attributable expenditure, less straight-line depreciation over their estimated useful lives, or value in use, if lower.

**2.8. Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost.

**2.9. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than one month. Cash and cash equivalents are stated at face value.

**2.10. Provisions**

Provisions are recognised for legally enforceable or constructive obligations existing on the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated.

Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations as at the balance sheet date. Provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

If the expenditure to settle obligations is expected to be recovered from third parties, the recovery is carried as an asset on the balance sheet if it is likely to be received upon settlement of the obligation.

**2.11. Deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognised to provide for timing differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements, on the understanding that deferred income tax assets / liabilities are recognised only to the extent that it is probable that future taxable profit / losses will be available against which the temporary differences and losses can be utilised. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised.

Deferred taxes are recognised at face value, net of any provisions.

**2.12. Loans to Financial Institutions**

Loans to Financial Institutions include both deposits to banks and also any monies placed arising from a credit support annex. These loans are initially measured at fair value and subsequently carried at amortised cost.

**2.13. Loans to group companies**

Loans to group companies are initially measured at fair value and subsequently carried at amortised cost.

**2.14. Impairment of Non-Current Assets**

On each balance sheet date, the Company assesses whether there are any indications that a non current asset may be subject to impairment. If any such indications are present, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Fair value less costs to sell is determined based on the active market. For the determination of the value in use, cash flows are discounted. Impairment is directly recognised as an expense in the income statement, unless the asset is carried at fair value, in which case the impairment loss qualifies as a revaluation decrease.

If it is established that a previously recognised impairment no longer applies or has

declined, the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

**2.15. *Interest bearing loans, borrowings and non-current liabilities***

Interest bearing loans and borrowings are the Company's sources of debt funding and relate to liabilities to financial institutions, funds entrusted and debt securities issued. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost (using the effective interest rate "EIR" method), being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

**2.16. *Current liabilities***

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at amortised cost price (using the effective interest rate "EIR" method), being the amount received, taking into account premiums or discounts, less transaction costs. This is usually the nominal value.

**2.17. *Fair Value***

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for entity-specific inputs.

**2.18. *Derivative Financial Instruments and Hedge Accounting***

In applying fair value hedge accounting, both the hedging instrument and the hedged position are stated at fair value, at least where this is attributable to the hedged risk. The gain or loss from re-measuring the hedging item at fair value or the foreign currency component of its carrying amount on the balance sheet date shall be directly recognised in the income statement.

The Company shall discontinue prospectively the hedge accounting if:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets the criteria for hedge accounting;
- the Company revokes the designation.

Where relevant and applicable, the Company applies fair value hedge accounting. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items. The Company also performs an assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured at their fair value. Changes in the fair value of these derivative instruments are recognised directly in the income statement.

The Company applies fair value hedge accounting to hedge fixed rate risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed borrowings is directly recognised in the income statement. The gain or loss relating to the ineffective portion is recognised in the income statement.

The Company does not apply cash flow hedge accounting under Dutch GAAP, as it is performed at a Group level. Whilst the Company may be economically hedged, the

requirements are not met for cash flow hedge accounting at a company level. The result is that any cumulative gain/loss arising on a hedged instrument that might have been classed as a cash flow hedge at a group level is recognised in the income statement.

The Company measures and recognises derivative financial instruments at fair value (market value).

### 3. ACCOUNTING POLICIES FOR THE INCOME STATEMENT

#### 3.1. *General*

The result is the difference between interest income and expenses charged for the year. The results on transactions are recognised in the year in which they are realised.

#### 3.2. *Revenue*

Revenue from provision of services is recognised on an invoice basis.

#### 3.3. *Interest paid and received*

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans made.

#### 3.4. *Gains and losses*

Gains or losses on transactions are recognised in the year in which they are realised.

#### 3.5. *Exchange differences*

Exchange differences arising upon the settlement of monetary items are recognised in the income statement in the period that they arise.

#### 3.6. *General expenses*

General expenses comprise costs chargeable to the year that are not directly attributable to the interest margin for the year. This includes office overheads, professional fees and other general expenses.

#### 3.7. *Amortisation and depreciation*

Intangible assets are amortised and tangible fixed assets depreciated over their estimated useful lives as from the inception of their use. Future amortisation and depreciation is adjusted if there is a change in estimated useful life.

Gains and losses on sales of tangible fixed assets are included in depreciation.

#### 3.8. *Employee benefits*

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

#### 3.9. *Pension contributions*

The Company operates a defined contribution pension plan on behalf of its employees. The Company pays contributions into the pension plan on a compulsory and contractual basis. Except for paying these contributions, the Company has no other obligations to pay further contributions by virtue of the pension plan. Contributions are recognised as expenses when incurred.

#### 3.10. *Tax expense*

Income tax is calculated on the profit / loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

#### 4. FINANCIAL RISK MANAGEMENT POLICY

##### *Liquidity risk*

Liquidity risk is the risk that the Company will experience difficulty in financing its assets and / or meeting its contractual payment obligations as they fall due, or will only be able to do so at substantially above the prevailing market cost of funds. Liquidity risk arises from differences in timing between cash inflows and outflows. The Company is exposed to the risk that its liabilities require payment at a different moment in time that its assets turn into cash causing either a drain on the Company's available cash resources or creating excess liquidity. It is in the interests of LeasePlan Corporation N.V. to ensure that the Company always has access to these funds in the future. As a result of the asset reduction which commenced in 2010 and the internal shift of inter-company loan production back to the parent company, it is expected that the liquidity needs of the Company will continue to reduce going forward. This diminution in both liquidity risk and cashflow needs will allow a structured decrease of the short-term advances provided on a roll-over basis by the parent company in the previous years. Where necessary, the Company will still have access to funds through the parent or directly in the market through inter-bank lending.

##### *Interest rate and cash flow risk*

The Company uses derivatives for hedging purposes to manage interest rate positions. The positions are naturally created by lending predominantly for 2-3 years at fixed rates and borrowing short-term or at floating rates. The Company does not use derivatives for speculative trading purposes.

In relation to any potential risk arising on future cash flows, this would be managed through loans from the parent company.

##### *Currency risk*

All currency risk is measured and controlled at a Company level. The Company funds its assets with liabilities in the same currency or uses foreign currency derivatives to avoid currency risk. There are currency mismatch limits set for the realized profit margins earned in foreign currencies, which are closed regularly to stay within limits.

##### *Credit risk*

The Company is exposed to credit risk on deposits and derivative counterparties. These counterparties of the LeasePlan Group are all regulated banks with a strong credit rating, with most of whom International Swaps and Derivatives Association agreements (ISDAs) and Credit Support Annexes (CSAs) are in place. There are limits for exposures to counterparties. The Treasury Risk Manager checks compliance with risk limits daily (deposit/call usage) and monthly (derivative usage).

Additionally, to avoid the settlement risk on Foreign Currency Swaps, maximum transaction size limits and daily settlement limits are in place and monitored on a daily basis by the Treasury Risk Manager.

Any investments to external parties are subject to approval by the Managing Board of the parent company, LeasePlan Corporation N.V. Lending to LeasePlan subsidiaries is subject to individual counterparty exposure limits.

##### *Operational risk*

Operational risk management is concerned primarily with identifying weaknesses in internal procedures and external causes of wilful or accidental damage to the Company. Procedures are adopted to prevent loss-making situations or limit their potential impact. The Company actively manages operational risks using a database that collects information on operational losses incurred by the Company and also conducts regular Risk Self Assessment workshops.

*Compliance risk*

The Company is committed to complying with corporate and local policies, local laws and regulations. The Company adheres to its local Compliance Charter ensures the guiding principles are embedded within the organisation. The Company employs a dedicated Compliance Officer and for compliance matters reports to the local Finance Director ensuring no conflict of interests. On an annual and biannual basis a full compliance review is performed for adherence to corporate and local policies, local laws and regulations.

5. FIXED ASSETS

<b>Intangible Assets</b>	<b>Computer Software</b>
EUR (x1,000)	
<b>At 1 January 2015</b>	
Cost	678
Accumulated amortisation	<u>(611)</u>
Carrying amount	<u>67</u>
<b>Movements</b>	
Acquired	34
Amortised	<u>(33)</u>
Balance	<u>1</u>
<b>At 31 December 2015</b>	
Cost	712
Accumulated amortisation	<u>(644)</u>
Carrying amount	<u>68</u>

Amortisation is calculated to write off the cost on a straight line basis over its expected useful life, at the following annual rate:

Amortisation rate 33%

<b>Tangible Assets</b>	<b>IT Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
EUR (x1,000)			
<b>At 1 January 2015</b>			
Cost	75	367	442
Accumulated depreciation	<u>(66)</u>	<u>(300)</u>	<u>(366)</u>
Carrying amount	<u>9</u>	<u>67</u>	<u>76</u>
<b>Movements</b>			
Acquired	22	281	303
Depreciated	<u>(7)</u>	<u>(40)</u>	<u>(47)</u>
Balance	<u>15</u>	<u>241</u>	<u>256</u>
<b>At 31 December 2015</b>			
Cost	97	648	745
Accumulated depreciation	<u>(73)</u>	<u>(340)</u>	<u>(413)</u>
Carrying amount	<u>24</u>	<u>308</u>	<u>332</u>



Depreciation is calculated to write off the cost on a straight line basis over its expected useful life, at the following annual rates:

IT Equipment	33%
Furniture & Fittings (Purchased pre 2015)	10%
Furniture & Fittings (Purchased post 2015)	20%

## 6. LOANS TO GROUP COMPANIES

Maturity	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
0 - 1 month	4,000	16,000
1 - 3 months	4,700	14,500
3 - 12 months	27,101	60,300
1 yr - 5 yrs	15,600	36,500
<b>Total</b>	<b>51,401</b>	<b>127,300</b>

The fair value of the loans to group companies is as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Loans to Group Companies	52,635	131,562

The average interest rates applicable to the outstanding balances can be summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Loans to Group Companies	2.35%	3.02%

Movements in Loans to Group Companies can be broken down as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
At 1 January	127,300	384,359
Issuance	53,300	23,300
Maturity	(129,199)	(280,588)
Exchange Differences	0	229
<b>At 31 December</b>	<b>51,401</b>	<b>127,300</b>

It is determined that the credit risk in relation to these loans is considered low, arising from loan agreements in place between the company and the group company, when combined with guarantees provided by the parent company in connection with the external activities of the subsidiaries.

7. LOANS TO FINANCIAL INSTITUTIONS

Maturity	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
0 - 1 month	-	500
Total	-	500

The fair value of the loans to financial institutions is as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Loans to Financial Institutions	-	500

The average interest rates applicable to the outstanding balance can be summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Loans to Financial Institutions	-	0.14%

Movements in Loans to Financial Institutions can be broken down as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
At 1 January	500	8,070
Collateral returned	(500)	(7,570)
At 31 December	-	500

The credit risk associated with this loan is considered low arising from the review that management have performed on the relationships with the financial institution referred to above.

8. LOANS TO THIRD PARTIES

Maturity	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
0 - 1 month	-	-
1 - 3 months	-	-
3 - 12 months	-	30
1 yr - 5 yr	30	-
Total	30	30



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The fair value of the loans to third parties is as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Loans to Third Parties	31	32

The average interest rates applicable to the outstanding balance can be summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Loans to Third Parties	4.95%	4.95%

There were no movements in Loans to Third Parties during 2015 (2014: Nil).

The credit risk associated with these loans to third parties is considered low arising from the review that management have performed on the relationships with the financial institutions.

## 9. DERIVATIVES

Derivative transactions are undertaken to hedge interest rate and foreign currency exposures arising from the Company's activities. Derivatives are not held for trading purposes and hedging is performed in the Company for LeasePlan group purposes, therefore hedging should not be seen in the light of the Company only.

The use of derivatives therefore reduces any interest rate and/or currency risk that the Company incurs, because of its lending and borrowing. As a result of the total amount of derivatives concluded, results in any remaining interest rate and currency risk being small.

The contracted amounts of the various derivatives are listed below. The headings for the interest rate contracts are based on the relevant maturity date of the interest rate exposure.

Notional amounts ( <b>Assets</b> )					
EUR (x1,000)	Total	< 1 year	1-5 year	> 5 year	Fair Value
2015					
Interest rate contracts	25,000	-	5,000	20,000	2,454
<b>Total</b>	<b>25,000</b>	<b>-</b>	<b>5,000</b>	<b>20,000</b>	<b>2,454</b>
2014					
Interest rate contracts	37,500	12,500	5,000	20,000	3,671
<b>Total</b>	<b>37,500</b>	<b>12,500</b>	<b>5,000</b>	<b>20,000</b>	<b>3,671</b>

Notional amounts (Liabilities)					
EUR (x1,000) 2015	Total	< 1 year	1-5 year	> 5 year	Fair Value
Interest rate contracts	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2014					
Interest rate contracts	2,000	2,000	-	-	2
<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2</b>

The above amounts give an indication of the extent of the contracts, but do not indicate the extent of the risks. The risks inherent in derivatives are determined on the basis of the credit risk, expressed in terms of the credit equivalent. This also includes the market risk, which is expressed as the positive exposure on a marked-to-market basis. The credit equivalent amounts to approximately 3.5% (2014: 3.0%) of the total balance sheet.

The credit equivalent can be broken down as follows:

2015	Non-weighted	Weighted
EUR (x1,000)		
Interest rate contracts	2,779	556
Currency contracts	-	-
<b>Total</b>	<b>2,779</b>	<b>556</b>

Comparative figures are as follows:

2014	Non-weighted	Weighted
EUR (x1,000)		
Interest rate contracts	3,997	799
Currency contracts	-	-
<b>Total</b>	<b>3,997</b>	<b>799</b>

The fair value of the derivative financial instruments is as follows:

	Contract/ Notional Amount	2015		Contract/ Notional Amount	2014	
		Fair Values – Dirty Price			Fair Values – Dirty Price	
EUR (x1,000)		Assets	Liabilities		Assets	Liabilities
Interest rate contracts	25,000	2,454	-	39,500	3,671	2
Currency contracts	-	-	-	-	-	-
Total	25,000	2,454	-	39,500	3,671	2

For interest rate swaps and currency interest rate swaps, the fair value is calculated using a discounted cashflow method, by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

If a listed price is not available, then the fair value is estimated by discounting the difference between the contractual forward bid price and the current forward price for the remaining maturity of the contract using a market based interest rate.

#### 10. INTEREST RECEIVABLE ON LOANS

The interest receivable on loans represents the interest accrued on loans to group companies.

There are no amounts due after more than one year. Given the short term character of these receivables, the fair value of the receivables approximates to the book value.

#### 11. TAXATION

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Corporation tax credit / (charge)	662	(1,481)
Income tax withheld	10	(9)
Total current tax credit / (charge)	672	(1,490)
Deferred tax on MTM adjustment	(2)	115
Depreciation in excess of capital allowances	-	(25)
Tax on result	670	(1,400)

The Company carries on its business through the group head office in the Netherlands and also the branch in Ireland. Therefore it is subject to the prevailing nominal tax rate in both of the countries, 25% in the Netherlands (2014: 25%) and 12.5% in Ireland (2014: 12.5%).

The effective rate of tax for the year was 36.8% (2014: 24.1%). The expected rate of tax at 25% has been increased due to the Dutch tax assessed for the period being higher than the standard rate of corporation tax. This increase in the expected rate mainly arose from tax gains in respect of pre-merger taxable losses, relief for which had been obtained at a group level. The differences are analysed below:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Result before Tax	1,820	5,815
Irish Current Tax @ 12.5%	(56)	(57)
Dutch Current Tax @ 25%	(342)	(1,340)
<i>Effects of:</i>		
Dutch Tax on worldwide income	(118)	
Non-deductible expenses	(2)	(3)
Tax gain in respect of pre-merger taxable losses	1,188	-
Total current tax credit / (charge)	670	(1,400)

## 12. DEFFERED TAXATION

Deferred taxation represents a timing difference and the movement is set out below:

Deferred Tax Asset	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Opening Balance	8	98
Movement in deferred tax arising on MTM adjustment	2	(115)
Depreciation in excess of capital allowances	-	25
Closing Balance	10	8

## 13. CASH AT BANKS

Cash at banks consists of current/short-term deposit accounts, specified as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Current accounts	25,125	73

All cash and cash equivalents are at the free disposal of the Company. It can be broken down as follows:

Currency	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
AED	2	2
EUR	25,123	71
Total	25,125	73

#### 14. SHAREHOLDER'S EQUITY

The movements during the year can be specified as follows:

	Share Capital	Retained earnings	Total
EUR (x1,000)			
Balance as at 31 December 2014	45	19,720	19,765
Dividend Paid 2015		(19,000)	(19,000)
Net Result 2015	-	2,489	2,489
Balance as at 31 December 2015	45	3,209	3,254

#### *Authorised, Issued and paid-up ordinary capital*

The authorised share capital consists of:

	EUR (x1,000)
500 ordinary shares of Euro 454 nominal value each	227
Of which not issued	(182)
Issued and paid up	45

#### 15. LOANS FROM GROUP COMPANIES

Maturity	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
0 - 1 month	-	19,595
Total	-	19,595

The fair value of the loans from group companies is as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Loans from Group Companies	-	19,599

The average interest rates applicable to the outstanding inter-company loans can be summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Loans from Group Companies	-	1.27%

The level of risk associated with these loans is considered low due to LeasePlan Corporation N.V. providing access to funds to cover any shortfall, should it arise.

16. DEBT SECURITIES

Instrument type	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Bonds & Notes	73,000	87,500
Discount from issue notes	(11)	(25)
Cumulative loss on bonds in fair value hedge	1,488	2,677
<b>Total</b>	<b>74,477</b>	<b>90,152</b>

There are three bonds outstanding in LeasePlan Finance N.V. (2014: 5). Of these bonds, one is listed on the Luxembourg Stock Exchange with the remaining two unlisted.

The fair value of the debt securities is as follows:

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Debt Securities	75,547	91,163

The average interest rates applicable to the outstanding balances can be summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Bonds & Notes	1.86%	2.13%

Maturity	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
3 - 12 months	47,989	14,611
1 yr - 5 yr	5,382	53,561
> 5 yrs	21,106	21,980
<b>Total</b>	<b>74,477</b>	<b>90,152</b>

The debt securities are made up entirely of EUR securities.



17. INTEREST DUE ON LOANS

This amount represents the accrued interest payable on loans, due in the next financial year.

	31 Dec. 2015	31 Dec. 2014
EUR (x1,000)		
Interest payable on Inter-company Loans	-	3
Interest payable on Debt Securities	968	1,056
	968	1,059

All interest due on loans is due in less than one year. Given the short term character of these payables, the fair value of the payables approximates to the book value.

18. INTEREST AND SIMILAR INCOME

	2015	2014
EUR (x1,000)		
Interest income from Group Companies	2,110	10,208
Interest income from Associated Companies	-	180
Interest income from Banks	-	4
Exchange Differences	(15)	(265)
	2,095	10,127

19. INTEREST AND SIMILAR EXPENSES

	2015	2014
EUR (x1,000)		
Interest expense to Group Companies	11	2,633
Interest expense to Banks	2	22
Bond Interest	1,652	1,901
Interest on external derivatives	(1,299)	337
Write off commitment fees	-	(40)
Capital Discount	15	16
	381	4,869

20. FAIR VALUE MOVEMENTS

	2015	2014
EUR (x1,000)		
Fair value loss on derivatives and bonds in hedge	(7)	(202)
Fair value gain on derivatives not in hedge	0	661
	(7)	459

## 21. GENERAL EXPENSES

These expenses consist of:

2015	Gross	Recharge	Net expense per income statement
EUR (x1,000)			
Staff costs	2,817	(2,764)	53
<i>of which salaries</i>	2,139	(2,139)	-
<i>of which social security charges</i>	241	(239)	2
<i>of which other staff costs</i>	438	(387)	51
Housing Expenses	372	(365)	7
Professional fees/services	198	(147)	51
IT	705	(687)	18
Travel expenses	127	(129)	(2)
Non-recoverable VAT	96	-	96
Other office expenses	55	(471)	(416)
Amortisation and depreciation	81	-	81
	4,451	(4,563)	(112)
2014			
	Gross	Recharge	Net expense per income statement
EUR (x1,000)			
Staff costs	3,046	(2,921)	125
<i>of which salaries</i>	2,374	(2,236)	138
<i>of which social security charges</i>	261	(275)	(14)
<i>of which other staff costs</i>	411	(410)	1
Housing Expenses	368	(357)	11
Professional fees/services	200	(170)	30
IT	678	(659)	19
Travel expenses	109	(119)	(10)
Non-recoverable VAT	91	-	91
Other office expenses	61	(496)	(435)
Amortisation and depreciation	71	-	71
	4,624	(4,722)	(98)

Other office expenses includes an amount that the company recharges to the parent company to represent the costs of the services provided on the parent's behalf, as set out in the service agreement between the Company and LeasePlan Corporation NV.

The staff costs include employer pension contributions of EUR1,406 (2014: EUR9,345). The Company contributes to a defined contribution scheme on behalf of its employees.

Expenses incurred by LeasePlan Finance N.V. are allocated on an agreed percentage basis to LeasePlan Corporation N.V.

## 22. AUDIT FEES

The following audit fees were expensed in the income statement in the reporting period:

	2015	2014
EUR (x1,000)		
Audit Services	149	170
Less: Amount recharged to Parent Company	<u>(114)</u>	<u>(152)</u>
	35	18

23. NUMBER OF EMPLOYEES

The number of staff employed by the Company as at the end of the year was 20, including two fixed term, maternity cover staff (2014: 18).

The total number of employees who worked for the Company outside the Netherlands in 2015 was 20 (2014:18).

24. REMUNERATION OF THE MEMBERS OF THE MANAGING BOARD AND SUPERVISORY BOARD

The Supervisory Board has received no remuneration chargeable to the Company during the year (2014: Nil).

As there is only one member of the Managing Board who receives remuneration in his capacity as an employee of the Company, rather than as a member of the Managing Board, under article 2.383 sub 1 of the Dutch Civil Code, the Company has elected not to disclose a statement detailing this natural persons remuneration.

25. COMMITMENTS AND CONTINGENCIES

The Company and LeasePlan Corporation N.V. are jointly liable for any bank overdraft.

For corporate income tax purposes the Company forms part of the fiscal unity with LeasePlan Corporation N.V. As a result the Company can be held jointly liable for the tax payables by the fiscal unity.

26. INTEREST RELATED PARTY TRANSACTIONS

As stated in the management report on page 3, the principal activity of the company is the financing of part of the LeasePlan Group through the international debt markets. During the year the Company has provided financing to other companies within the group. The following is a list of related parties to which financing has been provided:

- Elymus Holding Espana S.L.
- LeasePlan Österreich Fuhrparkmanagement GmbH
- LeasePlan (Schweiz) AG
- LeasePlan Deutschland GmbH
- LeasePlan Servicios S.A.
- LeasePlan UK Limited
- LeasePlan Hellas
- LeasePlan Fleet Management Services Ireland Limited
- LeasePlan Norge A/S
- LeasePlan Sverige AB
- LeasePlan Corporation N.V.
- LeasePlan Infrastructure Services Ltd
- LeasePlan Emirates Fleet Management

During the year ended December 31, 2015, transactions entered into between the Company and its parent company, LeasePlan Corporation N.V., were as follows:

	31 Dec 2015	31 Dec. 2014
EUR (x1,000)		
Interest received on Loans	-	1
Interest paid on Loans	11	2,633
Recharge of overheads	4,563	4,722
Loan Receivable Balance	-	-
Accrued Interest receivable	-	-
Inter-company account receivable	308	435
Loan Payable Balance	-	19,595
Accrued Interest payable	-	3

Almere, 26 April 2016

Managing Board:

W. O'Dwyer

Y. Paulissen

Supervisory Board:

V. Daemi

G. Stoelinga



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## **Other information**

### **APPROPRIATION OF RESULT**

In accordance with Article 19 of the Articles of Association of the Company the result for the year is at the disposal of the Annual General Meeting of Shareholders.

The Management proposes that the net result for the year amounting to EUR2.5 million be allocated to the Retained Earnings. This proposal has been incorporated in these financial statements.

### **POST BALANCE SHEET EVENTS**

No material events affecting the Company have occurred since the balance sheet date.

AUDITOR'S REPORT

The report of the auditor, PricewaterhouseCoopers Accountants N.V., is set forth below:



## *Independent auditor's report*

To: the general meeting and supervisory board of LeasePlan Finance N.V.

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### *Report on the financial statements 2015*

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#### *Our opinion*

In our opinion the accompanying financial statements give a true and fair view of the financial position of LeasePlan Finance N.V. as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### *What we have audited*

We have audited the accompanying financial statements 2015 of LeasePlan Finance N.V., Almere ('the company').

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

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#### *The basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of LeasePlan Finance N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ref.: e0378715

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*PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands*

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## *Our audit approach*

### *Overview and context*

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the managing board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the managing board that may represent a risk of material misstatement due to fraud.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a financing company.

The main purpose of the company is the financing of companies belonging to the LeasePlan Corporation N.V. group. The company is financing these loans through bond offerings on the international capital markets. The repayment of these bonds to the investors is guaranteed by LeasePlan Corporation N.V. as disclosed in note 1.4 to the financial statements. Loans are issued to group companies with financial instruments in place to mitigate the interest rate risk.

### *Materiality*

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €802,000 (2014: €2,000,000). The benchmark applied is 1% of total assets (2014: 0.7% of average total assets as per 31 December 2014 and 31 December 2013).

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €40,000 (2014: €100,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### *The scope of our audit*

The company is a 100% subsidiary of LeasePlan Corporation N.V. The company is financing companies belonging to the LeasePlan Corporation N.V. group. As part of our testing procedures we tested the valuation and existence of the loans by reconciling the balances to the administrations of the counterparties belonging to the LeasePlan Corporation N.V. group.





The company is partly financed through listed debt securities. Loans are issued to entities belonging to the LeasePlan group with financial instruments in place to mitigate the interest rate risk. The company no longer issues bonds under the EMTN programme and is reducing substantially its funding to entities belonging to the LeasePlan group and moves further towards an administrative role on behalf of LeasePlan Corporation N.V. The activities of the company are primarily performed at the office located in Dublin and as a consequence the audit of the financial statements is performed in close cooperation between PwC the Netherlands and PwC Ireland. We included financial instruments specialists in our team. By performing procedures at local level in Ireland and at central level in the Netherlands, we have obtained sufficient and appropriate audit evidence regarding the financial information to provide a basis for our opinion on the financial statements.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

Due to the nature of the company's business we recognise that key audit matters may be long-standing and therefore may not change significantly from one year to the next. As compared to prior year there have been no changes in key audit matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

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#### *Key audit matter*

#### *How our audit addressed the matter*

##### *Valuation and existence of the loans issued*

We consider the valuation and existence of the loans issued, as disclosed in note 6 to the financial statements for a total amount of €51,4 million, as a key audit matter. This is due to the balance of the loan portfolio as compared to the balance sheet total and given that an impairment may have a material effect on the income statement.

Loans are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method. The managing board did not identify any impairment triggers regarding the loans issued.

We have performed audit work addressing the valuation and existence of the loans issued to LeasePlan group companies, through:

- reconciliation of the balances as recorded by LeasePlan Finance N.V. with the administration of the various LeasePlan entities;
- testing the amortised cost calculation of loans;
- assessing whether there were any impairment triggers.

We concur with the position taken by the managing board as set out in the financial statements with respect to the valuation of the loans.

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##### *Derivative financial instruments and hedge accounting*

We consider the fair value of the derivatives portfolio and hedge accounting as a key audit matter. Refer to note 2.18 to the financial statements.

We have tested on a sample basis whether hedge documentation and hedge effectiveness testing meet the requirements of RJ 290 Financial Instruments and whether the hedge effectiveness test is mathematically correct.

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**Key audit matter**

This is due to the detailed formal and technical requirements that are applicable to the application of hedge accounting and that inappropriate application of these requirements can lead to a material effect on the income statement. This is also due to the nature of the portfolio that includes longer dated interest rate contracts. The market for these instruments is not always fully liquid. Refer to note 9 to the financial statements disclosing the valuation of the derivatives, an asset amounting to €2.5 million as per year-end 2015. Refer also to note 16 for the cumulative loss on bonds in fair value hedge amounting to €1.5 million as per year-end 2015.

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**How our audit addressed the matter**

We have reconciled the outcome of the effectiveness testing for the derivative portfolio as a whole to the financial statements. We have tested the valuation of derivatives as well as the valuation of hedged items in hedge accounting relations (when relevant) by testing on a sample basis the input of contracts in the company's valuation system. We have reconciled the interest rate curves and other market data with our own independent sources. We have assessed whether the settings used in the valuation system and the models used are in line with market practice. We have also assessed the mathematical accuracy of the models used.

We concur with the position taken by the managing board with respect to the accounting of derivatives.

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**Responsibilities of the managing board and the supervisory board**

The managing board is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the managing board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing board is responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting framework mentioned, the managing board should prepare the financial statements using the going-concern basis of accounting unless the managing board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The managing board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going-concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

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**Our responsibilities for the audit of the financial statements**

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

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## ***Report on other legal and regulatory requirements***

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### ***Our report on the management report and the other information***

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management report and the other information):

- We have no deficiencies to report as a result of our examination whether the management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management report, to the extent we can assess, is consistent with the financial statements.

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### ***Our appointment***

We were appointed as auditors of LeasePlan Finance N.V. as from the audit of the financial statements of 2006 by the supervisory board following the passing of a resolution by the shareholders and has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of ten years. As from financial year 2016, the financial statements of LeasePlan Finance N.V. will be audited by another audit firm.

Amsterdam, 26 April 2016  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by E. Hartkamp RA

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## ***Appendix to our auditor's report on the financial statements 2015 of LeasePlan Finance N.V.***

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In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### ***The auditor's responsibilities for the audit of the financial statements***

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing board.
- Concluding on the appropriateness of the managing board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.