LeasePlan Pillar 3 Report

as of June 30, 2021

Contents

1 Introduction

1.1 KEY METRICS

The following table contains an overview of LeasePlan's prudential regulatory metrics.

Ref[1]	in millions of euros	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
	Available capital (own funds)					
1	Common Equity Tier 1 (CET1) capital	3,281	3,298	3,301	3,240	3,205
2	Tier 1 capital	3,625	3,623	3,624	3,557	3,529
3	Total capital	3,702	3,695	3,704	3,634	3,606
	Risk-weighted exposure amounts (RWA)					
4	Total RWA	21,782	20,519	19,735	18,908	19,032
	Capital ratios (as a percentage of RWA)					
5	Common Equity Tier 1 ratio (%)[2]	15.1%	16.1%	16.7%	17.1%	16.8%
6	Tier 1 ratio (%)	16.6%	17.7%	18.4%	18.8%	18.5%
7	Total capital ratio (%)[2]	17.0%	18.0%	18.8%	19.2%	18.9%
	Combined buffer and overall capital requirement (as a percentage of RWA)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	0.05%	0.05%	0.05%	0.04%	0.05%
10	Global Systemically Important Institution buffer (%)	–	–	–	–	–
11	Combined buffer requirement (%)	2.5%	2.6%	2.6%	2.5%	2.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	0.6%	1.6%	3.2%	3.7%	3.4%
	Leverage ratio					
13	Total exposure measure	35,502	34,994	33,678	34,084	34,427
14	Leverage ratio (%)	10.2%	10.4%	10.8%	10.4%	10.3%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14e	Overall leverage ratio requirement (%)	3.0%				
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	4,858	4,809	5,721	6,602	5,574
EU 16a	Cash outflows – Total weighted value	2,330	1,896	2,019	1,961	1,962
EU 16b	Cash inflows – Total weighted value	696	588	733	733	875
16	Total net cash outflows (adjusted value)	1,982	1,603	1,352	1,229	1,086
17	Liquidity coverage ratio (%)	245.0%	300.0%	423.0%	537.0%	513.0%
	Net Stable Funding Ratio					
18	Total available stable funding	24,421				
19	Total required stable funding	19,188				
20	NSFR ratio (%)	127.3%				

Table 1: EU KM1 – Key metrics

1 *The references in this table and the subsequent tables are as prescribed in the relevant EBA template where applicable.*
2 *In line with the ECB's recommendation LeasePlan has not paid out any interim dividends in the first half year of 2021. CET1 capital excludes the first half year 2021 interim net results.*

1 Introduction *continued*

1.2 GENERAL REQUIREMENTS FOR DISCLOSURES

This report provides Pillar 3 disclosures for LeasePlan, prepared on a consolidated basis as required for LeasePlan Corporation N.V. by Article 13 of the CRR. The prudential consolidated level includes LP Group B.V which holds 100% of the ordinary shares of LeasePlan Corporation N.V.. LP Group B.V. is a financial holding company as defined in Article 4 (20) of the CRR.

Whenever reference is made to "LeasePlan" or "the Group" reference is made to the same scope of consolidation as disclosed in the LP Group B.V. Annual Report 2020. For an overview of the principal subsidiaries of LP Group B.V. reference is made to "Specific Notes", note 1 – Country to country reporting; and, "List of principal consolidated participating interests" of the LP Group B.V. Annual Report 2020

LeasePlan has prepared the Pillar 3 disclosures in accordance with the guidelines in the Capital Requirements Regulation (CRR) which was published under reference number 575/2013 on 26 June 2013 in the Official Journal of the European Union, while the supervised entities within its scope have been subject to it from 1 January 2014. The CRR is directly applicable within the European Union and is not transposed into national law.

The Basel III framework is built on three pillars:

Pillar 1 – defines the rules and regulations for calculating risk-weighted assets (RWA) or total risk exposure amount (TREA), throughout this document both terms are being used, and regulatory minimum capital and liquidity requirements.

Pillar 2 – addresses a bank's internal process for assessing overall capital and liquidity adequacy in relation to its risks, as well as the Supervisory review process.

Pillar 3 – focuses on market discipline, through a set of minimum disclosure requirements.

The disclosures are made in accordance with Part Eight of the Capital Requirements Regulation (EU) No. 575/2013, amended by Regulation (EU) 2019/876 (CRR II), Part Eight Title I, Article 431 (3). LeasePlan has a formal disclosure policy to comply with the disclosure requirements laid down in Title II and III of Part Eight, Articles 435-455.

Pillar 3 recognises that market discipline has the potential to reinforce capital regulation and other supervisory efforts to promote safety and soundness in banks and financial systems. In accordance with CRR article 431.3, LeasePlan has adopted a formal disclosure policy to frame compliance with the disclosure requirements.

Following the outbreak of the COVID-19 pandemic, European Banking Authority (EBA) announced temporary additional reporting and disclosure requirements concerning payment moratoria and forbearance measures related to the COVID-19 outbreak. The additional COVID-19 disclosures are a part of LeasePlan's Pillar 3 disclosures.

Pillar 3 disclosure frequency and report structure

LeasePlan publishes Pillar 3 Report annually and at interim (semi-annual) on our website (www.leaseplan.com/corporate), concurrently with the release of our Annual Report and Accounts and Interim Reports. Pillar 3 requirements may be met by inclusion in other disclosure media. Where we adopt this approach, references are provided to the relevant pages of the Interim Report 2021 or to other documents.

The semi-annual Pillar 3 Report comprises quantitative and qualitative information required under Pillar 3. In this report LeasePlan mainly covers information relating to risk, capital, leverage and liquidity.

This report includes the first implementation of the CRR II related EBA templates. Therefore, where disclosures have been enhanced, or are new, the comparative numbers are not available in all the templates. Wherever specific rows and columns in the tables prescribed by the EBA or Basel are not applicable or immaterial to our activities, we omit them and follow the same approach for comparatives.

All tables are as of 30 June 2021 and in millions of euros, unless stated otherwise. Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

1.3 RECENT DEVELOPMENTS (COVID-19)

Despite a new wave of national lockdowns in the beginning of 2021, the impacts of COVID-19 on the credit risk of clients noticed in Q2 2021 is limited. For more information on COVID-19 please refer to Q2 2021 results published on LeasePlan's website[3] (refer to the section 'Financial risk management' of Q2 2021 results).

3 *https://www.leaseplan.com/corporate/investors*

1 Introduction *continued*

COVID-19 template 1 below, provides details on loans and advances subject to EBA-compliant moratoria (legislative and nonlegislative). The template provides a breakdown of the gross carrying amount and the related loss allowances by the status of the exposure (performing and non-performing).

		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non-performing				Performing			Non-performing			
	As per 30 June 2021, in millions of euros	Total	Total performing	Of which: Exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Total non-performing	Of which: Exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Total	Total performing	Of which: Exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Total non-performing	Of which: Exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	62	52	–	–	10	–	7	-1	–	–	–	–	–	–	10
2	of which: Households	34	28	–	–	6	–	5	–	–	–	–	–	–	–	6
3	of which: Collateralised by residential immovable property	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	of which: Non-financial corporations	28	24	–	–	4	–	3	–	–	–	–	–	–	–	4
5	of which: Small and Medium-sized Enterprises	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	of which: Collateralised by commercial immovable property	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 2: COVID-19 Template 1 – Information on loans and advances subject to legislative and non-legislative moratoria

1 Introduction *continued*

COVID-19 template 2 below, provides further details to the type of eligible moratoria, the different sectors and industries in which the eligible moratoria are applied for loans and advances that meet the requirements described in paragraph 10 of the EBA Guidelines[4] on moratoria and an overview on the number of obligors and gross carrying amount of loans and advances.

			Gross carrying amount							
						Residual maturity of moratoria				
	As per 30 June 2021, in millions of euros	Number of obligors[5]	Total	Of which: Legislative moratoria	Of which: Expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	4,435	62							
2	Loans and advances subject to moratorium (granted)	4,435	62	–	62	–	–	–	–	–
3	of which: Households		34	–	34	–	–	–	–	–
4	of which: Collateralised by residential immovable property		–	–	–	–	–	–	–	–
5	of which: Non-financial corporations		28	–	28	–	–	–	–	–
6	of which: Small and Medium-sized Enterprises		–	–	–	–	–	–	–	–
7	of which: Collateralised by commercial immovable property		–	–	–	–	–	–	–	–

Table 3: Covid-19 Template 2 – Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria.

4 Guidelines on legislative and non-legislative payment moratoria EBA/GL/2020/02 and EBA/GL/2020/15.
5 Number of obligors is in absolute figures.

2 Own Funds, Leverage and Liquidity

2.1 OWN FUNDS

2.1.1 Composition of regulatory own funds

Capital Position

LeasePlan's capital position remains above minimum required levels with a Total Capital and Common Equity Tier 1 (CET1) ratio of 17.0% and 15.1% respectively. The CET1 capital slightly decreased in the first half year of 2021 by EUR 20 million to EUR 3,281 million. In line with the ECB's recommendation LeasePlan has not paid out any interim dividends in the first half year of 2021. CET1 capital excludes the first half year 2021 interim net results. The Total Capital decreased in first half of 2021 by EUR 2 million to EUR 3,702 million resulting in a Total capital ratio at year-end of 17.0%.

In the first half of 2021, the TREA shows an increase of EUR 2,047 million to EUR 21,782 million which is an increase of 9.4% compared to year-end 2020. This increase is mainly related to the growth of the lease portfolio, increase in the off-balance sheet position (i.e. the growth of the order book) and the application of the new Definition of Default as per 1 January 2021.

2 Own Funds, Leverage and Liquidity *continued*

The table below sets out the capital resources as referred to in points (a), (d), (e) and (f) of CRR Article 437 of Regulation (EU) 575/2013.

As per 30 June, in millions of euros		Jun-21
	Common Equity Tier 1 (CET1) capital: instruments and reserves	
1	Capital instruments and the related share premium accounts	3,532
2	Retained earnings	583
3	Accumulated other comprehensive income (and other reserves)	-104
3a	Funds for general banking risk	–
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	–
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**4,011**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments (negative amount)	–
8	Intangible assets (net of related tax liability) (negative amount)	-569
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-124
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-9
12	Negative amounts resulting from the calculation of expected loss amounts	-1
13	Any increase in equity that results from securitised assets (negative amount)	–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–
25	of which: Deferred tax assets arising from temporary differences	–
25a	Losses for the current financial year (negative amount)	–
25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	–
27a	Other regulatory adjustments	-28
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-730**
29	**Common Equity Tier 1 (CET1) capital**	**3,281**
	Additional Tier 1 (AT1) capital: instruments	
30	Capital instruments and the related share premium accounts	–
31	of which: Classified as equity under applicable accounting standards	–
32	of which: Classified as liabilities under applicable accounting standards	–
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	344
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**344**
	Additional Tier 1 (AT1) capital: regulatory adjustments	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	–
44	Additional Tier 1 (AT1) capital	344
45	Tier 1 capital (T1 = CET1 + AT1)	3,625
	Tier 2 (T2) capital: instruments	
46	Capital instruments and the related share premium accounts	–
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	–
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	–
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	–
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	76
49	of which: Instruments issued by subsidiaries subject to phase out	–
50	Credit risk adjustments	–
51	**Tier 2 (T2) capital before regulatory adjustments**	**76**

2 Own Funds, Leverage and Liquidity *continued*

As per 30 June, in millions of euros		Jun-21
	Tier 2 (T2) capital: regulatory adjustments	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	–
EU-56b	Other regulatory adjustments to T2 capital	–
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**–**
58	**Tier 2 (T2) capital**	**76**
59	**Total capital (TC = T1 + T2)**	**3,702**
60	**Total Risk exposure amount**	**21,782**
	Amounts below the thresholds for deduction (before risk weighting)	
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	35
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	35
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	201
	Applicable caps on the inclusion of provisions in Tier 2	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–

Table 4: EU CC1 – Composition of regulatory own funds[6]

6 *In row 2, the 'Retained earnings' excludes the results for the year attributable to the parent of EUR 332 million. Adding, these results to row 6 'Common Equity Tier 1 (CET1) capital before regulatory adjustments' (EUR 4,011 million) allows for reconciliation with 'Equity of owners of the parent' under regulatory scope of consolidation (EUR 4,343) as included in row 33 of table 5: 'EU CC2 - Reconciliation of regulatory own funds to balance sheet in the financial statements'*

2 Own Funds, Leverage and Liquidity *continued*

The table below sets out the reconciliation between the accounting and regulatory consolidation with references showing the linkage between this table and CC1.

		Balance sheet as in published financial statements[7]	Under regulatory scope of consolidations[8]
In millions of euros		Jun-21	Jun-21
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash and balances at central banks	4,673	4,673
2	Investments in debt securities	44	44
3	Receivables from financial institutions	727	727
4	Derivative financial instruments	130	130
5	Other receivables and prepayments	914	909
6	Inventories	292	292
7	Lease receivables from clients	2,918	2,918
8	Property and equipment under operating lease & Rental fleet	19,179	19,179
9	Other property and equipment	319	319
10	Loans to equity accounted investments	178	178
11	Investments in equity accounted investments	14	30
12	Intangible assets	280	606
13	Corporate income tax receivable	21	22
14	Deferred tax asset	307	307
15	Assets classified as held-for-sale	1,454	1,460
16	**Total Assets**	**31,450**	**31,793**
Liabilities – Breakdown by liability classes according to the balance sheet in the published financial statements			
17	Trade and other payables and Deferred income	2,397	2,395
18	Borrowings from financial institutions	3,344	3,344
19	Derivative financial instruments	81	81
20	Funds entrusted	10,093	10,093
21	Debt securities issued	8,963	8,963
22	Lease liabilities	258	258
23	Loans from subsidiaries	–	–
24	Provisions	556	556
25	Corporate income tax payable	63	63
26	Deferred tax liabilities	343	381
27	Liabilities classified as held-for-sale	818	818
28	**Total liabilities**	**26,917**	**26,953**
Shareholders' Equity			
29	Share capital	72	100
30	Share premium	506	3,432
31	Other reserves	-123	-104
32	Retained earnings	3,580	915
33	**Equity of owners of the parent**	**4,035**	**4,343**
34	AT1 capital – securities	498	–
35	Holders of AT1 capital securities	–	498
36	Other non-controlling interest	–	–
37	**Total shareholders' equity**	**4,533**	**4,840**

Table 5: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the financial statements

7 *Balance sheet as in published financial statements for LeasePlan Corporation N.V.*
8 *Under regulatory scope of consolidation that is for LP Group B.V.*

2 Own Funds, Leverage and Liquidity *continued*

2.1.2 Minimum capital requirements

The following table illustrates the breakdown of RWA/TREA and minimum capital requirements under Part Three, Title I, Chapter 1 of the CRR:

		Total risk exposure amounts (TREA)		Total own funds requirements
In millions of euros		**Jun-21**	**Dec-20**	**Jun-21**
1	Credit risk (excluding CCR)	18,736	16,746	1,499
2	Of which the standardised approach	5,888	5,364	471
3	Of which the Foundation IRB (F-IRB) approach	–	–	–
4	Of which slotting approach	–	–	–
EU 4a	Of which equities under the simple riskweighted approach	–	–	–
5	Of which the Advanced IRB (A-IRB) approach	12,848	11,382	1,028
6	Counterparty credit risk – CCR	126	26	10
7	Of which the standardised approach	75	–	6
8	Of which internal model method (IMM)	–	–	–
EU 8a	Of which exposures to a CCP	4	1	0
EU 8b	Of which credit valuation adjustment – CVA	51	7	4
9	Of which other CCR	–	19	–
15	Settlement risk	–	–	–
16	Securitisation exposures in the non-trading book (after the cap)	–	–	–
17	Of which SEC-IRBA approach	–	–	–
18	Of which SEC-ERBA (including IAA)	–	–	–
19	Of which SEC-SA approach	–	–	–
EU 19a	Of which 1250% / deduction	–	–	–
20	Position, foreign exchange and commodities risks (Market risk)	508	423	41
21	Of which the standardised approach	508	423	41
22	Of which IMA	–	–	–
EU 22a	Large exposures	–	–	–
23	Operational risk	2,412	2,541	193
EU 23a	Of which basic indicator approach	–	–	–
EU 23b	Of which standardised approach	2,412	2,541	193
EU 23c	Of which advanced measurement approach	–	–	–
24	Amounts below the thresholds for deduction (subject to 250% risk weight)[9]	538	427	43
29	**Total**	**21,782**	**19,735**	**1,743**

Table 6: EU OV1 – Overview of risk weighted exposure amounts (RWA)

9 The row 'Amounts below the thresholds for deduction (subject to 250% risk weight)' is for information purpose only as per EBA template and is not considered in the Total amount.

2 Own Funds, Leverage and Liquidity *continued*

In June 2021, the exposure for other non-credit obligation assets are EUR 14,544 million compared with December 2020 EUR 13,742 million. In main EBA credit risk templates, the other non-credit obligation assets are reported under a specific line item under the total IRB approach.

LeasePlan included the other non-credit obligation assets to align with the Total RWA/TREA amount reported in the COREP reporting to the DNB.

The following table illustrates the breakdown of LeasePlan's 'other non-credit obligation assets' (ONCOA).

		Exposure value		RWA	
	In millions of euros	**Jun-21**	**Dec-20**	**Jun-21**	**Dec-20**
1	Residual value related exposures	9,346	9,738	6,336	6,692
2	Property and equipment	431	440	431	440
3	Lease commitments	2,750	2,009	896	576
4	Other assets	2,017	1,556	2,711	1,881
5	**Total other (non-credit) obligation assets**	**14,544**	**13,742**	**10,373**	**9,590**

Table 7: Breakdown of the Other non-credit obligation assets (ONCOA)[10]

2.1.3 Capital buffers

Countercyclical capital buffer (CCyB)

As on 30 June 2021, LeasePlan holds 0.05% (EUR 10.4 million) of its TREA (EUR 21,782) as countercyclical capital buffer (compared with Dec 2020: EUR 9 million).

Capital conservation buffer

As on 30 June 2021, LeasePlan's capital conservation buffer consists of CET 1 capital equal to 2.5% (EUR 544.5 million) of its TREA (compared with Dec 2020: EUR 493 million).

10 The residual value exposure related to Other non-credit obligation assets are only IRB approach related and calculated as part of asset risk.

2 Own Funds, Leverage and Liquidity *continued*

The table below is the geographical distribution of credit exposures relevant for CCyB in accordance with CRR article 440.

As per 30 June 2021, in millions of euros		**General credit exposures**		**Relevant credit exposures – Market risk**				**Own funds requirements**						
010	**Breakdown by country:**	**Exposure value under the SA**	**Exposure value under the IRB approach**	**Sum of long and short positions of trading book exposures for SA**	**Trading book exposures for internal models**	**Securitisation exposures value for non-trading book**	**Total exposure value**	**Relevant credit risk exposures – Credit risk**	**Relevant credit exposures – Market risk**	**Relevant credit exposures – Securiti-sation positions in the non-trading book**	**Total**	**Risk-weighted exposure amounts**	**Own fund requirements weights (%)**	**Counter-cyclical buffer rate (%)**
1	Czech Republic	48	146	–	–	–	194	6	–	–	6	72	0.9%	0.50%
2	Norway	357	335	–	–	–	692	21	–	–	21	263	3.5%	1.00%
3	Slovakia	9	66	–	–	–	74	3	–	–	3	36	0.5%	1.00%
4	Luxembourg	59	44	–	–	–	103	4	–	–	4	55	0.7%	0.50%
5	Australia	87	359	–	–	–	446	10	–	–	10	128	1.7%	0.00%
6	Austria	42	125	–	–	–	168	5	–	–	5	59	0.8%	0.00%
7	Belgium	222	360	–	–	–	582	18	–	–	18	219	2.9%	0.00%
8	Brazil	6	35	–	–	–	41	1	–	–	1	11	0.1%	0.00%
9	Canada	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.00%
10	Denmark	86	302	–	–	–	388	8	–	–	8	105	1.4%	0.00%
11	Finland	56	156	–	–	–	213	4	–	–	4	55	0.7%	0.00%
12	France	789	730	–	–	–	1,520	64	–	–	64	795	10.5%	0.00%
13	Germany	485	684	–	–	–	1,169	38	–	–	38	478	6.3%	0.00%
14	Greece	212	127	–	–	–	339	16	–	–	16	194	2.6%	0.00%
15	Hungary	44	62	–	–	–	106	4	–	–	4	49	0.7%	0.00%
16	India	3	71	–	–	–	74	2	–	–	2	30	0.4%	0.00%
17	Ireland	48	134	–	–	–	182	6	–	–	6	71	0.9%	0.00%
18	Italy	1,448	578	–	–	–	2,025	102	–	–	102	1,270	16.8%	0.00%
19	Japan	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.00%
20	Mexico	7	54	–	–	–	62	3	–	–	3	34	0.5%	0.00%
21	Netherlands	1,155	1,083	–	–	–	2,238	75	–	–	75	937	12.4%	0.00%
22	New Zealand	14	68	–	–	–	81	3	–	–	3	40	0.5%	0.00%
23	Poland	96	133	–	–	–	229	9	–	–	9	114	1.5%	0.00%
24	Portugal	332	468	–	–	–	799	22	–	–	22	275	3.6%	0.00%
25	Romania	19	58	–	–	–	77	2	–	–	2	26	0.3%	0.00%
26	Russia	1	18	–	–	–	19	1	–	–	1	8	0.1%	0.00%

2 Own Funds, Leverage and Liquidity *continued*

As per 30 June 2021, in millions of euros		General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
010	Breakdown by country:	Exposure value under the SA	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Trading book exposures for internal models	Securitisation exposures value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securiti-sation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
27	Spain	587	399	–	–	–	987	45	–	–	45	559	7.4%	0.00%
28	Sweden	38	201	–	–	–	239	5	–	–	5	68	0.9%	0.00%
29	Switzerland	5	76	–	–	–	80	4	–	–	4	48	0.6%	0.00%
30	Turkey	90	63	–	–	–	153	5	–	–	5	68	0.9%	0.00%
31	United Arabic Emirates	–	16	–	–	–	16	3	–	–	3	40	0.5%	0.00%
32	United Kingdom	1,011	819	–	–	–	1,830	83	–	–	83	1,038	13.7%	0.00%
33	United States	48	1,561	–	–	–	1,609	35	–	–	35	433	5.7%	0.00%
34	Other	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.00%
020	**Total**	**7,407**	**9,329**	**–**	**–**	**–**	**16,736**	**606**	**–**	**–**	**606**	**7,578**	**100.0%**	**0.05%**

Table 8: EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

2 Own Funds, Leverage and Liquidity *continued*

The CCyB is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. Anticipating the impact of the COVID-19 pandemic several countries have decided to reduce the CCyB rates resulting in a decrease of the countercyclical buffer requirement of LeasePlan to 0.05%.

The following table shows an overview of our countercyclical exposure and buffer requirements.

In millions of euros		Jun-21
1	Total risk exposure amount	21,782
2	Institution specific countercyclical buffer rate	0.05%
3	Institution specific countercyclical buffer requirement	10

Table 9: EU CCyB2 – Amount of institution-specific countercyclical capital buffer

2.2 LEVERAGE RATIO

The leverage ratio is calculated based on the requirements of CRR/CRD IV. The leverage ratio as on 30 June 2021 is 10.2% (was 10.8% in 31 December 2020), whereas the regulatory minimum level of the leverage ratio is 3.0%. LeasePlan constantly monitors the development of the on- and off-balance sheet exposures and eligible CET1 capital, in order to comply with the minimum leverage ratio requirement of 3%.

In accordance with CRR article 451, a breakdown of the leverage ratio components is provided in the following three tables.

In millions of euros		Jun-21
1	Total assets as per published financial statements	31,796
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-4
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	–
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustment for derivative financial instruments	264
9	Adjustment for securities financing transactions (SFTs)	–
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	4,195
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	–
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	–
12	Other adjustments	-749
13	**Total exposure measure**	**35,502**

Table 10: EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

2 Own Funds, Leverage and Liquidity *continued*

In millions of euros		Jun-21	Dec-20
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	31,642	31,175
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	–	-695
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–	30,479
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	–	–
5	(General credit risk adjustments to on-balance sheet items)	–	–
6	(Asset amounts deducted in determining Tier 1 capital)	-730	–
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	30,911	–
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	49	19
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	–	63
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	347	–
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	–	–
EU-9b	Exposure determined under Original Exposure Method	–	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	–	–
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–	–
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	–	–
11	Adjusted effective notional amount of written credit derivatives	–	–
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
13	**Total derivatives exposures**	395	82
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	–	–
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
16	Counterparty credit risk exposure for SFT assets	–	–
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	–	–
17	Agent transaction exposures	–	–
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	–	–
18	**Total securities financing transaction exposures**	**–**	**–**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	4,195	3,120
20	(Adjustments for conversion to credit equivalent amounts)	–	-3
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	–	
22	**Off-balance sheet exposures**	**4,195**	**3,117**
	Capital and total exposure measure		
23	**Tier 1 capital**	**3,625**	**3,624**
24	**Total exposure measure**	**35,502**	**33,678**
	Leverage ratio		
25	Leverage ratio (%)	10.2%	10.8%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	10.2%	–
26	Regulatory minimum leverage ratio requirement (%)	–	–
27	Leverage ratio buffer requirement (%)	–	–

Table 11: EU LR2 – LRCom: Leverage ratio common disclosure

2 Own Funds, Leverage and Liquidity *continued*

In millions of euros		Jun-21
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	31,642
EU-2	Trading book exposures	–
EU-3	Banking book exposures, of which:	31,642
EU-4	Covered bonds	–
EU-5	Exposures treated as sovereigns	5,431
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	–
EU-7	Institutions	837
EU-8	Secured by mortgages of immovable properties	–
EU-9	Retail exposures	683
EU-10	Corporates	7,867
EU-11	Exposures in default	435
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	16,389

Table 12: EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

2.3 LIQUIDITY

2.3.1 Liquidity Risk Management

Within LeasePlan, LCR is mainly driven by the level of HQLA due to the funding transactions performed as well as the funding redemption profile. LeasePlan maintains a solid platform of diversified funding sources that include financing from debt capital markets, securitisation, bank credit lines and our LeasePlan internet savings bank in the Netherlands and Germany.

LeasePlan's LCR has decreased to 245% in Q2 2021 from 423% in Q4 2020, primarily driven by lower HQLA (the regulatory minimum level of the leverage ratio is 100%.). The lower HQLA level per 30 June 2021 reflects a return to a more normalised liquidity buffer. At 31 December 2020, HQLA were at an elevated level due to the build-up of the liquidity buffer as a response to the COVID-19 pandemic. HQLA are held only in the form of central bank cash deposits.

LeasePlan applies the matched funding principle in every currency and thereby avoids mismatches in individual currencies.

The liquidity management is centralized within LPTY and incorporated in LeasePlan's monthly funding planning process. LeasePlan Corporation N.V. holds a revolving credit facility with a consortium of 12 banks (EUR 1.5 billion) maturing in November 2022. As per 30 June 2021, no amounts were drawn under this facility.

2 Own Funds, Leverage and Liquidity *continued*

2.3.2 Liquidity Coverage Ratio

The below table, shows the breakdown of high quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the liquidity coverage ratio. This in accordance with **Article 451a(2) and EBA** Guidelines (EBA/GL/2017/01).

Consolidated Liquidity Coverage ratio common disclosure

In millions of euros		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**Jun-21**	**Mar-21**	**Dec-20**	**Sep-20**	**Jun-21**	**Mar-21**	**Dec-20**	**Sep-20**
EU 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
	High-Quality Liquid Assets								–
1	Total high-quality liquid assets (HQLA)					4,858	4,809	5,721	6,602
	Cash – Outflows								
2	Retail deposits and deposits from small business customers, of which:	6,197	5,942	5,368	5,587	620	594	537	559
3	Stable deposits	–	–	–	–	–	–	–	–
4	Less stable deposits	6,197	5,942	5,368	5,587	620	594	537	559
5	Unsecured wholesale funding	690	396	502	392	687	394	501	390
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–	–	–	–	–	–	–
7	Non-operational deposits (all counterparties)	365	368	317	223	363	367	315	221
8	Unsecured debt	325	28	185	169	325	28	185	169
9	Secured wholesale funding					68	67	48	51
10	Additional requirements	113	146	397	427	92	127	388	418
11	Outflows related to derivative exposures and other collateral requirements	90	125	387	416	90	125	387	416
12	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
13	Credit and liquidity facilities	23	21	10	11	2	2	1	1
14	Other contractual funding obligations	862	714	546	544	862	714	546	544
15	Other contingent funding obligations	–	–	–	–	–	–	–	–
16	**Total Cash Outflows**					**2,330**	**1,896**	**2,019**	**1,961**
	Cash – Inflows								
17	Secured lending (e.g. reverse repos)	–	–	–	–	–	–	–	–
18	Inflows from fully performing exposures	–	–	–	–	–	–	–	–
19	Other cash inflows	417	371	765	849	348	294	668	733
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
EU-19b	(Excess inflows from a related specialised credit institution)					–	–	–	–
20	**Total Cash Inflows**	**417**	**371**	**765**	**849**	**348**	**294**	**668**	**733**
EU-20a	Fully exempt inflows	–	–	–	–	–	–	–	–
EU-20b	Inflows subject to 90% cap	–	–	–	–	–	–	–	–
EU-20c	Inflows subject to 75% cap	417	371	765	849	348	294	668	733
	Total Adjusted Value								
EU-21	Liquidity Buffer					4,858	4,809	5,721	6,602
22	Total Net Cash Outflows					1,982	1,603	1,352	1,229
23	Liquidity Coverage Ratio					245.1%	300.0%	423.0%	537.0%

Table 13: EU LIQ1 – Quantitative information of LCR

2 Own Funds, Leverage and Liquidity *continued*

2.3.3 Net Stable Funding Ratio

The below table, states the minimum net stable funding ratio ('NSFR') requirement in accordance with **Article 451a(3)**

	As per 30 June, in millions of euros	Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Available stable funding (ASF) Items					
1	Capital items and instruments	3,625	–	–	76	3,702
2	Own funds	3,625	–	–	76	3,702
3	Other capital instruments		–	–	–	–
4	Retail deposits		7,206	1,622	1,175	9,120
5	Stable deposits		–	–	–	–
6	Less stable deposits		7,206	1,622	1,175	9,120
7	Wholesale funding:		3,122	3,044	9,448	11,002
8	Operational deposits		–	–	–	–
9	Other wholesale funding		3,122	3,044	9,448	11,002
10	Interdependent liabilities		–	–	–	–
11	Other liabilities:	–	241	–	598	598
12	NSFR derivative liabilities	–				
13	All other liabilities and capital instruments not included in the above categories		–	–	–	–
14	**Total available stable funding (ASF)**					**24,421**
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					4,582
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		–	–	–	–
16	Deposits held at other financial institutions for operational purposes		–	–	–	–
17	Performing loans and securities:		4,708	3,659	14,494	16,602
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		–	–	–	–
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		489	213	737	893
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		4,219	3,446	13,756	15,709
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		–	–	–	–
22	Performing residential mortgages, of which:		–	–	–	–
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		–	–	–	–
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		–	–	–	–
25	Interdependent assets		–	–	–	–
26	Other assets:	–	1,894	52	1,545	2,586
27	Physical traded commodities				–	–
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		–	–	–	–
29	NSFR derivative assets		–	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted		–	–	–	–
31	All other assets not included in the above categories		1,894	52	1,545	2,586
32	Off-balance sheet items		–	–	–	–
33	**Total RSF**					**19,188**
34	**Net Stable Funding Ratio (%)**					**127.3%**

Table 14: EU LIQ2 – Net Stable Funding Ratio

3 Credit Risk

This section provides information about the exposures subject to credit risk framework and details regarding the exposures relevant for determining LeasePlan's regulatory capital requirement and credit quality of assets.

As a result of its normal business activities, the Group is exposed to credit risk, which is the risk that a counterparty will not be able to fulfil its financial obligations when due. In the Group's core business, this credit risk mainly relates to lease receivables from clients. Lease receivables from clients consist of trade receivables and amounts receivable under lease contracts. For amounts receivable under finance lease contracts credit risk is mitigated by the underlying value of the available collateral (i.e. leased object). To intensify the control of receivables a program was set up aimed at structural prevention of overdues, while realising quick wins and mitigating COVID-19 consequences at the same time. This program was earlier governed by a senior level SteerCo, and currently carried out as Business as Usual (BaU) process by a dedicated department.

Default definition

The Group's definition of default is aligned with the regulatory definition. From 2021, a customer is reported as default as prescribed by the guidelines on the application of the definition of default. For purposes of assessing, recognising and reporting defaults, a customer shall considered to be in default when either one or both of the following events occur:

i. the Local LP entity considers the customer unlikely to pay ('UTP'); and /or

ii. the customer is past due more than 90 consecutive days on any material credit obligation

This new definition of default has led to an increase in defaulted customers. However, the impact on our provision level is expected to be limited given that the increase in defaults will be triggered by the customers past due for more than 90 consecutive days. For these customers, provision levels are expected to be already in line with the current provisioning for customers that have material overdue amounts.

For more information on the new definition of default and its impact please refer to Q2 2021 results published on LeasePlan's website[11].

11 *https://www.leaseplan.com/corporate/investors/results-reports-and-funding-documents*

3 Credit Risk *continued*

3.1 CREDIT QUALITY OF ASSETS

Amounts shown in the tables below and on the following pages relate to credit risk exposure and credit quality of assets based on exposure classes, residual maturity, performing and non-performing exposures, geographical and industrial breakdown.

		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
As per 30 June 2021, in millions of euros			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off		
005	**Cash balances at central banks and other demand deposits**	4,872	4,872	–	–	–	–	–	–	–	–	–	–	–	–	–
010	**Loans and advances**	3,916	3,916	–	142	–	142	-19	-19	–	-73	–	-73	–	–	–
020	Central banks	1	1	–	1	–	1	–	–	–	–	–	–	–	–	–
030	General governments	50	50	–	4	–	4	-1	-1	–	-4	–	-4	–	–	–
040	Credit institutions	534	534	–	0	–	0	-1	-1	–	–	–	–	–	–	–
050	Other financial corporations	371	371	–	5	–	5	-1	-1	–	-5	–	-5	–	–	–
060	Non-financial corporations	2,864	2,864	–	126	–	126	-16	-16	–	-61	–	-61	–	–	–
070	Of which SMEs	105	105	–	13	–	13	-1	-1	–	-5	–	-5	–	–	–
080	Households	95	95	–	5	–	5	-1	-1	–	-3	–	-3	–	–	–
090	**Debt securities**	44	44	–	–	–	–	–	–	–	–	–	–	–	–	–
100	Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
110	General governments	6	6	–	–	–	–	–	–	–	–	–	–	–	–	–
120	Credit institutions	11	11	–	–	–	–	–	–	–	–	–	–	–	–	–
130	Other financial corporations	3	3	–	–	–	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	26	26	–	–	–	–	–	–	–	–	–	–	–	–	–
150	**Off-balance-sheet exposures**	6,540	6,540	–	–	–	–	–	–	–	–	–	–		–	–
160	Central banks	–	–	–	–	–	–	–	–	–	–	–	–		–	–
170	General governments	–	–	–	–	–	–	–	–	–	–	–	–		–	–
180	Credit institutions	2,326	2,326	–	–	–	–	–	–	–	–	–	–		–	–
190	Other financial corporations	23	23	–	–	–	–	–	–	–	–	–	–		–	–
200	Non-financial corporations	4,192	4,192	–	–	–	–	–	–	–	–	–	–		–	–
210	Households	–	–	–	–	–	–	–	–	–	–	–	–		–	–
220	**Total**	**15,372**	**15,372**	**–**	**142**	**–**	**142**	**-19**	**-19**	**–**	**-73**	**–**	**-73**	**–**	**–**	**–**

Table 15: EU CR1 – Performing and non-performing exposures and related provisions

3 Credit Risk *continued*

As per 30 June 2021, in millions of euros	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	342	2,143	1,381	101	–	3,966
2 Debt securities	–	9	35	–	–	44
3 **Total**	**342**	**2,152**	**1,416**	**101**	**–**	**4,010**

Table 16: EU CR1-A – Maturity of exposures

In the table above, Loans comprise of lease portfolio, trade receivables and loans to LeasePlan entities and third parties. Off-balance sheet exposures represent the commitments on replacement of the lease portfolio.

3 Credit Risk *continued*

As per 30 June 2021, in millions of euros		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	13	6	6	6	–	-2	–	–
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	–	–	–	–	–	–	–
040	Credit institutions	0	0	0	0	–	–	–	–
050	Other financial corporations	0	0	0	0	–	–	–	–
060	Non-financial corporations	10	5	5	5	–	-2	–	–
070	Households	3	1	1	1	–	–	–	–
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	**Total**	**13**	**6**	**6**	**6**	**–**	**-2**	**–**	**–**

Table 17: EU CQ1: Credit quality of forborne exposures

3 Credit Risk *continued*

As per 30 June 2021, in millions of euros		Gross carrying/nominal amount			Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing				
				Of which defaulted			
010	**On-balance-sheet exposures**	**4,102**	**142**	**142**	**-92**		**–**
1	Czech Republic	37	6	6	-5		–
2	Norway	108	1	1	–		–
3	Slovakia	27	1	1	-1		–
4	Luxembourg	64	0	0	–		–
5	Australia	2	–	–	–		–
6	Austria	30	3	3	-1		–
7	Belgium	117	6	6	-1		–
8	Brazil	7	–	–	–		–
9	Canada	1	–	–	–		–
10	Denmark	49	2	2	-1		–
11	Finland	46	1	1	–		–
12	France	390	31	31	-10		–
13	Germany	197	2	2	-1		–
14	Greece	49	3	3	-1		–
15	Hungary	7	0	0	–		–
16	India	16	8	8	-8		–
17	Ireland	458	0	0	–		–
18	Italy	127	26	26	-26		–
19	Japan	–	–	–	–		–
20	Mexico	10	0	0	–		–
21	Netherlands	142	8	8	-12		–
22	New Zealand	0	–	–	–		–
23	Other	–	–	–	–		–
24	Poland	27	3	3	-2		–
25	Portugal	65	3	3	-1		–
26	Romania	10	0	0	–		–
27	Russia	5	0	0	–		–
28	Spain	133	11	11	-4		–
29	Sweden	92	3	3	–		–
30	Switzerland	27	10	10	–		–
31	Turkey	6	0	0	–		–
32	United Arabic Emirates	–	–	–	–		–
33	United Kingdom	585	14	14	-12		–
34	United States	1,269	1	1	-3		–
080	**Off-balance-sheet exposures**	**6,540**	**–**	**–**		–	
1	Netherlands	464	–	–		–	
2	United Kingdom	249	–	–		–	
3	Italy	492	–	–		–	
4	France	492	–	–		–	
5	United States	519	–	–		–	
6	Germany	722	–	–		–	
7	Spain	238	–	–		–	
8	Portugal	277	–	–		–	
9	Belgium	469	–	–		–	
10	Norway	237	–	–		–	
11	Other geographical areas	2,380	–	–		–	
150	**Total**	**10,642**	**142**	**142**	**-92**	**–**	

Table 18: EU CQ4: Quality of non-performing exposures by geography

3 Credit Risk *continued*

As per 30 June 2021, in millions of euros		Gross carrying/nominal amount	Of which non-performing	Of which defaulted	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposure
010	Agriculture, forestry and fishing	12	1	1	–	–
020	Mining and quarrying	7	0	0	–	–
030	Manufacturing	745	10	10	-6	–
040	Electricity, gas, steam and air conditioning supply	17	2	2	–	–
050	Water supply	9	2	2	-1	–
060	Construction	327	27	27	-10	–
070	Wholesale and retail trade	924	23	23	-26	–
080	Transport and storage	328	38	38	-19	–
090	Accommodation and food service activities	4	1	1	–	–
100	Information and communication	26	1	1	–	–
110	Financial and insurance actvities	–	–	–	–	–
120	Real estate activities	55	1	1	-1	–
130	Professional, scientific and technical activities	76	3	3	-2	–
140	Administrative and support service activities	328	8	8	-7	–
150	Public administration and defense, compulsory social security	–	–	–	–	–
160	Education	2	0	0	–	–
170	Human health services and social work activities	27	1	1	-1	–
180	Arts, entertainment and recreation	5	1	1	–	–
190	Other services	96	9	9	-3	–
200	**Total**	**2,990**	**126**	**126**	**-76**	**–**

Table 19: EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

3.2 CREDIT RISK MITIGATION

LeasePlan considers the lease object as collateral for the lease. The loan portfolio of LeasePlan, which predominantly consists of finance leases, is therefore considered to be collateralised.

As per 30 June 2021, in millions or euros		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	8,929	2,363	2,363	–	–
2	Debt securities	44	–	–	–	
3	Total	8,973	2,363	2,363	–	–
4	Of which non-performing exposures	142	52	52	–	–
EU-5	Of which defaulted	142	52			

Table 20: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation technique

3 Credit Risk *continued*

3.3 STANDARDISED APPROACH

Use of external credit ratings

LeasePlan uses ratings mainly from Standard & Poor's for calculating the risk weight of the exposure classes Sovereigns and their central banks, Non-central government public sector entities and banks.

LeasePlan's rating	Description of the grade	External rating: Standard & Poor's equivalent
1	Prime	AAA/AA-
2A	Very Strong	A+
2B	Strong	A
2C	Relatively Strong	A-
3A	Very Acceptable	BBB+
3B	Acceptable	BBB
3C	Relatively Acceptable	BBB-
4A	Very Sufficient	BB+
4B	Sufficient	BB
4C	Relatively Sufficient	BB-
5A	Somewhat Weak – Special Attention	B+
5B	Weak – Special Attention	B
5C	Very Weak – Watch	B-
6A	Sub-Standard – Watch	CCC+/C

Table 21: Mapping table for LeasePlan's rating and external credit rating

Exposures under the standardised approach

LeasePlan does not use any other credit risk mitigation techniques which is required under disclosures for template 'EU CR4 – Standardised approach – Credit risk exposure and CRM effects'. Please refer to section Credit Risk Mitigation of this report for further information.

3 Credit Risk *continued*

Exposures by asset classes and risk weights

The relatively high amounts in the risk weight category "other items" is the result of the residual value part of the total exposure which is risk weighted according to the 1/t formula (article 134.7) where it is the rounded contractual remainder of the leased contract.

As per 30 June 2021, in millions of euros

		Risk weight																
	Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Total**	**Of which unrated**
1	Central governments or central banks	5,074	–	–	–	6	–	49	–	–	11	–	201	–	–	–	5,341	5
2	Regional government or local authorities	9	–	–	–	0	–	9	–	–	3	–	–	–	–	–	21	3
3	Public sector entities	–	–	–	–	57	–	10	–	–	3	–	–	–	–	–	70	3
4	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	International organisations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Institutions	–	220	–	–	763	–	206	–	–	43	0	–	–	–	–	1,232	36
7	Corporates	–	–	–	–	5	–	11	–	–	1,443	–	–	–	–	–	1,459	1,224
8	Retail exposures	–	–	–	–	–	–	–	–	428	–	–	–	–	–	–	428	428
9	Exposures secured by mortgages on immovable property	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Exposures in default	–	–	–	–	–	–	–	–	–	7	21	–	–	–	–	28	16
11	Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Covered bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Exposures to institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Units or shares in collective investment undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5,481	5,481	5,481
17	**Total**	**5,083**	**220**	**–**	**–**	**830**	**–**	**286**	**–**	**428**	**1,510**	**21**	**201**	**–**	**–**	**5,481**	**14,059**	**7,196**

Table 22: EU CR5 – Standardised approach

3 Credit Risk *continued*

3.4 INTERNAL RATINGS BASED (IRB) APPROACH

Internal models

Effective 1 December 2008, LeasePlan implemented AIRB models for calculating the regulatory capital requirement for credit risk for its corporate fleet. Effective 1 January 2014 LeasePlan implemented AIRB models for the retail portfolios in the United Kingdom and the Netherlands.

With the new definition of default being live per 1 January 2021 (see section Default definition of this report) also the characteristics (PD, LGD, EAD) related to defaults have changed. Therefore the regulatory models used to determine the PD, LGD and EAD of a client have been redeveloped. These new models have been sent to the regulator and LeasePlan is awaiting the model assessment process of the regulator. Until the models are approved by the regulator the models based on the previous definition of default are still used and the numbers in the following tables of this chapter are based on those models.

3 Credit Risk *continued*

Overview main parameters of portfolios under the IRB approach

The table below shows the IRB approach – Credit risk exposures by PD range and exposure class between Corporate and Retail Small-Medium-Enterprises and Other enterprises

PD range as per 30 June 2021, in millions of euros	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
A-IRB												
Corporate – SME												
0.00 to <0.15	166	–	1	166	0.1%	1,733	27.2%	2.50	20	12.1%	–	–
0.00 to <0.10	121	–	1	121	0.1%	1,222	27.5%	2.50	12	10.2%	–	–
0.10 to <0.15	45	–	1	45	0.1%	511	26.5%	2.40	8	17.2%	–	–
0.15 to <0.25	63	–	1	63	0.2%	580	25.5%	2.60	14	22.4%	–	–
0.25 to <0.50	45	–	1	45	0.4%	409	30.4%	2.90	19	41.6%	–	–
0.50 to <0.75	17	–	1	17	0.7%	242	28.3%	2.50	7	42.9%	–	–
0.75 to <2.50	14	–	1	14	1.5%	226	25.5%	2.40	7	48.6%	–	–
0.75 to <1.75	9	–	1	9	1.2%	129	25.0%	2.40	4	46.3%	–	–
1.75 to <2.5	5	–	**1**	**5**	**2.0%**	**97**	**26.1%**	**2.50**	**3**	**52.6%**	**–**	–
2.50 to <10.00	4	–	1	4	3.1%	42	22.6%	2.60	2	46.3%	–	–
2.5 to <5	4	–	1	4	2.9%	38	22.5%	2.60	2	45.7%	–	–
5 to <10	–	–	1	–	7.8%	4	28.5%	1.80	–	70.2%	–	–
10.00 to <100.00	–	–	1	–	13.4%	3	28.8%	2.30	–	103.0%	–	–
10 to <20	–	–	1	–	13.4%	3	28.8%	2.30	–	103.0%	–	–
20 to <30	–	–	–	–	–	–	–		–	–	–	–
30.00 to <100.00	–	–	–	–	–	–	–		–	–	–	–
100.00 (Default)	10	–	1	10	100.0%	55	28.6%	1.10	23	223.0%	–	–
Subtotal	318	–	1	318	3.5%	3,290	27.3%	2.55	91	28.7%	–	–
Corporate – Other												
0.00 to <0.15	3,635	–	1	3,635	0.1%	14,176	27.8%	3.00	679	18.7%	1	-1
0.00 to <0.10	2,264	–	1	2,264	0.1%	9,709	28.5%	2.90	334	14.8%	–	–
0.10 to <0.15	1,371	–	1	1,371	0.1%	4,467	26.5%	3.20	344	25.1%	1	–
0.15 to <0.25	753	–	1	753	0.2%	4,562	26.9%	2.60	217	28.8%	–	–
0.25 to <0.50	1,086	–	1	1,086	0.4%	4,349	27.9%	2.70	440	40.6%	1	-1
0.50 to <0.75	379	–	1	379	0.7%	2,681	29.8%	2.60	204	53.7%	1	-1
0.75 to <2.50	233	–	1	233	1.5%	2,695	31.0%	2.70	161	69.0%	1	-1
0.75 to <1.75	142	–	1	142	1%	1,666	32.2%	2.60	97	68.1%	1	–
1.75 to <2.5	91	–	1	91	2.0%	1,029	29.0%	2.70	64	70.5%	1	–
2.50 to <10.00	24	–	**1**	**24**	**4.1%**	**642**	**33.4%**	**2.50**	**23**	**92.5%**	**–**	–
2.5 to <5	20	–	1	20	3.3%	548	33.0%	2.50	17	85.8%	–	–
5 to <10	4	–	1	4	7.8%	94	35.4%	2.40	5	124.3%	–	–
10.00 to <100.00	1	–	1	1	13.4%	40	37.5%	2.40	1	137.6%	–	–
10 to <20	1	–	1	1	13.4%	40	37.5%	2.40	1	137.6%	–	–
20 to <30	–	–	–	–	–	–	–		–	–	–	–
30.00 to <100.00	–	–	–	–	–	–	–		–	–	–	–
100.00 (Default)	185	–	1	185	100.0%	3,626	35.7%	2.00	517	279.4%	23	-23
Subtotal	6,296	–	1	6,296	3.2%	32,771	28.2%	2.83	2,240	35.6%	28	-27

3 Credit Risk *continued*

PD range as per 30 June 2021, in millions of euros	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
Retail – Other SME												
0.00 to <0.15	1	–	1	**1**	**0.0%**	**54**	**30.4%**	**2.80**	**–**	**3.0%**	**–**	–
0.00 to <0.10	1	–	1	1	0.0%	54	30.4%	2.80	–	3.0%	–	–
0.10 to <0.15	–	–	–	–	–	–	–		–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–		–	–	–	–
0.25 to <0.50	3	–	1	3	0.5%	82	30.6%	2.70	1	21.5%	–	–
0.50 to <0.75		–										
0.75 to <2.50	27	–	1	27	1.6%	673	30.5%	2.90	10	36.6%	–	–
0.75 to <1.75	23	–	1	23	1.5%	590	30.6%	2.80	8	36.1%	–	–
1.75 to <2.5	3	–	1	3	2.1%	83	30.5%	2.90	1	39.7%	–	–
2.50 to <10.00	41	–	1	41	5.6%	1,277	28.6%	2.80	18	43.1%	1	-1
2.5 to <5	18	–	1	18	3.1%	434	30.5%	2.90	8	43.0%	–	–
5 to <10	23	–	1	23	7.5%	843	27.1%	2.70	10	43.2%	–	–
10.00 to <100.00	30	–	1	30	17.0%	2,553	24.9%	2.20	15	49.7%	1	-1
10 to <20	24	–	1	24	13.7%	1,988	24.9%	2.20	12	48.2%	1	-1
20 to <30	4	–	1	4	21.8%	517	25.2%	2.10	2	58.7%	–	–
30.00 to <100.00	1	–	1	1	64.8%	48	25.0%	2.30	1	48.2%	–	–
100.00 (Default)	1	–	1	1	100.0%	48	28.3%	1.50	2	230.6%	–	–
Subtotal	213	–	1	213	8.4%	4,687	28.1%	2.62	45	21.1%	2	-2
Retail – Other non-SME												
0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	–
0.00 to <0.10	–	–	–	–	–	–	–	–	–	–	–	–
0.10 to <0.15	–	–	–	–	–	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	–
0.75 to <1.75	–	–	–	–	–	–	–	–	–	–	–	–
1.75 to <2.5	–	–	–	–	–	–	–	–	–	–	–	–
2.50 to <10.00	133	–	1	133	4.6%	31,406	23.1%	2.40	47	35.6%	1	-1
2.5 to <5	68	–	1	68	3.1%	13,562	22.5%	2.70	23	33.3%	–	–
5 to <10	65	–	1	65	6.1%	17,844	23.7%	2.10	25	38.0%	1	-1
10.00 to <100.00	21	–	1	21	16.4%	5,665	24.2%	2.00	10	49.1%	1	-1
10 to <20	18	–	1	18	13.2%	5,072	24.1%	2.00	9	47.5%	1	-1
20 to <30	2	–	1	2	20.6%	350	26.4%	1.80	1	63.2%	–	–
30.00 to <100.00	1	–	1	1	57.4%	243	22.5%	2.40	1	53.8%	–	–
100.00 (Default)	2	–	1	2	100.0%	358	24.9%	1.80	5	233.3%	–	–
Subtotal	156	–	1	156	7.5%	37,429	23.3%	2.32	63	40.2%	3	-3
Total (all exposures classes)	**6,873**	**–**	**1**	**6,873**	**3.4%**	**78,177**	**28.0%**	**2.80**	**2,439**	**35.5%**	**33**	**-32**

Table 23: EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

3 Credit Risk *continued*

The following table shows the changes in risk weighted assets during 2021 for the assets under the IRB approach:

As per 30 June 2021, in millions of euros		RWEA
1	Risk weighted exposure amount as at 31 December 2020	11,357
2	Asset size (+/-)	-401
3	Asset quality (+/-)	58
4	Model updates (+/-)	–
5	Methodology and policy (+/-)	–
6	Acquisitions and disposals (+/-)	–
7	Foreign exchange movements (+/-)	25
8	Other (+/-)	1,810
9	**Risk weighted exposure amount as at 30 June 2021**	**12,848**

Table 24: EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

The Credit risk RWA in the IRB portfolio increased to EUR 12,848 million in June 2021 from EUR 11,357 million in December 2020. The main drivers of the increase are explained as follows:

- Asset size: The asset size of portfolio decreased mainly related to other assets;
- Foreign exchange movement: The increase of RWA is mainly driven by the appreciation of Pound Sterling (GBP),US dollar (USD) and Norwegian krone (NOK), partically offset by the depreciation of Turkish Lira (TRY).
- Other: this category includes movements mainly related to non-credit risk items (i.e. ONCOA movement and increase in the off-balance sheet position with growth of the order book), and RWA add-on as requested by DNB in relation to the 2020 SREP process.

4 Counterparty Credit risk

Quantitative disclosures counterparty credit risk and CVA

In the following below, LeasePlan provides quantitative disclosures and insight to how counterparty credit risk (CCR) is reduced with the risk mitigation techniques. The tables also provide an overview of the RWA and minimum capital requirement.

Based on the standardised approach LeasePlan holds EUR 6 million for CCR and EUR 4 million capital for credit valuation adjustment (CVA) charge under Pillar 1 as of 30 June 2021. In 2021, the standardised approach methodology for calculating CVA has changed under CRR II, resulting into a higher exposure value, RWEA and capital requirement compared to prior reporting periods.

In the table below LeasePlan provides insight in analysis of CCR exposure excluding exposures to central counterparties.

As per 30 June 2021, in millions of euros		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU – Original Exposure Method (for derivatives)	–	–		1.4	–	–	–	–
EU-2	EU – Simplified SA-CCR (for derivatives)	–	–		1.4	–	–	–	–
1	SA-CCR (for derivatives)	27	130		1.4	142	157	220	4
2	IMM (for derivatives and SFTs)			–	–	–	–	–	–
2a	Of which securities financing transactions netting sets			–		–	–	–	–
2b	Of which derivatives and long settlement transactions netting sets			–		–	–	–	–
2c	Of which from contractual cross-product netting sets			–		–	–	–	–
3	Financial collateral simple method (for SFTs)					–	–	–	–
4	Financial collateral comprehensive method (for SFTs)					–	–	–	–
5	VaR for SFTs					–	–	–	–
6	**Total**					**142**	**157**	**220**	**4**

Table 25: EU CCR1 – Analysis of CCR exposure by approach

In the table below LeasePlan provides insight to transactions subject to own funds requirements for CVA risk.

As per 30 June 2021, in millions of euros		Exposure Value	RWEA
1	Total transactions subject to the Advanced method	–	–
2	(i) VaR component (including the 3× multiplier)		–
3	(ii) stressed VaR component (including the 3× multiplier)		–
4	Transactions subject to the Standardised method	395	51
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	–	–
5	**Total transactions subject to own funds requirements for CVA risk**	**395**	**51**

Table 26: EU CCR2 – CVA capital charge

4 Counterparty Credit risk *continued*

The following table presents information on the risk-weighting of CCR exposures under the standardised approach by regulatory portfolio.

Exposure classes as per 30 June 2021, in millions of euros	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	
1 Central governments or central banks	–	–	–	–	–	–	–	–	–	–	–	–
2 Regional government or local authorities	–	–	–	–	–	–	–	–	–	–	–	–
3 Public sector entities	–	–	–	–	–	–	–	–	–	–	–	–
4 Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–
5 International organisations	–	–	–	–	–	–	–	–	–	–	–	–
6 Institutions	–	220	–	–	56	119	–	–	–	–	–	395
7 Corporates	–	–	–	–	–	–	–	–	–	–	–	–
8 Retail	–	–	–	–	–	–	–	–	–	–	–	–
9 Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–
10 Other items	–	–	–	–	–	–	–	–	–	–	–	–
11 **Total exposure value**	**–**	**220**	**–**	**–**	**56**	**119**	**–**	**–**	**–**	**–**	**–**	**395**

Table 27: EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk

In the table below LeasePlan provides insight on the composition of collateral for exposures to CCR.

As per 30 June 2021, in millions of euros	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	6	44	–	7	–	–	–	–
2 Cash – other currencies	7	–	–	–	–	–	–	–
3 Domestic sovereign debt	–	–	–	–	–	–	–	–
4 Other sovereign debt	–	–	–	–	–	–	–	–
5 Government agency debt	–	–	–	–	–	–	–	–
6 Corporate bonds	–	–	–	–	–	–	–	–
7 Equity securities	–	–	–	–	–	–	–	–
8 Other collateral	–	–	–	–	–	–	–	–
9 Total	13	44	–	7	–	–	–	–

Table 28: EU CCR5 – Composition of collateral for CCR exposure

4 Counterparty Credit risk *continued*

In the table below LeasePlan provides insight in exposures to CCPs.

	As per 30 June 2021, in millions of euros	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**4**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	220	4
3	(i) OTC derivatives	220	4
4	(ii) Exchange-traded derivatives	–	–
5	(iii) SFTs	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	28	
8	Non-segregated initial margin	–	–
9	Prefunded default fund contributions	–	–
10	Unfunded default fund contributions	–	–
11	**Exposures to non-QCCPs (total)**		**71**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	175	71
13	(i) OTC derivatives	175	71
14	(ii) Exchange-traded derivatives	–	–
15	(iii) SFTs	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	–	–
19	Prefunded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Table 29: EU CCR8 – Exposures to CCPs

5 Market risk

Due to LeasePlan's specific business model, market risk consists of two main risk areas: asset risk and FX risk. Within these risk areas, exposures to developments in the second-hand car market and FX exposures due to LeasePlan's global footprint are managed. It should be noted that asset risk is considered a Pillar 2 risk.

As a result of global coverage, LeasePlan is exposed to several currencies besides its reporting currency (Euro). The objective of LeasePlan's Currency Risk Management Policy is that LeasePlan should not be exposed to major FX risk. In order to reduce FX risk LeasePlan deliberately takes long positions in foreign currencies, being net investments in subsidiaries, to protect capital ratios. The logic behind this is that if the relative assets / equity position in an entity is the same as for LeasePlan, both assets and equity allocated to the foreign currency will deviate but will not impact LeasePlan's CET 1 ratio. In other words, an FX shock will shift the Total TREA and CET 1 capital in the same direction, limiting the impact on the CET1 ratio.

In the table below LeasePlan provides insight of the market risk under the standardised approach where LeasePlan has only FX risk:

	In millions of euros	RWEA Jun-21
	Outright Products	
1	Interest rate risk (general and specific)	–
2	Equity risk (general and specific)	–
3	Foreign exchange risk	508
4	Commodity risk	–
	Options	
5	Simplified approach	–
6	Delta-plus method	–
7	Scenario approach	–
8	Securitisation (specific risk)	–
9	**Total**	**508**

Table 30: EU MR1 – Market risk under the standardised approach

Glossary

ASF	Available Stable Funding
CCP	Central Clearing Counterparty
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1. Mostly refers to capital held by a bank or financial institution
CET1 Ratio	Compares capital against assets
CRR	Capital Requirements Regulation
CSD	Central Securities Depositories
CVA	Credit Valuation Adjustment
DNB	The Dutch Central Bank (De Nederlandsche Bank N.V.).
EBA	European Banking Authority
ECB	European Central Bank
FX Risk	Foreign Exchange Risk
HQLA	High Quality Liquid Assets
IRB Approach	Internal Ratings Based Approach
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LPTY	LeasePlan Treasury
ONCOA	Other Non-Credit Obligation Assets
PD	Probability of Default
QCCP	Qualifying central counterparty
RSF	Required Stable Funding
RWA	Risk-Weighted Assets
SEC-ERBA	Securitization External Ratings Based Approach
SEC-IRBA	Securitization Internal Ratings Based Approach
SEC-SA	Standardized Approach
SFT	Securities Financing Transactions
SREP	Supervisory Review and Evaluation Process
SteerCo	Steering Committee
TC	Total Capital
TREA	Total Risk Exposure Amount

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