LeasePlan announces Q3 2022 results

AMSTERDAM, the Netherlands, 9 November 2022 – LeasePlan Corporation N.V. ("LeasePlan"; the "Company"), one of the world's leading Car-as-a-Service ("CaaS") companies, today reports its Q3 2022 results

Q3 2022 financial highlights

- **Net result** of EUR 472 million (+12.3%)[1]
- **Underlying net result** of EUR 428 million (+105.9%), of which EUR 406 million from **continuing operations** and EUR 22 million from **discontinued operations**[2]
- **Underlying Lease and Additional Services gross profit** of EUR 576 million (+68.6%) with strong performance across all services and including a EUR 193 million adjustment for a reduction in depreciation (EUR 147 million net) related to cars that are expected to be terminated in 2022 and 2023
- **PLDV and End of Contract Fees Gross Profit** of EUR 178 million (+43.8%) driven by continued strong demand for used cars
- **Serviced fleet**[3] growth of 8.4% to a total of 1.9 million vehicles with Q3 2022 order book reaching a new record high
- **Operating expenses** of EUR 233 million (+12.3%) due to investments in growth and our digital platforms
- Quarter-end **liquidity buffer** of EUR 7.1 billion

Key numbers

	Q3 2022	Q3 2021	% YoY Growth	9M 2022	9M 2021	% YoY Growth
VOLUME						
Serviced fleet (thousands), as at 30 September				1,933.3	1,782.7	8.4%
Numbers of vehicles sold (thousands)	50.2	72.0	-30.3%	164.6	207.1	-20.5%
PROFITABILITY						
- Underlying net result from continuing operations	406.4	188.7	115.4%	961.3	539.4	78.2%
- Underlying net result from discontinued operations	21.6	19.2	n.m.	72.3	11.9	n.m.
Underlying net result (EUR Million)	428.0	207.9	105.9%	1,033.6	551.3	87.5%
Net result (EUR Million)	472.2	420.3	12.3%	1,156.1	775.3	49.1%
Underlying return on equity[4]				27.1%	15.5%	

[1] Q3 2021 included EUR 213 million book gain on the sale of LeasePlan Australia and New Zealand and CarNext.
[2] Financial statements including historical periods are adjusted for the divestment of LeasePlan USA (announced on June 13 2022), the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results from these businesses are reported in *the financial statements – Underlying net result from discontinued operations*, with the results of LeasePlan Australia and New Zealand included up to August 2021 and the results of the carved out entities of CarNext included up to June 2021.
[3] Like-for-like volume incl. current assets held for sale excl. divestments (i.e. incl. USA, excl. Australia, New Zealand & CarNext in 7 countries)
[4] Underlying RoE is based on last-twelve-month underlying net result and equity excluding the additional Tier 1 instrument. Including the AT1, RoE is 25.1% for Q3 2022 and 14.6% for Q3 2021.

Commenting on the third quarter results, Tex Gunning, CEO of LeasePlan, said:

The fast-growing car subscription market has once again proven its ability to deliver superior and sustainable value creation for our customers, our people and our shareholders, with LeasePlan delivering a net result of EUR 472 million and a return on equity of over 25%.

Our fleet grew strongly as customers continued to make the switch to hassle-free car subscriptions. The global transition to net zero is also a key growth driver as we help customers worldwide eliminate emissions from their fleets. Today 25% of the new cars we deliver are electric[5], well ahead of market rates. We could cut emissions faster if governments invested in the charging infrastructure we need to get everyone into an EV.

Demand for our used car services also outstripped supply, leading to continued strong pricing, which we expect to continue for the foreseeable future.

The Car-as-a-Service market has now entered a period of accelerated growth, making it one of the most attractive, sustainable and innovative sectors of the automotive industry. Our proposed merger with ALD will give us the scale necessary to seize these opportunities and strengthen our resilience as we move forward.

Financial Performance[6]

In millions of euros, unless otherwise stated	Q3 2022	Q3 2021	% YoY Growth	9M 2022	9M 2021	% YoY Growth
Lease and Additional Services income	1,696.0	1,542.6	9.9%	4,976.9	4,593.6	8.3%
Vehicle Sales and End of contract fees	831.5	1,002.7	-17.1%	2,568.9	2,707.6	-5.1%
Revenues	**2,527.5**	**2,545.3**	**-0.7%**	**7,545.8**	**7,301.2**	**3.4%**
Underlying cost of revenues	**1,773.3**	**2,079.7**	**-14.7%**	**5,634.6**	**6,009.5**	**-6.2%**
Lease Services	360.1	149.3	141.2%	722.7	438.2	64.9%
Fleet Management and other Services	55.3	40.4	36.7%	151.3	121.0	25.0%
Repair and Maintenance Services	67.5	65.3	3.4%	214.9	204.8	4.9%
Damage Services and Insurance	93.5	86.9	7.6%	277.4	255.7	8.5%
Underlying Lease and Additional Services gross profit	**576.4**	**341.9**	**68.6%**	**1,366.3**	**1,019.7**	**34.0%**
End of contract fees	25.6	27.7	-7.4%	83.9	97.2	-13.7%
Profit/Loss on disposal of vehicles	152.1	95.9	58.6%	461.0	174.7	n.m.
Profit/Loss on disposal of vehicles and End of contract fees gross profit	**177.7**	**123.6**	**43.8%**	**544.9**	**271.9**	**100.4%**
Underlying gross profit	**754.2**	**465.5**	**62.0%**	**1,911.2**	**1,291.6**	**48.0%**
Underlying operating expenses	233.4	207.8	12.3%	670.7	604.7	10.9%
Other income	2.0	-		4.5	-	
Share of profit of investments accounted for using the equity method	1.7	-8.4	n.m.	4.5	-6.5	n.m.
Underlying profit before tax	**524.5**	**249.3**	**110.4%**	**1,249.5**	**680.4**	**83.6%**
Underlying tax	118.1	60.6	94.9%	288.3	141.0	104.5%
Underlying net result from continuing operations	**406.4**	**188.7**	**115.4%**	**961.3**	**539.4**	**78.2%**
Underlying net result from discontinued operations	**21.6**	**19.2**	**n.m.**	**72.3**	**11.9**	**n.m.**
Underlying net result	**428.0**	**207.9**	**105.9%**	**1,033.6**	**551.3**	**87.5%**
Underlying adjustments	44.2	212.5	n.m.	122.6	224.0	n.m.
Reported net result	**472.2**	**420.3**	**12.3%**	**1,156.1**	**775.3**	**49.1%**
Staff (FTE's at period end)[7]				8,336	7,914	5.3%

[5] Operational lease deliveries (activations) of Battery Electric Vehicles and Plug-in Hybrid Electric Vehicles (passenger vehicles in EU22 countries, excluding LCVs, scooters and trucks).
[6] Financial statements including historical periods are adjusted for the divestment of LeasePlan USA (announced on June 13 2022), the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results from these businesses are reported in *the financial statements – Underlying net result from discontinued operations*, with the results of LeasePlan Australia and New Zealand included up to August 2021 and the results of the carved out entities of CarNext included up to June 2021.
[7] Like-for-like FTE incl. current assets held for sale excl. divestments (i.e. incl. USA, excl. Australia, New Zealand & CarNext in 7 countries).

Serviced fleet growth of 8.4% to a total of 1.9 million vehicles with LeasePlan's Q3 2022 order book reaching a new record high.

Revenues decreased by 0.7% to EUR 2,528 million. **Lease and Additional Services income** was up by 9.9% to EUR 1,696 million due to fleet growth and additional services from fleet mix. **Vehicle Sales and End of contract fees** was down by 17.1% to EUR 832 million due to a EUR 190 million inventory sale as a result of the CarNext divestment in Q3 2021. Excluding the CarNext sale, Vehicle Sales and End of contract fees were up 2.3% (despite 13.7% less vehicles sold) due to the continued strong used-car market.

Underlying Lease and Additional Services gross profit was up 68.6% to EUR 576 million driven by serviced fleet growth, strong results across all services and EUR 193 million impact as a result of a reduction in depreciation. This prospective depreciation adjustment is a result of the continued strong used car market environment, which is expected to remain strong till the end of next year. Subsequently, the residual value of our fleet was reviewed and adjusted upwards. As a result, a prospective depreciation adjustment of gross EUR 193 million was recorded that decreased the depreciation during the period. The adjustment relates to vehicles that are expected to be terminated in Q4 2022 and 2023.

PLDV and EOCF gross profit was up 43.8% to EUR 178 million, primarily driven by continued strong demand for used cars despite a lower number of vehicles sold.

Underlying operating expenses were up 12.3% to EUR 233 million due to investments in growth and our digital platforms.

The underlying tax rate decreased with 1.8 percentage points to 22.5% driven by the blend of statutory tax rates.

Underlying net result from continuing operations was up 115.4% to EUR 406 million.

Underlying net result from discontinued operations of EUR 22 million contains the operational results of LeasePlan USA following the Q2 2022 announcement of the acquisition of LeasePlan USA.

Underlying net result was up 105.9% to EUR 428 million, including a EUR 147 million prospective depreciation adjustment, due to strong performance across all services and continued strong demand for used cars.

Reported net result was up 12.3% to EUR 472 million due to the EUR 213 million book gain on the sale of LeasePlan Australia and New Zealand and CarNext in Q3 2021. The net result includes EUR 44 million in underlying adjustments, including a net EUR 70 million positive mark-to-market impact arising from derivatives used for hedging, offset by EUR 20 million lower investment value in Constellation and SG Fleet driven by global stock market conditions, and net EUR 9 million costs related to our transition to ECB supervision.

Operational Highlights

LeasePlan's Car-as-a-Service offering has never been more in demand. Despite the ongoing chip crisis and supply chain disruptions, LeasePlan delivered exceptionally strong fleet growth. High demand for LeasePlan's mobility services also extended to our used car offering, including used car leasing, supporting continued strong used car pricing.

During the quarter, LeasePlan continued to drive forward the transition to zero emission mobility, with electric cars and plug-in hybrids representing 25% of all new deliveries. Increasing EV uptake was supported by LeasePlan's continued global EV advocacy, including the further rollout of its "Electric Moments" campaign in the UK and its "Getting It Done" event held during Climate Week NYC, together with the Climate Group, Polestar and the World Economic Forum. Going forward, LeasePlan's EV offering will be further enhanced by its expanded partnership with Chinese manufacturer NIO, giving LeasePlan drivers access to an entire new range of EV technology, including NIO's innovative battery swapping service.

LeasePlan's digital transformation continued to progress well. Key highlights included the launch of its NextGen online used car platform in 14 countries and the introduction of NextGen Rental in Ireland, enabling LeasePlan to tap increasing demand for flexible lease services across all customer segments. Both innovations are proofpoints of LeasePlan's Next Generation Digital Architecture (NGDA), and support LeasePlan's ambition to become the world's first fully digital Car-as-a-Service company, delivering all services digitally at digital cost levels.

Funding and Capital Position

Having finished H1 with a robust liquidity buffer of EUR 7.3 billion, Q3 was a relatively quiet quarter on the funding side. In senior unsecured, assorted private placement activity delivered matched funding of EUR 151 million equivalent, in both NOK and SEK which was used to meet natural demand for these currencies to fund our businesses in Scandinavia.

There was no secured funding in the quarter and our Retail Deposits were stable, registering a growth of just EUR 36 million to finish the period with a total balance at the Retail Savings Bank of EUR 10.6 billion. The quarter-end liquidity buffer was EUR 7.1 billion made up of EUR 5.7 billion of cash balances as well as access to the undrawn EUR 1.375 billion Revolving Credit Facility (RCF).

The CET1 ratio as per 30 September 2022 was 14.8%[8] calculated at the regulatory sub-consolidated level (LeasePlan Corporation N.V. consolidated). At this sub-consolidated, the Total Capital ratio is 16.8% which is equal to the Tier 1 capital ratio[9].

In September 2022, LeasePlan Corporation N.V. declared an interim dividend of EUR 585.6 million in relation to its first half year 2022 interim net results.

There were no rating actions in the period.

[8]CET1 ratio at the regulatory Consolidated level (LP Group B.V. consolidated) is 15.0% and CET1 ratio at the regulatory Solo level (LeasePlan Corporation N.V.) is 14.9% as of 30 September 2022.
[9]No further part of 2022 net results has been added to CET1 capital during Q3. Consequently, year to date a total of EUR 80 million of the 2022 net results has been added to CET1 capital.

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About LeasePlan
LeasePlan is a global leader in Car-as-a-Service, with approximately 1.9 million vehicles under management in 29 countries. LeasePlan purchases, funds and manages new vehicles for its customers, providing a complete end-to-end service for a typical contract duration of three to four years. LeasePlan is committed to taking a leadership role in the transition to zero-emission mobility and has set itself the ambitious goal of achieving net zero tailpipe emissions from its funded fleet by 2030. With nearly 60 years' experience, LeasePlan's mission is to provide what's next in sustainable mobility so our customers can focus on what's next for them. Find out more at www.leaseplan.com/corporate

Condensed consolidated interim financial statements

Condensed consolidated statement of profit or loss

For the period ended 30 September

In thousands of euros	Note	Q3 2022	Q3 2021*	9M 2022	9M 2021*
Operating lease income		1,036,467	982,884	3,052,518	2,926,965
Finance lease and Other interest income		33,082	14,611	114,526	44,746
Additional services income		626,451	545,077	1,809,852	1,621,913
Vehicle sales and End of contract fees		831,499	1,002,711	2,568,909	2,707,553
Revenues	2	**2,527,500**	**2,545,283**	**7,545,805**	**7,301,178**
Depreciation cars		611,445	778,719	2,209,642	2,313,287
Finance cost		76,620	68,191	205,955	198,069
Unrealised (gains)/losses on financial instruments		-94,093	-12,373	-261,050	-28,341
Impairment charges on loans and receivables		7,838	1,261	15,145	17,709
Lease cost		601,810	835,799	2,169,692	2,500,724
Additional services cost		410,108	350,200	1,166,269	1,024,175
Vehicle and Disposal cost		653,776	879,115	2,024,022	2,435,662
Direct cost of revenues	2	**1,665,695**	**2,065,114**	**5,359,983**	**5,960,560**
Lease services		467,738	161,697	997,352	470,988
Additional services		216,343	194,877	643,583	597,738
Profit/Loss on disposal of vehicles and End of contract fees		177,723	123,596	544,887	271,891
Gross profit	2	**861,805**	**480,170**	**2,185,822**	**1,340,617**
Staff expenses		166,860	124,396	458,386	361,299
Other operating expenses		60,323	74,870	184,961	199,255
Other depreciation and amortisation		26,750	22,408	74,116	61,800
Total operating expenses		**253,933**	**221,673**	**717,463**	**622,354**
Share of profit of investments accounted for using the equity method		1,655	-8,447	4,511	-6,531
Other income	1	-17,908	2,669	-41,528	2,669
Profit before tax		591,620	252,718	1,431,342	714,401
Income tax expenses		140,894	61,495	347,358	149,489
Net result from continuing operations		**450,726**	**191,223**	**1,083,984**	**564,912**
Net result from discontinued operations	3	**21,448**	**229,123**	**72,138**	**210,410**
Net result for the period		**472,174**	**420,346**	**1,156,122**	**775,322**
Attributable to:					
Equity holders of parent		462,954	411,247	1,128,517	747,932
Holders of AT1 capital securities		9,220	9,220	27,605	27,605
Non-controlling interest		–	-121	–	-215

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

*Comparative information has been represented due to discontinued operations. Please refer to Note 3.

Condensed consolidated statement of comprehensive income

For the period ended 30 September

In thousands of euros	Q3 2022	Q3 2021*	9M 2022	9M 2021*
Net result	472,174	420,346	1,156,122	775,322
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Changes in cash flow hedges, before tax	–	–	–	1,744
Income tax on cash flow hedges	–	–	–	–436
Subtotal changes in cash flow hedges, net of income tax	**–**	**–**	**–**	**1,308**
Exchange rate differences	–2,630	8,368	4,328	25,530
Other comprehensive income, net of income tax	**–2,630**	**8,368**	**4,328**	**26,839**
Total comprehensive income for the year	**469,544**	**428,714**	**1,160,450**	**802,160**
Comprehensive income attributable to:				
Owners of the parent	460,324	419,616	1,132,845	774,770
Holders of AT1 capital securities	9,220	9,220	27,605	27,605
Non-controlling interest	–	–121	–	–215
Comprehensive income attributable to owners of the parent arises from:				
Continuing operations	418,861	187,796	1,018,882	555,405
Discontinued operations	41,462	231,820	113,963	219,365

*Comparative information has been represented due to discontinued operations. Please refer to Note 3.

Condensed consolidated statement of financial position

In thousands of euros	Note	30 September 2022	31 December 2021
Assets			
Cash and balances at central banks	4	5,161,921	5,447,685
Investments in equity and debt securities		132,261	177,220
Receivables from financial institutions	5	981,928	687,651
Derivative financial instruments	6	619,235	176,167
Other receivables and prepayments		920,060	1,036,805
Inventories	7	275,364	370,605
Corporate income tax receivable		19,019	18,063
Loans to investments accounted for using the equity method		121,500	200,000
Lease receivables from clients	8	2,159,834	3,492,981
Property and equipment under operating lease, rental fleet and vehicles available for lease	9	20,451,578	19,739,908
Other property and equipment	10	258,837	296,515
Investments accounted for using the equity method		18,247	16,716
Intangible assets		437,880	351,511
Deferred tax asset		149,359	238,147
Assets classified as held-for-sale	11	2,477,836	–
Total assets		34,184,860	32,249,975

Condensed consolidated statement of financial position - *continued*

In thousands of euros	Note	30 September 2022	31 December 2021
Liabilities			
Funds entrusted	12	10,706,965	10,334,671
Derivative financial instruments	6	617,856	108,417
Trade and other payables and Deferred income		3,628,335	3,059,927
Corporate income tax payable		60,052	33,046
Borrowings from financial institutions	13	3,328,027	3,324,010
Loans from associates and jointly controlled entities		–	25,000
Lease liabilities	10	191,902	236,085
Debt securities issued	14	9,329,585	9,401,924
Provisions		615,633	581,713
Deferred tax liabilities		482,453	365,290
Liabilities directly associated with the assets held-for-sale	11	328,813	–
Total liabilities		**29,289,621**	**27,470,083**
Equity			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves		24,235	–147,872
Retained earnings		3,785,917	3,851,843
Equity of owners of the parent		**4,388,136**	**4,281,955**
AT1 capital securities		507,102	497,937
Total equity		**4,895,238**	**4,779,892**
Total equity and liabilities		**34,184,860**	**32,249,975**

Condensed consolidated statement of changes in equity

In thousands of euros	Share capital	Share premium	Other reserves	Retained earnings	Equity of owners of the parent	AT1 capital securities	Non-controlling interest	Total equity
Balance as at 1 January 2021	**71,586**	**506,398**	**-141,382**	**3,243,734**	**3,680,335**	**497,937**	**-47**	**4,178,225**
Net result	-	-	-	775,537	775,537	-	-215	775,322
Transfer - accrued interest on AT1 capital securities	-	-	-	-27,605	-27,605	27,605	-	-
Other comprehensive income	-	-	26,839	-	26,839	-	-	26,839
Total comprehensive income	**-**	**-**	**26,839**	**747,932**	**774,770**	**27,605**	**-215**	**802,160**
Interest coupon paid on AT1	-	-	-	-	-	-18,440	-	-18,440
Balance as at 30 September 2021	**71,586**	**506,398**	**-114,543**	**3,991,665**	**4,455,106**	**507,102**	**-262**	**4,961,946**
Balance as at 31 December 2021	**71,586**	**506,398**	**-147,872**	**3,851,843**	**4,281,955**	**497,937**	**-**	**4,779,892**
Restatement due to hyperinflation[1]	-	-	167,779	-	167,779	-	-	167,779
Balance as at 1 January 2022	**71,586**	**506,398**	**19,907**	**3,851,843**	**4,449,734**	**497,937**	**-**	**4,947,671**
Net result	-	-	-	1,156,122	1,156,122	-	-	1,156,122
Transfer - accrued interest on AT1 capital securities	-	-	-	-27,605	-27,605	27,605	-	-
Other comprehensive income	-	-	4,328	-	4,328	-	-	4,328
Total comprehensive income	**-**	**-**	**4,328**	**1,128,517**	**1,132,845**	**27,605**	**-**	**1,160,450**
Interim dividend declared	-	-	-	-585,593	-585,593	-	-	-585,593
Final dividend	-	-	-	-608,850	-608,850	-	-	-608,850
Interest coupon paid on AT1	-	-	-	-	-	-18,440	-	-18,440
Balance as at 30 September 2022	**71,586**	**506,398**	**24,235**	**3,785,917**	**4,388,136**	**507,102**	**-**	**4,895,238**

Accrued interest in 2022 on AT1 capital securities amounts to EUR 27.6 million. In May 2022 an amount of EUR 18.4 million was paid related to the period November 2021 - May 2022, including EUR 3.4 million accrued in 2021. The remaining part of EUR 9.2 million is payable in November 2022, therefore as at the reporting date this amount does not yet represent a liability.

[1] For more information on the restatement due to hyperinflation in 2022 please refer to Basis of preparation.

Condensed consolidated statement of cash flows

For the period ended 30 September

In thousands of euros	Note	2022	2021
Operating activities			
Net result		1,156,122	775,322
Adjustments			
Interest income and expense		138,909	140,387
Other financial (gain)		-4,458	-
Impairment charges on receivables		15,355	14,953
Gain on monetary positions on hyperinflation		-58,768	-
Valuation allowance on inventory		-	-7,551
Depreciation and impairment operating lease portfolio and rental fleet	9	2,391,228	2,548,512
Insurance expense		286,549	245,623
Depreciation other property plant and equipment		42,226	46,731
Amortisation and impairment on intangibles		35,552	30,985
Share of profit in equity accounted investments		-4,511	6,531
Gain on sale of subsidiaries / associates		-	-213,477
Financial instruments at fair value through profit and loss		-215,064	-35,782
Income tax expense		371,606	147,656
Changes in			
Provisions		-252,032	-219,605
Derivative financial instruments		-38,568	-46,377
Trade and other payables and other receivables		-89,977	67,389
Inventories		315,730	193,701
Amounts received disposing objects under operating lease	9	1,746,725	2,026,507
Amounts paid acquiring objects under operating lease	9	-5,558,245	-5,377,084
Acquired new finance leases		-993,102	-971,935
Repayment finance leases		860,429	837,071
Income taxes received		8,684	16,705
Income taxes paid		-100,186	-63,719
Interest received		93,568	82,407
Interest paid		-234,070	-236,974
Net cash inflow/(outflow) from operating activities		-86,297	7,977

Condensed consolidated statement of cash flows – *continued*

For the period ended 30 September

In thousands of euros	Note	2022	2021
Investing activities			
Net investment in equity and debt securities		–1,026	–20,044
Loans to equity accounted investments		–	–59,000
Redemption on loans to equity accounted investments		78,500	239,990
Dividend received from ass. JVs and other equity investments		9,807	4,694
Proceeds from disposal of subsidiaries		–	212,129
Proceeds from sale of other property and equipment		13,303	15,479
Acquisition of other property and equipment		–35,906	–31,305
Acquisition of intangibles assets		–131,302	–112,427
Net cash outflow from investing activities		**–66,624**	**249,516**
Financing activities			
Receipt from receivables from financial institutions		994,616	348,263
Balances deposited to financial institutions		–1,194,252	–350,808
Receipt of borrowings from financial institutions		2,302,180	2,193,242
Repayment of borrowings from financial institutions		–2,273,834	–2,253,204
Receipt of funds entrusted		4,289,150	3,175,686
Repayment of funds entrusted		–3,916,856	–1,918,650
Receipt of debt securities		1,860,568	2,574,997
Repayment of debt securities		–1,619,703	–2,726,251
Payment of lease liabilities		–31,008	–34,346
Dividends paid to Company's shareholders		–372,432	–
Interest paid AT1 capital securities		–18,440	–18,440
Net cash inflow from financing activities		**19,988**	**990,488**
Cash and balances with banks as at 1 January		**5,862,200**	**5,557,401**
Net movement in cash and balances with banks		–132,933	1,247,981
Exchange gains/(losses) on cash and balances at banks		3,954	747
Cash and balances with banks as at 30 September	4	**5,733,221**	**6,806,129**

General notes

General information

LeasePlan Corporation N.V.
LeasePlan Corporation N.V. (the "Company") is a company domiciled in Amsterdam, the Netherlands, where its statutory seat is located. The address of its registered office is Gustav Mahlerlaan 360, 1082 ME Amsterdam. The condensed consolidated interim financial statements of the Company as at 30 September 2022 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in investments accounted for using the equity method. The Group consists of an international network of companies engaged in fleet management and mobility services, mainly through operating leasing and car remarketing.
At 30 September 2022, the Group employed over 8,000 people worldwide and had offices in 29 countries. There were no major changes in the Groups' composition during the reporting period.

The Company has held a banking licence in the Netherlands since 1993 and is under the direct supervision of the European Central Bank.

The condensed consolidated interim financial statements have been reviewed, not audited.

Ownership of the Company

LP Group B.V. holds 100% of the Company's shares. LP Group B.V. represents a group of long-term investors. None of these investors alone has a direct or indirect controlling interest in the Company:

- ADIA: Since 1976, the Abu Dhabi Investment Authority (ADIA) has been prudently investing funds on behalf of the Government of Abu Dhabi, with a focus on long-term value creation. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub categories, including quoted equities, fixed income, real estate, private equity, alternatives and infrastructure.
- ATP: ATP was established in 1964 and is Denmark's, and one of Europe's, largest pension funds.
- ELQ Investors VIII Ltd: The Company's ultimate parent is The Goldman Sachs Group.
- GIC: GIC is a leading global investment firm with well over US$100 billion in assets under management. Established in 1981, the firm manages Singapore's foreign reserves and is positioned for long-term and flexible investments across a wide range of asset classes, including public equities, fixed income, real estate and private equity. In private equity, GIC invests through funds as well as directly in companies, partnering with fund managers and management teams to help businesses achieve their objectives. GIC employs more than 1,800 people.
- PGGM: PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered asset management, pension fund management, policy advice and management support. Either alone or together with strategic partners, PGGM develops innovative future provisions by linking together pension, care, housing and work.
- TDR Capital: TDR Capital LLP is a highly selective private equity firm with a track record of investing in businesses. TDR Capital LLP was founded in 2002 and currently manages funds totalling over EUR 13.0 billion on behalf of a range of sophisticated investors.

Basis of preparation

The condensed consolidated interim financial statements for the period ended 30 September 2022 have been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union (EU). The condensed consolidated interim financial statements have been prepared on the same basis as, and should be read in conjunction with, the annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS and its interpretations as adopted by the European Union, with the exception of the new and amended accounting standards described below. These condensed consolidated interim financial statements do not include the "company financial statements". The most recent annual company financial statements are included in the Group's Annual report for the year ended 31 December 2021.

The condensed consolidated interim financial statements for the period ended 30 September 2022 of the Group have been prepared on a going concern basis.

Due to rounding, numbers presented throughout these condensed consolidated interim financial statements may not add up precisely to the totals provided.

Hyperinflation in Turkey

With the effect from April 2022 the Turkish economy is hyperinflationary. In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" starting at the beginning of the reporting period 1 January 2022, with respect to the consolidated position and result of the Group's Turkish subsidiary, the financial statements include restatements for changes in the general purchasing power of the Turkish lira to the measuring unit current at the reporting date. As the presentation currency of LeasePlan is a non-hyperinflationary currency, the comparative period has not been restated. The opening balance sheet position as per 1 January 2022 has been restated to the measuring unit current at the reporting date of 30 September 2022 with respect to the consolidated position and result of the Group's Turkish subsidiary. As LeasePlan Turkey holds a net monetary liability position in the balance sheet, the restatement resulted in an increase in equity of Euro 168 million as per 1 January 2022. The Group has made a policy decision to report the restatement effect on equity in a separate restatement reserve as part of the other reserves in the other comprehensive income.

LeasePlan Turkey has applied the consumer price index (CPI), as published by the Turkish Statistical Institute (TURKSTAT) as the measuring unit current. The development of the CPI index in the current and previous reporting periods is as following:

	2019-12	2020-09	2020-12	2021-09	2021-12	2022-09
Conversion coefficient	440.5	477.2	504.8	570.7	687.0	1,046.9
CPI Index (12 month)	12%	12%	15%	20%	36%	83%

The financial statements of the Turkish subsidiary are based on a historical cost. Non-monetary assets and liabilities of the Turkish subsidiary are restated for the change in CPI from the date of acquisition or initial recognition of the balance sheet item to the end of the reporting period. As per 1 January 2020 the Turkish lira became the functional currency of the Turkish subsidiary, this revaluation date is applied as the earliest historical cost date. As non-monetary items have been restated to the CPI at the reporting date, revenue and cost of revenue related to non-monetary items in the statement of profit or loss are also recognised at the CPI at the end of the reporting period. Adjustments in the statement of profit or loss have been made to reflect the date of movements in the portfolio of lease contracts, inventory, rental fleet and vehicles available for lease and related tax amounts.

Monetary assets and liabilities of the Turkish subsidiary are indexed up at the beginning of the reporting period to reflect the higher purchasing power at the beginning of the reporting period compared to the end of the reporting period. The change in purchasing power is calculated by dividing the index at the reporting date by the index at the beginning of the reporting period. As the Turkish subsidiary has a net monetary liability position, a net monetary gain of Euro 58.8 million is recognised in the statement of profit or loss in 'Finance lease and other interest income'.

The net effect in the income statement of the indexation is a gain of Euro 28.5 million.

Significant judgments are made with respect to the application of the consumer price Index as the most relevant measuring unit current.

Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

Adoption of new and amended accounting standards effective as per 1 January 2022

The following amendments to existing standards (IFRS 3, IAS 16, IAS 37, Annual improvements 2018-2020) endorsed by the EU, became effective for the reporting period beginning 1 January 2022. Those amendments do not have any significant impact on shareholders' equity nor comprehensive income of the Group.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. Also the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and introduce a 'directly related cost approach'. These costs include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract and allocation of indirect overheads is no longer allowed.

IAS 16 Property, Plant and Equipment

This amendment is not applicable to the Group.

Annual Improvements 2018-2020

These changes are not expected to be material for LeasePlan.

- IFRS 1 First-time Adoption of IFRS is not applicable to the Group.
- IFRS 9 amendment clarifies which fees to include in assessment of a modification.
- IAS 16 change in illustrative example for lease incentives in the payments from the lessor relating to leasehold improvements.
- IAS 41 Agriculture is not applicable to the Group.

New and amended relevant accounting standards effective after 1 January 2023

IFRS 17 – 'Insurance contracts'

The Group will implement IFRS 17 'Insurance Contracts' (as issued by the IASB on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020). The standard will be effective after 1 January 2023 and is endorsed by the EU as per 19 November 2021.

IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts, which was issued in 2005.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows).
- A Contractual Service Margin (CSM) that is deferring any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period).
- A simplified premium allocation approach may be applied for contracts that meet specific conditions. An important condition is that the coverage of the contracts does not exceed one year. The premium allocation approach is quite similar to current accounting under IFRS 4 for non-life products.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income is based on the concept of services provided during the period.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures will provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The Group is currently assessing the impact on shareholders' equity and comprehensive income due to adoption of IFRS 17. Most of the insurance contracts have a coverage period of one year or less and therefore the Group opts to apply the premium allocation approach. The changes in revenue recognition and measurement of insurance liabilities under the new standard, such as requirements for initial recognition, discounting, risk adjustment and allocation of overhead expenses are expected to have no significant impact on equity and comprehensive income.

Other changes

The following amendments to standards, endorsed by the EU, become effective after 1 January 2023. Those changes relate to:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021).

The following amendments to standards are not yet endorsed by the EU and become effective after 1 January 2023. Those changes relate to:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current (issued on 23 January 2020 and 15 July 2020). The IASB has issued an exposure draft to defer the effective date from 1 January 2023 to 1 January 2024.
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

These changes are not expected to have a significant impact on shareholders' equity nor comprehensive income of the Group.

Use of judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that impact the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

Seasonality and cyclicality

As the Group leases assets to its clients for durations that normally range between 3-4 years, the impact of seasonality and cyclicality is relatively limited.

Financial risk management

All amounts are in thousands of euros, unless stated otherwise

Recent developments

In January 2022, LeasePlan's shareholders and LeasePlan signed a Memorandum of Understanding with ALD and Société Générale to create a leading global player in mobility. On 22 April 2022, another major milestone towards creating a leading global player in mobility was reached with the signing of the Framework Agreement, following the completion of the process of information and consultation of the relevant works councils. This Framework Agreement is a binding agreement which confirms the terms of the transaction as disclosed earlier this year. It is a key step allowing the parties to prepare for the completion of the transaction.

In June 2022, LeasePlan Corporation, announced that Wheels Donlen's parent company, in which Athene Holding Ltd. is the ultimate investor, has signed a Stock Purchase Agreement with LeasePlan Corporation to acquire LeasePlan USA, and subsequently combine the business with Wheels Donlen to create a unified fleet management business. This combination creates a strong competitor in mobility in the USA, allowing Wheels Donlen and LeasePlan USA to provide enhanced solutions to corporate fleets. As of 30 June 2022, LeasePlan USA was classified as an asset held-for-sale. The transaction is expected to close by the end of 2022, subject to customary closing conditions including regulatory approvals.

Given the continuing war in Ukraine, LeasePlan has taken the decision to wind down its operations in Russia and will not take any new orders at this time. LeasePlan is committed to taking care of its colleagues and customers in the region throughout this process. Currently it is too early to identify any impact on the business of LeasePlan. As at 30 September 2022 LeasePlan's exposure amounts to EUR 76 million (equity and loans). Based on the actual FX rate as of date of publication, this is close to EUR 74 million.

Risks and uncertainties

In 2022, LeasePlan updated risk universe (taxonomy) to increase the coverage on risk types and events based on the ORX standard. The updated risk universe categorises three main types on risks: financial, non-financial and strategic. Financial risks are categorized for asset risk, credit risk, treasury risk, motor insurance risk; non-financial risks contain operational risk, information risk, compliance risk, human resources risk, reporting risk, change failure risk and legal risk; while strategic risk is a separate risk type. Of the twelve risk categories, asset risk, credit risk, operational risk, liquidity risk (which is part of treasury risk) are considered to be primary risks for 2022. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures as required for the annual financial statements; these disclosures should be read in conjunction with the Group's consolidated financial statements, for the year ended 31 December 2021.

Based on the main risk areas, we have summarised material risks and uncertainties that are relevant to the expectations of LeasePlan's continuity for the period of 12 months after the preparation of this Report.

- LeasePlan may suffer from adverse developments in the automotive industry, including regarding diesel vehicles, and the other markets directly related to its business. Technology changes could have a material adverse effect on the business, financial condition and results of its operations
- LeasePlan relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error, business interruptions and external events. In addition, LeasePlan is subject to the risk of cybercrime by employees or third parties
- LeasePlan is subject to bank regulation, and changes in regulations or to its regulatory capital requirements can influence its business, financial condition, results of operations and liquidity position
- LeasePlan is currently working on a high number of projects and initiatives related to regulatory enhancement programmes which could affect our business, financial condition and results of operations
- For regulatory governance and compliance we need to attract and retain sufficiently qualified personnel to manage increasing regulatory requirements. Not having the required number of resources could have an impact on the deliverables
- For model development, the maturity of the model landscape and risk oversight quality of (historic) data is important. Data quality issues could have an adverse impact on the reliability of the output delivered by the models
- The intended merger with ALD will increase pressure on employee retention and our ability to attract new employees
- LeasePlan is exposed to emerging risks of uncertain external events or developments that could pose a significant threat to our business. These risks could include political tensions that might have negative impacts on our operations in certain countries

LeasePlan believes these are the risk events which could hinder the company in achieving its strategic and financial business objectives. This may, however, not include all the risks that may ultimately affect LeasePlan.

To manage and mitigate risk in each of these risk categories and related subcategories, LeasePlan has implemented a variety of key processes. For asset risk, mitigants include interim adjustments and end-of-contract fees, as well as multi-channel and cross-border sales. For operational risk, testing and monitoring of controls, Risk control self-assessments, providing adequate and frequent training to personnel, raising awareness and standardizing and automating processes., are examples of mitigants. For liquidity risk, we have matched funding, our diversified funding platform and healthy liquidity buffers as mitigants. For credit risk, mitigants include risk modelling, debtor management and default monitoring.
In addition to the above risks, we have begun assessing climate and environmental changes which may cause risks to our business, in line with the expectations of the ECB. To this end, we have begun to follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2022, LeasePlan implemented an updated taxonomy to increase the coverage on risk types and events based on the ORX standard.

A. Asset risk

The Group defines asset risk as the combination of residual value risks and risks on RMT services. Residual value risk is considered the main risk and is defined as the Group's exposure to potential losses due to the resale value of assets declining below the estimates made at lease inception minus risk mitigation. For residual value risk the Group also makes the distinction between market risks that are related to developments in the used car market and non-market risks that do not directly relate to market development. The risk related to RMT is the Group's exposure to potential loss due to the actual costs of the services, repair and maintenance and tyres (over the entire contractual period) exceeding the estimates made at lease inception.

The Group has several risk-mitigating measures in place to manage and mitigate the exposure to non-market residual value risk. These measures allow the Group to adjust its pricing of contracts to compensate for the effects of (interim) deviations from the contractual mileage and duration terms by customers or allow for charging of fees to compensate for excessive wear and tear to the vehicle and excess mileages at contract-end. These measures therefore mitigate the asset risk associated with deviations from the original contract terms.

The effects of the potential negative developments in the used-car market are partially mitigated by the multi-channel approach, which allows further diversifications and optimisation of the revenues generated from the sale of second-hand cars.

On a monthly basis, the Group assesses its exposure to asset risk and evaluates the outcomes against its risk appetite. This assessment also determines the amount of capital that is required as a buffer against residual value market risks.

Furthermore, the Group's local leasing companies also assess the exposures and expected results on their local lease portfolio for future years using a globally harmonised methodology, assessing the current contracted portfolio against latest expectations regarding future market prices, as well as a number of alternative scenarios.

Using the outcomes of these local assessments as a basis, the Group re-assesses the valuation of the portfolio and on quarterly basis determines whether any impairment and/or prospective depreciation must be applied to the portfolio.

The exposure to residual values as at the end of September 2022 amounts to EUR 14.8 billion (year-end 2021: EUR 13.8 billion).

B. Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its obligations for (re)payments, due to a mismatch between the run-off of its assets and liabilities.

Liquidity risk is managed by pursuing a diversified funding strategy, seeking to attract funding that matches the estimated run-off profile of the leased assets and maintaining an adequate liquidity buffer. The matched funding principle is applied both at a consolidated group and at subsidiary level considering specific mismatch tolerance levels. The Group maintains a liquidity buffer that includes cash balances and a committed (standby) credit facility to safeguard its ability to continue to write new business also if under stress temporarily no new funding can be obtained from financial markets. The Group maintains a number of stress scenarios addressing idiosyncratic and market-wide risk drivers in both specific and combined scenarios. The overall regulatory liquidity buffer is intended to be sufficient to ensure that under management assumption-based stress at least 9 months can be survived and under regulatory assumption-based stress at least 6 months can be survived.

C. Credit risk

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 future lease payments, which is the part of the lease the customer needs to repay during the contract duration. At any moment time this is the cumulative future depreciation amounts excluding the optional lumpsum at the end of the lease. For the future lease payments credit risk is mitigated by the underlying value of the available collateral (i.e. leased object).

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[10] on the application of the definition of default. For purposes of assessing, recognising and reporting defaults, a customer shall be 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.

For the implementation of the new definition of default, LeasePlan followed a two-step approach. The first step was implementing the new definition of default, which was done as of the 1 of January 2021. The second step is updating our regulatory models. These updated models have been sent to the regulator and LeasePlan is awaiting the model assessment process of the regulator.

The total TREA of LeasePlan has increased by EUR 1.8 billion as per Q3 2022 compared with TREA of EUR 22.5 billion as per Q4 2021 mainly due to the growth in the off-balance sheet exposures, the recalculation of the operational risk capital, currency risk requirement and the hyperinflation correction in LeasePlan Turkey.

In addition, the Group is exposed to credit risk originating from its banking and treasury activities, which includes deposits placed with financial institutions and hedging instruments, such as derivatives and reinsurance activities. Finally, the Group is exposed to credit risk because of insurance activities as well as to rebates and bonuses to be received from vehicle manufacturers and other suppliers.

D. Operational risk

Operational risk within LeasePlan involves the risk of potential loss resulting from inadequate or failed internal processes, human behavior, and systems or external incidents. The following risk categories are part of operational risk:

- Business continuity
- Internal fraud
- External fraud
- Physical security and safety
- Transaction processing and execution
- Third party
- Intragroup arrangement
- Model risk

Some of the risk categories have separate policies and standards. Operational risk is part of the Non-Financial Risk Management domain within LeasePlan. Operational risk is included under the Pillar 1 capital and represents the total exposure to non-financial risks as per LeasePlan's risk taxonomy. The total risk exposure amount on the Standardized Approach (STD) as of 30 September 2022, under Pillar 1 the operational risk regulatory capital requirement is EUR 220 million (year-end 2021: EUR 193 million).

[10]Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013

Specific notes

All amounts are in thousands of euros, unless stated otherwise

1 Segment information

LeasePlan's core business activity consist of providing leasing and fleet management services, including the purchase, financing, insurance, maintenance and remarketing of vehicles, to external customers. The Group offers a mono-line product through all its LeasePlan subsidiaries allowing for some differentiation based on the maturity of local markets. The Group's key management is responsible for allocating resources to the segments and assesses its performance.

As per 30 June 2022, LeasePlan United States has been classified as a discontinued operation and is presented under a separate caption of the Profit or loss (Net result from discontinued operations) in the tables below (see note 3). LeasePlan United States is included in the segment Rest of the world.

In 2021 LeasePlan Australia, LeasePlan New Zealand and CarNext B.V. and its subsidiaries have been sold and were also classified as discontinued operations (the Australian and New Zealand businesses as per 31 March and Carnext B.V. as per 30 June 2021) and are similarly presented under a separate caption of the Profit and Loss (Net result for discontinued operations) in the tables below. LeasePlan Australia and LeasePlan New Zealand were included in the segment Rest of the world and CarNext B.V. was included in the segment Europe.

Segments

The Group identified Europe and Rest of the world as reportable segments. Operating segments are reported in accordance with the internal reporting provided to the Group's key management. In addition to the leasing and fleet management services, the vehicle sales are identified as separate Business line (please refer to Basis of preparation for more information).

- Europe

Geographies in this segment are all European countries where the Group operates including Turkey, Russia and United Arab Emirates.

- Rest of the world

Geographies in this segment are Brazil, India, Mexico and the United States. The United States are included in discontinued operations as per 30 June 2022. In 2021 Australia and New Zealand were included in this segment under the discontinued operations caption.

The performance of the segments is measured based on the combination of IFRS and Alternative Performance Measures, such as serviced fleet, revenue and underlying net result. The Alternative Performance Measures are obtained from the internal system of management accounting. This provides management with a comprehensive view of the performance of the segments. Inter-segment transactions are at arm's length and not presented separately given their insignificance. All revenues are from external customers.

	Europe		Rest of the world		Total	
In millions of euros	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
Serviced fleet (in thousands) at period end	1,552	1,453	381	329	1,933	1,783
Revenues	7,336	7,148	210	153	7,546	7,301
Finance lease and Other interest income	115	44	–1	1	115	45
Finance cost	180	178	26	21	206	198
Car and other depreciation and amortisation	2,240	2,331	58	48	2,297	2,378
Underlying taxes	279	136	9	5	288	141
Underlying net result from continuing operations	945	537	16	2	961	539
Underlying net result from discontinued operations	–	–49	72	61	72	12
Underlying net result	945	487	89	64	1,034	551
Total assets	30,862	29,529	3,323	2,544	34,185	32,072
Total liabilities	26,413	24,913	2,876	2,197	29,290	27,110

The table below presents information about the main countries in which the Group is active. The Netherlands is the domicile country of the Group.

	FTE's (average)		Underlying Revenues		Lease Contracts	
	In Units		In millions of euros		In millions of euros	
Country of activity	2022	2021	2022	2021	2022	2021
Italy	510	531	976	883	2,229	2,023
United Kingdom	517	535	968	983	2,948	2,980
Netherlands	2,018	1,847	966	930	3,157	2,848
Other	5,154	5,633	4,637	4,506	13,285	13,649
As at 30 September	8,198	8,546	7,546	7,301	21,619	21,500

Alternative Performance Measures

In addition to IFRS financial measures, the Group uses certain Alternative Performance Measures to present and discuss our underlying performance and value creation. To arrive at Underlying net result, Net result is adjusted for impacts related to unrealised results on financial instruments, asset impairments, restructuring expenses and other special items (like consultancy costs) which arise from events or transactions that management considers distinct from regular operating activities.

The reconciliation from IFRS measures to Alternative Performance Measures for the nine months ended September 30, 2022 and 2021 is included in the tables below:

In thousands of euros	IFRS results 30 September 2022	Underlying adjustments			Underlying results 30 September 2022
		Restructuring and other special items [1]	Unrealised results on financial instruments [2]	Asset impairments and valuation allowance [3]	
Revenues	**7,545,805**				**7,545,805**
Direct cost of revenues	5,359,983	–	261,050	13,561	5,634,593
Gross profit	**2,185,822**	**–**	**–261,050**	**–13,561**	**1,911,212**
Total operating expenses	717,463	–46,845	–	38	670,656
Other income	–41,528		45,985		4,458
Share of profit of investments accounted for using the equity method	4,511				4,511
Profit before tax	**1,431,342**	**46,845**	**–215,064**	**–13,599**	**1,249,525**
Income tax expenses	347,358	12,019	–67,332	–3,790	288,255
Net result from continuing operations	**1,083,984**	**34,826**	**–147,732**	**–9,809**	**961,269**
Net result from discontinued operations	72,138	148	–		72,286
Net result for the period	**1,156,122**	**34,974**	**–147,732**	**–9,809**	**1,033,555**

[1] Includes professional consultancy costs related to ECB transition (EUR 30 million) and other consulting (EUR 17 million) for a total of EUR 46.8 million before tax (EUR 34.8 million after tax).

[2] Includes EUR 45.9 million fair value loss on equity instruments included in other income.

[3] Includes lease contracts impairment reversals for a total of EUR 13.6 million before tax (EUR 9.8 million after tax).

In thousands of euros	IFRS results 30 September 2021	Underlying adjustments			Underlying results 30 September 2021
		Restructuring and other special items [1]	Unrealised results on financial instruments	Asset impairments and valuation allowance [2]	
Revenues	7,301,178				7,301,178
Direct cost of revenues	5,960,560	–	44,585	4,404	6,009,549
Gross profit	1,340,617	–	-44,585	-4,404	1,291,629
Total operating expenses	622,354	-16,556		-1,097	604,701
Other income	2,669		-2,669	–	–
Share of profit of investments accounted for using the equity method	-6,531				-6,531
Profit before tax	714,401	16,556	-47,254	-3,307	680,396
Income tax expenses	149,489	4,663	-12,646	-554	140,952
Net result from continuing operations	564,912	11,893	-34,608	-2,753	539,444
Net result from discontinued operations	210,410	-194,088	-4,442		11,880
Net result for the period	775,322	-182,195	-39,050	-2,753	551,323

[1] Includes professional consultancy costs related to CarNext (EUR 7.8 million) and other consulting (EUR 8.7 million) for a total of EUR 16.5 million before tax (EUR 11.8 million after tax). EUR 194.1 million (net of tax) included in Net result from discontinued operations relates to EUR 212.0 million of gain on sale of subdisiaries, EUR 4.0 million of costs related to discontinued operations included in the sale transactions and EUR 13.9 million of professional consultancy costs of CarNext B.V. reclassified to this caption.

[2] Includes lease contracts impairment reversal on defaulted operating lease customers (EUR 4.4 million) and impairment charge on non current assets (EUR 1.1 million) for a total of EUR 3.3 million before tax (EUR 2.8 million after tax).

2 Revenues and direct cost of revenues

Revenues

Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

In thousands of euros	Q3 2022	Q3 2021	9M 2022	9M 2021
Operating lease income	1,036,467	982,884	3,052,518	2,926,965
Finance lease and Other interest income	33,082	14,611	114,526	44,746
Additional services income	626,451	545,077	1,809,852	1,621,913
Vehicle sales and End of contract fees	831,499	1,002,711	2,568,909	2,707,553
Revenues	2,527,500	2,545,283	7,545,805	7,301,178

Finance lease and Other interest income for the nine months period ended 30 September 2022, includes an amount of EUR 8.8 million (9M 2021: EUR 6.9 million) related to Other interest income and includes a gain of EUR 58.8 million on the net monetary position in the reporting period due to hyperinflation accounting of Leaseplan Turkey (for more information please refer to Basis of preparation).

Operating lease income for the nine months period ended 30 September 2022, includes an amount of EUR 531.7 million (9M 2021: EUR 500.9 million) related to interest income.

Direct cost of revenues

Direct cost of revenues comprises the costs associated with providing the above-mentioned lease and additional services, the sale of vehicles and related finance cost and impairment charges.

In thousands of euros	Note	Q3 2022	Q3 2021	9M 2022	9M 2021
Depreciation cars		625,332	774,193	2,223,076	2,317,451
Impairment charge operating lease assets *	9	−13,887	4,526	−13,434	−4,164
Finance cost		76,620	68,191	205,955	198,069
Unrealised (gains)/losses on financial instruments		−94,093	−12,373	−261,050	−28,341
Impairment charges on loans and receivables		7,838	1,261	15,145	17,709
Lease cost		601,810	835,799	2,169,692	2,500,724
Additional services cost		410,108	350,200	1,166,269	1,024,175
Vehicle and Disposal costs	7	653,776	879,115	2,024,022	2,435,662
Direct cost of revenues		1,665,695	2,065,114	5,359,983	5,960,560

(*) Impairment on operating lease assets is included in line-item Depreciation cars in the consolidated statement of profit or loss.

Gross profit (net lease income and vehicles sales income)

The gross profit (revenues less cost of revenues) can be shown as follows:

In thousands of euros	Note	Q3 2022	Q3 2021	9M 2022	9M 2021
Lease services		359,759	153,850	722,868	438,483
Impairment charge operating lease assets *	9	13,887	−4,526	13,434	4,164
Unrealised gains/(losses) on financial instruments		94,093	12,373	261,050	28,341
Lease		**467,738**	**161,697**	**997,352**	**470,988**
Fleet management and other services		55,291	42,681	151,304	137,255
Repair and maintenance services		67,506	65,262	214,872	204,788
Damage services and Insurance		93,547	86,934	277,407	255,695
Additional services		**216,343**	**194,877**	**643,583**	**597,738**
End of contract fees		25,595	27,653	83,924	97,233
Profit/(loss) on disposed vehicles (PLDV)	7	152,128	95,943	460,963	174,658
Profit/(loss) on disposed vehicles and End of contract fees		**177,723**	**123,596**	**544,887**	**271,891**
Gross profit		**861,805**	**480,170**	**2,185,822**	**1,340,617**

(*) Impairment on operating lease assets is included in line-item Depreciation cars in the consolidated statement of profit or loss.

Net finance income

As part of the analysis of the revenues and direct cost of revenues LeasePlan also considers the net finance income as relevant metric for financial reporting purposes. The net finance income is presented below:

In thousands of euros	Q3 2022	Q3 2021	9M 2022	9M 2021
Operating lease - interest income	184,388	169,965	531,689	500,948
Finance lease and Other interest income	33,082	14,611	114,526	44,746
Finance cost	-76,620	-68,191	-205,955	-198,069
Net interest income	140,850	116,385	440,260	347,625
Unrealised gains/(losses) on financial instruments	94,093	12,373	261,050	28,341
Impairment charges on loans and receivables	-7,838	-1,261	-15,145	-17,709
Net finance income	227,105	127,497	686,165	358,258

3 Discontinued operations

As per 30 June 2022 LeasePlan presents the subsidiary LeasePlan United States as held for sale.
On June 13, 2022 LeasePlan Corporation announced that Wheels Donlen's parent company, in which Athene is the lead investor, has signed a Stock Purchase Agreement with LeasePlan Corporation to acquire LeasePlan USA, and subsequently combine the business with Wheels Donlen to create a unified fleet management business. As part of this transaction, LeasePlan USA and LeasePlan Corporation will enter into a Cooperation Agreement to deliver global fleet management services to both companies' international clients following the completion of the transaction. The transaction is expected to close by the end of 2022, subject to customary closing conditions including regulatory approvals.

In 2021 LeasePlan reported three discontinued operations: CarNext B.V. and its subsidiaries, that were sold on 1 July 2021, LeasePlan Australia and LeasePlan New Zealand, divested on 1 September 2021.
The comparative condensed consolidated statement of profit or loss and other comprehensive income have been re-presented to show the discontinued operation separately from continuing operations.

	Q3 2022	Q3 2021	9M 2022	9M 2021
External revenues	107,696	131,582	330,185	694,356
External expenses	78,958	109,387	233,799	697,861
Income tax expenses	-7,290	-5,155	-24,247	1,833
Results from operating activities	21,448	17,041	72,138	-1,673
Gain on sale of discontinued operations, after tax	-	212,082	-	212,082
Net result from discontinued operations	21,448	229,123	72,138	210,410

The net result from discontinued operations is attributable entirely to the owners of the company.

Cash flow from (used in) discontinued operations:

	30 September 2022	30 September 2021
Net cash inflow/(outflow) from operating activities	1,617	26,615
Net cash inflow/(outflow) from investing activities	-4,260	289,315
Net cash inflow/(outflow) from financing activities	-1,772	-9,844
Net movement in cash and balances with banks	-4,416	306,085

4 Cashflow statement – cash and cash equivalents

In thousands of euros	30 September 2022	30 September 2021
Cash and balances at central banks	5,161,921	6,318,182
Deposits with banks	461,201	426,651
Call money, cash at banks	207,958	170,935
Bank overdrafts	-97,307	-109,639
Cash and cash equivalents excluding those related to assets held for sale	**5,733,772**	**6,806,129**
Cash and cash equivalents related to assets held for sale	-551	-
Balance for the purpose of the statement of cash flows	**5,733,221**	**6,806,129**

All cash and balances at (central) banks are available at call except for the mandatory reserve deposits at the Dutch Central Bank. The mandatory reserve deposits amounting to EUR 97.5 million (30 September 2021: EUR 97.6 million) are not used in the Group's day-to-day operations and form part of the 'Cash and balances at central banks'.
The Cash and balances at central banks and Bank overdraft decreased over the period 30 September 2022 to 30 September 2021, mainly due to customer orders, the rise of prices across the world.

5 Receivables from financial institutions

This caption includes amounts receivable from Dutch and foreign banks. Amounts receivable from financial institutions includes call money and current account bank balances that form part of the cash and balances with banks in the cash flow statement.

In thousands of euros	30 September 2022	31 December 2021
Deposits with banks	461,201	387,268
Call money, cash at banks	207,958	186,903
Cash collaterals deposited for securitisation transactions	24,398	56,429
Cash collaterals deposited for derivative financial instruments	284,377	53,128
Other cash collateral deposited	3,994	3,923
Total	**981,928**	**687,651**

The maturity analysis is as follows:

In thousands of euros	30 September 2022	31 December 2021
Three months or less	927,041	632,563
Longer than three months, less than a year	32,806	31,189
Longer than a year, less than five years	22,031	23,866
Longer than five years	50	34
Total	**981,928**	**687,651**

The receivables from financial institutions all reside in Stage 1, there is no significant increase in credit risk as at 30 September 2022. The allowance for expected credit losses amounts to EUR 0.4 million (31 December 2021: EUR 0.4 million).

6 Derivative financial instruments

Derivative financial instruments are measured at fair value and are made up as follows:

	30 September 2022			31 December 2021		
	Notional amounts	Fair value		Notional amounts	Fair value	
In thousands of euros		Assets	Liabilities		Assets	Liabilities
Fair value hedge						
Interest rate swaps	6,346,804	2,009	364,246	6,774,611	51,715	40,147
Cross currency swaps	52,031	–	5,438	78,263	–	2,862
Total Derivatives in hedge	**6,398,835**	**2,009**	**369,684**	**6,852,875**	**51,715**	**43,009**
Interest rate swaps	22,828,589	374,247	122,394	26,664,647	56,840	24,717
Cross currency swaps/forwards	6,119,118	242,979	125,778	4,718,169	67,612	40,692
Derivatives not in hedge	**28,947,707**	**617,226**	**248,172**	**31,382,815**	**124,451**	**65,409**
Total	**35,346,542**	**619,235**	**617,856**	**38,235,690**	**176,167**	**108,417**

The fair value is based on the price including accrued interest (dirty price). The unrealised gains/losses on financial instruments recognised in the statement of profit or loss are as follows:

In thousands of euros	Q3 2022	Q3 2021	9M 2022	9M 2021
Derivatives not in hedges	94,115	11,707	260,838	27,115
Derivatives fair value hedging instruments	–134,533	–16,185	–372,291	–53,428
Financial liabilities fair value hedged items	134,510	16,851	372,502	54,654
Hedge ineffectiveness fair value hedges	–23	666	212	1,228
Unrealised gains/(losses) on financial instruments	**94,093**	**12,373**	**261,050**	**28,341**

7 Inventories

In thousands of euros	Note	30 September 2022	31 December 2021
Cars and trucks from terminated lease contracts		252,845	280,463
Valuation allowance	2	−1,102	−1,102
Carrying amount cars and trucks from terminated lease contracts		**251,743**	**279,361**
New cars and trucks in stock		23,621	57,184
Other inventories		–	34,061
Total		**275,364**	**370,605**

In line with our expectations, the beneficial pricing of the used-car market continued in Q3 2022.

Compared to 31 December 2021 the valuation allowance for inventory remained at EUR 1.1 million. The allowance represents the impact of the write down to the lower net realisable value of the inventories. The amount is booked on the Vehicle and disposal costs report line in the Direct cost of revenues.

The sensitivity of an additional 1% decline in used-cars prices will not require any additional allowance for inventory. The 1% decline is not a linear variable.

The decrease of EUR 34 million in the other inventories is related to the classification of LPUS as assets held-for-sale.

8 Lease receivables from clients

This item includes amounts receivable under finance lease contracts and trade receivables mainly related to operating lease, after deduction of allowances for impairment.
Trade receivables represent unpaid, current lease receivables under existing operating lease contracts or receivables related to inventory sales.

In thousands of euros	30 September 2022	31 December 2021
Amounts receivable under finance lease	1,542,283	2,784,194
Trade receivables	698,464	791,454
Impairment	−80,913	−82,667
Total	**2,159,834**	**3,492,981**

The impairment allowance of EUR 80.9 million (year-end 2021: EUR 82.7 million) includes EUR 7.1 million (year-end 2021: EUR 6.5 million) related to invoices under commercial disputes and EUR 73.8 million (year-end 2021: EUR 76.2 million) of expected credit losses (ECL) recognised under IFRS 9.

Impairment allowance

The ECL allowances include lifetime expected credit losses amounting to EUR 18.4 million (year-end 2021: EUR 19.7 million) for non credit impaired lease receivables and EUR 55.4 million (year-end 2021: EUR 56.5 million) for credit impaired lease receivables. In 2022 changes in the ECL allowance mainly relate to net remeasurements on existing contracts and ECL on new contracts recognised during the period.

The Group uses the macroeconomic information and forecasts from data provider IHS Markit as input to its expected credit loss models, next to the developments in parameters such as defaults and amounts overdue. Following the update of the applied macroeconomic forecasts in April, when the optimistic and the pessimistic

scenario for the war in Ukraine were adopted, another update occurred in August 2022. The optimistic scenario for the war in Ukraine, with the quick restoring of the trade relationships between Rusia and the EU, has apparently become outdated. Hence, the new scenario of Eurozone Recession was selected. As the Eurozone Recession scenario demonstrates a significant impact for the U.S. and other countries, it is applied globally to all countries together with the Russian Isolation scenario and the IHS Markit Baseline scenario.
The Group keeps applying a 100% weighting to a pessimistic scenario in each country, due to the continued disruptions and gradually worsening macroeconomic outlooks.

If a 100% optimistic scenario is applied, the ECL allowance for non-credit impaired lease receivables is EUR 3.4 million lower. The sensitivity of credit impaired lease receivables to a decline in value of collateral is not material as the allowance is covering almost the total exposure and collateral values are insignificant.

The maturity analysis is as follows:

In thousands of euros	30 September 2022	31 December 2021
Three months or less	848,711	1,143,727
Longer than three months, less than a year	372,841	834,098
Longer than a year, less than five years	1,007,955	1,583,329
Longer than five years	11,241	14,493
Impairment	-80,913	-82,667
Total	**2,159,834**	**3,492,981**

A part of the receivables under finance lease contracts is encumbered as a result of the asset backed securitisation transactions concluded by the Group. The total value of the securitised financial leased assets amounts to EUR 258 million (year-end 2021: EUR 332 million) (see note 9).

9 Property and equipment under operating lease, rental fleet and vehicles available for lease

In thousands of euros	Operating lease	Rental fleet	Vehicles available for lease	Total
Carrying amount as at 1 January 2021	**18,706,745**	**179,677**	**304,963**	**19,191,386**
Sale of subsidiary	–552,857	–	–	–552,857
Purchases/additions	4,942,263	105,481	329,340	5,377,084
Disposals	–1,999,072	–27,436	–	–2,026,507
Transfer from vehicles available for lease	304,963	–	–304,963	–
Transfer to inventories	–230,197	–	–	–230,197
Depreciation	–2,523,798	–28,879	–	–2,552,677
Impairment charge	–4,259	–	–	–4,259
Impairment reversal	8,424	–	–	8,424
Currency translation adjustments	130,939	–51	1,059	131,948
Carrying amount as at 30 September 2021	**18,783,152**	**228,793**	**330,399**	**19,342,344**
Cost	25,854,276	294,569	330,399	26,479,243
Accumulated depreciation	–7,071,124	–65,776	–	–7,136,900
Carrying amount as at 30 September 2021	**18,783,152**	**228,793**	**330,399**	**19,342,344**
Transfer to assets held for sale/sale of subsidiary	–10,091	–	–	–10,091
Purchases/additions	1,438,568	58,113	382,364	1,879,045
Disposals	–575,147	–2,674	–	–577,821
Transfer from vehicles available for lease	330,399	–	–330,399	–
Transfer to inventories	–50,266	–	–	–50,266
Depreciation	–824,080	–13,131	–	–837,211
Impairment charge	1,253	–	–	1,253
Impairment reversal	–871	–	–	–871
Currency translation adjustments	–4,556	–2,670	751	–6,475
Carrying amount as at 31 December 2021	**19,088,362**	**268,431**	**383,115**	**19,739,908**
Cost	26,390,760	344,695	383,115	27,118,571
Accumulated depreciation	–7,302,399	–76,264	–	–7,378,663
Carrying amount as at 31 December 2021	**19,088,362**	**268,431**	**383,115**	**19,739,908**
Restatement due to hyperinflation	242,277	9,009	3,174	254,461
Carrying amount as at 1 January 2022	**19,330,639**	**277,440**	**386,290**	**19,994,369**
Purchases/additions	4,776,162	236,572	545,511	5,558,245
Disposals	–1,716,000	–30,726	–	–1,746,725
Transfer from vehicles available for lease	386,290	–	–386,290	–
Transfer to inventories	–252,845	–	–	–252,845
Depreciation	–2,355,236	–49,382	–	–2,404,618
Impairment charge	–5,237	–	–	–5,237
Impairment reversal	18,627	–	–	18,627
Transfer to assets held for sale	–354,256	–	–213,819	–568,076
Currency translation adjustments	–151,315	–9,502	18,654	–142,162
Carrying amount as at 30 September 2022	**19,676,829**	**424,403**	**350,346**	**20,451,578**
Cost	27,147,786	537,195	350,346	28,035,327
Accumulated depreciation	–7,470,956	–112,792	–	–7,583,749
Carrying amount as at 30 September 2022	**19,676,829**	**424,403**	**350,346**	**20,451,578**

The depreciation of the rental fleet is included in the consolidated statement of profit or loss in the line-item "Additional services cost".

Impairment

The net impairment reversal for the nine-months period ended 30 September 2021 amounted to EUR 4.1 million and for year end 2021 amounted to EUR 4.5 million, both related to reversal of book value losses on early terminated cars for defaulted operating lease customers.

The net impairment reversal for the nine-months period ended 30 September 2022 amounts to EUR 13.4 million related to reversal of book value losses on early terminated cars for defaulted operating lease customers.

The impairment analysis is based on an assessment of the value in use of all lease contracts. For our projections of cash flows, including the cash flows from residual values upon termination of the lease contract, we have considered the risk of further COVID-19 outbreaks, and from Q4 2022 onwards the outlook is business as usual back to pre-COVID level , we also considered the semiconductor shortage, rising inflation, and appalling events in Ukraine. The recoverable amount related to impaired lease agreements amounted to EUR 0.8 billion as at 30 September 2022 (31 December 2021: EUR 1.4 billion).

The sensitivity of an additional 1% decline in used-car prices over the remaining useful life of lease contracts on the valuation of non-impaired lease contracts is not linear as it is also dependent on other contractual cash flows such as service income as well as the ability to mitigate losses, for example through fleet extensions and optimisation of the channel mix (B2B, B2C, driver sales) over time.

The sensitivity of an additional 1% decline in used-car prices of the impaired lease contracts will translate into EUR 4.9 million additional impairment for the total remaining duration.

Prospective depreciation adjustment

During the period, as a result of the continued strong used car market environment, which is expected to remain strong till the end of next year, the residual values were reviewed and adjusted upwards. As a result, a prospective depreciation adjustment in amount of EUR 192.6 million was recorded that decreased the depreciation during the period. The adjustment relates to vehicles that are expected to be terminated in Q4 2022 and 2023.

Asset backed securitisation transactions

The Group concluded a number of asset backed securitisation transactions hereinafter identified as the Bumper transactions. These transactions involve the sale of future lease instalment receivables and related residual value receivables originated by various LeasePlan subsidiaries to special purpose companies (which are included in the consolidated financial statements of the Company). As a result of this sale this caption includes encumbered (securitised) operating lease assets amounting to EUR 2.3 billion (year-end 2021: EUR 2.3 billion).

10 Other property and equipment

The composition between owned and leased assets is presented in the following table:

In thousands of euros	30 September 2022	31 December 2021
Owned	89,933	88,053
Leased	168,904	208,462
Total	**258,837**	**296,515**

Leased assets mainly include property such as buildings and IT and other equipment.

The maturity of the discounted finance lease liabilities is shown below:

In thousands of euros	30 September 2022	31 December 2021
Not longer than a year	34,948	35,763
Longer than a year	156,953	200,323
Total	**191,902**	**236,085**

11 Disposal groups classified as held-for-sale

As per 30 June 2022 LeasePlan United States has been classified as held for sale. Reference is made to note 3 Discontinued operations.

As at 30 September 2022, the disposal groups comprised assets of EUR 2,478 million less liabilities of EUR 329 million, all valued at the carrying amount, detailed as follows.

	30 September 2022
Receivables from financial institutions	7
Other receivables and prepayments	96,664
Inventories	55,458
Lease receivables from clients	1,730,057
Property and equipment under operating lease & Rental fleet	563,321
Other property and equipment	21,668
Intangible assets	10,661
Trade and other payables and Deferred income	−209,270
Borrowings from financial institutions	−558
Lease liabilities	−18,551
Provisions	−1,349
Corporate income tax payable	−3,151
Deferred tax liabilities	−95,935
Net assets/liabilities held for sale	**2,149,022**

12 Funds entrusted

This item includes non-subordinated loans from banks and savings deposits. The maturity analysis of these deposits is as follows:

In thousands of euros	30 September 2022	31 December 2021
Three months or less	7,996,809	6,985,563
Longer than three months, less than a year	1,691,757	2,017,759
Longer than a year, less than five years	1,018,398	1,331,334
Longer than five years	–	14
Total	**10,706,965**	**10,334,671**

Savings deposits raised by LeasePlan Bank amounts to EUR 10.6 billion (year-end 2021: EUR 10.2 billion) of which 30.4% (year-end 2021: 39.4%) is deposited for a fixed term. LeasePlan Bank is the brand name under which savings deposits are raised by LeasePlan Corporation N.V. which holds a banking licence in the Netherlands. LeasePlan Bank also operates on the German savings deposit market with a cross border offering from the Netherlands.

The average interest rates on the outstanding balances of the fixed term savings deposits in original maturity terms are as follow:

	30 September 2022	31 December 2021
Three months or less	0.07%	0.03%
Longer than three months, less than a year	0.37%	0.38%
Longer than a year, less than five years	0.68%	0.73%

The interest of the on-demand accounts is set monthly.

13 Borrowings from financial institutions

This item includes amounts owed to banks under government supervision. The maturity analysis of these loans is as follows:

In thousands of euros	30 September 2022	31 December 2021
On demand	97,307	159,656
Three months or less	480,380	377,242
Longer than three months, less than a year	477,491	648,347
Longer than a year, less than five years	2,272,848	2,138,766
Total	**3,328,027**	**3,324,010**

14 Debt securities issued

This item includes negotiable, interest bearing securities.

In thousands of euros	30 September 2022	31 December 2021
Bond and notes - originated from securitisation transactions	1,826,373	1,850,740
Bonds and notes - other	7,867,079	7,542,547
Bonds and notes - other (fair value adjustments)	-363,866	8,636
Balance as at reporting date	9,329,585	9,401,924

There is no pledge nor security for these debt securities except for the bonds and notes which are originating from securitisation transactions. Interest rates have risen in the year due to the changing economic environment which has resulted in the value of low yielding bonds falling, resulting in a higher FV adjustment to bonds in hedge.
The average interest rate applicable to the outstanding bonds and notes is 1.6% as of 30 September 2022 (year-end 2021: 1.1%).

The maturity analysis of these debt securities issued is as follows:

In thousands of euros	30 September 2022	31 December 2021
Three months or less	970,312	839,988
Longer than three months, less than a year	2,489,195	1,526,992
Longer than a year, less than five years	5,775,781	6,923,409
Longer than five years	94,297	111,535
Total	9,329,585	9,401,924

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper UK 2019-I, Bumper DE S.A. 2019-I, Bumper BE, Bumper NL 2020-1 B.V., Bumper 2022-1 B.V., Bumper UK 2021-1 and Bumper FR 2022-1.

In April 2022, Bumper FR 2022-1 was concluded for a total of EUR 500 million of asset-backed security notes.

15 Commitments

The Group entered into commitments in connection with the forward purchase of property and equipment under operating lease and rental fleet amounting to EUR 6.4 billion as at the balance sheet date (year-end 2021: EUR 4.8 billion). The increase is driven by a high order book impacted by semiconductor chips shortages initially caused by COVID-19 and currently by the continuing war between Ukraine and Russia. These commitments are entered into in the ordinary course of business and the majority is back-to-back matched with lease contracts entered into with customers.

The Group has issued guarantees to the total value of EUR 414 million (year-end 2021: EUR 412 million) of which EUR 412 million (year-end 2021: EUR 411 million) is related to residual value guarantees issued to clients.

Credit facilities have been concluded with investments accounted for using the equity method amounting to EUR 121.5 million (year-end 2021: EUR 200.0 million) of which EUR 121.5 million (year-end 2021: EUR 200.0 million) is drawn as at 30 September 2022.

16 Related parties

Identity of related parties

Related parties and enterprises as defined by IAS 24, are parties and enterprises which can be influenced by the company, or which can influence the company.

LP Group B.V. is the shareholder of the company. LP Group B.V. represents a group of long-term investors and includes ADIA, ATP, Broad Street Investments, GIC, PGGM and TDR Capital. None of these investors alone has a direct or indirect controlling interest in the company. The business relations between the company, LP Group B.V. and their (indirect) shareholders are handled on normal market terms.

TDR Capital has a controlling interest in Constellation Automotive Group. In October 2021 Constellation Automotive Group, which already had a controlling interest in British Car Auction (BCA), acquired LeasePlan's participating interest in CN Group B.V. and brought all entities in Constellation Automotive Holdings. In return LeasePlan obtained newly issued ordinary shares in Constellation Automotive Holdings. LeasePlan continues doing business with BCA and CN Group B.V. and selling ex-lease vehicles on an arm's length basis under a long term service agreement. The result of the transactions with Constellation Automotive Holdings for the first nine months of 2022 is not material at Group's level. The amount of accounts receivables outstanding with Constellation Automotive Holdings is EUR 0.4 million. As at 30 September 2022, sales revenues from transactions with Constellation Automotive Holdings amount to EUR 0.7 billion.

All business relations with investments accounted for using the equity method are in the ordinary course of business and handled on normal market terms. As of 30 September 2022, an amount of EUR 121.5 million (year-end 2021: EUR 200.0 million) is provided as loans to investments accounted for using the equity method.

17 Fair value of financial instruments

The table below summarises the Group's financial assets and financial liabilities, of which the derivatives are measured at fair value and the other financial assets and other financial liabilities are measured at amortised cost on the balance sheet as at 30 September 2022. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value of financial instruments

As at 30 September 2022	Carrying value	Fair value			
In thousands of euros		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	2,009	–	2,009	–	2,009
Derivatives financial instruments not in hedge	617,226	–	617,226	–	617,226
Investments in equity securities	87,840	59,540	–	28,300	87,840
Financial assets not measured at fair value					
Cash and balances at central banks	5,161,921				
Investments in debt securities	44,420	41,774	–	–	41,774
Receivables from financial institutions	981,928				
Lease receivables from clients	2,159,834	–	2,199,866	–	2,199,866
Loans to investments using the equity method	121,500	–	120,389	–	120,389
Investments in equity accounted investments	18,247				
Other receivables and prepayments	272,617				
Total financial assets	**9,467,542**	**101,314**	**2,939,490**	**28,300**	**3,069,105**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	369,684	–	369,684	–	369,684
Derivatives financial instruments not in hedge	248,172	–	248,172	–	248,172
Financial liabilities not measured at fair value					
Funds entrusted	10,706,965	–	10,736,032	–	10,736,032
Trade and other payables and deferred income	838,255				
Borrowings from financial institutions	3,328,027	–	3,270,732	–	3,270,732
Debt securities issued	9,329,585	–	9,269,514	–	9,269,514
Total financial liabilities	**24,820,687**	**–**	**23,894,134**	**–**	**23,894,134**

Fair value of financial instruments

As at 31 December 2021	Carrying value		Fair value		
In thousands of euros		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	51,715	–	51,715	–	51,715
Derivatives financial instruments not in hedge	124,451	–	124,451	–	124,451
Investments in equity securities	133,826	71,326	–	62,500	133,826
Financial assets not measured at fair value					
Cash and balances at central banks	5,447,685				
Investments in debt securities	43,394	43,788	–	–	43,788
Receivables from financial institutions	687,651				
Lease receivables from clients	3,492,981	–	3,450,053	–	3,450,053
Loans to investments using the equity method	200,000	–	204,200	–	204,200
Investments in equity accounted investments	16,716				
Other receivables and prepayments	338,930	–	338,930	–	338,930
Total financial assets	**10,537,349**	**115,114**	**4,169,350**	**62,500**	**4,346,964**
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	43,009	–	43,009	–	43,009
Derivatives financial instruments not in hedge	65,409	–	65,409	–	65,409
Financial liabilities not measured at fair value					
Funds entrusted	10,334,671	–	10,375,499	–	10,375,499
Trade and other payables and deferred income	918,565				
Borrowings from financial institutions	3,324,010	–	3,335,665	–	3,335,665
Debt securities issued	9,401,924	–	9,590,006	–	9,590,006
Loans from equity investments	25,000				
Total financial liabilities	**24,112,588**	**–**	**23,409,587**	**–**	**23,409,587**

For certain other receivables (Rebates and bonuses and commissions receivable, Reclaimable damages and Interest to be received) and payables (Trade payables and Interest payable) with a remaining term well below one year, the carrying value is deemed to reflect the fair value.

There were no changes in valuation techniques during the year nor transfers between levels.

Financial instruments in level 1

The fair value of level 1 financial instruments is based on quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The equity investment in SG Fleet and investments in debt securities are measured using level 1 input.

Financial instruments in level 2

Level 2 inputs are inputs other than quoted market prices included within level I. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximise the use of observable market input data available and rely only for insignificant input on entity specific estimates. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of the interest rate swaps and cross currency swaps calculated as the present value of the estimated future cash flows based on observable yield curves at commonly quoted intervals, while considering the current creditworthiness of the counterparties.
- The yield curve for all collateralised derivatives is based on the overnight index swap (OIS) rate (the vast majority of the Group's derivatives are collateralised, and therefore the necessity for other observable market inputs such as CVA, DVA, FVA adjustments is negated).
- The valuation methodology of the cross-currency swaps includes a liquidity premium (which swaps less liquid currencies into those that are considered more liquid in the market and vice versa).
- The counterparty's Probability of Default is estimated using market CDS spreads resulting in credit valuation adjustments.
- The Group's own creditworthiness and Probability of Default are estimated using input such as secondary spreads and cost of funding curve as well as information from counterparties resulting in a debit valuation adjustment.
- Other techniques, such as discounted cash flow analysis based on observable interest rates or yield curves at commonly quoted intervals, are used to determine the fair value for the remaining financial instruments.

Financial instruments in level 3
This category includes financial instruments whose fair value is determined using a valuation technique for which a significant part of the inputs in terms of the overall valuation are not market observable. Unobservable in this context means that there is little or no current market data available from which to derive a price that an unrelated, informed buyer would purchase the asset or liability at.

The equity securities in Constellation Automotive Holdings S.a.r.l., included in Investments in equity securities, are measured using a level 3 fair value.

For subsequent measurement of the equity investment in Constellation Automotive Holding S.a.r.l. the Group applies a level 3 market approach using an enterprise value to revenue multiple observed in the market for comparable companies to Constellation Automotive Holdings S.a.r.l. business being valued. The deal multiple implied in the initial transaction price at 4 October 2021 was compared to the enterprise value to revenue multiples of the group of listed peer companies at that date. A company-specific discount compared to the market multiple was determined as at 4 October 2021 to reflect the characteristics of Constellation Automotive Holdings S.a.r.l. and is applied to adjust the market multiple in subsequent measurement. Relevant assumptions such as market multiple, company specific discount and peer group are reviewed in subsequent reporting periods. The net debt position of Constellation Automotive Holdings S.a.r.l. that impacts the equity value is updated every reporting period.

The Group applies the market multiple in the valuation as at 30 September 2022, as it has changed outside a corridor of +/-10% of the initial multiple. The change in the fair value of the equity securities of EUR 34.2 million is recognised in other income.
The fair value of the share in Constellation Automotive Holdings S.a.r.L as at 30 September 2022 is EUR 28.3 million (31 December 2021: EUR 62.5 million).

The sensitivity of the fair value to a change in the multiple of 10% amounts to approximately EUR 6 million.

18 Interest Rate Benchmark Reform

The Group is well advanced in the process of the transition from the IBOR-based instruments to alternative reference rate (ARR) instruments. The transition from USD, CHF and GBP Libor to ARRs has been broadly completed as at 30 September 2022. As of 1 January 2022 the ARRs SOFR, SARON, SONIA and swap rates derived from SOFR, SONIA, SARON are used solely as the interest rate benchmarks for all new interest-bearing financial instruments and lease contracts. Spread adjustments based on historical differences between LIBOR and ARR's have been applied aiming to make transition to the new rates result neutral for the Group and clients. Some USD Libors (Overnight, 1M, 3M, 6M, 12M) will continue to be published and used by the group companies to re-price floating rate leases and derivatives concluded before 31 December 2021 until the end of June 2023 when publication ceases.
The impact of changing from IBOR rates to ARR's is considered not material because the interest rate risk policy of the Group prescribes matched funding which is monitored closely from a risk management perspective.

Any developments in replacing IBOR-based instruments to ARR's in other jurisdictions are continuously monitored with appropriate actions identified and implemented to mitigate risk which may arise from a Group perspective. On 16 May 2022 the cessation of all remaining Canadian Dollar Offer ("CDOR") Rates was announced with final publication occurring on 28 June 2024. The Group, together with affected entities are currently assessing its impact from a Group perspective. We have been actively monitoring ambitions to cease the WIBOR in Poland and assessing potential impact with affected LP entities. As at the balance sheet date other relevant interest rate benchmarks the Group applies are expected to continue for the foreseeable future. Those rates are calculated and administrated in accordance with the European Union Benchmarks Regulation requirements. This allows market participants to continue to use those reference rates for both existing and new contracts.

Contracts which reference IBOR rates that cease to be applicable as announced by local legislators but have yet to transition to an ARR are included in the tables below.

The table below indicates the nominal amount in Euro and weighted average maturity of derivatives in hedging relationships that will be affected by USD Libor reform, as at 30 September 2022. The derivative hedging instruments' nominal amount provides a close approximation to the extent of the risk exposure the Group manages through hedging relationships included in the derivative financial instruments in the statement of financial position.

Local currency amounts	Nominal amount (in million)	Average maturity (years)
Interest rate swaps		
USD Libor	800	2.00

The following table shows the total amounts in Euro of unreformed derivative financial instruments not in hedging relationships at 30 September 2022 that expire after the transition date of June 2023.

Derivatives financial instruments not in hedge - Nominal amount (in million)	USD LIBOR
Derivatives financial instruments assets	97.5

The following table shows the total amounts in Euro of unreformed non-derivative financial assets and liabilities at 30 September 2022 that expire after the transition date of June 2023.

Financial assets and liabilities (in million)	USD LIBOR
Debt securities issued	10.3

Any lease receivables which reference USD Libor have appropriate fallback language in place to transition these contracts to ARR's when required by Regulators.

19 Contingent assets and liabilities

As at 30 September 2022, LeasePlan has made available to companies for which a non-controlling interest is held, a credit facility of EUR 5.6 million, that has not been drawn as at the reporting date.

The probability of any inflow of economic benefits arising from the contingent assets is difficult to estimate and remote. Accordingly, no asset is recognised in the balance sheet.

20 Events occurring after balance sheet date

No material events occurred after 30 September 2022, that require disclosure in accordance with IFRS, nor events affecting the financial position of the Group as at 30 September 2022 or the result for the nine months period ended 30 September 2022.

Responsibility statement

Managing Board's responsibility for 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 major financial information is known to the Managing Board, so that timeliness, completeness and correctness of external financial reporting are assured.

Each member of the Managing Board hereby confirms that to the best of their knowledge:

The company's 30 September 2022 condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and results of the Company and the subsidiaries included in the consolidation as a whole.

Amsterdam, 9 November 2022

Tex Gunning - Chairman of the Managing Board and CEO
Jochen Sutor – CRO
Toine van Doremalen - CFO

Independent auditor’s review report

To: The Shareholder and the Supervisory Board of LeasePlan Corporation N.V.

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 September 2022 of LeasePlan Corporation N.V. (or hereafter: the “Company”) based in Amsterdam as set out on pages 6 to 43. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

1. the condensed consolidated statement of financial position as at 30 September 2022;
2. the condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month period then ended;
3. the condensed consolidated statements of changes in equity, and cash flows for the nine-month period then ended; and
4. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, ‘Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit’ (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the condensed consolidated interim financial statements' section of our report.

We are independent of LeasePlan Corporation N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Managing Board and the Supervisory Board for the condensed consolidated interim financial statements

The Managing Board is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- obtaining an understanding of internal control, as it relates to the preparation of the condensed consolidated interim financial statements;
- making inquiries of management and others within the entity;
- applying analytical procedures with respect to information included in the condensed consolidated interim financial statements;
- obtaining assurance evidence that condensed consolidated interim financial statements agree with, or reconcile to the entity's underlying accounting records;
- evaluating the assurance evidence obtained;
- considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;

- considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements; and
- considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amstelveen, 8 November 2022

KPMG Accountants N.V.

B.M. Herngreen RA

Glossary

AT1
Additional Tier 1 capital securities.
B2C runrate
Vehicles sold B2C as a share of total marketable vehicles over the latest reporting period.
CaaS
Car as a Service.
Digital LeasePlan
This programme aims to move the Group towards becoming a data driven company delivering digital car services steered by the latest digital technology of data analytics, artificial intelligence and algorithms.
ECB
European Central Bank.
ECL
Expected Credit Loss.
EOCF
End of contract fees.
EV
Electric vehicle.
LCV
Light commercial vehicles.
LeasePlan Bank
The online retail deposit bank operated by LeasePlan Corporation N.V. under a banking licence from DNB.
NCI
Non-controlling interests.
ORX
Operational Riskdata eXchange Association is operational risk management association in the financial services sector.
PLDV
Profit-and-loss on Disposal of Vehicles.
RMT
Repair, maintenance and tyres.
RoW
Rest of the world.
RV
Residual value of a vehicle.
SARON
Swiss Average Rate Overnight the overnight interest rate of the secured money market for Swiss francs.
SOFR
Secured Overnight Financing Rate is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR).
SONIA
Sterling Overnight Index Average is the interest rate applied to bank transactions in the British Sterling Market during off hours.
TREA
Total Risk Exposure Amount, defined by Article 92(3) of Regulation (EU) No 575/2013 (CRR).