

## LeasePlan announces Q3 2019 results

AMSTERDAM, the Netherlands, 13 November 2019 – LeasePlan Corporation N.V. (LeasePlan; the “Company”), one of the world’s leading Car-as-a-Service (“CaaS”) companies and a leading pan-European used-car market place, today reports its Q3 results.

### Q3 2019 financial highlights

- Net result of EUR 124 million up 85%<sup>1</sup>
- Underlying net result of EUR 140 million, down 5% due to opex increases related to strategic investments largely for CarNext.com
- Stable CaaS performance: Serviced fleet up 2%<sup>2</sup> and Underlying lease and additional services gross profit up 1%
- PLDV and End of Contract Fees gross profit of EUR 20 million, down 36%
- CarNext.com B2C<sup>3</sup> volumes up 26% to 16,750 vehicles and B2C sales penetration runrate up to 24%

### Key numbers<sup>4</sup>

	Q3 2019	Q3 2018	% YoY Growth	9M 2019	9M 2018	% YoY Growth
<b>PROFITABILITY</b>						
Underlying net result (EUR Million)	139.9	147.1	-4.9%	430.6	468.7	-8.1%
Net result (EUR Million)	124.0	67.2	84.5%	287.8	352.8	-18.4%
Underlying return on equity				14.8%	17.3%	
<b>VOLUME</b>						
Serviced fleet (thousands), as at 30 September				1,859	1,822	2.0%
# of vehicles sold (k)				211	195	8.4%

### Tex Gunning, CEO of LeasePlan:

“We delivered a solid performance in both of our businesses this quarter as we continued to make strategic investments in CarNext.com.

In our Car-as-a-Service business, the SME segment showed strong growth, supported by the roll out of our fully online SME car showroom, which is now available in seven countries. In addition, we continued to see growing demand for low-emission vehicles, showing sustained customer engagement with our zero-emission mobility strategy.

CarNext.com, our high-quality used-car marketplace, also continued to grow, particularly in B2C sales, supported by 3 new store openings and the introduction of our industry first 100% online delivery solution.”

<sup>1</sup> Due to the Turkey fleet impairment in Q3 2018

<sup>2</sup> Over first 9 months of 2019

<sup>3</sup> B2C volumes include: retails sales volumes of 10,600 vehicles

<sup>4</sup> Due to rounding, numbers presented throughout this release might not add up precisely to the totals provided. Percentages are calculated based on un-rounded numbers.

## Group performance

<i>In millions of euros, unless otherwise stated</i>	Q3 2019	Q3 2018	% YoY Growth	9M 2019	9M 2018	% YoY Growth
Lease & Additional Services income	1,711.0	1,640.0	4.3%	5,076.7	4,888.8	3.8%
Vehicle Sales and End of contract fees	821.3	750.7	9.4%	2,484.3	2,303.9	7.8%
<b>Revenues</b>	<b>2,532.3</b>	<b>2,390.7</b>	<b>5.9%</b>	<b>7,560.9</b>	<b>7,192.7</b>	<b>5.1%</b>
<b>Underlying cost of revenues</b>	<b>2,137.3</b>	<b>1,988.9</b>	<b>7.5%</b>	<b>6,351.2</b>	<b>5,975.8</b>	<b>6.3%</b>
Lease Services	153.6	155.0	-0.9%	464.7	461.6	0.7%
Fleet Management & other Services	74.2	73.0	1.7%	217.6	217.2	0.2%
Repair & Maintenance Services	75.2	76.0	-1.0%	247.5	241.2	2.6%
Damage Services and Insurance	72.2	66.9	7.9%	217.5	204.2	6.5%
<b>Underlying lease and additional Services</b>	<b>375.2</b>	<b>370.8</b>	<b>1.2%</b>	<b>1,147.3</b>	<b>1,124.2</b>	<b>2.1%</b>
End of contract fees	36.4	34.8	4.4%	104.7	94.1	11.2%
Profit/Loss on disposal of vehicles	-16.6	-3.7	342.9%	-42.3	-1.4	2912.9%
Profit/Loss on disposal of vehicles and End of contract fees	19.8	31.1	-36.3%	62.4	92.7	-32.7%
<b>Underlying gross profit</b>	<b>395.0</b>	<b>401.8</b>	<b>-1.7%</b>	<b>1,209.7</b>	<b>1,216.9</b>	<b>-0.6%</b>
<b>Underlying operating expenses</b>	<b>229.3</b>	<b>216.6</b>	<b>5.9%</b>	<b>693.8</b>	<b>634.2</b>	<b>9.4%</b>
Share of profit of investments accounted for using the equity method	1.2	0.9		3.4	2.6	
<b>Underlying profit before tax</b>	<b>167.0</b>	<b>186.2</b>	<b>-10.3%</b>	<b>519.4</b>	<b>585.4</b>	<b>-11.3%</b>
Underlying tax	27.1	39.2	-30.9%	88.8	116.7	-23.9%
<b>Underlying net result</b>	<b>139.9</b>	<b>147.1</b>	<b>-4.9%</b>	<b>430.6</b>	<b>468.7</b>	<b>-8.1%</b>
Underlying adjustments	-15.9	-79.9		-142.8	-115.9	
<b>Reported net result</b>	<b>124.0</b>	<b>67.2</b>	<b>84.5%</b>	<b>287.8</b>	<b>352.8</b>	<b>-18.4%</b>
Staff (FTE's at period end)				7,866	7,326	7.4%

## Financial Performance Q3

**Serviced fleet** growth was 2.0% as a result of continued focus on profitable growth as well as fleet reductions in Turkey and defleeting of a service-only customer.

**Revenues** from Lease & Additional Services were up 4.3% driven by fleet growth, which in turn drove increases in contribution from lease interest and car depreciation. The insured fleet also grew strongly, resulting in increased revenues from Damage Services & Insurance. Higher B2C penetration and number of vehicles sold overall drove the increase in Vehicles Sales and End of Contract Fees revenue.

**Underlying Lease & Additional Services Gross Profit** was up 1.2% driven by Damage Services & Insurance. Underlying Gross profit from Profit/Loss on Disposal of Vehicles and End of Contract Fees (PLDV & EOCF) was down by EUR 11 million to EUR 19.8 million impacted by lower PLDV due to the normalisation of sales results as discussed in previous quarters.

**Underlying Operating Expenses** were up 5.9% versus prior year related to increased longterm strategic investments including EUR 13 million for CarNext.com.

**Underlying Tax rate** was down 4.8 percentage points to 16.2%.

**Underlying net result** was down 4.9% to EUR 140 million due to increased investments in longterm strategic initiatives, primarily CarNext.com. Reported net result of EUR 124 million was up 85% due to the Turkey fleet impairment in Q3 2018 .

**Underlying return on equity** for the last 12 months was 14.8%.

## Business and operational highlights

### Car-as-a-Service

LeasePlan's Car-as-a-Service business for new cars showed solid serviced fleet growth in key markets and growth from our Damage and Insurance business. In the quarter, LeasePlan continued to make strides in digitalizing daily fleet operations, including rolling out our new online showroom for the fast-growing SME segment (now available in seven countries) and the implementation of a fully digital customer onboarding process in one of our major European markets. At the same time, LeasePlan made progress towards its 2030 net zero emission fleet target through the deployment of its full package EV solution (including charging infrastructure), which is now available in 12 countries.

### CarNext.com

CarNext.com, LeasePlan's pan-European used-car marketplace, delivered strong customer satisfaction and growth, with B2C volumes up 26% to 16,750 vehicles, and runrate B2C sales penetration at 24%. B2C volumes include retail sales volumes which were up to 10,600 vehicles, and increase of 38% year-on-year. During the quarter, the number of Delivery Stores grew by 3 to 40 in 22 countries (new stores: İzmir, Liège and Stockholm). CarNext.com also expanded its fully online delivery solution, which can process an online sale in less than 2 minutes. This first-of-its-kind innovation in the used car market is now available in 14 countries throughout Europe. These developments further underline CarNext.com's position as a leading partner for trusted third-party vehicle suppliers in Europe. Going forward, we intend to set up CarNext.com as a separate business unit structure within the Group. In addition, we continue to review various strategic alternatives for CarNext.com, including a potential full or partial separation of CarNext.com from the Group whereby LeasePlan would continue to sell its used cars through the CarNext.com B2B and B2C platforms.

## Funding and Capital Position

Throughout 2019 LeasePlan has continued to demonstrate its ability to access funding through a diverse range of programmes. This was again evident in Q3 as LeasePlan raised a total of EUR 1,275 million from retail deposits and senior unsecured issuance. LeasePlan Bank grew EUR 219 million, bringing the total amount on deposit at 30 September to EUR 7.8 billion. Senior unsecured issuance totalled EUR 1,056 million, consisting of private placements amounting to EUR 56 million and a EUR 1.0 billion 4 year public benchmark transaction concluded in September.

LeasePlan's liquidity position and capital ratios remain strong. The liquidity buffer amounted to EUR 7.1 billion consisting of cash balances as well as access to its EUR 1.5 billion committed revolving credit facility. The CET1 capital ratio as per 30 September 2019 is 17.8%<sup>5</sup> calculated at the regulatory sub-consolidated level (LeasePlan Corporation N.V. consolidated). At this sub-consolidated level, the Total Capital ratio is 20.6% which is equal to the Tier 1 capital ratio.

LeasePlan Corporation N.V. has declared an interim dividend in the amount of EUR 96.3 million, or 60.0% of its reported net income<sup>6</sup> over the first half year of 2019.

<sup>5</sup> CET1 ratio at the regulatory Consolidated level (LP Group BV consolidated) is 17.8% and CET1 ratio at the regulatory Solo level (LeasePlan Corporation N.V.) is 15.1% as per 30 September 2019

<sup>6</sup> 60% of reported result after taking into account the accrued interest expenses on its related to the AT1 instrument

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### About LeasePlan

LeasePlan is a leader in two large and growing markets: Car-as-a-Service for new cars, through its LeasePlan business, and the high-quality three-to-four year old used car market, through its CarNext.com business. LeasePlan's Car-as-a-Service business 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. CarNext.com is a pan-European digital marketplace for high-quality used cars seamlessly delivering any car, anytime, anywhere and is supplied with vehicles from LeasePlan's own fleet as well as third-party partners. LeasePlan has more than 1.9 million vehicles under management in over 30 countries. With over 50 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](http://www.leaseplan.com/corporate).

### Disclaimer

Financial and other information in this document may contain certain forward-looking statements (all statements other than those made solely with respect to historical facts) based upon beliefs and data currently available to management. These statements are based on a variety of assumptions that may not be realised and are subject to significant business, economic, legal and competitive risks and uncertainties. Our actual operations, financial conditions, cash flows and operating results may differ materially from those expressed or implied by any such forward-looking statements and we undertake no obligation to update or revise them.



# Condensed consolidated interim financial statements

## Condensed consolidated statement of profit or loss

For the period ended 30 September

<i>In thousands of euros</i>	Note	Q3 2019	Q3 2018	9M 2019	9M 2018
Operating lease income		1,040,108	999,039	3,088,466	2,957,231
Finance lease and Other interest income		30,156	33,580	102,405	98,246
Additional services income		640,716	607,384	1,885,795	1,833,338
Vehicle sales and End of contract fees		821,297	750,710	2,484,265	2,303,865
<b>Revenues</b>	2	<b>2,532,277</b>	<b>2,390,712</b>	<b>7,560,930</b>	<b>7,192,681</b>
Depreciation cars		821,091	877,996	2,457,113	2,464,273
Finance cost		89,794	75,654	256,837	223,534
Unrealised (gains)/losses on financial instruments		7,117	1,687	35,541	1,302
Impairment charges on loans and receivables		6,221	7,748	21,862	20,026
Lease cost		924,223	963,085	2,771,353	2,709,136
Additional services cost		419,099	391,569	1,203,191	1,170,784
Vehicle and Disposal cost		801,516	719,640	2,421,875	2,211,159
<b>Direct cost of revenues</b>	2	<b>2,144,837</b>	<b>2,074,294</b>	<b>6,396,419</b>	<b>6,091,079</b>
Lease services		146,042	69,534	419,518	346,342
Additional services		221,618	215,814	682,604	662,554
Profit/Loss on disposal of vehicles and End of contract fees		19,781	31,070	62,390	92,706
<b>Gross profit</b>	2	<b>387,440</b>	<b>316,419</b>	<b>1,164,511</b>	<b>1,101,602</b>
Staff expenses		152,513	137,647	448,060	411,348
Other operating expenses		66,976	74,610	226,619	214,614
Other depreciation and amortisation	3	22,569	11,111	157,482	32,657
<b>Total operating expenses</b>		<b>242,058</b>	<b>223,368</b>	<b>832,161</b>	<b>658,619</b>
Share of profit of investments accounted for using the equity method		1,247	863	3,447	2,588
Other income		-	128	-	128
<b>Profit before tax</b>		<b>146,630</b>	<b>94,042</b>	<b>335,798</b>	<b>445,699</b>
Income tax expenses		22,633	26,836	48,023	92,864
<b>Net result for the period</b>		<b>123,997</b>	<b>67,205</b>	<b>287,775</b>	<b>352,835</b>
<i>Attributable to:</i>					
Equity holders of parent		114,778	67,205	275,249	352,835
Holders of AT1 capital securities		9,219	-	12,525	-

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

## Condensed consolidated statement of comprehensive income

For the period ended 30 September

<i>In thousands of euros</i>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>9M 2019</b>	<b>9M 2018</b>
Net result	123,997	67,205	287,775	352,835
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Changes in cash flow hedges, before tax	811	1,070	-2,325	-2,297
Income tax on cash flow hedges	-203	-269	581	574
<b>Subtotal changes in cash flow hedges, net of income tax</b>	<b>608</b>	<b>802</b>	<b>-1,744</b>	<b>-1,723</b>
Exchange rate differences	5,354	794	11,737	-7,997
<b>Other comprehensive income, net of income tax</b>	<b>5,962</b>	<b>1,596</b>	<b>9,993</b>	<b>-9,720</b>
<b>Total comprehensive income for the year</b>	<b>129,959</b>	<b>68,801</b>	<b>297,768</b>	<b>343,115</b>
<b>Comprehensive income attributable to:</b>				
Owners of the parent	120,740	68,801	285,243	343,115
Holders of AT1 capital securities	9,219	-	12,525	-

## Condensed consolidated statement of financial position

<i>In thousands of euros</i>	Note	30 September 2019	31 December 2018
<b>Assets</b>			
Cash and balances at central banks	4	5,170,387	3,167,831
Investments in debt securities		24,726	24,709
Receivables from financial institutions	5	683,246	518,318
Derivative financial instruments	6	135,651	98,517
Other receivables and prepayments	7	1,148,031	1,150,155
Inventories		433,482	467,071
Corporate income tax receivable		59,080	48,096
Loans to equity accounted investments		161,000	151,300
Lease receivables from clients	8	3,450,987	3,279,487
Property and equipment under operating lease and Rental fleet	9	18,696,541	17,818,976
Other property and equipment	10	403,647	102,882
Equity accounted investments		18,298	15,874
Intangible assets	11	196,469	256,128
Deferred tax asset		195,457	141,135
Assets classified as held-for-sale		29,821	39,259
<b>Total assets</b>		<b>30,806,822</b>	<b>27,279,736</b>

## Condensed consolidated statement of financial position - *continued*

<i>In thousands of euros</i>	Note	30 September 2019	31 December 2018
<i>Liabilities</i>			
Funds entrusted	12	7,941,761	6,490,204
Derivative financial instruments	6	176,110	112,656
Trade and other payables and Deferred income	13	2,474,507	2,290,482
Corporate income tax payable		58,569	24,462
Borrowings from financial institutions	14	3,943,438	3,788,873
Lease liabilities	10	302,976	–
Debt securities issued	15	11,058,664	10,449,447
Provisions		510,451	495,672
Deferred tax liabilities		322,245	292,347
<b>Total liabilities</b>		<b>26,788,721</b>	<b>23,944,143</b>
<i>Equity</i>			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves		–57,767	–67,760
Retained earnings		2,990,784	2,825,370
<b>Equity of owners of the parent</b>		<b>3,511,001</b>	<b>3,335,594</b>
AT1 capital securities		507,101	–
<b>Total equity</b>		<b>4,018,101</b>	<b>3,335,594</b>
<b>Total equity and liabilities</b>		<b>30,806,822</b>	<b>27,279,736</b>



## Condensed consolidated statement of changes in equity

<i>In thousands of euros</i>	Share capital	Share premium	Other reserves	Retained earnings	Equity of owners of the parent	AT1 capital	Total equity
<b>Balance as at 1 January 2018</b>	71,586	506,398	-51,147	2,692,018	3,218,855	-	3,218,855
Net result	-	-	-	352,835	352,835	-	352,835
Other comprehensive income	-	-	-9,720	-	-9,720	-	-9,720
<b>Total comprehensive income</b>	-	-	-9,720	352,835	343,115	-	343,115
Final dividend 2017	-	-	-	-120,099	-120,099	-	-120,099
<b>Balance as at 30 September 2018</b>	71,586	506,398	-60,867	2,924,754	3,441,871	-	3,441,871
<b>Balance as at 31 December 2018</b>	71,586	506,398	-67,760	2,825,370	3,335,594	-	3,335,594
Adoption of IFRIC 23	-	-	-	-13,536	-13,536	-	-13,536
<b>Balance as at 1 January 2019</b>	71,586	506,398	-67,760	2,811,834	3,322,058	-	3,322,058
Net result	-	-	-	287,775	287,775	-	287,775
Transfer - accrued interest on AT1 capital securities	-	-	-	-12,525	-12,525	12,525	-
Other comprehensive income	-	-	9,993	-	9,993	-	9,993
<b>Total comprehensive income</b>	-	-	9,993	275,249	285,243	12,525	297,768
Interim dividend relating to 2019 accrued	-	-	-	-96,300	-96,300	-	-96,300
Proceeds AT1 capital securities	-	-	-	-	-	500,000	500,000
Issuance costs AT1 capital securities	-	-	-	-	-	-5,425	-5,425
<b>Balance as at 30 September 2019</b>	71,586	506,398	-57,767	2,990,784	3,511,001	507,101	4,018,101

In May 2019 LeasePlan Corporation N.V. (fully owned by LP Group B.V.) issued EUR 500 million in capital securities, including transaction costs in the amount of EUR 5 million. The Capital securities qualify as Additional Tier 1 capital (AT1) and are undated, deeply subordinated, resettable and callable. Redemption is discretionary to LeasePlan Corporation N.V. 5 years after the issue date, unless permitted by applicable banking regulations or on each interest payment date thereafter at their prevailing principal amount, together with accrued and unpaid interest. There is a fixed interest coupon of 7.375 % per annum, payable semi-annually. LeasePlan accrued interest on AT1 capital securities for an amount of EUR 12.5 million, payable 6 months after the issue date, therefore as at the reporting date this amount does not yet represent a liability. Interest is non-cumulative and fully at the discretion of LeasePlan Corporation N.V. so any failure by the issuer to pay interest or the prevailing principal amount when due in respect of the capital securities shall not constitute an event of default and does not give holders any right to demand repayment of the prevailing principal amount.

For all the reasons above, LeasePlan Corporation N.V. classified and accounted the capital securities as equity and not debt.

## Condensed consolidated statement of cash flows

For the period ended 30 September

<i>In thousands of euros</i>	Note	2019	2018
<i>Operating activities</i>			
<b>Net result</b>		<b>287,775</b>	<b>352,835</b>
Interest income and expense		-371,368	-368,421
Impairment charges on receivables		21,862	20,026
Valuation allowance on inventory		-6,678	8,209
Depreciation operating lease portfolio and rental fleet	9	2,536,507	2,524,084
Insurance expense		285,608	253,722
Depreciation other property plant and equipment		50,278	19,095
Amortisation and impairment on intangibles	3	107,204	13,562
Share of profit in equity accounted investments		-3,447	-2,588
Gain on sale of subsidiaries / associates		-	-128
Financial instruments at fair value through profit and loss		35,541	1,302
Income tax expense		48,023	92,864
<i>Changes in</i>			
Provisions		-271,325	-234,917
Derivative financial instruments		37,113	38,914
Trade and other payables and other receivables		-5,191	-284,456
Inventories		355,458	258,461
Amounts received disposing objects under operating lease	9	1,822,613	1,668,851
Amounts paid acquiring objects under operating lease	9	-5,521,569	-5,359,165
Acquired new finance leases		-1,110,555	-1,058,871
Repayment finance leases		1,039,100	1,015,107
Income taxes received		24,788	6,289
Income taxes paid		-89,215	-79,614
Interest received		628,172	591,955
Interest paid		-261,508	-235,201
<b>Net cash inflow/(outflow) from operating activities</b>		<b>-360,814</b>	<b>-758,085</b>

See continuation of this table on the next page.

## Condensed consolidated statement of cash flows – continued

For the period ended 30 September

<i>In thousands of euros</i>	Note	2019	2018
<i>Investing activities</i>			
Investments in debt securities		-17	-
Acquisition of business net of cash acquired		-11,954	-
Loans to equity accounted investments		-59,000	-49,800
Redemption on loans to equity accounted investments		49,300	43,000
Dividend received from ass. and jointly controlled entities		1,819	1,031
Changes in held-for-sale investments		11,034	-16,628
Proceeds from disposal of subsidiaries		-	280
Proceeds from sale of other property and equipment		27,740	19,552
Acquisition of other property and equipment		-90,480	-38,749
Acquisition of intangibles assets	11	-35,919	-80,651
<b>Net cash outflow from investing activities</b>		<b>-107,476</b>	<b>-121,965</b>
<i>Financing activities</i>			
Receipt from receivables from financial institutions		454,856	290,612
Balances deposited to financial institutions		-482,096	-252,860
Receipt of borrowings from financial institutions		5,404,563	2,784,102
Repayment of borrowings from financial institutions		-5,238,734	-2,752,759
Receipt of funds entrusted		2,795,265	1,784,410
Repayment of funds entrusted		-1,343,736	-1,194,012
Receipt of debt securities		2,608,729	2,749,306
Repayment of debt securities		-2,045,522	-1,964,686
Payment of lease liabilities		-29,180	-
Dividends paid to Company's shareholders		-	-120,099
Receipt AT1 Capital securities		494,575	-
<b>Net cash inflow from financing activities</b>		<b>2,618,720</b>	<b>1,324,014</b>
<b>Cash and balances with banks as at 1 January</b>			
		<b>3,351,570</b>	<b>2,481,998</b>
Net movement in cash and balances with banks		2,150,430	443,964
Exchange gains/(losses) on cash and balances at banks		-462	-1,396
<b>Cash and balances with banks as at 30 September</b>	4	<b>5,501,538</b>	<b>2,924,566</b>



# 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 2019 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. At 30 September 2019, the Group employed over 7,500 people worldwide and had offices in over 30 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 regulated by the Dutch 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.
- Broad Street Investments: A Singapore based Holding company.
- 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 1,300 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 8.0 billion on behalf of a range of sophisticated investors.



## Basis of preparation

The condensed consolidated interim financial statements for the period ended 30 September 2019 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 2018, which have been prepared in accordance with IFRS and its interpretations as adopted by the European Union. These condensed consolidated interim financial statements do not include the "company financial statements". The annual company financial statements are included in the Group's Annual report for the year ended 31 December 2018.

The condensed consolidated interim financial statements for the period ended 30 September 2019 of the Group have been prepared on a going concern basis.

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

## 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 2019

The following new standards and amendments to existing standards and interpretations, all endorsed by the EU, have been adopted by the Group as from 1 January 2019.

### IFRS 16 – 'Leases'

The Group has implemented IFRS 16 on the required effective date of 1 January 2019.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligation to make lease payments. Previous off-balance sheet operating leases are now included in the consolidated statement of financial position and resulted in an increase in non-current assets and financial liabilities.

Lessor accounting remains similar to previous accounting policies.

These right-of-use assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses over the contractual term. The right-of-use asset is adjusted for certain re-measurements of the lease liabilities.

The lease liabilities are initially measured at the present value of lease payments not yet paid at commencement date and are discounted using an incremental borrowing rate which varies per country within the Group. The liability is subsequently increased by the interest accretion to the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments or based on changes in assessment of execution of certain extension or termination options in the contracts. The Group applies judgement to determine the lease term for lease contracts that contain renewal options. The depreciation charges and financial charges replace previous operating lease expenses.

The Group applies the recognition exemption for short-term and for low-value leases and reassessed the classification of sub-leases in which the Group is a lessor.

### Transition

The Group grandfathers the definition of a lease in IAS 17 on transition for both lessee and lessor accounting. Therefore the definition of a lease under IFRS 16 is only applied to contracts entered into or changed on or after 1 January 2019.

### Transition for lessee accounting

The Group applies the modified retrospective approach with no restatement of comparative information. The effect of applying the standard is recognised in the opening balance sheet as at 1 January 2019 resulting in an increase in “Other property and equipment” (EUR 287 million) and “Lease liabilities” (EUR 292 million). There is no corresponding impact to the opening balance of retained earnings.

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by any prepaid or accrued lease payment.

The Group has adopted the following practical expedients:

- Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application.
- Use of hindsight is applied in determining the lease term where leases contain extension, renewal or termination options.
- The incremental borrowing rate per country as of 1 January 2019 are applied on a single discount rate basis to a portfolio of leases with reasonably similar characteristics such as the property asset class.

The table below presents a reconciliation of the operating lease commitments as at 31 December 2018 to the lease liability recognised as at 1 January 2019.

<i>In thousands of euros</i>	
<b>Operating lease commitments disclosed as at 31 December 2018</b>	<b>278,344</b>
Less short-term leases recognised on a straight-line basis as expense	3,814
Less low-value leases recognised on a straight-line basis as expense	653
Add extension and termination options reasonably certain to be exercised	51,956
<b>Total notional lease liabilities at 1 January 2019</b>	<b>325,832</b>
Discounting using the Group's incremental borrowing rate of 1.95% (weighted-average rate) at 1 January 2019	-33,889
<b>Lease liability recognised as at 1 January 2019</b>	<b>291,943</b>

In Q2 the Group refined the incremental borrowing rate used to discount the lease liability. The lease liability and related leased assets as at 1 January 2019 have been restated, as compared to what was reported in Q1 2019 (EUR 302.8 million).

## **IFRIC 23 – ‘Uncertainty over income tax treatments’**

IFRIC 23 (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019) provides a framework and specific guidance to consider, recognise and measure the accounting impact of tax uncertainties that was not included in IAS 12.

IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Based on IFRIC 23, an entity shall assume that a taxation authority will examine amounts which has a right to examine and have full knowledge of all related information when making those examination. In the past the Group did a best estimate based on actual examination of local tax authorities. For this reason, the impact of IFRIC 23 determined by the Group is an additional tax provision of EUR 13,5 million, which is recognised as an adjustment in the opening balance of retained earnings since Q2.

## Other changes

The following other changes that became effective as per 1 January 2019 do not have any significant impact on shareholders' equity nor comprehensive income or are not relevant to the condensed consolidated financial statements of the Group. Those changes relate to:

- Amendments to IFRS 9 'Prepayment features with negative compensation' (issued on 12 October 2017).
- Amendments to IAS 28 'Long term interests in Associates and Joint Ventures' (issued on 12 October 2017).
- Amendments to IAS 19 'Employee Benefits': Plan Amendment, Curtailment or Settlement' (issued on 7 February 2018).
- Annual improvements cycle 2015 – 2017: Amendments to IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes', IAS 23 'Borrowing Costs' (issued on 12 December 2017).

## New and amended relevant accounting standards effective after 1 January 2019

### IFRS 17 – 'Insurance contracts'

The Group will implement IFRS 17 'Insurance Contracts' (as issued by the IASB in May 2017 but not yet endorsed by the EU) by the expected effective date. The IASB issued an Exposure Draft (ED) 'Amendments to IFRS 17' on 26 June 2019 suggesting to defer the effective date with one year to 1 January 2022. Set out below is an overview of IFRS 17 as well as the impact of the adoption of IFRS 17 on the Group.

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).
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.
- 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.
- A simplified premium allocation approach (PAA) 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 PAA is quite similar to current accounting under IFRS 4 for non-life products.
- 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 service 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 shareholder's equity and comprehensive income of IFRS 17, and as such is not able to quantify its impact, nor specify any policy choice that will be made.

## Other changes

The following amendments to standards are not yet endorsed by the EU and become effective as per 1 January 2020. Those changes relate to:

- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018).
- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018).
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Definition of Material (issued on 31 October 2018).
- 'Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 39 and IFRS 7) (issued on 26 May 2019).

These changes are not expected to have a significant impact on shareholders' equity nor comprehensive income of the Group. The Group is currently assessing the impact due to the interest rate benchmark reform on the business.

## 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 2018.

## Seasonality and cyclicity

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





# Financial risk management

All amounts are in thousands of euros, unless stated otherwise

## Introduction

The Group recognises ten risk management areas, being asset risk, credit risk, operational risk, treasury risk, motor insurance risk, Information risk, legal risk, compliance risk, reputation risk and strategic risk. Of the ten risk management areas, asset risk, operational risk and liquidity risk (which is part of treasury risk) are considered to be primary risks. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures 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 2018.

There have been no material changes to the financial risk profile of the Group since year-end 2018. The financial risks related to asset risk, liquidity risk, operational risk and credit risk are further described below.

## A. Asset risk

The term asset risk is used within LeasePlan as a combination of residual value risks and risks on RMT services. Residual value risk is considered the main risk and is defined as LeasePlan's exposure to potential losses due to the resale value of assets declining below the estimates made at lease inception minus risk mitigation. The risk related to RMT is LeasePlan's exposure to potential loss due to the actual costs of the services, repair and maintenance and tires (over the entire contractual period) exceeding the estimates made at lease inception.

The effects of the vehicle's characteristics on the resale value of the vehicle are managed by correctly pricing the vehicle at vehicle inception. The effects of the used car market on the resale value of the vehicle cannot fully be managed by LeasePlan. The state of the used car market is influenced by factors that reside outside LeasePlan's sphere of control and is therefore considered to be part of the inherent market risk of the used car market. The effects of the used car market can partially be mitigated by the adoption of an omni channel approach, which allows further optimisation of the revenues generated from the sale of second hand cars. The exposure to residual values as at the end of September 2019 amounted to EUR 13.1 billion (year-end 2018: EUR 12.5 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 conclude 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 taking into account 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 when under stress temporarily no new funding could be obtained from the financial markets. The overall 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. Operational risk

Operational risk involves the risk of a positive, negative or potential loss resulting from inadequate or failed internal processes, human behaviour and systems or from external incidents. Business Continuity Risk, Financial Reporting Risk, Model Risk and HR Risk are within the scope of LeasePlan's Operational Risk management.

## D. 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 2019. 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

<i>As at 30 September 2019</i>	<b>Carrying value</b>	<b>Fair value</b>		
<i>In thousands of euros</i>		<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Financial assets measured at fair value				
Derivatives financial instruments in hedge	104,253	–	104,253	104,253
Derivatives financial instruments not in hedge	31,398	–	31,398	31,398
<b>Total financial assets measured at fair value</b>	<b>135,651</b>	<b>–</b>	<b>135,651</b>	<b>135,651</b>
Financial assets not measured at fair value				
Cash and balances at central banks	5,170,387			
Investments in debt securities	24,726	25,254	–	25,254
Receivables from financial institutions	683,246			
Lease receivables from clients	3,450,987	–	3,541,270	3,541,270
Loans to investments using the equity method	161,000	–	164,503	164,503
Investments in equity accounted investments	18,298			
Other receivables and prepayments	366,884	–	366,990	366,990
Assets held-for-sale	29,821			
<b>Financial assets not measured at fair value</b>	<b>9,905,347</b>	<b>25,254</b>	<b>4,072,763</b>	<b>4,098,017</b>
<b>Total financial assets</b>	<b>10,040,999</b>	<b>25,254</b>	<b>4,208,414</b>	<b>4,233,668</b>
Financial liabilities measured at fair value				
Derivatives financial instruments in hedge	37,554	–	37,554	37,554
Derivatives financial instruments not in hedge	138,556	–	138,556	138,556
<b>Total financial liabilities measured at fair value</b>	<b>176,110</b>	<b>–</b>	<b>176,110</b>	<b>176,110</b>
Financial liabilities not measured at fair value				
Funds entrusted	7,941,761	–	8,006,379	8,006,379
Trade and other payables and deferred income	852,311			
Borrowings from financial institutions	3,943,438	–	4,004,143	4,004,143
Debt securities issued	11,058,664	–	11,230,883	11,230,883
<b>Financial liabilities not measured at fair value</b>	<b>23,796,174</b>	<b>–</b>	<b>23,241,405</b>	<b>23,241,405</b>
<b>Total financial liabilities</b>	<b>23,972,284</b>	<b>–</b>	<b>23,417,515</b>	<b>23,417,515</b>

## Fair value of financial instruments

<i>As at 31 December 2018</i>	<b>Carrying value</b>	<b>Fair value</b>		
<i>In thousands of euros</i>		Level 1	Level 2	Total
Financial assets measured at fair value				
Derivatives financial instruments in hedge	57,254	-	57,254	57,254
Derivatives financial instruments not in hedge	41,263	-	41,263	41,263
<b>Total financial assets measured at fair value</b>	<b>98,517</b>	<b>-</b>	<b>98,517</b>	<b>98,517</b>
Financial assets not measured at fair value				
Cash and balances at central banks	3,167,831			
Investments in debt securities	24,709	24,737	-	24,737
Receivables from financial institutions	518,318			
Lease receivables from clients	3,279,487	-	3,355,467	3,355,467
Loans to equity accounted investments	151,300	-	153,567	153,567
Equity accounted investments	15,874			
Other receivables and prepayments	407,936		408,036	408,036
Assets classified as held-for-sale	39,259			
<b>Financial assets not measured at fair value</b>	<b>7,604,713</b>	<b>24,737</b>	<b>3,917,070</b>	<b>3,941,807</b>
<b>Total financial assets</b>	<b>7,703,230</b>	<b>24,737</b>	<b>4,015,587</b>	<b>4,040,324</b>
Financial liabilities measured at fair value				
Derivatives financial instruments in hedge	31,150	-	31,150	31,150
Derivatives financial instruments not in hedge	81,506	-	81,506	81,506
<b>Total financial liabilities measured at fair value</b>	<b>112,656</b>	<b>-</b>	<b>112,656</b>	<b>112,656</b>
Financial liabilities not measured at fair value				
Funds entrusted	6,490,204	-	6,507,800	6,507,800
Trade and other payables and deferred income	856,661			
Borrowings from financial institutions	3,788,873	-	3,842,505	3,842,505
Debt securities issued	10,449,447	-	10,383,961	10,383,961
<b>Financial liabilities not measured at fair value</b>	<b>21,585,185</b>	<b>-</b>	<b>20,734,266</b>	<b>20,734,266</b>
<b>Total financial liabilities</b>	<b>21,697,842</b>	<b>-</b>	<b>20,846,922</b>	<b>20,846,922</b>

### **Financial instruments in level 1**

The fair value of financial instruments that are traded in active markets is based on quoted market prices at the balance sheet 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. Cash and balances with central banks and investments in debt securities are the financial instruments held that are included in level 1.

### **Financial instruments in level 2**

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 data where it is available and rely as little as possible 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 taking into account 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 is collateralised).
- 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 is 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 yield curves at commonly quoted intervals, are used to determine the fair value for the remaining financial instruments.
- 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.

The derivative financial instruments not in hedge are derivatives that mitigate interest rate risk and currency risk from an economic perspective but do not qualify for hedge accounting from an accounting perspective. The Group is not involved in active trading of derivatives.

### **Financial instruments in level 3**

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model) for which more than an insignificant 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. No financial instruments are included in this category.

# Specific notes

All amounts are in thousands of euros, unless stated otherwise

## 1 Segment information

### Primary segments

LeasePlan's core business activity consist of providing leasing and fleet management services (which include the purchase, financing, insuring and maintenance of vehicles) as well as the remarketing of off-lease vehicles to external customers through our CarNext.com branded activities. LeasePlan offers these services through all its 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. 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.

#### 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 Australia, Brazil, India, Mexico, New Zealand and the United States.

The performance of the segments is measured based on the combination of IFRS and non-GAAP measures, such as Serviced fleet, Revenue and Underlying net result. The performance measures are obtained from the internal system of management accounting. All relevant revenues and related costs of the central managed activities, like borrowings, treasury, insurance, information services, global procurement and holding activities are allocated to the individual segments. This provides management a comprehensive view of the performance of the segments. Inter-segment revenues are not presented separately given their insignificance.

<i>In millions of euros</i>	Europe		Rest of the world		Total	
	9M 2019	9M 2018	9M 2019	9M 2018	9M 2019	9M 2018
<b>Serviced fleet (in thousands) at period end</b>	<b>1,447</b>	<b>1,409</b>	<b>412</b>	<b>413</b>	<b>1,859</b>	<b>1,822</b>
Operating lease income	2,801	2,693	287	264	3,088	2,957
Finance lease and Other interest income	42	44	60	54	102	98
Additional services income	1,623	1,622	263	211	1,886	1,833
Vehicle sales and End of contract fees	2,250	2,074	234	230	2,484	2,305
<b>Revenues</b>	<b>6,717</b>	<b>6,433</b>	<b>844</b>	<b>760</b>	<b>7,561</b>	<b>7,193</b>
Finance cost	174	148	83	75	257	224
Car and other depreciation and amortisation	2,312	2,284	200	181	2,512	2,465
Underlying taxes*	73	98	15	19	89	117
<b>Underlying net result*</b>	<b>367</b>	<b>429</b>	<b>64</b>	<b>40</b>	<b>431</b>	<b>469</b>
Total assets	26,776	23,381	4,031	3,265	30,807	26,646
Total liabilities	23,279	20,293	3,510	2,911	26,789	23,204

\*Please note that 2018 Underlying income tax expenses and Underlying net result has changed because impairment charges have been taken out retrospectively as from Q4 2018.

Revenue generated over time consists of operating lease income, finance lease income, other interest income and additional service income for the nine months ended September 30 2019 amounted to EUR 4,467 million (9M 2018: EUR 4,360 million) in Europe in comparison to EUR 610 million in Rest of the world (9M 2018: EUR 529 million).

Revenue generated at a point in time upon termination of lease contracts consists of vehicle sales and end of contract fees for the nine months ended September 30 2019 amounted to EUR 2,250 million for Europe (9M 2018: EUR 2,074 million) and EUR 234 million for Rest of the world (9M 2018: EUR 230 million).

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

Country of activity	FTE's (average)		Underlying Revenues		Lease Contracts	
	in FTE		In millions of euros		In millions of euros	
	2019	2018	2019	2018	2019	2018
United Kingdom	541	523	895	854	2,740	2,496
Netherlands	1,315	1,218	915	829	2,649	2,339
Italy	533	509	855	779	1,903	1,814
Other	5,293	4,806	4,896	4,730	14,147	13,607
<b>As at 30 September</b>	<b>7,681</b>	<b>7,056</b>	<b>7,561</b>	<b>7,193</b>	<b>21,439</b>	<b>20,256</b>

### CarNext.com

Over the course of 2018 LeasePlan has created its CarNext.com business and intends to separately report CarNext.com's results in the year end financial statements after it has completed the necessary accounting system changes and all required information is available for segment disclosure. The required information for a separate segment disclosure, including revenue, was not available for 2018 neither for Q3 2019.

### Non-GAAP measures

	IFRS results 30 September 2019	Underlying adjustments			Underlying results 30 September 2019
		Power of One LeasePlan *	Unrealised results on financial instruments	Impairment	
<b>Revenues</b>	<b>7,560,930</b>				<b>7,560,930</b>
Direct cost of revenues	6,396,419		-35,541	-9,660	6,351,219
<b>Gross profit</b>	<b>1,164,511</b>		<b>35,541</b>	<b>9,660</b>	<b>1,209,712</b>
Total operating expenses	832,161	-46,399		-92,000	693,761
Share of profit of investments accounted for using the equity method	3,447				3,447
<b>Profit before tax</b>	<b>335,798</b>	<b>46,399</b>	<b>35,541</b>	<b>101,660</b>	<b>519,398</b>
Income tax expenses	48,023	11,354	8,794	20,647	88,818
<b>Net result attributable to owners of the parent</b>	<b>287,775</b>	<b>35,045</b>	<b>26,747</b>	<b>81,012</b>	<b>430,579</b>

\*Includes restructuring and consultancy costs related to the CLS restructuring, Next Generation Digital Architecture and CarNext BU set up programs of EUR 43.5 million before tax (EUR 33.1 million after tax).

	IFRS results 30 September 2018	Underlying adjustments			Underlying results 30 September 2018
		Power of One LeasePlan	Unrealised results on financial instruments	Impairment	
<b>Revenues</b>	<b>7,192,681</b>				<b>7,192,681</b>
Direct cost of revenues	6,091,079		-1,302	-114,000	5,975,777
<b>Gross profit</b>	<b>1,101,602</b>		<b>1,302</b>	<b>114,000</b>	<b>1,216,904</b>
Total operating expenses	658,619	-24,414			634,205
Share of profit of investments accounted for using the equity method	2,588				2,588
<b>Profit before tax</b>	<b>445,699</b>	<b>24,414</b>	<b>1,302</b>	<b>114,000</b>	<b>585,414</b>
Income tax expenses *	92,864	6,293	108	17,434	116,699
<b>Net result attributable to owners of the parent *</b>	<b>352,835</b>	<b>18,121</b>	<b>1,194</b>	<b>96,566</b>	<b>468,716</b>

\*Please note that 2018 Underlying income tax expenses and Underlying net result has changed because impairment charges have been taken out retrospectively as from Q4 2018.

## 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.

<i>In thousands of euros</i>	Q3 2019	Q3 2018	9M 2019	9M 2018
Operating lease income	1,040,108	999,039	3,088,466	2,957,231
Finance lease and Other interest income	30,156	33,580	102,405	98,246
Additional services income	640,716	607,384	1,885,795	1,833,338
Vehicle sales and End of contract fees	821,297	750,710	2,484,265	2,303,865
<b>Revenues</b>	<b>2,532,277</b>	<b>2,390,712</b>	<b>7,560,930</b>	<b>7,192,681</b>

Finance lease and Other interest income for the nine months period ended 30 September 2019 includes an amount of EUR 6.5 million (9M 2018: EUR 6.4 million) related to Other interest income.

Operating lease income for the nine months period ended 30 September 2019 includes an amount of EUR 525.8 million (9M 2018: EUR 493.7 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.

<i>In thousands of euros</i>	Note	Q3 2019	Q3 2018	9M 2019	9M 2018
Depreciation cars		820,621	794,256	2,447,454	2,350,273
Impairment on assets *	9	470	83,740	9,660	114,000
Finance cost		89,794	75,654	256,837	223,534
Unrealised (gains)/losses on financial instruments		7,117	1,687	35,541	1,302
Impairment charges on loans and receivables		6,221	7,748	21,862	20,026
Lease cost		924,223	963,085	2,771,353	2,709,136
Additional services cost		419,099	391,569	1,203,191	1,170,784
Vehicle and Disposal costs		801,516	719,640	2,421,875	2,211,159
<b>Direct cost of revenues</b>		<b>2,144,837</b>	<b>2,074,294</b>	<b>6,396,419</b>	<b>6,091,079</b>

(\*) Impairment on 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:

<i>In thousands of euros</i>	Note	Q3 2019	Q3 2018	9M 2019	9M 2018
Lease services		153,628	154,961	464,718	461,644
Impairment on assets *	9	-470	-83,740	-9,660	-114,000
Unrealised gains/(losses) on financial instruments		-7,117	-1,687	-35,541	-1,302
<b>Lease</b>		<b>146,042</b>	<b>69,534</b>	<b>419,518</b>	<b>346,342</b>
Fleet management & other services		74,230	72,970	217,649	217,247
Repair and maintenance services		75,215	75,956	247,463	241,151
Damage services and Insurance		72,173	66,889	217,492	204,155
<b>Additional services</b>		<b>221,618</b>	<b>215,814</b>	<b>682,604</b>	<b>662,554</b>
End of contract fees		36,355	34,813	104,696	94,110
Profit/(loss) on disposed vehicles (PLDV)		-16,574	-3,742	-42,306	-1,404
<b>Profit/(loss) on disposed vehicles and End of contract fees</b>		<b>19,781</b>	<b>31,070</b>	<b>62,390</b>	<b>92,706</b>
<b>Gross profit</b>		<b>387,440</b>	<b>316,419</b>	<b>1,164,511</b>	<b>1,101,602</b>

(\*) Impairment on 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:

<i>In thousands of euros</i>	Q3 2019	Q3 2018	9M 2019	9M 2018
Operating lease - interest income	181,321	168,503	525,800	493,709
Finance lease and Other interest income	30,156	33,580	102,405	98,246
Finance cost	-89,794	-75,654	-256,837	-223,534
Net interest income	121,683	126,429	371,368	368,421
Unrealised gains/(losses) on financial instruments	-7,117	-1,687	-35,541	-1,302
Impairment charges on loans and receivables	-6,221	-7,748	-21,862	-20,026
<b>Net finance income</b>	<b>108,346</b>	<b>116,994</b>	<b>313,965</b>	<b>347,093</b>

## 3 Other depreciation and amortisation

The breakdown of other depreciation and amortisation expenses is as follows:

<i>In thousands of euros</i>	Q3 2019	Q3 2018	9M 2019	9M 2018
Depreciation other property and equipment	16,718	6,409	50,278	19,095
Amortisation intangible assets	5,852	4,702	15,204	13,562
Impairment charges intangible assets	-	-	92,000	-
<b>Other depreciation and amortisation</b>	<b>22,569</b>	<b>11,111</b>	<b>157,482</b>	<b>32,657</b>

During the second quarter of 2019, LeasePlan determined that its main IT system development project, the Core Leasing System (CLS), will not be fit for purpose in the emerging digital world in which the Company operates. As a consequence, CLS is being restructured and existing CLS initiatives have been ceased. An impairment loss of EUR 92 million has been recognised for the related intangible assets. In addition, an onerous contract provision has been recognised for an amount of EUR 6 million for unavoidable costs related to CLS, such as the CLS maintenance contract. The CLS system will no longer be developed, nor will it generate economic benefits in the future.

CLS related IT development costs for an amount of EUR 14 million are still carried at cost on the balance sheet. These are separately developed IT modules that are still expected to generate economic benefits in the future.

## 4 Cashflow statement – cash and cash equivalents

<i>In thousands of euros</i>	30 September 2019	30 September 2018
Cash and balances at central banks	5,170,387	2,821,122
Deposits with banks	309,658	252,477
Call money, cash at banks	180,821	76,148
Bank overdrafts	-159,328	-225,182
<b>Balance for the purpose of the statement of cash flows</b>	<b>5,501,538</b>	<b>2,924,566</b>

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 74.4 million (30 September 2018: EUR 62.7 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 increased over the period 30 September 2018 to 30 September 2019, mainly as a consequence of the Group's pre-funding activities given the strength of debt capital markets. The increase in Deposits with banks and Call money, cash at banks is mainly attributable to the proceeds of recent bond offerings.

## 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.

<i>In thousands of euros</i>	30 September 2019	31 December 2018
Deposits with banks	309,658	277,657
Call money, cash at banks	180,821	75,589
Cash collaterals deposited for securitisation transactions	112,760	105,888
Cash collaterals deposited for derivative financial instruments	76,262	55,351
Other cash collateral deposited	3,744	3,834
<b>Total</b>	<b>683,246</b>	<b>518,318</b>

The maturity analysis is as follows:

<i>In thousands of euros</i>	30 September 2019	31 December 2018
Three months or less	588,364	369,627
Longer than three months, less than a year	64,710	93,406
Longer than a year, less than five years	29,994	55,077
Longer than five years	178	207
<b>Total</b>	<b>683,246</b>	<b>518,318</b>

The gross carrying amount as well as the expected credit loss allowance all reside in Stage 1. There is no significant increase in credit risk. The allowance measured for the 12-months period ended at 30 September 2019 amounted to EUR 0.4 million (30 September 2018 EUR 0.3 million).

## 6 Derivative financial instruments

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

	30 September 2019			31 December 2018		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
In thousands of euros						
<i>Fair value hedge</i>						
Interest rate swaps	5,558,962	104,167	3,342	4,538,083	56,494	1,517
Cross currency swaps	316,602	–	25,215	445,513	592	23,644
<i>Cash flow hedges</i>						
Interest rate swaps	1,393,780	87	8,997	1,452,771	168	5,989
<b>Total Derivatives in hedge</b>	<b>7,269,344</b>	<b>104,253</b>	<b>37,554</b>	<b>6,436,367</b>	<b>57,254</b>	<b>31,150</b>
Interest rate swaps	21,915,801	12,892	74,404	19,368,837	12,093	31,670
Cross currency swaps	4,607,326	18,506	64,152	4,252,156	29,170	49,836
<b>Derivatives not in hedge</b>	<b>26,523,127</b>	<b>31,398</b>	<b>138,556</b>	<b>23,620,993</b>	<b>41,263</b>	<b>81,506</b>
<b>Total</b>	<b>33,792,471</b>	<b>135,651</b>	<b>176,110</b>	<b>30,057,360</b>	<b>98,517</b>	<b>112,656</b>

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:

<i>In thousands of euros</i>	Q3 2019	Q3 2018	9M 2019	9M 2018
Derivatives not in hedges	-6,551	-284	-38,759	700
Derivatives fair value hedging instruments	6,698	-13,529	51,351	-5,139
Financial liabilities fair value hedged items	-7,264	12,124	-48,132	3,135
Hedge ineffectiveness fair value hedges	-566	-1,404	3,219	-2,004
<b>Unrealised gains/(losses) on financial instruments</b>	<b>-7,117</b>	<b>-1,687</b>	<b>-35,541</b>	<b>-1,302</b>

## 7 Other receivables and prepayments

This item includes prepayments in respect of expenses attributable to a subsequent period and amounts still to be received, rebates and bonuses receivable, as well as amounts that are not classified under any other asset. The majority of the other receivables and prepayments has a remaining maturity of less than one year.

## 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.

<i>In thousands of euros</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
Amounts receivable under finance lease	2,755,279	2,616,077
Trade receivables	743,577	705,120
Impairment	-47,869	-41,711
<b>Total</b>	<b>3,450,987</b>	<b>3,279,487</b>

Impairment of EUR 47.9 million (year-end 2018: EUR 41.7 million) includes EUR 7 million (year-end 2018: EUR 5.5 million) related to invoices under commercial disputes and EUR 41.2 million (year-end 2018: EUR 36.2 million) of expected credit loss (ECL) allowances recognized on a counterparty level under IFRS 9.

The ECL allowances include lifetime expected credit losses amounting to EUR 13 million (year-end 2018: EUR 11.9 million) for not credit impaired assets and EUR 28.1 million (year-end 2018: EUR 24.3 million) for credit impaired assets. In 2019, changes in ECL amounts mainly relate to net remeasurements and new contracts recognised during the period, offset by write-offs.

The maturity analysis is as follows:

<i>In thousands of euros</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
Three months or less	1,168,915	1,118,872
Longer than three months, less than a year	795,036	745,693
Longer than a year, less than five years	1,516,637	1,442,089
Longer than five years	18,267	14,543
Impairment	-47,869	-41,711
<b>Total</b>	<b>3,450,987</b>	<b>3,279,487</b>

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 460 million (year-end 2018: EUR 327 million) (see note 9).

## 9 Property and equipment under operating lease and rental fleet

	Operating lease	Rental fleet	Total
<b>Carrying amount as at 1 January 2018</b>	<b>16,568,441</b>	<b>140,253</b>	<b>16,708,695</b>
Purchases/additions	5,253,998	85,358	5,339,356
Disposals	-1,637,817	-31,034	-1,668,852
Transfer from inventories	86,625	-	86,625
Transfer to inventories	-319,687	-	-319,687
Depreciation	-2,379,126	-15,769	-2,394,895
Impairment charge	-114,000	-	-114,000
Currency translation adjustments	-44,319	-664	-44,983
<b>Carrying amount as at 30 September 2018</b>	<b>17,414,115</b>	<b>178,144</b>	<b>17,592,259</b>
Cost	23,804,025	209,186	24,013,211
Accumulated depreciation	-6,389,910	-31,042	-6,420,951
<b>Carrying amount as at 30 September 2018</b>	<b>17,414,115</b>	<b>178,144</b>	<b>17,592,259</b>
Purchases/additions	1,820,533	27,188	1,847,722
Disposals	-615,500	-1,598	-617,098
Transfer to inventories	-108,028	-	-108,028
Depreciation	-825,639	-10,140	-835,779
Impairment charge	-18,000	-	-18,000
Currency translation adjustments	-41,916	-184	-42,100
<b>Carrying amount as at 31 December 2018</b>	<b>17,625,566</b>	<b>193,410</b>	<b>17,818,976</b>
Cost	24,191,609	230,315	24,421,924
Accumulated depreciation	-6,566,042	-36,905	-6,602,948
<b>Carrying amount as at 31 December 2018</b>	<b>17,625,566</b>	<b>193,410</b>	<b>17,818,976</b>
Purchases/additions	5,425,565	96,004	5,521,569
Disposals	-1,778,508	-44,105	-1,822,613
Transfer from inventories	52,883	-	52,883
Transfer to inventories	-367,613	-	-367,613
Depreciation	-2,499,459	-27,389	-2,526,848
Impairment charge	-33,660	-	-33,660
Impairment reversal	24,000	-	24,000
Currency translation adjustments	30,327	-480	29,848
<b>Carrying amount as at 30 September 2019</b>	<b>18,479,102</b>	<b>217,439</b>	<b>18,696,541</b>
Cost	25,214,721	267,274	25,481,994
Accumulated depreciation	-6,735,618	-49,834	-6,785,453
<b>Carrying amount as at 30 September 2019</b>	<b>18,479,102</b>	<b>217,439</b>	<b>18,696,541</b>

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

## Impairment

Vehicles under operating lease contracts were impaired in the nine months of 2018 for an amount of EUR 114 million and consisted of EUR 104 million on the Turkish fleet and EUR 10 million related to loss making contracts in Germany. The total impairment of EUR 114 million is recognised in the consolidated statement of profit or loss in the line-item Depreciation cars.

For the full year 2018 the impairment amount was EUR 132 million of which EUR 103.5 million was for loss-making lease contracts in Turkey due to a sharp depreciation of the Turkish lira in 2018 and EUR 28.5 million impairment related to Germany as result of a number of loss-making contracts.

The rate of inflation in Turkey is a key assumption underlying future cash flows and a major input of the calculation of the recoverable amount. To calculate the Turkish lira based cash flows we apply the inflation assumptions as published by the International Monetary Fund (IMF) in October 2019. The applied inflation rates for 2019 and 2020 are 15,7% and 12,6% and decrease to 11,0% towards 2023.

The sensitivity of the impairment on Turkish lease contracts to an increase (/decrease) of the inflation rate of 5% point (applying the same forward exchange rate curve) amounts to a decrease (/increase) of the impairment amount between EUR 6 and 8 million. The sensitivity to an increase (/decrease) in spot and forward rates (EUR/TRY) with 5 % in each year in the projection, applying the same inflation rates, results in an increase (/decrease) in the impairment amount between EUR 6 and 8 million.

In the nine months period ended September 30, 2019, vehicles under operating lease contract were impaired for an amount of EUR 33.7 million related to loss-making contracts in Austria and Poland.

The impairment recognised in Turkey during 2018 was partially reversed in June and September 2019. The reversals in the total amount of EUR 24 million were due to the positive impact of fluctuation of the forward rates in Turkey.

### **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 3.4 billion (year-end 2018: EUR 3.5 billion).

## 10 Other property and equipment

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

<i>In thousand of euros</i>	30 September 2019	31 December 2018
Owned	110,259	102,882
Leased	293,388	–
<b>Total</b>	<b>403,647</b>	<b>102,882</b>

The leased assets mainly include property such as buildings and IT and other equipment. Information regarding leased assets is presented in the table below:

<i>In thousand of euros</i>	Property	Equipment	Total
<b>Balance as at 1 January 2019</b>	<b>281,956</b>	<b>5,393</b>	<b>287,349</b>
Purchases/additions	36,951	52	37,003
Disposals	–1,856	–	–1,856
Depreciation and impairment	–28,976	–1,029	–30,005
Currency translation adjustments	896	–	896
<b>Balance as at 30 September 2019</b>	<b>288,972</b>	<b>4,416</b>	<b>293,388</b>
Cost	317,896	5,444	323,341
Accumulated depreciation and impairment	–28,924	–1,029	–29,953
<b>Balance as at 30 September 2019</b>	<b>288,972</b>	<b>4,416</b>	<b>293,388</b>

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

<i>In thousand of euros</i>	30 September 2019
Short-term	37,787
Long-term	265,189
<b>Total</b>	<b>302,976</b>

Amounts recognised in statement of profit or loss.

<i>In thousand of euros</i>	30 September 2019
Interest on lease liabilities	–4,106
Income from sub-leasing right-of-use assets	523
Expenses relating to short-term leases	–285
Expenses relating to leases of low-value assets	–113
<b>Total</b>	<b>–3,982</b>

Maturity analysis of undiscounted contractual cash flows of lease liabilities:

<i>In thousand of euros</i>	30 September 2019
Not longer than a year	41,112
Longer than a year, less than five years	132,445
Longer than five years	106,787
<b>Total maturity</b>	<b>280,343</b>

## 11 Intangible assets

	Note	Internally generated software development	Software licenses	Customer relationship	Customer contract	Goodwill	Assets under constr. - Intangible	Total
<b>Carrying amount as at 1 January 2018</b>		<b>23,988</b>	<b>9,300</b>	<b>5,314</b>	<b>1,648</b>	<b>98,604</b>	<b>46,825</b>	<b>185,679</b>
Purchases/additions		1,586	3,328	-1	1	-	75,738	80,651
Amortisation	3	-7,616	-4,286	-722	-938	-	-	-13,562
Assets available for use		-1,120	3,375	-	-	-	-2,255	-
Currency translation adjustments		-40	-1	-	-	-	1	-39
<b>Carrying amount as at 30 September 2018</b>		<b>16,797</b>	<b>11,716</b>	<b>4,591</b>	<b>711</b>	<b>98,604</b>	<b>120,310</b>	<b>252,729</b>
Cost		138,776	66,393	14,441	21,894	98,604	120,310	460,419
Accumulated depreciation and impairment		-121,979	-54,677	-9,850	-21,184	-	-	-207,690
<b>Carrying amount as at 30 September 2018</b>		<b>16,797</b>	<b>11,716</b>	<b>4,591</b>	<b>711</b>	<b>98,604</b>	<b>120,310</b>	<b>252,729</b>
Purchases/additions		983	530	1	-	-	6,875	8,388
Amortisation		-3,183	-1,207	-241	-342	-	-	-4,972
Assets available for use		10,067	1,769	-1	-	-	-11,836	-
Currency translation adjustments		-5	-8	-	-	-	-4	-16
<b>Carrying amount as at 31 December 2018</b>		<b>24,660</b>	<b>12,801</b>	<b>4,350</b>	<b>369</b>	<b>98,604</b>	<b>115,345</b>	<b>256,128</b>
Cost		149,289	68,400	14,441	21,894	98,604	115,345	467,972
Accumulated depreciation and impairment		-124,628	-55,599	-10,091	-21,526	-	-	-211,844
<b>Carrying amount as at 31 December 2018</b>		<b>24,660</b>	<b>12,801</b>	<b>4,350</b>	<b>369</b>	<b>98,604</b>	<b>115,345</b>	<b>256,128</b>
Acquired through business combinations		-	11,496	-	-	-	-	11,496
Purchases/additions		18,160	4,339	-	-	-	13,420	35,919
Amortisation	3	-9,502	-4,897	-722	-83	-	-	-15,204
Impairment charge	3	-	-	-	-	-	-92,000	-92,000
Currency translation adjustments		121	6	-	-	-	2	131
<b>Carrying amount as at 30 September 2019</b>		<b>33,438</b>	<b>23,746</b>	<b>3,629</b>	<b>286</b>	<b>98,604</b>	<b>36,766</b>	<b>196,469</b>
Cost		168,833	82,247	14,441	8,790	98,604	36,766	409,681
Accumulated depreciation and impairment		-135,394	-58,501	-10,812	-8,504	-	-	-213,212
<b>Carrying amount as at 30 September 2019</b>		<b>33,438</b>	<b>23,746</b>	<b>3,629</b>	<b>286</b>	<b>98,604</b>	<b>36,766</b>	<b>196,469</b>

The goodwill relates to the acquisition in previous years. Annually, or more frequently if events indicate a potential impairment, goodwill is assessed for impairment. During 2019 there was no impairment recognized (2018:nil).

Please refer to [Note 3](#) for the disclosure related to Assets under construction intangible.



On 9 July 2019, LeasePlan acquired 100% of the shares in Bizz Nizz BVBA. Bizz Nizz developed and maintained AutoManager, an international platform for customer communication, customer lead management and vehicle management in automotive retail. The purchase price allocation following this acquisition is being finalized in Q4.

## 12 Funds entrusted

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

<i>In thousands of euros</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
Three months or less	5,068,739	4,618,654
Longer than three months, less than a year	2,000,526	1,343,746
Longer than a year, less than five years	872,496	527,388
Longer than five years	–	416
<b>Total</b>	<b>7,941,761</b>	<b>6,490,204</b>

Savings deposits raised by LeasePlan Bank amounts to EUR 7.8 billion (year-end 2018: EUR 6.4 billion) of which 43.6% (year-end 2018: 40.3%) 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:

<i>In thousands of euros</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
Three months or less	0.30%	0.32%
Longer than three months, less than a year	0.67%	0.68%
Longer than a year, less than five years	1.06%	1.17%

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

## 13 Trade and other payables and deferred income

The majority of the trade and other payables and deferred income consist of trade payables, deferred leasing income, lease related accruals, other accruals and other deferred amounts owed.

This reporting line also includes the accrual for 2019 interim dividends payable for an amount of EUR 96.3 million.

## 14 Borrowings from financial institutions

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

<i>In thousands of euros</i>	30 September 2019	31 December 2018
On demand	159,328	169,506
Three months or less	347,355	262,599
Longer than three months, less than a year	896,671	793,599
Longer than a year, less than five years	2,540,084	2,563,168
<b>Total</b>	<b>3,943,438</b>	<b>3,788,873</b>

## 15 Debt securities issued

This item includes negotiable, interest bearing securities.

<i>In thousands of euros</i>	30 September 2019	31 December 2018
Bond and notes - originated from securitisation transactions	2,251,177	2,328,187
Bonds and notes - other	8,715,957	8,077,862
Bonds and notes - other (AC) fair value adjustments	91,531	43,399
<b>Balance as at reporting date</b>	<b>11,058,664</b>	<b>10,449,447</b>

There is no pledge nor security for these debt securities except for the bonds and notes which are originating from securitisation transactions. The average interest rate applicable to the outstanding bonds and notes is 1.0% as of 30 September 2019 (year-end 2018: 1.2%).

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

<i>In thousands of euros</i>	30 September 2019	31 December 2018
Three months or less	143,725	683,373
Longer than three months, less than a year	2,048,863	1,590,059
Longer than a year, less than five years	8,536,339	7,841,323
Longer than five years	329,737	334,692
<b>Total</b>	<b>11,058,664</b>	<b>10,449,447</b>

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper 10 France FCT, Bumper 7 S.A., Bumper 11 S.A., Bumper 9 (NL) Finance B.V., Bumper 8 (UK) Finance plc, Bumper UK 2019-1 and Bumper Australia Trust No1.

Bumper UK 2019-I closed on 5 June, 2019 for a total of GBP 400 million of ABS notes.

The Group issued a new public benchmark trade which settled on the 13th September, 2019 for EUR 1 billion.

## 16 Commitments

The Group has entered into commitments in connection with the forward purchase of property and equipment under operating lease and rental fleet amounting to EUR 2.3 billion as at the balance sheet date (year-end 2018: EUR 2.0 billion). 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.

Furthermore, the Group had entered into commitments in connection with long-term rental and lease contracts of which the future aggregate minimum lease payments amounted to EUR 278 million in 2018. In 2019 together with the introduction of IFRS 16, these amounts are reported in the statement of financial position of the group. The commitments relating to short-term lease and low-value leases are EUR 2.8 million and EUR 0.9 million respectively.

The Group has issued guarantees to the total value of EUR 371 million (year-end 2018: EUR 371 million) of which EUR 369 million (year-end 2018: EUR 366 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 165 million (year-end 2018: EUR 160 million) of which EUR 161 million (year-end 2018: EUR 151 million) is drawn as at 30 September 2019.

## 17 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 responsible 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.

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 2019, an amount of EUR 161 million (year-end 2018: EUR 151 million) is provided as loans to investments accounted for using the equity method.

## 18 Contingent assets and liabilities

As at 30 September 2019, guarantees had been provided on behalf of the consolidated direct and indirect subsidiaries in respect of commitments entered into by those companies with an equivalent value of EUR 2.1 billion (year-end 2018 1.5 billion). The Company charges a guarantee fee to the respective direct and indirect subsidiaries based on normal market terms.

## 19 Events occurring after balance sheet date

No material events occurred after 30 September 2019, that require disclosure in accordance with IFRS, nor events affecting the financial position of the Group as at 30 September 2019 or the result for the nine months period ended 30 September 2019.

# 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 2019 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, 13 November 2019

Tex Gunning - Chairman of the Managing Board and CEO

Yolanda Paulissen - CSFIRO

Franca Vossen – CRO

Jochen Sutor - CFO

# Independent auditor's report



## Review report

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

### *Introduction*

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 September 2019 of LeasePlan Corporation N.V., Amsterdam, as set out on pages 6 to 37 which comprises the condensed consolidated statement of financial position as at 30 September 2019, the condensed consolidated statements of profit or loss and comprehensive income for the three-month period and nine-month period ended 30 September 2019, the condensed consolidated statements of changes in equity, and cash flows for the nine-month period ended 30 September 2019, and the notes, comprising a summary of the significant accounting policies and other explanatory information. The Managing Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope*

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 September 2019 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 13 November 2019

KPMG Accountants N.V.

D. Korf RA

## Glossary

### AFM

The Dutch Authority for the Financial Markets (AFM) has been responsible for supervising the operation of the financial markets since 1 March 2002.

### AT1

Additional Tier 1 capital securities.

### B2C runrate

Vehicles sold B2C as a share of total marketable vehicles over the latest reporting period.

### CaaS

LeasePlan purchases, funds and manages vehicles for its customers, providing a complete end-to-end service through its Car-as-a-Service (CaaS) business for a typical contract duration of three to four years.

### CLS

The SAP-based Core Leasing System (CLS) was the main IT system development project to harmonise processes across all countries.

### DNB

The Dutch Central Bank (De Nederlandsche Bank N.V.)

### 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.

### 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.

### PLDV

Profit-and-loss on Disposal of Vehicles

### RMT

Repair, maintenance and tyres

### RoW

Rest of the world

### RV

Residual value of a vehicle

### UCaaS

CarNext.com has the option to re-lease used vehicles in the Used Car-as-a-Service (UCaaS) market.