First three months of 2018 results

AMSTERDAM, the Netherlands, 8 May 2018 – LeasePlan Corporation N.V. (LeasePlan; the "Company"), one of the world's leading Car-as-a-Service companies, today reports its first quarter (Q1) 2018 results[1].

Highlights[2]

- Net result down 5.0% to EUR 133 million due to impairment charges (EUR 30 million before tax)
- Underlying net result up 10.3% to EUR 161 million excluding impairments*
- Serviced fleet up 6.6% with 1.8 million vehicles
- Lease & Additional Services Gross Profit up 7.6% (Car-as-a-Service) excluding impairments
- CarNext.com B2C sales up 50% with 17% run rate penetration of B2C sales
- Results improvements from 'The Power of One LeasePlan' programme on track
- Underlying return on equity up 63 bps to 16.3%, including impairments

Key numbers[1]

	Q1 2018	Y-o-Y growth	Q1 2017
Profitability			
Underlying net result (EUR million)	138.0*	-5.4%	145.9
Net result (EUR million)	133.3	-5.0%	140.3
Underlying return on equity	16.3%		15.7%
Volume	**31 March 2018**		**31 March 2017**
Serviced fleet (millions)	1.772	6.6%	1.661
# vehicles sold (k)	65	-8.4%	71

* Impairments were EUR 30 million before tax, EUR 23 million after tax

Tex Gunning, CEO of LeasePlan:

"We have delivered a strong result in Car-as-a-Service driven by growth across all Lease & Additional Services lines as well as the ongoing positive impact of 'The Power of One LeasePlan' operational excellence programme.

We have continued to invest in the business to lead the megatrend from ownership to subscription in the new and high-quality used car markets. We introduced our Click & Drive online service for the growing SME Car-as-a-Service segment. We launched our new CarNext.com platform in several markets, which drove sales up by 50% in the higher margin B2C segment compared to last year. We also began the rollout of our Digital LeasePlan initiative, which will bring our company firmly into the digital world, delivering digital services at digital cost levels supported by the latest digital intelligence technologies.

We are also continuing our strategy to be at the forefront of the transition to zero emission mobility, rolling out our end-to-end EV solution to several European markets over the quarter. This is an integral element of our commitment to achieve net zero emissions from our total fleet by 2030.

Our reported results have been reduced in the quarter by two impairment charges, namely on our Turkish fleet reflecting a steep depreciation of the Turkish lira, and in Germany related to certain loss-making contracts.

Looking ahead, we're well on track with the execution of our strategic roadmap to lead the industry."

[1] The information in this press release has not been audited. The condensed consolidated interim financial statements for the period ending 31 March 2018 have been reviewed.
[2] % refer to year-on-year growth unless otherwise stated.

Group performance

In millions of euros, unless otherwise stated	**Q1 2018**	**Y-o-Y growth**	**Q1 2017**
Serviced fleet (millions), as at 31 March	1.772	6.6%	1.661
# vehicles sold (k)	65	-8.4%	71
Lease & Additional Services income	1,621.9	0.5%	1,613.7
Vehicles sales & End-of-contract fees	742.9	-3.0%	765.8
Revenues	2,364.8	-0.6%	2,379.5
Underlying direct cost of revenues	1,994.2	0.7%	1,980.3
Lease Services (ex-impairments)	151.5		143.2
Impairment	(30.3)		-
Fleet Management & other Services	76.8		73.8
Repair & Maintenance Services	81.5		75.2
Damage and Insurance Services	65.9		56.8
Lease Services & Additional Services	345.4	-1.0%	349.0
Lease & Additional Services (excl. impairment)	375,7	7,6%	349,0
End of Contract fees	27.6		29.6
Profit/loss on disposal of vehicles	(2.4)		20.6
Profit/loss on disposal of vehicles & End of Contract fees	25.2	-49.8%	50.2
Underlying gross profit	370.6	-7.2%	399.2
As a % of Revenues	15.7%		16.8%
Underlying total operating expenses	205.2	-1.5%	208.3
As a % of Revenues	8.7%		8.8%

See continuation of this table on the next page.

Group performance - *continued*

In millions of euros, unless otherwise stated	Q1 2018	Y-o-Y growth	Q1 2017
Share of profit of investments accounted for using the equity method	1.0		1.1
Underlying profit before tax	166.4	-13.3%	192.0
As a % of Revenues	7.1%		8.1%
Underlying tax	28.4		46.1
Underlying net result	138.0	-5.4%	145.9
As a % of Revenues	5.8%		6.1%
Underlying adjustments	(4.7)		(5.6)
Reported net result	133.3	-5.0%	140.3
As a % of Revenues	5.7%		5.9%

LeasePlan recorded strong **Serviced fleet growth** of 6.6% in the first quarter of 2018.

Underlying revenues declined 0.6% to EUR 2,365 million in the first three months of 2018. Lease & Additional Services income increased 2.8% on a constant currency basis (0.5% on a reported basis). Vehicle sales & End-of-contract fees were down due to lower volumes against a strong comparative basis in Q1 2017 which included the de-fleeting of a large customer.

Underlying gross profit growth was driven by significant contributions across all service lines, especially Damage & Insurance Services. Excluding impairment charges, Lease & Additional Services Gross Profit was up strongly at 7.6% (EUR 27 million) to EUR 376 million, supported by the ongoing positive impact of 'The Power of One LeasePlan' operational excellence programme. This strong performance was offset by a decline in Profit/Loss on disposal of vehicles (PLDV).

Profit and loss on disposal of vehicles (PLDV) declined by EUR 23 million which was the result of the predictable normalisation of the PLDV generated on the sale of vehicles with higher Contract-End book values (as communicated in previous quarters) and a modest decline in resale values of Euro 5 diesel passenger vehicles in certain European markets. This was partially offset by the expected uplift resulting from CarNext.com's increasing B2C sales.
Euro 5 diesel passenger vehicles are older diesel types and only a small portion of our fleet. They are expected to be substantially sold during 2018 as contracts terminate.

Impairments of EUR 30.3 million consisted of EUR 19.8 million on the Turkish fleet and EUR 10.5 million related to loss-making contracts in Germany.

The impairment of EUR 19.8 million of the Turkish fleet was the result of severe depreciation of the Turkish lira. Turkey is the only country in which LeasePlan has transactional foreign exchange exposure, specifically on the resale value of its vehicles. Local market convention is to price lease contracts in euro, whereas vehicles at contract-end are sold in lira. The EUR 19.8 million impairment represents the resulting lower residual value in euro for contracts which are expected to terminate in 2018. Historically, used-vehicle prices in lira and euro have been correlated, however, during this period of severe and rapid lira depreciation, lira prices did not follow euro prices to the same degree.

The impairment of EUR 10.5 million in Germany is related to the strengthening of our German operation and a clean-up of a series of loss-making contracts.

Operating expenses decreased by 1.5% to EUR 205 million as a result of savings from The Power of One LeasePlan and despite the offset of a EUR 7 million increase in operating expenses to support long-term growth initiatives, especially in CarNext.com and Digital LeasePlan.

The **underlying tax rate** was lower at 17.1% versus the unusually high rate of 24% in 2017, due to one-offs and lower headline tax rates in a number of countries.

The **underlying net result** declined by 5.4% (EUR 8 million) to EUR 138 million impacted by the impairment charges but partly offset by strong performance in LeasePlan's Car-as-a-Service business and further efficiency gains. Excluding the impact of impairment charges, underlying net result was up 10.3% to EUR 161 million. Reported **Net result** of EUR 133.3 million included **underlying adjustments** of EUR 4.7 million, compared to EUR 5.6 million in 2017 due to lower restructuring and consultancy costs.

As mentioned in our annual results, quarterly year-on-year growth might vary from one quarter to the next and not be representative of our medium term growth target because of the quarterly phasing of 'The Power of One LeasePlan' savings, incremental expenses to invest in long-term growth and the PLDV normalisation.

Underlying Return on Equity (ROE) grew by 63 bps to 16.3% including the impairment charges due to the ongoing success of 'The Power of One LeasePlan' and continued growth in LeasePlan's Car-as-a-Service business.

Business and operational highlights

LeasePlan's Car-as-a-Service business has continued to develop well, deriving further benefits from 'The Power of One LeasePlan'. During Q1 Repair & Maintenance further increased its steering to Independent Service Providers and implemented new cost control tools globally. LeasePlan's Procurement team also implemented new indirect spend contracts that are generating substantial savings for the business and a new customer service blueprint was rolled out to further improve customer satisfaction levels.

In Q1 LeasePlan launched its 'Subscribe & Drive' car subscription service in the UK. Targeted at SME and private clients, 'Subscribe & Drive' provides customers with the freedom to switch car when they need (three month minimum period) with no deposit or early termination fees. The initial customer feedback is positive, and the launch underscores LeasePlan's commitment to lead the trend from ownership to subscription models in the new and high-quality used car markets.

The rollout of the new online environment for the Click & Drive proposition, which enables SME customers to quickly access pre-configured cars at attractive prices, has continued. The new Click & Drive online environment was introduced in France during Q1 and is now live in four markets (including the Netherlands, Belgium and Luxembourg).

Alongside these initiatives, LeasePlan continued to reinvest in its long-term growth, including in its new CarNext.com business. CarNext.com is a disruptive B2C and B2B digital marketplace that enables customers to buy, lease and subscribe to high-quality used cars in Europe. This platform, which was rolled out in Greece and Belgium in Q1, has already enabled LeasePlan to increase its penetration of higher-margin B2C sales in Europe to 17% in Q1 (versus 15% in Q4 2017), with B2C volumes up by 50% year-on-year to around 10,500 vehicles.

As part of our strategy to lead the transition from the internal combustion engine to zero emission mobility and the changes in consumer mobility and car preferences, we have launched two initiatives:

- We introduced an end-to-end electric vehicle solution in Belgium, France, Germany, Luxembourg, the Netherlands, Norway, Portugal, Sweden and the United Kingdom. With the new solution, LeasePlan electric vehicle customers will be able to access personal charge points at home and work, as well as a charge card that gives them access to more than 60,000 charging sockets across Europe. The scheme will be expanded to additional markets later this year.
- We are significantly investing in the LeasePlan data science team continuously monitoring consumer mobility and car preferences and their potential impact on current and future used car prices. As part of this initiative, we are closely analysing the developments in diesel prices by market, car type and engine type and reflecting our observations in the setting of residual values on new contracts, customer incentives towards certain car types and the management of existing lease agreements and our fleet value.

Funding and capital position

In the first three months of 2018, LeasePlan continued to benefit from its diversified funding platform raising a total of EUR 1.5 billion across retail deposits, senior unsecured and secured debt. A public senior unsecured transaction of EUR 500 million was concluded in January, with a further EUR 173 million placed in private placement format throughout the quarter. In February, LeasePlan successfully closed the 10th transaction off its Asset Backed Securities (Bumper) programme and its first public benchmark transaction in France of EUR 524 million.

In addition, LeasePlan Bank saw an increase in LeasePlan Bank retail deposits of EUR 339 million to EUR 6.2 billion. LeasePlan's capital position remains strong, with a CET 1 capital ratio[3] of 17.4%, well-above regulatory requirements.

LeasePlan continues to explore various strategic alternatives, including an Initial Public Offering.

[3] CET 1 ratio excluding profit contribution from interim results.

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About LeasePlan

LeasePlan is one of the world's leading Car-as-a-Service companies, with 1.8 million vehicles under management in over 30 countries. LeasePlan manages the entire vehicle life-cycle for its corporate, SME and private customers, taking care of everything from purchasing, insurance and maintenance to car resale. LeasePlan's core businesses are Car-as-a-Service, a EUR 68 billion market, and CarNext.com, an independent marketplace for flexible used-car mobility solutions, serving a EUR 65 billion market. With over 50 years' experience, LeasePlan's mission is to provide what's next in mobility via an 'any car, anytime, anywhere' service – so you can focus on what's next for you.
Find out more at **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 31 March

In thousands of euros	Note	Q1 2018	Q1 2017[1]
Operating Lease income		974,225	969,646
Finance Lease & other interest income		33,620	33,524
Additional Services income		614,067	610,575
Vehicle sales & End of Contract fees		742,883	765,773
Revenues	**2**	**2,364,795**	**2,379,518**
Depreciation cars		810,068	773,771
Finance cost		72,171	80,437
Unrealised (gains)/losses on financial instruments		(2,488)	(5,872)
Impairment charges on loans and receivables		4,501	5,802
Lease cost		884,251	854,138
Additional Services cost		389,839	404,818
Vehicle & disposal cost		717,700	715,528
Direct cost of revenues	**2**	**1,991,790**	**1,974,484**
Lease Services		123,594	149,032
Additional Services		224,228	205,757
Profit/loss on disposal of vehicles & End of Contract fees		25,183	50,245
Gross profit	**2**	**373,005**	**405,034**

See continuation of this table on the next page.

Condensed consolidated statement of profit or loss - *continued*

for the period ended 31 March

In thousands of euros	Note	Q1 2018	Q1 2017[1]
Staff expenses		134,230	134,467
Other operating expenses		68,634	75,313
Other depreciation and amortisation		11,004	11,763
Total operating expenses		**213,868**	**221,543**
Share of profit of investments accounted for using the equity method		1,054	1,089
Profit before tax		**160,191**	**184,580**
Income tax expenses		26,914	44,263
Net result attributable to owners of the parent		**133,277**	**140,317**

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

[1] Prior year comparatives have been restated due to changes in the presentation of the statement of profit or loss. Please refer to the Basis of preparation for further details.

Condensed consolidated statement of other comprehensive income

for the period ended 31 March

In thousands of euros	Note	Q1 2018	Q1 2017
Net result		**133,277**	**140,317**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit reserve, before tax		-	(12)
Income tax on post-employment benefit reserve		-	4
Subtotal changes post-employment benefit reserve, net of income tax		**-**	**(8)**
Items that may be subsequently reclassified to profit or loss			
Changes in cash flow hedges, before tax		(1,487)	3,793
Cash flow hedges recycled from equity to profit and loss, before tax		-	(1,717)
Income tax on cash flow hedges		372	(519)
Subtotal changes in cash flow hedges, net of income tax		**(1,115)**	**1,557**
Exchange rate differences	3	(7,544)	6,419
Other comprehensive income, net of income tax		**(8,659)**	**7,968**
Changes in post-employment benefit plans in associates		-	-
Total comprehensive income for the year		**124,618**	**148,285**
Comprehensive income attributable to:			
Owners of the parent		124,618	148,285

Condensed consolidated statement of financial position

In thousands of euros	Note	31 March 2018	31 December 2017
Assets			
Cash and balances at central banks	4	3,231,989	2,349,162
Receivables from financial institutions	5	568,124	547,296
Derivative financial instruments	6	91,211	103,458
Other receivables and prepayments	7	1,219,735	1,178,859
Inventories		361,909	384,775
Corporate income tax receivable		26,853	33,320
Loans to investments accounted for using the equity method		143,050	140,500
Lease receivables from clients	8	3,157,418	3,260,694
Property and equipment under operating lease and rental fleet	9	17,007,525	16,708,694
Other property and equipment		95,416	93,982
Investments accounted for using the equity method		13,701	12,983
Intangible assets		208,280	185,679
Deferred tax assets		130,357	122,453
		26,255,571	**25,121,855**
Assets classified as held-for-sale	10	28,622	20,107
Total assets		**26,284,193**	**25,141,962**

See continuation of this table on the next page.

Condensed consolidated statement of financial position - *continued*

In thousands of euros	Note	31 March 2018	31 December 2017
Liabilities			
Funds entrusted	11	6,337,969	6,002,501
Derivative financial instruments	6	98,317	80,369
Trade and other payables and deferred income	12	2,348,384	2,408,074
Corporate income tax payable		34,176	37,994
Borrowings from financial institutions	13	3,292,693	3,323,132
Debt securities issued	14	10,217,880	9,337,826
Provisions	15	451,195	454,057
Deferred tax liabilities		280,206	274,023
Total liabilities		**23,060,819**	**21,917,976**
Equity			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves	3	(59,806)	(51,147)
Retained earnings		2,705,196	2,697,149
Total equity		**3,223,374**	**3,223,986**
Total equity and liabilities		**26,284,193**	**25,141,962**

Condensed consolidated statement of changes in equity

	Attributable to the owners of the parent				
In thousands of euros	**Share capital**	**Share premium**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2017	**71,586**	**506,398**	**(9,725)**	**2,507,443**	**3,075,702**
Net result	-	-	-	140,317	140,317
Other comprehensive income	-	-	7,968		7,968
Total comprehensive income	**-**	**-**	**7,968**	**140,317**	**148,285**
Dividend relating to 2016	-	-	-	(112,000)	(112,000)
Total transactions with owners of the parent	**-**	**-**	**-**	**(112,000)**	**(112,000)**
Balance as at 31 March 2017	**71,586**	**506,398**	**(1,757)**	**2,535,760**	**3,111,987**
Balance as at 31 December 2017	**71,586**	**506,398**	**(51,147)**	**2,697,149**	**3,223,986**
Adoption IFRS 9	-	-	-	(5,131)	(5,131)
Balance as at 1 January 2018	**71,586**	**506,398**	**(51,147)**	**2,692,018**	**3,218,855**
Net result	-	-	-	133,277	133,277
Other comprehensive income	-	-	(8,659)	-	(8,659)
Total comprehensive income	**-**	**-**	**(8,659)**	**133,277**	**124,618**
Final dividend	-	-	-	(120,099)	(120,099)
Total transactions with owners of the parent	**-**	**-**	**-**	**(120,099)**	**(120,099)**
Balance as at 31 March 2018	**71,586**	**506,398**	**(59,806)**	**2,705,196**	**3,223,374**

Condensed consolidated statement of cash flows

for the three months ended 31 March

In thousands of euros	Note	2018	2017[1]
Operating activities			
Net result		133,277	140,317
Adjustments:			
Interest income and expense		(121,694)	(115,450)
Impairment on receivables		4,501	5,802
Depreciation of operating lease and rental fleet	9	834,522	800,051
Depreciation other property and equipment		6,386	6,146
Amortisation and impairment intangible assets		4,618	5,616
Share of profit of investments accounted for using the equity method		(1,054)	(1,089)
Financial instruments at fair value through profit and loss		(2,488)	(5,872)
Income tax expense		26,914	44,263
Changes in:			
Provisions		(5,790)	(18,833)
Derivative financial instruments		27,493	81,844
Trade and other payables and other receivables		(138,945)	(123,524)
Inventories		224,263	218,180
Amounts received for disposal of vehicles under operating lease	9	437,850	397,895
Amounts paid for acquisition of vehicles under operating lease	9	(1,789,154)	(1,614,810)
Acquired new finance leases		(260,248)	(233,513)
Repayment finance leases		334,765	281,781
Interest paid		(73,811)	(89,287)
Interest received		193,676	194,614
Income taxes paid		(25,413)	(36,280)
Income taxes received		3,221	12,841
Cash used in operating activities		**(187,114)**	**(49,308)**

See continuation of this table on the next page.

[1] Prior year comparatives have been restated due to changes in the presentation of statement of profit or loss. Please refer to the Basis of preparation for further details.

Condensed consolidated statement of cash flows *- continued*

for the three months ended 31 March

In thousands of euros	Note	2018	2017[1]
Investing activities			
Purchases of other property and equipment (net)		(8,162)	(4,002)
Purchases of intangible assets (net)		(27,192)	(2,748)
Loans provided to investments accounted for using the equity method		(15,000)	(250)
Redemption on loans to investments accounted for using the equity method		12,450	-
Changes in held-for-sale investments		(9,099)	(4,884)
Cash used in investing activities		**(47,003)**	**(11,884)**
Financing activities			
Receipt of receivables from financial institutions		65,864	38,834
Balances deposited to financial institutions		(78,816)	(86,358)
Receipt of borrowings from financial institutions		1,704,730	1,249,418
Repayment of borrowings from financial institutions		(1,700,658)	(802,521)
Receipt of funds entrusted		1,656,191	909,308
Repayment of funds entrusted		(1,320,718)	(460,030)
Receipt of debt securities		1,214,381	939,722
Repayment of debt securities		(274,347)	(467,757)
Dividends paid to Company's shareholders		(120,099)	(112,000)
Cash generated from financing activities		**1,146,528**	**1,208,616**
Cash and balances with banks as at 1 January		**2,481,998**	**1,945,608**
Net movement in cash and balances with banks		912,411	1,147,424
Exchange gains/losses on cash and balances with banks		(902)	400
Cash and balances with banks as at 31 March	4	**3,393,507**	**3,093,432**

[1] Prior year comparatives have been restated due to changes in the presentation of statement of profit or loss. Please refer to the Basis of preparation for further details.

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 31 March 2018 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 a growing international network of companies engaged in fleet management and mobility services, mainly through operating leasing. At 31 March 2018, the Group employed over 6,800 people worldwide and had offices in over 30 countries. There were no major changes in the Groups' composition during the reporting period.

The Company holds 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 investors. None of these investors have a(n 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 5.0 billion on behalf of a range of sophisticated investors.

Basis of preparation

The condensed consolidated interim financial statements for the period ended 31 March 2018 have been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union. 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 2017, 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 Company financial statements. Annual Company financial statements are included in the Group's Annual report for the year ended 31 December 2017.

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

Restatement in the presentation of the consolidated statement of profit or loss 2017

In previous years, the Group prepared its consolidated financial statements in accordance with bank-specific reporting requirements, due to the fact that LeasePlan Corporation N.V. has a banking licence. In 2017, the Group restated the presentation of the statement of profit or loss in accordance with IFRS, to present operating lease income in revenues in one line item, whereas the interest part was previously separately presented as part of net interest income. The statement of profit or loss for the three months period ended 31 March 2017 has been restated accordingly.

In the presentation of revenues, the Group distinguishes since 2017 four revenue streams consisting of revenues from operating leases, finance leases, additional services provided and the vehicles sales for which the contracts have ended. The direct cost of revenues have also been changed in line with the abovementioned changes to the presentation of revenues. The changes include the new way of presentation of finance cost, unrealised gains/losses on financial instruments and impairment charges on loans and receivables as part of direct cost of revenues. Consequently, gross profit streams have also been presented in categories of lease services, additional services and Profit/loss on disposal of vehicles & End of Contract fees. Furthermore, other income is now presented separately below the operating expenses in the statement of profit or loss.

The restated presentation was initially applied in the 2017 financial statements and has been applied retrospectively to the 2017 comparative amounts in the consolidated statement of profit or loss. The comparative amounts have been restated as disclosed in the following tables.

Condensed consolidated statement of profit or loss

for the period ended 31 March

In thousands of euros	Note	Q1 2017 Previously reported	Revenues and Direct cost of revenues	Interest income operating lease	Interest income finance lease and other	Interest expense and similar charges	Impairment charges on loans and receivables	Unrealised (gains)/losses on financial instruments	Operating expenses	Restated Q1 2017
Revenues (lease income and vehicle sales)		2,184,749	(2,184,749)							-
Operating Lease income		-	808,439	161,207						969,646
Finance Lease & other interest income		-			33,524					33,524
Additional Services income		-	610,575							610,575
Vehicle sales & End of Contract fees		-	765,773							765,773
Revenues	2	**2,184,749**	**38**	**161,207**	**33,524**	**-**	**-**	**-**	**-**	**2,379,518**
Cost of revenues		1,895,238	(1,895,238)							-
Depreciation cars		-	773,771							773,771
Finance cost		-				80,437				80,437
Unrealised (gains)/losses on financial instruments		-						(5,872)		(5,872)
Impairment charges on loans and receivables		-					5,802			5,802
Lease cost		-	773,771	-	-	80,437	5,802	(5,872)	-	854,138
Additional Services cost		-	404,818							404,818
Vehicle & disposal cost		-	715,528							715,528
Direct cost of revenues	2	**1,895,238**	**(1,121)**	**-**	**-**	**80,437**	**5,802**	**(5,872)**	**-**	**1,974,484**
Gross profit (net lease and vehicle sales income)		289,511	(289,511)							-
Lease Services		-	34,668	161,207	33,524	(80,437)	(5,802)	5,872		149,032
Additional Services		-	205,757							205,757
Profis/loss on disposal of vehicles & End of Contract fees		-	50,245							50,245
Gross profit	2	**289,511**	**1,159**	**161,207**	**33,524**	**(80,437)**	**(5,802)**	**5,872**	**-**	**405,034**

See continuation of this table on the next page.

Condensed consolidated statement of profit or loss - *continued*

for the period ended 31 March

In thousands of euros	Note	Q1 2017 Previously reported	Revenues and Direct cost of revenues	Interest income operating lease	Interest income finance lease and other	Interest expense and similar charges	Impairment charges on loans and receivables	Unrealised (gains)/losses on financial instruments	Operating expenses	Restated Q1 2017
Interest and similar income		194,730		(161,207)	(33,524)					-
Interest expense and similar charges		(79,280)	(1,157)			80,437				-
Net Interest income		**115,450**	**(1,157)**	**(161,207)**	**(33,524)**	**80,437**	**-**	**-**		**-**
Impairment charges on loans and receivables		5,802					(5,802)			-
Unrealised (gains)/losses on financial instruments		5,872						(5,872)		-
Net finance income		**115,520**	**(1,157)**	**(161,207)**	**(33,524)**	**80,437**	**5,802**	**(5,872)**	**-**	**-**
Total operating income		**405,031**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**405,034**
Staff expenses		135,805							(1,338)	134,467
General and administrative		73,972							(73,972)	-
Other operating expenses		-							75,313	75,313
Other depreciation and amortisation		11,763								11,763
Total operating expenses		**221,540**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**221,543**
Other income										
Share of profit of investments accounted for using the equity method		1,089								1,089
Profit before tax		**184,580**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**184,580**
Income tax expenses		44,263								44,263
Net result attributable to owners of the parent		**140,317**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**140,317**

The changes in format as described, have an impact on the presentation of the items in the consolidated statement of profit or loss. Due to changes in the consolidated statement of profit or loss certain line items in the statement of cashflows changed. The changes did not impact the total net cashflows from operating, investing and financing activities. There is no impact on the statements of comprehensive income, statement of changes in equity and statement of financial position.

Restatement in the presentation of the cash and balances at bank for the purposes of cash flow statements

Certain comparative amounts have been restated as a result of the Group's revised interpretation of the classification of "Cash and balances at bank for the purpose of the statement of cash flows". The changes are reflected in the table below:

		Previously reported	Reclassification of Deposits with banks	Adjusted
Cash and balances at bank for the purposes of the statement of cash flows	at 31 March 2017	2,855,040	238,392	3,093,432
	at 1 January 2018	2,224,729	257,269	2,481,998

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 accounting standards

The following new standards have been adopted by the Group on 1 January 2018.
- IFRS 9 – Financial Instruments
- IFRS 15 – Revenue from contracts with customers

IFRS 9 – Financial Instruments

The Group has adopted IFRS 9 Financial Instruments (as issued by the IASB and subsequently endorsed by the European Union in November 2016) as from 1 January 2018. The Group elected an accounting policy choice under IFRS 9 to defer the application of the new general hedging model and continue to apply the hedge accounting requirements of IAS 39 in their entirety until the standard resulting from the IASB's separate project on macro hedge accounting becomes effective. However, the Group will implement the revised hedge accounting disclosures that are required by the IFRS 9 related amendments to IFRS 7 "Financial Instruments: Disclosures".

The adoption of IFRS 9 resulted in the following key changes to the Group's accounting policies:

1. Classification and measurement of financial assets

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:
- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

2. Impairment of financial assets

The IFRS 9 impairment requirements are based on an expected credit loss (ECL) model, replacing the incurred loss methodology model under IAS 39, the previous standard for the accounting of financial instruments. Under IFRS 9, the Group is required to recognise an ECL upon initial recognition of a financial asset. Key changes in the Group's accounting policy for impairment of financial assets are listed below.

The most significant financial assets on the Group's statement of financial position are lease receivables from clients consisting of finance lease receivables and trade receivables from operating lease contracts. For these financial assets, the Group elected an accounting policy choice to use the simplified approach under IFRS 9 in measuring ECL. The simplified approach does not require the Group to track the changes in credit risk, but instead, to recognise a loss allowance based on lifetime ECLs at each reporting date. As a result, the Group applies a two stage approach whereby exposures are assessed as either credit impaired or not credit impaired.

The Group has based the new impairment requirements of IFRS 9 on its existing credit risk management processes and procedures as described in the credit risk management chapter of the 2017 Annual Report. The Group has therefore chosen to identify credit impaired assets under IFRS 9 by applying the default definition used for credit risk management purposes. The Group defines a default as: Any customer that is either unable to fulfil its obligations (irrespective of the amount involved or the number of days outstanding), or when customers are over 90 days in arrears, or local judgement determines that there is a reasonable chance that the amount will or will not be collected.

The amount of ECL is measured as the probability weighted present value of all cash shortfalls over the expected life of the financial asset discounted at the original implicit interest rate embedded in the lease contract. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The amount of ECL is the present value of expected cash shortfalls. Please refer to the credit risk section for more details about the inputs, assumptions and estimation techniques in measuring ECL for lease receivables.

For receivables from financial institutions and financial guarantees/loan commitments, the Group applies the General Approach to measure ECL. Assets migrate through the following 3 stages based on the change in credit quality since initial recognition:

i. Stage 1: 12-months expected credit losses

This stage includes financial instruments that have not had a significant increase in credit risk since initial recognition and that are not credit impaired upon origination. For these financial instruments, the expected credit losses that result from default events that are possible within 12 months after the reporting date are recognised. Interest revenue is recognised based on the gross carrying amount. That is without deduction for expected credit losses.

ii. Stage 2: Lifetime expected credit losses – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime expected credit loss is recognised. Interest revenue is recognised based on the gross carrying amount. That is without deduction for expected credit losses.

iii. Stage 3: Lifetime expected credit losses – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Interest revenue is recognised based on the amortised cost including the impairment expected credit losses.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. In addition, the Group uses qualitative information such as the monitoring of existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant (negative) change in the debtor's ability to meet its obligations towards the Group. In general, the Group will apply the backstop of 30 days past due as an automatic trigger for significant increase in credit risk.

For receivables from financial institutions, the Group applies the low credit risk assumption. As a result, the Group assumes that credit risk has not significantly increased as the credit risk is considered low for this asset class (generally this is the case when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'). At each reporting date, the Group assesses the appropriateness of this assumption.

The amount of expected credit losses on financial assets are presented in the statement of financial position as follows:
- Financial assets: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantees: as a provision.

3. Loan commitments

Loan commitments and financial guarantee contracts issued that are not measured at fair value through profit or loss are subject to the impairment requirements of IFRS 9. A liability that results from a loan commitment (issued with a below-market interest rate) or financial guarantee requires to be measured, after initial recognition, at the higher of:
- The amount of the provision for expected credit losses; and
- The amount initially recognised, less the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Transition
Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:
- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 have been recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
  - The determination of the business model within which a financial asset is held.
  - If a receivable from a financial institution had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

The following section provides more information and details on the changes and implications resulting from the adoption of IFRS 9.

Transitional disclosures
The Group has concluded that the IFRS 9 transition amount will reduce shareholders' equity by EUR 5.1 million after-tax as at 1 January 2018. The impact relates solely to the implementation of the new impairment requirements by the Group. The impact on CET 1 ratio is limited, with no phase-in applied. The following table analyses the impact, net of tax, of transition to IFRS 9 on retained earnings. There is no impact on other components of equity.

In thousands of euros	**Impact of adopting IFRS 9 on 1 January 2018**
Retained Earnings	
Closing balance under IAS 39 (31 December 2017)	**2,697,149**
Net impact of expected credit losses under IFRS 9 (including lease receivables, loan commitments and financial guarantee contracts)	(5,131)
Opening balance under IFRS 9 (1 January 2018)	**2,692,018**

Classification & Measurement
The classification and measurement of financial assets have been assessed based on how these are managed (the business model test) as well as their contractual cash flow characteristics. The outcome of these tests indicate how financial assets are measured: at amortized cost, fair value through other comprehensive income or fair value through profit or loss. As concluded by the Group, upon adoption of IFRS 9, there are no material changes in the classification and measurement of financial assets or financial liabilities.

Impairment of Financial Assets

The impact of the application of IFRS 9 on the credit impairment is presented in the table below. The table reconciles:

- The closing balance for incurred losses for financial assets in accordance with IAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets as at 31 December 2017; to
- The opening balance for ECL is determined in accordance with IFRS 9 as at 1 January 2018.

Reconciliation Impairment loss allowance IAS 39 vs IFRS 9	**31 December 2017 (Impairment allowances under IAS 39 or IAS 37)**	**Transitional Adjustments**	**1 January 2018 (IFRS 9)**
Loans and receivables under IAS 39/financial assests at amortised cost under IFRS 9:			
Receivables from financial institutions	-	337	337
Lease receivables from clients	21,887	11,405	33,292
Release of IBNR	7,075	(7,075)	-
Loans commitments and financial guarantee contracts issued	-	1,011	1,011
Total	**28,962**	**5,678**	**34,640**

Transitional adjustments of EUR 5,678 thousand include the deferred tax amount of EUR 547 thousand. The adjustment on the opening balance of retained earnings amounting to EUR 5,131 represents the after-tax impact.

IFRS 15 – Revenues from contracts with customers

The Group has adopted IFRS 15 Revenues from contracts with customers (as issued by the IASB and subsequently endorsed by the European Union in September 2016) as from the effective date of 1 January 2018.

IFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer and prescribes more informative and relevant disclosures. IFRS 15 provides significantly more guidance particularly with respect to the identification of performance obligations, determination of the transaction price, and allocation of value within multiple element arrangements.

As a full service provider, the Group's arrangements with customers are impacted by IFRS 15 in two ways:

- Service components of arrangements are governed in their entirety by IFRS 15.
- While recognition of lease and insurance elements are governed by IAS 17 'Leases' and IFRS 4 'Insurance contracts' respectively, their allocation of value from a customer's monthly instalment is performed under IFRS 15.

The Group's policies for the identification of performance obligations, determination of the transaction price and the resulting allocation of value are already largely aligned with the requirements of IFRS 15. Furthermore, a significant portion of the Group's revenue is recognised under IAS 17 (lease elements) and the revenue recognition under the predecessor standard IAS 18 does not carry a significant impact in comparison to IFRS 15.

The Group has elected not to restate comparative results as permitted by the transitional provisions of IFRS 15 and has concluded that there is no significant impact to the group's financial statements upon the implementation of IFRS 15.

New standards, amendments and interpretations issued but not effective for the financial year as from 1 January 2018 and not early adopted

The following standards, amendments and interpretations are not yet effective and have not yet been early adopted:

IFRS 16 – Leases

The Group will adopt IFRS 16 (as issued by the IASB and subsequently endorsed by the European Union in November 2017) by the required effective date of 1 January 2019. Set out below is an overview of IFRS 16 as well as the impact of the adoption of IFRS 16 on the Group. IFRS 16 introduces a new approach to lessee accounting, requiring they recognise assets and liabilities for the rights and obligations created by all types of leases (previously only finance leases). Lease assets will then be depreciated over the term of the lease, while liabilities will be cash settled against, and accreted upwards to future value. The approach in IFRS 16 for lessor accounting remains substantially unchanged compared to IAS 17. Lessors continue to classify leases as operating or finance leases. The Group is currently assessing the full impact of IFRS 16 in its role as a lessee, and as such is not in a position to quantify its impact, nor specify its choice of transition methods.

IFRS 17 – Insurance contracts

The Group will adopt IFRS 17 (as issued by the IASB in May 2017) by the required effective date of 1 January 2021. 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 includes a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognizing changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. This is expected to impact the damage risk retention provision.

The Group is currently assessing the impact of IFRS 17, and as such is not in a position to quantify its impact, nor specify its choice of transition methods.

Use of judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of 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 2017.

Effective 1 January, 2018, the Group adopted IFRS 9 – Financial Instruments. The measurement of the ECL allowance for financial assets is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). As a result judgement is required from management for example in the following areas:

- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the number and relative weightings of forward looking scenarios.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent best estimate of the possible outcomes. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly by management.

Please refer to the credit risk section for more detail about the inputs, assumptions and estimation techniques in measuring ECL.

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

Introduction

The Group's activities expose it to a variety of financial risks: credit risk, asset risk, treasury risk and insurance risk. The treasury risk can be further broken down into risk related to liquidity, interest rate and currency. 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 2017.

There have been no material changes to the financial risk profile of the Group since year-end 2017. Credit risk, asset risk and liquidity risk are further described below as these are considered to be the primary risk management areas.

A. Credit risk

The Group uses internally developed risk measurement system and internal rating based models (IRB) to measure the probability of default and the exposure to potential defaults and the loss given default for the corporate lease portfolio and the retail lease portfolio of the United Kingdom and the Netherlands. For the other portfolios the standardised approach is applied. The Group uses this measurement system to be able to report on such credit risk to external regulators.

Effective 1 January, 2018, the Group adopted IFRS 9. Details about the inputs, assumptions and estimation techniques used in measuring ECL for finance lease receivables and trade receivables from operating lease contracts are provided below.

Leveraging the existing risk measurement systems in place for regulatory capital purposes, the Group has developed IFRS 9 ECL models. Since the Group applies the Simplified method, the model computes lifetime expected credit losses. As the IRB models used for calculating regulatory capital do not suffice for IFRS 9 they have been adjusted and/or supplemented:

- Removed through-the-cycle assumptions of default and conservatism bias.
- Have a forward-looking estimate of PD and LGD.
- Macroeconomic forecasting: forward-looking information.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD):

- PD represents the likelihood of a client defaulting on its financial obligations over the remaining lifetime of the obligation (lifetime PD).
- LGD represents the Group's expectation of the extent of the loss on a defaulted exposure over the remaining lifetime of the lease contract (lifetime LGD). LGD varies by type of counterparty and is expressed as a percentage loss per unit of exposure at the time of default.
- EAD is based on the amount the Group expects to be owed at the time of default over the remaining lifetime of the lease contract (lifetime EAD).

The outcome is discounted back to the reporting date using the discount rate used in measuring the lease receivables under IAS 17. Inputs used in the IFRS 9 ECL models include lease contract data such as contractual cash flows and contractual maturity date as well as credit risk information such as credit quality of the client and level of arrears.

The IFRS 9 ECL models also incorporate forward looking information (i.e. GDP and unemployment rates) through the use of three different scenarios of future economic developments: Baseline, Optimistic and Adverse. Each scenario is run through the IFRS 9 ECL models and multiplied by the appropriate scenario weighting resulting in a probability weighted ECL. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent best estimate of the possible outcomes. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly by management.

The IFRS 9 ECL models are subject to annual review to ensure they are still fit for purpose and the use and performance continue to meet the Group's standards. In case of significant changes, external model validation is conducted.

B. Asset risk

The resale value of a vehicle is determined by the characteristics of the vehicle and by the state of the market in which the vehicle is being sold. The risk that LeasePlan is exposed to is related to the possibility of the resale value of the vehicle being lower than the estimate made at inception of the contract, also considering adjustments in the residual value over the term of the contract. 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 lie outside LeasePlan's sphere of control and is therefore considered to be related to the inherit 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. This results in realizing the best revenues out of the sale of second hand cars. The exposure to residual values as at the end of March 2018 amounted to EUR 11.6 billion[1] (year-end 2017: EUR 11.6 billion).

We are significantly investing in the LeasePlan data science team continuously monitoring consumer mobility and car preferences and their potential impact on current and future used car prices. As part of this initiative, we are closely analysing the developments in diesel prices by market, car type and engine type and reflecting our observations in the setting of residual values on new contracts, customer incentives towards certain car types and the management of existing lease agreements and our fleet value.

C. Liquidity risk

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 committed (standby) credit facilities 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 make sure that under stress at least 9 months can be survived.

[1] In addition to this amount the Group has also provided off balance residual value commitments for non-funded vehicles up to an amount of EUR 368 million (year-end 2017: EUR 361 million).

D. Fair value of financial instruments

The next table 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 costs on the balance sheet as at 31 March 2018 and 31 December 2017.

as at 31 March 2018	**Carrying value**	**Fair value**		
		Level 1	**Level 2**	**Total**
Financial assets measured at fair value				
Derivatives financial instruments in hedge	48,908	-	48,908	48,908
Derivatives financial instruments not in hedge	42,303	-	42,303	42,303
Total financial assets measured at fair value	**91,211**	**-**	**91,211**	**91,211**
Financial assets not measured at fair value				
Cash and balances at central banks	3,231,989	3,231,989	-	3,231,989
Receivables from financial institutions	568,124	-	568,124	568,124
Lease receivables from clients	3,157,418	-	3,215,411	3,215,411
Investments accounted for using equity method	13,701	-	13,701	13,701
Loans to investments using the equity method	143,050	-	146,488	146,488
Receivables and prepayments[1]	416,170	-	416,170	416,170
Total financial assets not measured at fair value	**7,530,452**	**3,231,989**	**4,359,894**	**7,591,883**
Total financial assets	**7,621,663**	**3,231,989**	**4,451,105**	**7,683,094**
Financial liabilities measured at fair value				
Derivatives financial instruments in hedge	40,848	-	40,848	40,848
Derivatives financial instruments not in hedge	57,469	-	57,469	57,469
Total financial liabilities measured at fair value	**98,317**	**-**	**98,317**	**98,317**
Financial liabilities not measured at fair value				
Funds entrusted	6,337,969	-	6,388,248	6,388,248
Trade and other payables and deferred income[2]	840,559	-	840,559	840,559
Borrowings from financial institutions	3,292,693	-	3,392,864	3,392,864
Debt securities issued	10,217,880	-	10,358,956	10,358,956
Total financial liabilities not measured at fair value	**20,689,101**	**-**	**20,980,627**	**20,980,627**
Total financial liabilities	**20,787,418**	**-**	**21,078,944**	**21,078,944**

[1] Other receivables that are not financial assets are not included.
[2] Other payables that are not financial liabilities are not included.

as at 31 December 2017	Carrying value	Fair value		
		Level 1	Level 2	Total
Financial assets measured at fair value				
Derivatives financial instruments in hedge	54,690	-	54,690	54,690
Derivatives financial instruments not in hedge	48,768	-	48,768	48,768
Total financial assets measured at fair value	**103,458**	**-**	**103,458**	**103,458**
Financial assets not measured at fair value				
Cash and balances at central banks	2,349,162	2,349,162	-	2,349,162
Receivables from financial institutions	547,296	-	547,296	547,296
Lease receivables from clients	3,260,694	-	3,273,332	3,273,332
Investments accounted for using equity method	12,983	-	12,983	12,983
Loans to investments using the equity method	140,500	-	143,774	143,774
Receivables and prepayments[1]	365,720	-	366,021	366,021
Total financial assets not measured at fair value	**6,676,355**	**2,349,162**	**4,343,406**	**6,692,568**
Total financial assets	**6,779,813**	**2,349,162**	**4,446,864**	**6,796,026**
Financial liabilities measured at fair value				
Derivatives financial instruments in hedge	25,937	-	25,937	25,937
Derivatives financial instruments not in hedge	54,432	-	54,432	54,432
Total financial liabilities measured at fair value	**80,369**	**-**	**80,369**	**80,369**
Financial liabilities not measured at fair value				
Funds entrusted	6,002,501	-	6,162,088	6,162,088
Trade and other payables and deferred income[2]	914,609	-	914,609	914,609
Borrowings from financial institutions	3,323,132	-	3,223,358	3,223,358
Debt securities issued	9,337,826	-	9,464,504	9,464,504
Total financial liabilities not measured at fair value	**19,578,068**	**-**	**19,764,559**	**19,764,559**
Total financial liabilities	**19,738,806**	**-**	**19,925,297**	**19,925,297**

[1] Other receivables that are not financial assets are not included.
[2] Other payables that are not financial liabilities are not included.

During the reporting period there were no changes in valuation techniques or transfers between levels 1, 2 and 3.

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 are the only 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

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 of 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. The Group identified Europe and Rest of the world as two operating 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, supply services 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.

The segment information is presented in the table below.

In millions of euros	Europe		Rest of World		Total[1]	
	Q1 2018	**Q1 2017**	**Q1 2018**	**Q1 2017**	**Q1 2018**	**Q1 2017**
Serviced fleet (in millions) at period end	**1.359**	**1.259**	**413**	**402**	**1.772**	**1.661**
Operating Lease income	884	864	90	107	974	971
Finance Lease & Other interest income	16	17	18	16	34	33
Additional Services income	555	544	59	67	614	611
Vehicle sales & End of Contract fees	680	695	63	70	743	765
Revenues	**2,135**	**2,120**	**230**	**260**	**2,365**	**2,380**
Finance cost	50	54	22	25	72	79
Car and other depreciation and amortization	716	702	64	72	780	774
Impairment	30	-	-	-	30	-
Underlying taxes	22	42	6	4	28	46
Underlying net result	**127**	**136**	**11**	**10**	**138**	**146**
Underlying net result excluding impairment	**150**	**136**	**11**	**10**	**161**	**146**
Total liabilities	20,086	18,703	2,974	3,302	23,061	22,005
Total assets	22,944	21,406	3,340	3,711	26,284	25,117

Revenue generated over time consists of operating lease income, finance lease income, other interest income and additional service income amounted to EUR 1,455 million (Q1 2017: EUR 1,429 million) in Europe in comparison to EUR 167 million in rest of the world (Q1 2017: EUR 185 million).

Revenue generated at a point in time consists of vehicle sales and end of contract fees. This amounted to EUR 680 million for Europe (Q1 2017: EUR 695 million) and EUR 63 million for rest of the world (Q1 2017: EUR 70 million).

[1] In previous years, the unallocated portion of revenues and expenses were summarized under Group activities. As from the year ended 2017 all revenues and expenses are allocated to the segments Europe and Rest of World. The revised measures of segment performance is retrospectively applied for the three month period ended March 31st 2017.

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

	FTE's (average)		Underlying Revenues		Lease contracts	
Country of activity	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Netherlands	1,171	925	283	378	2,251	2,125
United Kingdom	522	538	278	290	2,403	2,474
Italy	495	496	254	238	1,670	1,436
Other	4,666	4,770	1,550	1,474	13,219	12,951
Total as at 31 March	**6,854**	**6,729**	**2,365**	**2,380**	**19,543**	**18,986**

Non-GAAP measures

In thousands of euros	IFRS results March 2018	Underlying adjustments			Underlying results March 2018
		Power of One LeasePlan	Unrealized results on financial instruments	Tax effect	
Revenues	**2,364,795**				2,364,795
Direct cost of revenues	1,991,790		2,488		1,994,278
Gross profit	**373,005**		**(2,488)**		**370,517**
Total operating expenses	213,868	(8,620)			**205,248**
Other income	-				-
Share of profit of investments accounted for using the equity method	1,054				1,054
Profit before tax	**160,191**	**8,620**	**(2,488)**		**166,323**
Income tax expenses	26,914			1,488	28,402
Net result attributable to owners of the parent	**133,277**	**8,620**	**(2,488)**	**(1,488)**	**137,921**

In thousands of euros	IFRS results March 2017	Underlying adjustments			Underlying results March 2017
		Power of One LeasePlan	Unrealized results on financial instruments	Tax effect	
Revenues	**2,379,518**				**2,379,518**
Direct cost of revenues	1,974,484		5,872		1,980,356
Gross profit	**405,034**		**(5,872)**		**399,162**
Total operating expenses	221,543	(13,276)			208,267
Other income	-				-
Share of profit of investments accounted for using the equity method	1,089				1,089
Profit before tax	**184,580**	**13,276**	**(5,872)**		**191,984**
Income tax expenses	44,263			1,863	46,126
Net result attributable to owners of the parent	**140,317**	**13,276**	**(5,872)**	**(1,863)**	**145,858**

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	Q1 2018	Q1 2017
Operating Lease Income	974,225	969,646
Finance lease & other interest income	33,620	33,524
Additional Service Income	614,067	610,575
Vehicle sales & End of contract fees	742,883	765,773
Revenues	**2,364,795**	**2,379,518**

Finance Lease & other interest income includes an amount of EUR 2.1 million (2017: EUR 0.9 million) related to Other interest income.

Operating Lease income includes an amount of EUR 159.7 million (2017: EUR 161.2 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	**Q1 2018**	**Q1 2017**
Depreciation cars	779,808	773,771
Impairment on assets*	30,260	-
Finance cost	72,171	80,437
Unrealised gains on financial instruments	(2,488)	(5,872)
Impairment charges on loans and receivables	4,501	5,802
Lease cost	884,251	854,138
Additional Services cost	389,839	404,818
Vehicle & disposal cost	717,700	715,528
Direct cost of revenues	**1,991,790**	**1,974,485**

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	**Q1 2018**	**Q1 2017**
Lease Services	156,342	143,161
Impairment on assets*	(30,260)	-
Unrealised gains on financial instruments	(2,488)	5,872
Lease	123,594	149,032
Fleet Management & Other Services	76,781	73,808
Repair & Maintenance Services	81,515	75,161
Damage & Insurance	65,932	56,788
Additional Services	224,228	205,757
End of Contract fees	27,547	29,575
Profit/loss on disposal of vehicles	(2,364)	20,670
Profit/loss on disposal of vehicles & End of contract fees	25,183	50,244
Gross profit	**373,005**	**405,034**

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

In thousands of euros	Q1 2018	Q1 2017
Operating Lease - interest income	159,676	161,207
Finance Lease & other interest income	33,620	33,524
Finance cost	(72,171)	(80,436)
Net interest income	**121,126**	**114,294**
Unrealised gains/(losses) on financial instruments	2,488	5,872
Impairment charges on loans and receivables	(4,501)	(5,802)
Net finance income	**119,113**	**114,364**

3. Other reserves

The other reserves comprise of the translation reserve, post-employment benefit reserve and the hedging reserve.

The translation reserve comprises of exchange rate differences arising from the translation of the assets, liabilities, income and expenses of subsidiaries with other functional currencies than the group presentation currency.

4. Cashflow statement - cash and cash equivalents

	Note	31 March 2018	31 March 2017
Cash and balances at central banks		3,231,989	2,883,864
Deposits with banks	5	257,543	238,392
Call money, cash at banks	5	83,314	95,511
Call money and bank overdrafts		(179,340)	(124,335)
Balance as at 31 March for the purposes of the statement of cash flows		**3,393,507**	**3,093,432**

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 60.1 million (31 March 2017: EUR 55.9 million) are not used in the Group's day-to-day operations and form part of the 'Cash and balances at central banks'.

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.

	Note	31 March 2018	31 December 2017
Deposits with banks	4	257,543	257,269
Call money, cash at banks	4	83,314	76,253
Cash collateral deposited for securitisation transactions		170,402	176,558
Cash collateral deposited for derivative financial instruments		53,547	33,848
Other cash collateral deposited		3,318	3,367
Total		**568,124**	**547,296**

The maturity analysis is as follows:

	31 March 2018	31 December 2017
Three months or less	563,636	364,508
Longer than three months, less than a year	338	143,633
Longer than a year, less than five years	3,976	39,052
Longer than five years	175	103
Total	**568,124**	**547,296**

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 at 31 March 2018 amounted to EUR 0.3 million.

6. Derivative financial instruments

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

	31 March 2018			31 December 2017		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
Fair value hedge						
Interest rate swaps	5,060,486	48,801	12,648	5,116,881	54,227	14,018
Currency swaps	390,137	-	25,656	434,434	-	10,272
Cash flow hedge						
Interest rate swaps	1,565,000	108	2,544	1,380,000	463	1,647
Total derivatives in hedge	**7,015,623**	**48,909**	**40,848**	**6,931,315**	**54,690**	**25,937**
Interest rate swaps	19,949,323	19,412	19,737	18,177,904	14,164	19,970
Currency swaps/currency forwards	3,316,902	22,890	37,732	3,409,241	34,604	34,462
Total derivatives not in hedge	**23,266,225**	**42,302**	**57,469**	**21,587,145**	**48,768**	**54,432**
Total	**30,281,848**	**91,211**	**98,317**	**28,518,460**	**103,458**	**80,369**

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:

	Q1 2018	Q1 2017
Derivatives not in hedges	3,436	7,650
Hedge ineffectiveness cash flow hedges	-	(7)
Derivatives fair value hedging instruments	(4,877)	(12,657)
Financial liabilities fair value hedged items	3,929	10,886
Hedge ineffectiveness fair value hedges	**(948)**	**(1,771)**
Unrealised gains/(losses) on financial instruments	**2,488**	**5,872**

A number of fixed rate bonds are included in fair value hedges whereby the bonds (the hedged items) are measured at amortised cost and are constantly being adjusted for gains/losses attributable to the risk being hedged. This adjustment is recognised in the statement of profit or loss, where it offsets the re-measurement of the fair value of the hedging instruments that is also recognised in the statement of profit or loss.

Certain derivative contracts are used by the Group as part of its Interest and Liquidity Risk Management Strategy. These economic hedges do not qualify for hedge accounting.

7. Other receivables and prepayments

This item includes prepayments in respect of expenses attributable to a subsequent period and amounts still to be received, 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 and consists of prepaid lease related expenses and rebates and bonuses receivable.

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.

	31 March 2018	31 December 2017
Amounts receivable under finance lease contracts	2,501,337	2,608,572
Trade receivables	690,261	689,395
Impairment	(34,180)	(37,273)
Total	**3,157,418**	**3,260,694**

The maturity analysis is as follows:

	31 March 2018	31 December 2017
Three months or less	1,090,219	1,113,403
Longer than three months, less than a year	681,977	706,284
Longer than a year, less than five years	1,405,725	1,464,123
Longer than five years	13,677	14,157
Impairment	(34,180)	(37,273)
Total	**3,157,418**	**3,260,694**

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 51.1 million (year-end 2017: EUR 47.0 million).

The following table provides information on the movements of gross carrying amounts of lease receivables.

	Lease receivables from clients that are not credit impaired	Lease receivables from clients that are credit impaired	Total
Balance as at 1 January	**3,269,081**	**28,886**	**3,297,967**
Transfers (credit impaired vs non-credit impaired)	(2,309)	2,309	-
Additions	259,284	-	259,284
Terminated contracts	(155,436)	-	(155,436)
Redemptions	(174,277)	-	(174,277)
Write-offs	-	(756)	(756)
Exchange rate movements	(30,450)	37	(30,413)
Other movements	(5,763)	994	(4,770)
Balance as at 31 March	**3,160,129**	**31,470**	**3,191,599**

The table below summarizes the movements in the expected credit loss allowance related to lease receivables.

	Lease receivables from clients that are not credit impaired	Lease receivables from clients that are credit impaired	Total
Balance as at 1 January	**10,411**	**22,881**	**33,292**
Transfers (credit impaired vs non-credit impaired)	(21)	21	-
Additions	2,016	-	2,016
Decreases due to derecognition	(1,750)	(495)	(2,245)
Changes due to change in credit risk (net)	(28)	911	884
Changes due to modifications without derecognition (net)	(649)	1,321	672
Write-offs	-	(756)	(756)
Exchange rate and other	420	(103)	317
Balance as at 31 March	**10,400**	**23,780**	**34,180**

9. Property and equipment under operating lease and rental fleet

	Operating lease	Rental fleet	Total
Cost	21,343,482	108,897	21,452,379
Accumulated depreciation and impairment	(5,516,766)	(16,184)	(5,532,950)
Carrying amount as at 1 January 2017	**15,826,716**	**92,713**	**15,919,429**
Carrying amount as at 1 January 2017	**15,826,716**	**92,713**	**15,919,429**
Purchases	1,589,865	24,945	1,614,810
Transfer from inventories	34,619	-	34,619
Transfer to inventories	(212,988)	-	(212,988)
Disposals	(382,798)	(15,097)	(397,895)
Depreciation and impairment	(792,993)	(7,058)	(800,051)
Exchange rate differences	24,749	433	25,182
Carrying amount as at 31 March 2017	**16,087,170**	**95,936**	**16,183,106**
Cost	21,612,629	115,119	21,727,748
Accumulated depreciation and impairment	(5,525,459)	(19,183)	(5,544,642)
Carrying amount as at 31 March 2017	**16,087,170**	**95,936**	**16,183,106**
Purchases	4,933,279	73,276	5,006,554
Transfer to inventories	(93,362)	-	(93,362)
Disposals	(1,756,133)	(19,681)	(1,775,814)
Depreciation and impairment	(2,354,007)	(12,956)	(2,366,963)
Exchange rate differences	(272,554)	276	(272,279)
Reclassification	24,048	3,403	27,451
Carrying amount as at 31 December 2017	**16,568,441**	**140,253**	**16,708,694**
Cost	22,534,378	164,184	22,698,562
Accumulated depreciation and impairment	(5,965,938)	(23,931)	(5,989,868)
Carrying amount as at 31 December 2017	**16,568,441**	**140,253**	**16,708,694**
Purchases	1,771,427	17,727	1,789,154
Transfer from inventories	86,624	-	86,624
Transfer to inventories	(288,878)	-	(288,878)
Disposals	(426,114)	(11,737)	(437,850)
Depreciation and impairment	(828,777)	(5,745)	(834,522)
Exchange rate differences	(15,533)	(164)	(15,697)
Carrying amount as at 31 March 2018	**16,867,191**	**140,334**	**17,007,525**
Cost	22,968,710	164,954	23,133,664
Accumulated depreciation and impairment	(6,101,519)	(24,620)	(6,126,139)
Carrying amount as at 31 March 2018	**16,867,191**	**140,334**	**17,007,525**

Equipment under operating lease contract was impaired in the first quarter of 2018 for an amount of EUR 30.3 million (Q1 2017: nil) and consisted of EUR 19.8 million on the Turkish fleet and EUR 10.5 million related to loss-making contracts in Germany. The impairment is recognized in the consolidated statement of profit or loss in the line-item Depreciation cars.

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 3.3 billion (year-end 2017: EUR 2.1 billion).

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

10. Assets classified as held-for-sale

Assets held-for-sale include parts of the business expected to be sold within a year whose carrying amount will be recovered principally through a sale transaction rather than through continuing operations. This category includes mainly operating lease that the Group entered into in the United States with the aim to sell onward to debt investors for an amount of EUR 28.6 million (year-end 2017: EUR 20.1 million).

11. Funds entrusted

This item includes non-subordinated loans from banks and savings deposits.

The maturity analysis of these deposits is as follows:

	31 March 2018	31 December 2017
Three months or less	4,108,564	4,136,364
Longer than three months, less than a year	1,694,735	1,304,401
Longer than a year, less than five years	534,593	561,642
Longer than five years	77	94
Total	**6,337,969**	**6,002,501**

Savings deposits raised by LeasePlan Bank amounts to EUR 6.2 billion (year-end 2017: EUR 5.89 billion) of which 42.5% (year-end 2017: 45.6%) 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.

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

	31 March 2018	31 December 2017
Three months or less	0.41%	0.52%
Longer than three months, less than a year	0.73%	0.79%
Longer than a year, less than five years	1.31%	1.39%
Longer than five years	n/a	n/a

The interest rate of the on demand accounts is set on a monthly basis.

12. 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.

13. Borrowings from financial institutions

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

	Note	31 March 2018	31 December 2017
On demand	4	179,339	200,687
Three months or less		511,414	423,228
Longer than three months, less than a year		737,401	838,766
Longer than a year, less than five years		1,864,539	1,860,451
Total		**3,292,693**	**3,323,132**

On demand amounts owed to financial institutions relating to call money and bank overdraft balances form part of the cash and balances with banks in the cash flow statement. Borrowings from financial institutions include an outstanding balance of EUR 1.2 billion (year-end 2017: EUR 1.2 billion) which is non-euro currency denominated. The remainder of the borrowings from financial institutions is denominated in euro.

Borrowings from financial institutions mainly includes loans, collateral deposits received and bank overdrafts. The Group has an undrawn committed credit facility of EUR 1.5 billion with a maturity date in November 2022.

In addition to centrally arranged credit facilities at a Group level, the Group also has credit facilities in place at the level of some of its subsidiaries.

14. Debt securities issued

This item includes negotiable, interest bearing securities.

	31 March 2018	31 December 2017
Bonds and notes - originated from securitisation transactions	1,910,347	1,507,832
Bonds and notes - other	8,282,327	7,800,858
Bonds and notes - fair value adjustment on hedged risk	25,206	29,136
Total	**10,217,880**	**9,337,826**

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 1.4% as of 31 March 2018 (year-end 2017: 1.4%).

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

	31 March 2018	31 December 2017
Three months or less	876,080	237,847
Longer than three months, less than a year	1,663,205	1,917,979
Longer than a year, less than five years	7,371,741	6,841,877
Longer than five years	306,854	340,123
Total	**10,217,880**	**9,337,826**

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper 6 (the Netherlands), Bumper 7 (Germany), Bumper 8 (United Kingdom), Bumper 9 (the Netherlands) and Bumper 10 (France) concluded in February 2018 in the amount of EUR 524 million.

15. Provisions

This item includes the damage risk retention provision, provision for post-employment benefits and other provisions. The majority of provisions are expected to be recovered or settled after more than 12 months. Included in provisions is an amount of EUR 1 million relating to the impairment of financial guarantees/loan commitments.

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 2.1 billion as at the balance sheet date (year-end 2017: 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 has entered into commitments in connection with long-term rental and lease contracts of which the future aggregate minimum lease payments amount to EUR 175 million (year-end 2017: EUR 174 million).

For a number of clients, residual value guarantees have been given for a total of EUR 368 million (year-end 2017: EUR 364 million).

Credit facilities have been concluded with investments accounted for using the equity method amounting to EUR 160 million (year-end 2017: EUR 145 million) of which EUR 143 million (year-end 2017: EUR 141 million) is drawn as at 31 March.

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 consortium of investors and includes ADIA, ATP, Broad Street Investments, GIC, PGGM and TDR Capital. None of these investors have a(n 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 31 March 2018 an amount of EUR 143 million (year-end 2017: EUR 141 million) is provided as loans to investments accounted for using the equity method.

18. Contingent assets and liabilities

As at 31 March 2018, guarantees had been provided on behalf of the consolidated subsidiaries in respect of commitments entered into by those companies with an equivalent value of EUR 1.4 billion (year-end 2017: EUR 1.4 billion). The Company charges a guarantee fee to the respective subsidiaries based on normal market terms.

19. Events occurring after balance sheet date

No material events occurred after 31 March 2018, that require disclosure in accordance with IFRS, nor events affecting the financial position of the Group as at 31 March 2018 or the result for the three months period ended 31 March 2018.

Responsibility statement

Managing Board 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 his knowledge:

The Company's 31 March 2018 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 08 May 2018.

Tex Gunning - Chairman of the Managing Board and CEO
Gijsbert de Zoeten - CFO
Marco van Kalleveen - COO Europe
Yolanda Paulissen - CSFIRO
Franca Vossen - CRO

Independent auditor's report

Review report

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements as at 31 March 2018 of LeasePlan Corporation N.V., Amsterdam, as set out on pages 7 to 44, which comprises the condensed consolidated statement of financial position as at 31 March 2018, the condensed consolidated statement of profit or loss and condensed consolidated statement of other comprehensive income for the three month period ended 31 March 2018, the condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the three month period ended 31 March 2018, and the notes to the condensed consolidated interim financial statements. The Managing Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information 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 auditing standards 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 information as at 31 March 2018 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 8 May 2018

KPMG Accountants N.V.

D. Korf RA

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