



To the General Meeting of BNP Paribas Leasing Solutions AS

Independent Auditor's Report

Opinion

We have audited the financial statements of BNP Paribas Leasing Solutions AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 17 years from the election by the general meeting of the shareholders on 4 October 2007 for the accounting year 2007.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company's business activities are largely unchanged compared to last year. *Impairment of Loans and Receivables to Customers* has the same characteristics and risks this year as the previous year and consequently has been an area of focus also for the 2023 audit.



Key Audit Matters	How our audit addressed the Key Audit Matter
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Impairment of Loans and Receivables to Customers

Loans and receivables to customers represent a considerable part of the Company's total assets. The assessment of impairment losses is performed using a model-based framework which includes elements of management judgment. The framework is complex, includes a considerable volume of data and judgmental parameters.

We focused on this area due to the significance of the impairment considerations for the value of loans and receivables in the financial statements, and the fact that the use of judgment has a potential to affect the profit for the period. Furthermore, there is an inherent risk of error because of the complexity and quantity of data involved in the modelling.

The use of models to determine expected credit losses entails judgment, specifically with respect to:

- classification of the various credit portfolios by risk and asset type,
- identification of impaired loans or loans presenting a significant increase in credit risk,
- how the loans and receivables are sorted into stages, and
- the construction of parameters such as the probability of default (PD) and loss given default (LGD) and scenarios.

The Company's business is mainly concentrated on object financing through leasing and sales mortgage financing. Consequently, management has developed a risk management framework which takes into account the specific characteristics of this segment. In addition, individual provisions are made for loans and receivables with incurred credit losses. Determination of individual provisions also requires application of management judgment.

Notes 1, 2, 9 and 10 to the financial statements explains the impairment models and management's process to estimate loan-loss impairment provisions.

Our work on impairment of loans and receivables to customers included obtaining an understanding of the internal control environment, as well as test of relevant internal controls implemented by management.

Specifically, we tested internal controls relevant to:

- the calculation and method used by Management, and
- the reliability of the sources of data used in the model.

We found that we could rely on the relevant internal controls.

We also performed test of details with respect to the provisions estimated collectively and individually. We sampled individual borrower case files to check whether they were properly classified and if any corresponding impairment losses had been duly recognised. The realisation value was calculated using internal value estimates. To test the realisation value, we assessed the relevance and reasonableness of assumptions used in the calculations. We interviewed staff and management and challenged the relevance and reasonableness of the assumptions and methodology used to calculate the expected realisation value. Furthermore, we tested whether the individual impairment losses were classified correctly in the model, as well as assessing the total value of impairment losses.

Any differences encountered as part of our detailed testing fell within a reasonable range.

We read the notes and found them to be adequate and to give a balanced overview of the models, parameters and judgmental assumptions used.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ålesund, 28 March 2024

PricewaterhouseCoopers AS

Terje Honningsvåg
State Authorised Public Accountant
(This document is signed electronically)

BNPLS Auditor's report 2023

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Honningsvåg, Terje	BANKID	2024-03-28 10:31



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