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BNP PARIBAS
LEASING SOLUTIONS

Equipment finance for a changing world

ANNUAL REPORT 2024

BNP PARIBAS LEASING SOLUTIONS AS

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BNP PARIBAS LEASING SOLUTIONS AS

ANNUAL REPORT 2024

BNP Paribas Leasing Solutions AS's purpose is object financing – leasing and sales mortgage financing – as well as activities related to this.

BNP Paribas Leasing Solutions AS is headquartered in Ålesund, and has a shared service center in Oslo and sales offices in Oslo, Gjøvik, Bergen and Trondheim.

All shares in the company are owned by BNP Paribas Leasing Solutions S.A. in Luxembourg. The company is contributing to realizing the owners' strategies for growth in Norway.

PRODUCT & MARKET

BNP Paribas Leasing Solutions AS has supported small and medium-size customers in industries like construction and public works, material handling, transportation and forestry, IT markets, specialized technologies, healthcare and energy transition. These are in addition to historical presence in the agriculture market.

The company continued supporting its clients and industrial partners by providing rental and finance solutions to the partners end clients helping to increase their professional equipment sales.

New sales in 2024 amounted to NOK 1 187 million which represents a decrease of 22% compared to 2023.

RISK

The company has an internal control system covering all types of risks generated by its business activities and the control system is set up in accordance with the three lines of defence organization and the procedures implemented by BNP Paribas Group. The company has put in place risk metrics to monitor these risks that are regularly reviewed by the Board of Directors.

The company applies the solvency standards of Basel III as required by the Norwegian regulator and computes its capital requirements accordingly. Moreover, the company assesses the adequacy of its own funds, in regard of the risks generated by its usual activities, including a forward-looking capital planning (ICAAP).

At the end of 2024, the book value of leasing and loan commitments was NOK 2 917 million after reduction for write-downs caused by losses totaling NOK 40,2 million.

To ensure that the company has sound liquidity, long-term financing agreements have been entered into with BNP Paribas Group. The company is financed by BNP Paribas S.A. Norway Branch in Oslo and BNP Paribas Leasing Solutions S.A. in Luxembourg. The borrowings are concluded with floating and fixed interest rates.

As at 31 December 2024, the liquidity coverage ratio is calculated at 118%. The minimum requirement is 100%.

BNP Paribas Leasing Solutions AS has only a few agreements with a fixed interest rate, i.e. most of the loans and leasing contracts are based on floating interest rates. In practice, this means that within a relatively short period of time (according to current rules 4 weeks for business customers), interest rate changes can be implemented for the majority of its agreements if the market interest rate changes.

It is the Board's assessment that all risks have been treated according to risk procedures approved by the board.

The company has subscribed an insurance program put in place by BNP Paribas Group that covers the financial consequences, as well as the criminal and civil defense costs, of claims from third parties arising from errors and omissions of board members, directors and officers while conducting their managing, representation or survey duties.

STATEMENT OF THE ANNUAL ACCOUNTS

The book value of the portfolio at the end of 2024 was NOK 2 917 million. Total assets amounted to NOK 3 142 million. BNP Paribas Leasing Solutions AS had a profit after tax of NOK 1,1million. At the end of the financial year, loss provisions implemented in accordance with the rules in IFRS 9 amounted to NOK 39,7 million (NOK 1,9 million on customers in stage 1 and 2, NOK 13,2 million on customers in stage 3 and NOK 24,6 million as write-offs).

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Due to the growth of the portfolio, net cash flow from operating activities amounted to NOK -207,5 million, while cash flow from investing activities amounted to NOK -1,6 million. In addition, net cash flow from financing activities amounted to NOK 99,9 million.

As at 31 December 2024, BNP Paribas Leasing Solutions AS's own funds amounted to NOK 527,9 million. The risk-weighted assets amounted to NOK 2 274,5 million.

BNP Paribas Leasing Solutions AS was compliant with the Norwegian capital requirements with a total capital adequacy ratio of 23,21% comparing to a requirement of 17,5% as at 31 December 2024.

After the closing of the accounts, no circumstances have arisen that are of significance for the assessment of the company's position.

ORGANIZATION, ENVIRONMENT AND GENDER EQUALITY

The company had 44 permanent employees as at 31 December 2024. Of these, 21 are women (49%). The average full time equivalent employees (FTEs) amounted to 43 in the financial year. In the context of work, there have been no injuries or accidents that are the cause of sick leave. It is the board's opinion that the working environment in the company is good. At the end of the financial year, the board consisted of 5 members, of which 3 were women.
As part of BNP Paribas Group, the company fully integrates the challenge of professional equality in its HR programs, including wage equality, professional promotion, training, skills development, and other areas. It pursues its efforts to promote diversity in professional positions and representativity of women, with a view to shared governance.

The company has implemented the measures in accordance with the Norwegian Transparency Act and published a report at the end of June 2023 available at www.leasingsolutions.bnpparibas.no.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

At the heart of BNP Paribas Group's strategy, there is a strong desire to participate in building a more sustainable and better shared future. This willingness translates our Corporate Engagement approach, in particular by helping to achieve the 17 United Nations Sustainable Development Goals (SDGs).
At BNP Paribas Leasing Solutions AS, we share this belief and want to fully support this approach with concrete measures.

To ensure that BNP Paribas Leasing Solutions has a maximum impact and is able to serve its customers, its partners and the society as a whole, each and every employee of the company embodies and assumes this responsibility.

BNP Paribas Leasing Solutions is constantly expanding the range of equipment financed to include those that foster transition to cleaner forms of energy. The company also develops solutions and associated services for better lifecycle management of equipment. In order to support its clients in reducing waste and preserving natural resources.

For BNP Paribas Leasing Solutions, diversity and inclusion are not just a matter of responsibility, but also something that concerns collective performance. The company is truly committed, alongside its employees, to treasure and respect each person's differences, while fighting against all forms of discrimination and harassment.

BNP Paribas Leasing Solutions offers training programs to all employees allowing them to develop their skills and knowledge around sustainability and diversity as well as to volunteer with local associations during their working hours.

The company and Group's assessments are available at www.leasingsolutions.bnpparibas.no.

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FUTURE PROSPECTS

In collaboration with the parent company, additional business opportunities are foreseen in established markets (i.e., agriculture) and it is expected that new markets including but not limited to specialized technologies, energy transition and healthcare.

Several digitalization projects have been initiated for the automation of work tasks and the improvement of web portals. This will optimize both vendor and customers journeys. The company is working strengthening its Digital Operational Resilience through the implementation of the DORA regulation and have a strong and continuous focus on IT security topics.

In addition to the Norwegian regulation, the company is subject to BNP Paribas guidelines regarding anti-money laundering, Financial Security, Anti-corruption, KYC and data protection.

The company is optimistic about the possibilities for further growth in the markets mentioned above and will continue to adapt its organization accordingly.

BOARD'S OPINION

The board confirms that the financial statements give a true picture of its financial position and results as at 31 December 2024. We confirm that, in accordance with §3-3a of the Norwegian Accounting Act, the going concern assumption is satisfied, and this assumption has been applied in the preparation of the financial statements.

ALLOCATION OF THE RESULT FOR THE YEAR

The board proposes that the profit for the year of NOK 1,1 million is transferred to other equity.

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Oslo, 13th of March 2025

Signiert von:
EEA5AE13E2854F1...
Hans Wolfgang Pinner
Chairman of the board

Signé par :
Audrey Joulia
13B389EC793848A...
Audrey Joulia
Board member

DocuSigned by:
Lars Horgen Hinze
4B64B93E9E62463...
Lars Horgen Hinze
Board member

Signé par :
Sophie Testelin
82446CF555C64C5...
Sophie Testelin
Board member

Signed by:
FF6A280AFC82426...
Claudine Françoise Smith
Board member

Signed by:
Arve Line
EAD1C6FDD55649D...
Arve Line
CEO

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INCOME STATEMENT

(amounts in KNOK)	Notes	31/12/2024	31/12/2023
Interest incomes			
Interest income from loans to customers	3	1 605	1 676
Leasing income	3	245 069	198 913
Total interest incomes		**246 673**	**200 590**
Interest expenses			
Interest expenses from credit institutions		-153 246	-122 368
Other interest expenses		-41	-38
Total interest expenses		**-153 287**	**-122 407**
Net interest incomes		**93 386**	**78 183**
Commissions and fees			
Commissions and fees income	5a	12 781	11 386
Commissions and fees expenses	5b	-2 791	-4 075
Net commissions and fees		**9 990**	**7 312**
Net income from financial instruments		412	304
Other incomes and expenses		5 909	2 713
NET BANKING INCOME		**109 696**	**88 512**
Payroll, fees and other staff costs	6,24	-51 691	-47 924
Other operating expenses	7	-12 067	-11 435
Depreciation and amortisation	12,13,14	-4 750	-4 674
GROSS OPERATING INCOME		**41 188**	**24 478**
COST OF RISK	10	**-39 687**	**-13 985**
PROFIT BEFORE TAX		**1 501**	**10 493**
Tax	8	-365	-2 340
PROFIT FOR THE PERIOD		**1 137**	**8 153**

OTHER COMPREHENSIVE INCOME

(amounts in KNOK)	Notes	31/12/2024	31/12/2023
Other comprehensive income			
Profit for the period		1 137	8 153
Other incomes and expenses			
Total comprehensive income for the period		**1 137**	**8 153**
Total comprehensive income for the period is attributable to:			
Attributable to shareholders	17	1 137	8 153
Total Comprehensive income		**1 137**	8 153

BALANCE SHEET

(amounts in KNOK)	Notes	31/12/2024	31/12/2023
ASSETS			
Deposit with credit institutions	20	**139 945**	**249 258**
Loans and receivables to customers			
Loans to customers	9 , 10	22 751	21 933
Finance Lease customers	4,9,10	2 893 861	2 826 758
Total loans and receivables from customers		**2 916 613**	**2 848 691**
Certificates and bonds			
Treasury Bill	26	9 730	9 589
Total certificates and bonds		**9 730**	**9 589**
Intangible assets			
Intangible assets	13	5 238	5 282
Total intangible assets		**5 238**	**5 282**
Property, Plant and Equipment			
Office equipment	12	426	866
Leases (Right to use)	14	9 755	12 170
Property, Plant and Equipment		**10 182**	**13 035**
Prepaid expenses and earned, not received incomes			
Accounts receivables		56 912	43 376
Other receivables	16	3 040	2 775
Total prepaid expenses and earned, not received incomes		**59 951**	**46 151**
TOTAL ASSETS		**3 141 659**	**3 172 006**

BALANCE SHEET

(amounts in KNOK)	Notes	31/12/2024	31/12/2023
LIABILITIES			
Loan from credit institutions			
Loan from credit institutions	11,20	2 444 659	2 651 032
Total due to credit institutions		**2 444 659**	**2 651 032**
Deferred tax			
Deferred tax	8	32 696	32 331
Total deferred tax		**32 696**	**32 331**
Accrued liabilities and commitments			
Account liabilities		67 674	10 534
Lease liability	14	10 706	13 066
Payable tax	8	0	0
Accrued expenses	15	34 735	30 232
Public liabilities		18 482	3 252
Subordinated debt	21	65 445	65 432
Total liabilities and commitments		**197 041**	**122 516**
TOTAL LIABILITIES		**2 674 396**	**2 805 880**
EQUITY			
Share capital	17	295 000	195 000
Retained earnings	17	172 263	171 126
TOTAL EQUITY		**467 263**	**366 126**
TOTAL LIABILITIES AND EQUITY		**3 141 659**	**3 172 006**

Oslo, 13th of March 2025

Signiert von:
FEA5AE13E2854F1...
Hans Wolfgang Pinner
Chairman of the board

Signé par :
Audrey Joulia
13B389EC793848A...
Audrey Joulia
Board member

DocuSigned by:
Lars Holgen Hinze
4F6D893E5E62463...
Lars Holgen Hinze
Board member

Signé par :
Sophie Testelin
82446CF555C64C5...
Sophie Testelin
Board member

Signed by:
FF6A280AFC82426...
Claudine Françoise Smith
Board member

Signed by:
EAD1C6EDD55649D...
Arve Line
CEO

CASH FLOW STATEMENT

(amounts in KNOK)	Notes	31/12/2024	31/12/2023
Profit before tax		1 501	10 493
Interest recognized by customers		-246 673	-197 237
Payment by tenant from customers leasing		214 233	220 027
Payment of tenant from customers loans		979	1 625
Write-downs on loans and finance lease		39 687	13 985
Depreciation	12,13	2 148	2 021
Recognized interest expenses other loans		161 464	129 086
Payment tenant other loans		-163 208	-130 014
Paid taxes	8	0	0
Payments leases	9	-681 339	-1 071 590
Payment installment leases	9	750 733	672 320
Disbursements repayment loans	9	-3 604	-26 033
Repayments of loans	9	14 379	18 370
New loans from credit institutions	11	707 000	1 110 000
Repayment of loans from credit institutions	11	-911 911	-703 960
Increase/decrease in other operating assets and liabilities		-92 934	-134 610
Net cash inflow from operating activities		**-207 545**	**-85 515**
Purchase of property, plant and equipment	12,13	-1 626	-1 680
Net cash outflow from investing activities		**-1 626**	**-1 680**
Share capital increase		100 000	95 000
Issue of subordinated debt		0	65 000
Value change Treasury Bill		-142	108
Net cash flow from financing activities		**99 859**	**160 108**
Deposits with credit institutions at the start of the period		249 258	176 345
Net change in cash during the year		-109 313	72 913
Deposits with credit institutions at the end of the period		**139 945**	**249 258**

STATEMENT OF CHANGES IN EQUITY

in KNOK	Share capital	Retained earnings	Total
Equity 01.01.2024	**195 000**	**171 126**	**366 126**
Capital increase	100 000		100 000
Profit/loss for the period		1 137	1 137
Total Equity 31.12.2024	**295 000**	**172 263**	**467 263**

in KNOK	Share capital	Retained earnings	Total
Equity 01.01.2023	**100 000**	**162 973**	**262 973**
Capital increase	95 000		95 000
Profit for the period		8 153	8 153
Total Equity 31.12.2023	**195 000**	**171 126**	**366 126**

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NOTES

NOTE 1 ACCOUNTING PRINCIPLES

GENERAL

The financial statements of BNP Paribas Leasing Solutions AS have been prepared in accordance with IFRS® Accounting Standards as adopted for use in the European Union.

The financial statements are presented in Norwegian kroner and had no transactions in foreign currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand NOK unless otherwise stated.

BNP Paribas Leasing Solutions AS was founded in October 2007 and the business consists of leasing financing and loans to customers. The business is licensed, and the company received a license from Finanstilsynet on 28 May 2008.

The financial statements have been approved by the Board of Directors on 13 March 2025 and were signed accordingly.

ASSETS MANDATORILY AT FAIR VALUE THROUGH P&L

The category includes the company's treasury bill, as it is part of a portfolio that is managed and valued on the basis of fair value in accordance with a documented risk management or investment strategy. The portfolio is used as a buffer in LCR's reporting to Finanstilsynet to meet the liquidity requirement.

Changes in the value of financial assets determined at fair value are included in "Net income from financial instruments".

LOANS & ADVANCES AT AMORTIZED COSTS

The category includes "Loans to and receivables from credit institutions" and "Loans to and receivables from customers".

BNP Paribas Leasing Solutions AS capitalizes loans and receivables at fair value with the addition of transaction costs. In subsequent periods, these balance sheet items are measured at amortized cost calculated using the effective interest rate.

Impairment is made in accordance with IFRS 9, which involves a three-step approach, where loans and receivables go through three categories as the credit risk changes. Loans and receivables are presented after taking into account impairment in the company's balance sheet

BNP Paribas Leasing Solutions AS considers loans and advances at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

FINANCE LEASE AGREEMENTS

In accordance with IFRS 16, a financial lease is defined as a lease in which substantially all the risks and rewards of ownership of an asset are transferred. Property rights can, but do not have to be transferred. Based on this definition, all the company's leases entered into are classified as financial. Such agreements are therefore entered in the balance sheet as rental financing at cost price, reduced by any advances and less annuity depreciation in accordance with the payment schedule for the individual contract. Impairment is done in accordance with IFRS 9, which involves a three-step approach, where loans and receivables go through three categories as the credit risk changes. Rental financing contracts are presented net in the company's balance sheet.

Contracts with a guaranteed residual value (from the supplier) are depreciated to this residual value over the term of the contract.

The depreciation part (instalment) of the forward amount is entered in a separate account in the income statement, but in the annual settlement this is netted against gross rental income. Net rental income consists of the interest portion of the forward amount.

Upon termination of leasing contracts, a gain / loss calculation is performed. This can happen both at the end of the leasing contract and at early termination during the contract period. Gains from the sale of leased assets arise when they are sold at a price that is higher than the book value. Otherwise, losses will occur. Both capital gains and losses are included as part of the rental financing income.

In accordance with IFRS 16, an estimate of future gains from the realization of the objects in the leasing portfolio has been carried out. Expected realized amounts are distributed over the lease period and are recognized as income as part of the effective interest under lease financing income in the income statement.

For tax purposes, depreciation is carried out on the leasing objects according to the balance method.

PROVISION FOR LOSSES MODEL

According to IFRS 9, the provision for losses must be recognized based on expected credit loss (ECL). The general model for write-downs of financial assets in IFRS 9 applies to financial assets that are measured at amortized cost or at fair value with changes in value over other income and expenses and which did not incur losses on initial recognition. In addition, loan commitments, financial guarantee contracts that are not measured at fair value through profit or loss and lease receivables are also included.

Impairment losses in accordance with IFRS 9 are described in more detail in Note 2 Risk management and internal control.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded in the balance sheet at acquisition cost, including depreciation and write-off. Expenses are added to the cost of fixed assets and are depreciated in line with these.

Maintenance costs are considered as a cost directly in the year they arise. Depreciable fixed assets are depreciated on a straight-line basis over their estimated useful lives at the following rates:

Office Furniture	20 %
Office Machines	20 %
Computer Equipment (hardware)	33 %

LEASING – BNPPLS AS A LESSEE

A lease is a contract that conveys the user the right to control the use of an asset for a period of time in exchange for consideration. The right to use an asset is recognized on the commencement date as a right-of-use (RoU) asset and the obligation to pay lease payments is recognized as a lease liability. The RoU asset is initially measured as the present value of the lease payments plus initial direct costs and the cost of obligations to refurbish the asset less any lease incentives. The discount rate used to calculate the lease liability for each contract is the incremental borrowing rate. The lease payments are adjusted and any subsequent measurement is expensed accordingly. Judgement has to be exercised when assessing the lease term and it considers the economic incentive to exercise an option or termination option.

Leases are related to office premises contracts mainly. In this connection, reference is made to note 14.

INTANGIBLE ASSETS

Expenses for intangible assets are capitalized to the extent that the criteria for capitalization are met. This means that such expenses are capitalized when it is considered probable that the future financial benefits associated with the asset will flow to the company and the acquisition cost can be measured reliably.

Capitalized intangible assets are amortized on a straight-line basis over their expected useful lifetime (5 years). Intangible assets entered in the accounts as at 31 December 2024 apply to specially adapted software programs.

FINANCIAL LIABILITIES ACCOUNTED AT AMORTIZED COSTS

Financial liabilities accounted for at amortized cost are initially recognized at fair value less transaction costs and with the addition of accrued effective interest. In subsequent periods, loans are recognized at amortized cost calculated using the effective interest rate. The difference between the disbursed loan amount (less transaction costs) and the redemption value is recognized in the income statement over the term of the loan.

ASSESSMENT OF OTHER OBLIGATIONS

Other liabilities (for example accounts payable, tax payable and accrued expenses) are booked at nominal value and are not adjusted for interest rate adjustments.

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PROVISIONS

BNP Paribas Leasing Solutions AS provisions are recorded when the company has an obligation (legally or self-imposed) relating to a prior event, it is probable (more probable than not) that a financial settlement will take place as a result of the obligation and the actual amount can be reliably measured.

INTEREST AND FEE INCOME

Interest income is recognized as income using the effective interest method (internal interest rate). The internal rate of return is determined by discounting contractual cash flows within the expected term. Cash flows include set-up fees and direct transaction costs.

Interest income on financial assets in stage 1 and stage 2 is calculated using the effective interest method on the gross value of the financial asset, while interest income on financial assets in stage 3 is calculated based on the amortized cost of the financial asset.

OTHER INCOME AND EXPENSES

Other income is recognized as income in the period in which the service has been rendered. Administration and operating costs are expensed in the period in which they are incurred.

INTEREST AND COMMISSION COSTS

Interest expenses related to liabilities measured at amortized cost are recognized in the income statement on an ongoing basis based on an effective interest method. All fees related to interest-bearing borrowing are included in the calculation of the effective interest rate and are thus amortized over the expected term. The effective interest method is a method for calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period.

If lending or leasing contracts have been arranged from external parties, an agreement on commission payment has been established with some distributors. In such cases, the commission amount is expensed at the start of the contract.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Temporary differences are calculated between the carrying amount of assets and liabilities for financial reporting and the amounts used for taxation purpose. Calculation and specification of tax costs are shown in a separate note.

Temporary differences are the difference between the carrying amount of an asset or a liability and the tax value of the asset or liability. Deferred tax is determined by tax rates and rules that apply on the balance sheet date.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments that can be immediately and with insignificant exchange rate risk converted into known cash amounts and with a maturity date shorter than three months from the acquisition date.

ACCOUNTING ESTIMATES AND DISCRETIONARY EVALUATIONS

The preparation of annual financial statements in conformity with generally accepted accounting principles requires that occasionally management must make estimates and assumptions. Estimates and discretionary evaluations are regularly assessed. They are based on historic experience as well as the expectations of future events that are considered to be probable under the current circumstances.

Accounting estimates are used for: (i) the calculation of estimated consideration on sale of leased property and (ii) write-down on loans and leasing contracts. The most important assumption for estimated future gains on the sale of leases is described in note 4 and the risk management is described in note 2.

CHANGES IN ACCOUNTING PRINCIPLES

BNP Paribas Leasing Solutions AS has implemented the amendments to IAS 1.117 regarding material disclosures of accounting principles. Beyond that, no new accounting standards have been implemented in 2024 that have had a material effect on the company's financial statements.

There are no new standards or changes to standards that have not been made applicable to the preparation of the 2024 financial statements that are expected to have a material effect on the company's accounts.

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NOTE 2 RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Financial activities entail a need for management, administration and control of risk. Good risk management shall be a strategic tool for increasing value creation in BNP Paribas Leasing Solutions AS. Risk management shall contribute to ensure efficient operations, control the most significant risks to contribute to the company's goals, ensure high quality internal and external reporting and contribute to compliance with all relevant laws, regulations and internal guidelines. The company's board adopts the general principles for risk management and internal control.

The company's profitability depends, among other things, on the ability to identify, manage and price risks that arise in connection with financial services. The board of BNP Paribas Leasing Solutions AS aims to help in ensuring that the company's operations maintain a low risk profile.

The board of BNP Paribas Leasing Solutions AS determines the overall risk limits for, among other things, the following areas:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The board is responsible for ensuring that the company has equity that is prudent based on the risk and scope of the company's activities and for ensuring that capital requirements that follow from laws and regulations are complied with. According to current rules, the tier 1 capital requirement shall be 15,5% and the total capital requirement 17,5%.

In addition to Tier 1 capital, BNP Paribas Leasing Solutions AS raised a subordinated debt that is eligible as capital instrument T2.

The board is also responsible for establishing appropriate systems and routines for risk management and internal control.

The management of the company is responsible for ensuring that all adopted routines are implemented to uncover all risk factors, and that changes in the risk exposure are identified and necessary improvement measures can be implemented.

A risk assessment is carried out annually which includes review of:

- Established control measures
- Assessment of own compliance with external and internal regulations

The result of the review is reported to the board.

Independent and effective auditing shall contribute to appropriate internal control and reliability in financial reporting. This also applies to the internal audit. The results of the audit activities are reported on an ongoing basis to the board and the operational management.

CREDIT RISK

Credit risk is defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms.
Evaluating accurately the probability of default and the expected recovery on the loan or receivable in the event of default are key components of credit quality assessment.

Credit risk is the largest risk element in the company's operations, and the loan portfolio therefore receives close follow-up and monitoring. BNP Paribas Leasing Solutions AS uses an externally developed system for assessing credit risk (based on accounts, equity, payment remarks, trends for the individual industry, etc.). All new customers are scored in connection with credit processing in this system.
Large customers are rescored at least once a year, while other customers are rescored when requesting new engagements.

For assessing credit risk levels for new customers, BNP Paribas Leasing Solutions AS has adopted the Group's methodology for measuring counterparty Risk at the time of on boarding. Every customer is rated into a specific risk class based on the external score achieved and converted into BNP Paribas Group's internal risk rating scale ranging from 1 to 10 (Strong to Weak).

The assigned ratings can be divided into the following buckets.

- Ratings 1 - 5+ = Strong
- Ratings 5 - 7+ = Good
- Ratings 7 - 8+ = Average
- Ratings 8 - 10 = Weak

In addition, ratings 11-12 are assigned to customers in default.

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The board is responsible for the company's lending and has delegated authorization limits to persons involved in lending in accordance with standards from BNP Paribas Leasing Solutions Group. The authorizations are personal and are linked to competence, size of commitment and risk. Credit proposals may be decided between the Risk Management Function and the business to secure adherence to the 4 eyes principle. Business proposals that are considered significant require the involvement of Group's RISK department prior to a credit decision.

When activating new commitments, a depreciation plan is also registered for the individual financed asset. This depends on the type of asset and life expectancy and secondary market value. The depreciation plan is the basis for calculating market value during the leasing period.

As mentioned in note 1, the company has from 1 January 2018 introduced loss provisions in accordance with IFRS 9. For all exposures considered in stage 1 and stage 2 or IFRS9 classification a collective loss ratio is attributed to the portfolio.

Loan loss provisions for stage 1 and 2 are maintained according to BPLS group policies and calculated to ensure that both historical and future evolution is accounted for. Exposures in stage 1 are calculated based on a 12-month PD assessment and stage 2 (exposures subject to a significant increase in risk, SICR) on a calculation of lifetime provisions.
As the methodology describes the split between stage 1 and 2 is done based on an assessment of days past due for an exposure at the point of reporting.

Stage 1 includes all performing exposures up to 30 days with delay in payments and stage 2 are exposures that are 30 days past due and more, but not in default.

To ensure that future estimations of loan losses are taken into account the forward looking element is maintained based on an annual recalculation of the Specific Provision ratio (SPR) applied to all Stage 1 and Stage 2 exposures. This annual assessment is based on significant changes in the evolution of historical losses as well as the future expected evolution based on market trends. Subsequent to the annual assessment and recalculation of the SPR, the new SPR is applied for all Stage 1 and Stage 2 exposures for both existing portfolio and future evolution.

STAGE 1
At the accounting, the company calculates a day-1 loss, corresponding to 12 months' expected credit loss. Stage 1 comprises all financial assets that do not have a significantly higher credit risk than on initial recognition. The provision for losses corresponds to All loans and receivables that have not been transferred to stage 2 or 3 are placed in this category.

STAGE 2
Includes loans and receivables that have had a significant increase in credit risk since initial recognition, but where there is no objective evidence of losses. For these assets, the company sets aside for expected losses over the entire contractual life. The company has defined that a significant increase in credit risk when lending to customers occurs if payment is delayed by 30 days or more (after the end of the leasing period for the individual invoice), and / or where impaired serviceability is revealed in the group's internal risk management and classification models (e.g. customers in forbearance).

STAGE 3
Consists of loans and receivables that have had a significant increase in credit risk since granting, and / or there is objective evidence of losses on the balance sheet date. Provisions are also made for these assets for expected losses over the entire life of the contract.

The company has defined a significant increase in credit risk since granting, and where there is objective evidence of loss on the balance sheet date, to occur in the event of overdrafts and arrears older than 90 days (after the end of the leasing period for the individual invoice) and the amount in arrears have breached regulatory threshold qualifying the customer as being in default.

In addition, an individual assessment is made for loss provisions on customers where there is objective evidence of loss. This can be:

- Significant financial problems with the debtor
- Default or other significant breach of contract
- It is considered probable that the debtor will enter into debt negotiations, other financial restructuring or that the debtor's estate will be taken into bankruptcy proceedings

Such individual loss provisions are booked in Stage 3.

Estimated losses in accordance with the above are entered as a provision for losses on the accounting line "Cost of Risk" in the income statement with a counter-item in own write-downs accounts in the balance sheet.

Determination of loss
When any collateral has been realized and all possibilities for further recovery have been explored, the loss is defined as established.
In such cases, all receivables related to commitments are derecognized from the balance sheet and recognized as established losses on the accounting line "Losses and write-downs on loans" in the profit and loss statement. At the same time, any previous loss provisions are reversed on the commitment.

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MARKET RISK

Market risk for BNP Paribas Leasing Solutions AS is mainly related to interest rate risk.

The company has very few loans with a fixed interest rate and therefore most of the loans and leasing contracts are based on floating interest rates. In practice, this means that within a relatively short period of time (according to current rules 4 weeks for business customers), interest rate changes can be implemented on all loans if the market interest rate changes.

The company is financed with loans from group companies (BNP Paribas S.A. Norway Branch). The loan agreements with the bank are based on floating interest rates with repayment over 4-5 years. The market risk for BNP Paribas Leasing Solutions AS is therefore considered small.

LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to honor its commitments or unwind or settle a position due to the market environment or idiosyncratic factors (i.e., specific to BNP Paribas), within a given timeframe and at a reasonable cost.

Liquidity risk reflects the risk of the Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

The liquidity risk is managed globally at Group and local levels under governance, steering actions, monitoring tools and mitigation strategies defined in a dedicated Group Liquidity Risk Management Policy document. This ensures that liquidity is globally managed and balanced in terms of businesses' funding needs and related liquidity risk management.

BNP Paribas Leasing Solutions AS funds its activity through intragroup funding, following the operational limits allocated to it by BNP Paribas Leasing Solutions' ALCO, monitored locally, and reported quarterly through Sub-ALCO.

OPERATIONAL RISK

The BNP Paribas general policy regarding operational risk is to have the operating management be accountable for managing the risks generated by the activity under his/her responsibility. Risk Management, an independent control function, acts as a second line of defence, defining the global framework, challenging output from risk and control assessment, testing the risk mitigation framework and independently reporting risks to the Senior Management. This second line of defence function is made fully independent and under the hierarchical supervision of the Corporate Risk Function.

This principle presupposes that the managers identify and assess their risks, formalize and disclose them transparently, and take measures to prevent and correct any vulnerability identified in this manner. The major steps of the risk and control self-assessment (RCSA) exercise for operational risk are:

- The identification, analysis and the assessment of the inherent risks.
- The analysis of the actual functioning of the control system and of dynamic risk indicators.
- The residual risk, which provides an assessment of the risk having taken into account the actual functioning of the control framework and its results in terms of risks at a given point of time.

The RCSA (Risk Control Self-Assessment) exercise is performed on an annual basis.
The most material risks identified need then be analyzed more deeply for risk management purposes. BNP Paribas Group runs a formal process of reporting of key attention points in terms of operational risk through a bottom-up approach. This exercise is made from the RCSA outputs, analysis of actual operational incidents, results from controls & key risks indicators and output from audits assignments (internal audits, external audits, supervisory reviews, etc.). It is challenged by the independent control function ORM in charge of operational risk and permanent control framework.

NOTE 3 INTEREST INCOMES FROM LOANS AND LEASING TO CUSTOMERS

Interests and similar incomes from loans to customers apply to interests on repayment loans. Revenues from lease payments are recorded in accordance with the annuity principle.

NOTE 4 EARNED INCOMES ON FUTURE SALES GAIN FOR FINANCE LEASES

As described in note 1, an estimate of future sales gains from finance lease agreements is made.
The estimation is made on the current leasing portfolio. It is recognized within the finance lease incomes in the income statement and as finance lease customers agreements in the balance sheet.
The assessment is prepared based on historical data for the sale of a leased object at the end of its leasing term.

Below is the amount recognized:

in KNOK	31/12/2024	31/12/2023
Open Balance	**69 042**	**61 975**
Flow of the year	7 173	7 067
Closing Balance	**76 215**	**69 042**

NOTE 5 COMMISSIONS AND FEES INCOME

5.a. These are fees associated to the administration of customers' contracts. It includes establishment fees, reminder fees, invoicing fees and those are earned when the service is rendered and accounted for in the appropriate accounting period. The establishment fees are spread over the lifetime of the contracts.

in KNOK	31/12/2024	31/12/2023
Income Fee on Finance Lease	12 720	11 321
Income Fee on Loans	60	66
Total Income Fees	**12 781**	**11 386**

5.b. Commissions costs consist of brokerage commissions for loans and finance lease agreements with partners and vendors.

NOTE 6 PAYROLL EXPENSES AND REMUNERATION

Payroll Expenses (in KNOK)	31/12/2024	31/12/2023
Salaries/wages	38 555	34 641
Social security fees	6 689	6 146
Pension expenses	3 809	3 208
Other remuneration	2 637	3 930
Payroll, fees and other staff costs	**51 691**	**47 924**

	31/12/2024	31/12/2023
Number of employees	44	40
Number of Full Time Equivalent	43,00	39,09

Remuneration of the CEO (in KNOK)	Salary	Bonus	Other Benefits	Pension	Total 2024	Total 2023
Arnault Leglaye	**2 667**	**392**	**473**		**3 532**	3 401

Remuneration to the board (in KNOK)	Fee	Bonus	Other	Pension	Total
Hans Wolfgang Pinner (Chairman)	100	0	0	0	**100**
Lars Horgen Hinze	50	0	0	0	**50**
Claudine Françoise Smith	0	0	0	0	**0**
Audrey Joulia	0	0	0	0	**0**
Sophie Testelin	0	0	0	0	**0**

REMUNERATION SCHEME IN BNP PARIBAS LEASING SOLUTIONS AS

BNP Paribas Leasing Solutions AS has established a remuneration scheme in accordance with regulations on remuneration in financial institutions, etc. As an overriding principle, BNP Paribas Leasing Solutions AS's practice of remuneration conditions must be competitive.

The variable remuneration shall be balanced against the company's risk exposure and control so that unnecessary and undesirable risk is not taken. The company's total remuneration schemes must be good, simple and predictable in order to contribute to a good performance culture. The remuneration scheme for BNP Paribas Leasing Solutions AS shall be in accordance with the company's overall goals, risk tolerance and long-term interests.

In 2024, a variable remuneration of approximately NOK 2,6 million was paid. This remuneration was accrued in 2023 and set aside in the accounts this year. The variable remuneration is distributed to all employees based on the objectives achieved. Correspondingly, variable remuneration has been set aside in the accounts for 2024 of NOK 3 million.

The company doesn't have a special remuneration or profit sharing scheme for the CEO or the Chairman of the board.

NOTE 7 OTHER OPERATING EXPENSES

in KNOK	31/12/2024	31/12/2023
Statutory Audit	1 490	945
Tax advisory fee (incl. technical assistance with tax return)	50	50
Other assistance	0	14
Total audit Fees	**1 540**	**1 009**
Office running costs	4 972	5 104
External fees (3rd parties' providers)	5 555	5 275
Other Operating Expenses	**12 067**	**11 435**

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NOTE 8 TAX COSTS

in KNOK	31/12/2024	31/12/2023
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax	365	2 340
Tax expense on ordinary profit/loss	**365**	**2 340**
Taxable income:		
Ordinary profit/loss before tax	1 501	10 493
Permanent differences	156	145
Changes temporary differences	-106 471	-85 390
Taxable income	**-104 814**	**-74 752**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate		
Profit before tax	1 501	10 493
Calculated tax on profit before tax	330	2 308
Tax effect of permanent differences	34	32
Other difference	0	0
Total	**365**	**2 340**
Effective tax rate	24,3 %	22,3 %

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

in KNOK	31/12/2024	31/12/2023
Tangible fixed assets	-3 181 419	-2 953 387
Accounts receivable	3 281 681	2 943 055
Lease agreements brought to the balance	-950	-897
Other differences	375 109	379 177
Total	**474 420**	**367 949**
Accumulated loss to be brought forward	-325 803	-220 989
Basis for calculation of deferred tax	**148 617**	**146 960**
Deferred tax (22%)	**32 696**	**32 331**

NOTE 9 LOANS & FINANCE LEASE CONTRACTS

Loans by type of receivable (in KNOK)	31/12/2024	31/12/2023
Finance lease contracts	2 933 791	2 851 812
Loans contracts	22 972	21 933
Total Gross Loans and Finance Lease	**2 956 763**	**2 873 745**
Provision Stage 1	-6 138	-4 519
Provision Stage 2	-756	-444
Provision Stage 3	-33 257	-20 091
Total Net Loans and Finance Lease	**2 916 613**	**2 848 691**

BNP Paribas Leasing Solutions AS has ownership of all leased assets. For loans, first priority mortgage security and / or bail has been established.

LOANS AND LEASING CONTRACTS BY GEOGRAPHICAL AREA AND INDUSTRY:

BREAKDOWN BY REGION (in KNOK)	**31/12/2024**		**31/12/2023**	
Viken	830 870	28%	825 530	29%
Vestfold og Telemark	253 467	9%	225 731	8%
Agder	104 022	4%	106 745	4%
Troms og Finnmark	134 239	5%	147 515	5%
Innlandet	452 431	15%	444 327	16%
Vestland	236 626	8%	230 080	8%
Møre og Romsdal	203 901	7%	194 345	7%
Nordland	141 563	5%	133 522	5%
Trøndelag	332 947	11%	322 183	11%
Oslo	147 760	5%	150 965	5%
Rogaland	118 939	4%	92 802	3%
Total gross Loans and Finance Lease	**2 956 763**	**100%**	**2 873 745**	**100%**

BREAKDOWN BY INDUSTRY (in KNOK)	**31/12/2024**		**31/12/2023**	
Public administration	84 409	3 %	82 704	3%
Agriculture, forestry and fishing	1 048 178	35 %	1 080 721	38%
Construction	833 647	28 %	837 389	29%
Wholesale and retail trade	123 229	4 %	136 739	5%
Transport and storage	175 653	6 %	142 683	5%
Real estate activities	97 231	3 %	98 613	3%
Information and communication	39 489	1 %	3 792	0,1%
Other services	554 927	19 %	491 103	17%
Total gross Loans and Finance Lease	**2 956 763**	**100%**	**2 873 745**	**100%**

BNP Paribas Leasing Solutions AS has its own classification system for assessing credit risk for all customers (both for loans and finance leases). This takes into consideration both the customer's financial situation and the asset / mortgage's market value in relation to the book value of the commitment. The company places the entire portfolio in different buckets (scale from 1-12). An annual reclassification is done based on the customer's financial situation on exposures above a certain size. The assessments also include a separate write-down plan for the mortgage's stipulated custody value.

in KNOK		**31/12/2024**	**31/12/2023**
Risk Group	**BNP Paribas Notation**		
Strong	Ratings 1 - 5+	823 839	737 249
Good	Ratings 5 - 7+	1 758 455	1 840 549
Average	Ratings 7 - 8+	131 053	98 665
Weak	Ratings 8 - 10	26 914	21 362
Default	Ratings 11 - 12	216 501	175 920
Total gross Loans and Finance Lease		**2 956 763**	**2 873 745**
Strong	Ratings 1 - 5+	28%	26%
Good	Ratings 5 - 7+	59%	64%
Average	Ratings 7 - 8+	4%	3%
Weak	Ratings 8 - 10	1%	1%
Default	Ratings 11 - 12	7%	6%
Total gross Loans and Finance Lease		**100%**	**100%**

Accounting default is defined as a commitment with a delay of more than 90 days, or when there is objective evidence of events that indicate a default on the part of the customer. At the end of 2024, the book value of exposures in default amounted to NOK 216,5 million.

LOANS AND LEASING CONTRACTS – MOVEMENTS DURING THE YEAR:

in KNOK	31/12/2024	31/12/2023
Loans to customers as at 01.01	**21 933**	**24 247**
Additions during the year	3 604	26 033
Repayments during the year	-14 379	-18 370
Earned not billed interest	11 814	-9 976
Loans to customers as at 31.12	**22 972**	**21 933**

in KNOK	31/12/2024	31/12/2023
Finance Leases to customers as at 01.01	**2 851 812**	**2 318 531**
Additions during the year	681 339	1 071 590
Disposals during the year	-750 733	-672 320
Accounts Receivables and Earned not billed interest	151 374	134 012
Finance Leases to customers as at 31.12	**2 933 791**	**2 851 812**

FINANCE LEASE AGREEMENTS WHERE THE COMPANY IS THE LESSOR (IFRS 16)

As mentioned, the company leases out different types of equipment under the rules for financial leasing. The table below shows expected payments represented by capital and interest from these contracts after the end of the accounting period:

in KNOK	31/12/2024	31/12/2023
Less than 1 year	733 337	679 057
Between 1 and 2 years	635 008	608 202
Between 2 and 3 years	537 239	500 054
Between 3 and 4 years	413 127	398 676
Between 4 and 5 years	278 346	272 369
Over 5 years	336 733	393 454
TOTAL	**2 933 791**	**2 851 812**

NOTE 10 PROVISIONS FOR LOSSES ON LOANS AND LEASING CONTRACTS TO CUSTOMERS

Impairment losses in accordance with IFRS 9 are described in note 1 Accounting principles and note 2 Risk management and internal control. As stated here, the portfolio as at 31 December 2024 is divided into sectors (industries) for estimating the loss ratio. The estimate is based on historical experience:

	31/12/2024			31/12/2023		
in KNOK	% Provision	Portfolio	*in %*	% Provision	Portfolio	*in %*
Agriculture	0,24%	1 112 684	38%	0,18%	1 080 721	38%
Contractor	0,24%	850 019	29%	0,18%	837 389	29%
Other industries	0,24%	994 055	34%	0,18%	955 635	33%
Total Portfolio		**2 956 763**	**100%**		**2 873 745**	**100%**

As shown in the table above, a large part of BNP Paribas Leasing Solutions AS's portfolio as at 31 December 2024 is contracts to Agriculture and forestry (38%). Customers belonging to Agriculture and forestry have historically shown a pattern for little loss. No factors have been identified that indicate increased risk and thus a need for increased provisions for this customer group. This also applies to Other industries (34%). Furthermore, approximately 29% of the portfolio consists of loans to the construction sector.

The company has updated its provision rate with the intention to harmonize the rates across the different industries in alignment with Group practice. This is subject to follow-up and in case of significant variance, the SPR rate will be recalculated accordingly.

Following the IFRS9 regulation the portfolio is divided into Stage 1, 2 and 3. Customers with between up todays to 30 days in arrears are considered as Stage 1. Customers beyond 30 days and up to 90 days are considered as Stage 2. All customers above 90 days are considered as Stage 3 exposures, providing regulatory thresholds native to the IFRS9 regulation are triggered with terms to absolute and relative thresholds.
An individual assessment of customers with an increased risk of loss has also been carried out. This assessment also includes the leasing object's probable net market value and potential risk mitigators in place including personal / company guarantees. The loss provision after this assessment has been added to Stage 3.

The individual assessment where there is objective evidence of loss takes into consideration:

- Significant financial problems with the debtor
- Default or other significant breach of contract
- Granted deferral of payment or new credit for payment of instalments, agreed changes in the interest rate or in other contract terms as a result of financial problems with the debtor
- It is considered probable that the debtor will enter into debt negotiations, other financial restructuring or that the debtor's estate will be taken into bankruptcy proceedings
- Large mismatch between book value and estimated market value of the fixed asset

The tables below show the loss provision for the individual stage and how this has changed since 1 January 2024. The total loss provision as at 31 December 2024 amounts to NOK 40,15 million.

	Stage 1	Stage 2	Stage 3	Total
	Classification for first-time capitalization and fresh loans	Significant increase in credit risk since the first recognition in the balance sheet	Significant increase in credit risk since initial recognition and objective evidence of losses	
in KNOK	Expected loss over 12 months	Expected loss over the life of the instrument	Expected loss over the life of the instrument	
Provisions for losses 01.01.24	**4 519**	**444**	**20 091**	**25 054**
Transfers :				
Transfer from stage 1 to stage 2	-180	597		417
Transfer from stage 1 to stage 3	-197		15 509	15 312
Transfer from stage 2 to stage 3		-131	1 496	1 365
Transfer from stage 3 to stage 2		13	0	13
Transfer from stage 3 to stage 1	64		-1 555	-1 490
Transfer from stage 2 to stage 1	45	-127		-82
Financial assets deducted during the period				0
New financial assets issued or acquired	2 252	139	2 128	4 519
Modification of contractual cash flows from financial assets that have not been derecognised	-366	-180	-4 412	-4 958
Provisions for losses 31.12.24	**6 138**	**756**	**33 257**	**40 151**

	Stage 1	Stage 2	Stage 3	Total
	Classification for first-time capitalization and fresh loans	Significant increase in credit risk since the first recognition in the balance sheet	Significant increase in credit risk since initial recognition and objective evidence of losses	
in KNOK	Expected loss over 12 months	Expected loss over the life of the instrument	Expected loss over the life of the instrument	
Provisions for losses 01.01.23	**1 603**	**95**	**10 158**	**11 857**
Transfers :				
Transfer from stage 1 to stage 2	-32	196		164
Transfer from stage 1 to stage 3	-105		8 383	8 278
Transfer from stage 2 to stage 3		-15	398	382
Transfer from stage 3 to stage 2		6	-187	-181
Transfer from stage 3 to stage 1	18		-635	-617
Transfer from stage 2 to stage 1	35	-52		-17
Financial assets deducted during the period				0
New financial assets issued or acquired	2 014	229	3 409	5 651
Modification of contractual cash flows from financial assets that have not been derecognised	986	-15	-1 435	-464
Provisions for losses 31.12.23	**4 519**	**444**	**20 091**	**25 054**

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Provisions for losses are calculated based on expected credit loss (ECL) using the 3-stage method as described in note 1.

SPECIFICATION OF THE PERIOD'S LOSS EXPENSE ON LEASE FINANCING AGREEMENTS AND LOANS:

in KNOK	31/12/2024	31/12/2023
Variation in Stage 1	-633	2 916
Variation in Stage 2	173	349
Variation in Stage 3	11 038	6 524
New individual provision	4 519	3 409
Established losses covered by previous individual write-downs	0	0
Reversal of previous individual write-downs	0	0
Write off made during the year	24 590	788
Write-downs on lease financing agreements and loans	**39 687**	**13 985**

EXPLANATION OF THE TABLES ABOVE:

Transfer between stages
Shows the effect of customers who have changed steps during the period. The amounts in the tables show value at the beginning of the period (i.e., 01.01.2024).

New financial assets issued or acquired
Shows the effect of accessing new leases in the financial year.

Financial assets deducted during the period
Shows the effect of access contracts that have been terminated during the financial year.

Modification of contractual cash flows from financial assets that have not been derecognized
Shows the effect of contracts in the portfolio from 01.01.2024 which are still ongoing at the end of the period 31.12.2024, but where the book value has been reduced by instalment payments throughout the year. Changed balance on contracts that have changed steps in the financial year are also included (see transfer between stages).

LOANS TO CUSTOMERS DISTRIBUTED BY CUSTOMER GROUPS AND STAGING:

YEAR 2024	Stage 1		Stage 2		Stage 3		Total	
in KNOK	Gross Amount	Provision for losses	Gross Amount	Provision for losses	Gross Amount	Provision for losses	Gross Amount	Provision for losses
Agriculture	986 042	3 030	42 164	213	84 485	5 088	1 112 690	8 330
Contractor	753 268	2 284	32 210	468	64 540	16 741	850 019	19 493
Other industries	880 910	825	37 668	75	75 477	11 428	994 055	12 328
TOTAL	**2 620 220**	**6 138**	**112 042**	**756**	**224 502**	**33 257**	**2 956 763**	**40 151**

YEAR 2023	Stage 1		Stage 2		Stage 3		Total	
in KNOK	Gross Amount	Provision for losses	Gross Amount	Provision for losses	Gross Amount	Provision for losses	Gross Amount	Provision for losses
Agriculture	955 739	2 233	57 112	276	67 870	3 880	1 080 721	6 389
Contractor	740 547	1 701	44 253	142	52 589	13 107	837 389	14 950
Other industries	845 118	585	50 502	27	60 015	3 103	955 635	3 716
TOTAL	**2 541 404**	**4 519**	**151 868**	**444**	**180 474**	**20 091**	**2 873 745**	**25 054**

NOTE 11 LOANS FROM CREDIT INSTITUTIONS

in KNOK	31/12/2024	31/12/2024
Loans from group companies	2 444 659	2 651 032
Average interest rate	6,16%	5,09%

The interest rate is calculated as net interest expenses divided by the average debt in the year.

Change in loans from credit institutions during the financial year

in KNOK	31/12/2024	31/12/2023
Loans from credit institutions 01.01.	**2 651 032**	**2 236 004**
Installments Reimbursed	-911 911	-703 960
New loans	707 000	1 110 000
Increase in accrued interest	-1 462	8 988
Loans from credit institutions 31.12	**2 444 659**	**2 651 032**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT - COSTS AND DEPRECIATION

in KNOK	31/12/2024	31/12/2023
Acquisition cost 01.01	**4 156**	**4 156**
Access during the year	62	0
Departure of the year	0	0
Acquisition cost 31.12	**4 218**	**4 156**
Accumulated depreciation	-3 792	-3 291
Book Value 31.12	**426**	**866**
Depreciation for the year (linear)	*-89*	*-571*
Depreciation for the year in %	*20% - 33%*	*20% - 33%*

NOTE 13 INTANGIBLE ASSETS - COSTS AND AMORTIZATION

in KNOK	31/12/2024	31/12/2023
Acquisition cost 01.01	**12 486**	**10 806**
Additions during the year	1 565	1 680
Departure of the year	0	0
Acquisition cost 31.12	**14 051**	**12 486**
Accumulated Depreciation	-8 813	-7 204
Book Value	**5 238**	**5 282**
Depreciation for the year (linear)	*-1 799*	*-1 450*
Depreciation for the year in %	*20%*	*20%*

NOTE 14 LEASES (RIGHT-OF-USE)

This will apply to all leases over EUR 5,000. Maturities are ranging from 3 to 10 years. Most agreements contain an option clause to continue the lease after the expiration date. The option clause has not been considered in calculating the right to use and lease liability. The rent is usually adjusted according to the consumer price index.

in KNOK	31/12/2024	31/12/2023
Acquisition cost at start of period	**19 619**	**18 515**
Additions during the year	0	2 169
Departure of the year	-1 555	-1 065
Acquisition cost at end of period	**18 064**	**19 619**
Accumulated Depreciation	-8 309	-7 449
Booked value	**9 755**	**12 170**
Depreciation for the year (based on rental period)	**-2 602**	**-2 654**

The impact on the income statement for the year is as below:

in KNOK	31/12/2024	31/12/2023
Interest cost on rental obligation	633	745
Depreciation of tenancy	2 602	2 654
TOTAL	**3 235**	**3 399**

NOTE 15 ACCRUED EXPENSES

in KNOK	31/12/2024	31/12/2023
Accruals on Commissions, Subsidies	24 500	18 144
Accruals on Staff costs	10 234	12 088
Total Accrued Expenses	**34 735**	**30 232**

NOTE 16 OTHER RECEIVABLES

in KNOK	31/12/2024	31/12/2023
Prepaid costs	944	1 091
Refund VAT	0	690
Refund Tax	14	13
Other accruals	2 082	981
Total other receivables	**3 040**	**2 775**

NOTE 17 SHARE CAPITAL AND EQUITY

in KNOK	Share capital	Retained earnings	Total
Equity 01.01.2024	**195 000**	**171 126**	**366 126**
Capital increase	100 000		100 000
Profit/loss for the period		-653	-653
Total Equity 31.12.2024	**295 000**	**170 473**	**465 473**

As at 31 December 2024, the share capital consists of 295,000,000 shares of NOK 1.
All shares are owned by BNP Leasing Solutions S.A. in Luxembourg. A capital increase of NOK 100 million has been made by the shareholder in March 2024.

NOTE 18 CAPITAL ADEQUACY

in KNOK	31/12/2024	31/12/2023
OWN FUNDS	**527 893**	**425 835**
TIER 1 CAPITAL	**462 893**	**360 835**
COMMON EQUITY TIER 1 CAPITAL	462 893	**360 835**
Capital instruments eligible as CET1 Capital	295 000	195 000
Paid up capital instruments	295 000	*195 000*
Retained earnings	172 263	171 126
Adjustments to CET1 due to prudential filters	-10	-10
Other intangible assets	-4 360	-5 282
TIER 2 CAPITAL	**65 000**	**65 000**
Capital instruments eligible as T2 Capital	65 000	65 000
Total Risk Exposure Amount	**2 274 544**	**2 245 645**
Risk Weighted Assets for Credit, Counterparty Credit and Dilution Risks and Free Deliveries	**2 050 188**	**2 018 253**
Retail	1 310 836	1 281 626
Corporates	435 434	452 247
Exposures in default	274 867	233 744
Institutions	29 051	50 637
Other items	**35 261**	**17 344**
Total Risk Exposure for Operational Risk (basic indicator approach)	**167 184**	**142 772**
Off-balance sheet items	**21 910**	**67 275**
CET1 Capital ratio	**20,35%**	**16,07%**
T2 Capital ratio	**2,86%**	**2,89%**
Total capital adequacy ratio	**23,21%**	**18,96%**
Overall capital requirement ratio (OCR)	**17,50%**	**17,50%**
Unweighted tier 1 capital	14,20%	10,50%

NOTE 19 RELATED PARTIES

in KNOK	31/12/2024	31/12/2023
Interest and similar costs on debt to credit institutions	161 464	129 516
o/w BNP Paribas S.A. Norway Branch	39 377	*57 567*
o/w BNP Paribas Leasing Solutions S.A.	122 087	*71 948*
Management fees	15 133	11 799
Rent for group companies	3 078	3 077
Loans and advances to credit institutions	31 055	156 356
Loans from credit institutions with agreed maturity	2 444 659	2 651 032
o/w BNP Paribas S.A. Norway Branch	517 025	*946 547*
o/w BNP Paribas Leasing Solutions S.A.	1 927 634	*1 704 486*
Subordinated loan	65 445	65 432
o/w BNP Paribas Leasing Solutions S.A.	65 445	*65 432*

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Transactions with Group companies consists of three items:
- Bank borrowings in order to support the activity of the company. All loans granted are a mix of floating and fixed rates based on the market conditions;
- Subordinated loan which is eligible as Tier 2 capital instrument;
- Office rent;
- Management fees invoiced by the central functions of BNP Paribas Leasing Solutions or other Group companies.

In addition, the company is rendering services to BNP Paribas Leasing Solutions AB and BNP Paribas Leasing Solutions A/S.

NOTE 20 SPECIFICATIONS OF MAIN ITEMS IN THE BALANCE SHEET GROUPED BY MATURITY

							31/12/2024
in KNOK	< 1month	1-3 months	3-12 months	1-5 years	More than 5 Years	No maturity	**Total**
Loans and advances to credit institutions	139 945	0	0	0	0	0	139 945
Net Loans to and receivables from customers	2 840 398	0	0	0	76 215	0	2 916 613
Treasury Bill	0	0	0	9730	0	0	9 730
Other assets	69 707	0	0	0	0	0	69 707
Total financial assets	**3 050 050**	**0**	**0**	**9 730**	**76 215**	**0**	**3 135 995**
Loans from credit institutions	0	2 444 659	0	0	0	0	2 444 659
Other liabilities	120 891	0	0	10 706	0	0	131 597
Deferred tax	0	0	0	0	0	32 696	32 696
Subordinated debt	0	445	0	0	65 000	0	65 445
Total financial liabilities	**120 891**	**2 445 104**	**0**	**10 706**	**65 000**	**32 696**	**2 674 396**

							31/12/2023
in KNOK	< 1month	1-3 months	3-12 months	1-5 years	More than 5 Years	No maturity	**Total**
Loans and advances to credit institutions	249 258	0	0	0	0	0	**249 258**
Net Loans to and receivables from customers	2 779 649	0	0	0	69 042	0	**2 848 691**
Treasury Bill	0	0	9 589	0	0	0	**9 589**
Other assets	58 321	0	0	0	0	0	**58 321**
Total financial assets	**3 087 228**	**0**	**9 589**	**0**	**69 042**	**0**	**3 165 858**
Loans from credit institutions	0	2 651 032	0	0	0	0	**2 651 032**
Other liabilities	44 018	0	0	13 066	0	0	**57 084**
Deferred tax	0	0	0	0	0	32 331	**32 331**
Subordinated debt	0	432	0	0	65 000	0	**65 432**
Total financial liabilities	**44 018**	**2 651 464**	**0**	**13 066**	**65 000**	**32 331**	**2 805 880**

in KNOK	< 1 month	1-3 months	3-12 months	1-5 years	More than 5 Years	No maturity	31/12/2024 Total
Loans from credit institutions	111 284	188 520	683 556	1 647 615	89 539	0	2 720 514
Rental obligation	227	458	2 446	7 574	0	0	10 706
Provision for accrued costs and liabilities	120 891	0	0	0	0	499 958	620 849
Subordinated debt	0	1 255	5 088	25 452	78 590	0	110 385
Total Debt	**232 402**	**190 233**	**691 090**	**1 680 641**	**168 130**	**499 958**	**3 462 454**

in KNOK	< 1 month	1-3 months	3-12 months	1-5 years	More than 5 Years	No maturity	31/12/2023 Total
Loans from credit institutions	55 543	247 579	564 594	1 918 761	186 269	0	**2 972 746**
Rental obligation	2 382	316	1 967	7 956	444	0	**13 066**
Provision for accrued costs and liabilities	44 018	0	0	0	0	398 458	**442 475**
Subordinated debt	0	1 268	4 265	25 452	84 933	0	**115 919**
Total Debt	**101 943**	**249 164**	**570 827**	**1 952 170**	**271 645**	**398 458**	**3 544 206**

NOTE 21 SUBORDINATED DEBT

BNP Paribas Leasing Solutions raised a subordinated loan in November 2023 amounting to NOK 65 million and that is eligible as Tier2 Capital instrument in accordance with the relevant regulations.

The subordinated loan is made for 10 calendar years with a maturity date set on 30 November 2033.

in KNOK	31/12/2024	31/12/2023
Subordinated debt	65 012	65 000
Subordinated debt accrued interests	433	432
Subordinated debt as at 31.12.23	**65 444**	**65 432**

NOTE 22 OFF-BALANCE SHEET ITEMS

BNP Paribas Leasing Solutions granted framework agreements to customers in addition to outstanding offers/ agreements that are not reflected in the balance sheet as at 31 December 2024 and valued at NOK 109,6 million. The company reserves the right to reprice interest terms, in the event of a change in the underlying economic situation of the customer, or irregular market conditions in the Norwegian or international markets, or circumstances that otherwise affect the company's access to liquidity or capital.

in KNOK	31/12/2024	31/12/2023
Off-balance sheet items with 20% credit conversion factor	21 910	43 707
Off-balance sheet items with 50% credit conversion factor	0	23 568
TOTAL	**21 910**	**67 275**

NOTE 23 RESTRICTED BANK DEPOSITS

As requested, a bank account is dedicated to cover the tax deductions. The balance as at 31 December 2024 is NOK 1,9 million.

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NOTE 24 PENSIONS

The company has established a defined contribution pension scheme for all employees (OTP). The pension scheme meets the requirements of the Act on Mandatory Occupational Pensions. An agreement has also been entered into on the AFP scheme for all employees. Reference to note 6.

NOTE 25 OBLIGATIONS

BNP Paribas Leasing Solutions AS has no assets that are pledged. The portfolio also does not contain any contracts where the company has guaranteed residual value.

NOTE 26 Treasury Bill

	Investment	Risk Category	Procurement Cost	Book Value	Share Listed	Fair Value
NO0010757925	10 000	0%	9 730	**9 730**	**100%**	**9 730**

BNP Paribas Leasing Solutions AS invests in certificates that satisfy the requirements for the Liquidity Coverage Ratio. The maturity date is February 19, 2026.

NOTE 27 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The Group uses the following level division when assessing fair value :

- Level 1 : Applies to investments in government securities and units in fixed income funds with a quoted price in an active market for an identical asset or liability
- Level 2 : Applies to investments in interest rate swaps, covered bonds and own bonds where valuation is based on other observable factors, either directly (price) or indirectly (derived from price), than quoted price (level 1)
- Level 3 : Applies to investments where valuation is based on factors that are not taken from observable markets

As at 31 December 2024, BNP Paribas Leasing Solutions AS has only a treasury bill that is accounted for at fair value. The certificate expires in February 2026 and belongs to level 1 when determining fair value. There has been no transfer between levels 1 and 2 during the period.

NOTE 28 EVENTS OCCURING AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that affect these financial statements.

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