BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

ADDENDUM DATED 28 APRIL 2023

If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Non-collateralised Structured Products
Addendum to the Base Listing Document dated 11 April 2023
relating to Structured Products
to be issued by

BNP PARIBAS ISSUANCE B.V. ("Issuer")

(incorporated in the Netherlands with its statutory seat in Amsterdam)

unconditionally and irrevocably guaranteed by
BNP Paribas ("Guarantor")

(incorporated in France with limited liability)

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving further information with regard to us, our Guarantor and our standard warrants, inline warrants and callable bull/bear contracts (the "**Structured Products**"). **You must read this document in conjunction with our base listing document dated 11 April 2023 (our "Base Listing Document").**

We and the Guarantor accept full responsibility for the accuracy of the information contained in this document and/or our Base Listing Document and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document and/or our Base Listing Document misleading.

The Structured Products involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

The Structured Products are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in our Base Listing Document and the relevant launch announcement and supplemental listing document and, where necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products constitute the general unsecured contractual obligations of us and the Guarantor and of no other person. The Structured Products will rank equally among themselves and with all our other unsecured obligations and all other unsecured obligations of the Guarantor (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the fund which has issued the underlying securities, or its trustee (if applicable) or manager; or (c) the index compiler of any underlying index. If we become insolvent or default on our obligations under the Structured Products or our Guarantor becomes insolvent, is subject to the exercise of any resolution power, or defaults on its obligations under the guarantee, you may not be able to recover all or even part of the amount due under the Structured Products (if any). The Guarantor is subject to the exercise of the bail-in powers under the French legislation for implementation of the Bank Recovery and Resolution Directive.

Sponsor
BNP Paribas Securities (Asia) Limited

IMPORTANT INFORMATION

What is this document about?

This document contains (a) supplemental information in relation to us and (b) our 2022 annual report for the year ended 31 December 2022. This document is a supplement to our Base Listing Document.

You should read this document together with our Base Listing Document (including any other addendum to our Base Listing Document to be issued by us from time to time) and the relevant launch announcement and supplemental listing document (including any addendum to such launch announcement and supplemental listing document to be issued by us from time to time) before investing in any Structured Products.

Placing and sales

No offers, sales, re-sales, transfers or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and which will not impose any obligation on us. In particular, the Structured Products have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act). A further description of certain restrictions on offering and sale of Structured Products and distribution of this document is provided under the section headed "Placing and Sale" in our Base Listing Document.

Where can you read the relevant documents?

Copies of this document, our Base Listing Document and the relevant launch announcement and supplemental listing document and other documents set out in the section headed "Where can you read the relevant documents?" in the relevant launch announcement and supplemental listing document are available on the website of the HKEX at *www.hkexnews.hk* and our website at *www.bnppwarrant.com.hk*.

本文件，我們的基本上市文件、有關推出公佈及補充上市文件連同於有關推出公佈及補充上市文件「閣下可在何處閱覽相關文件？」一節所列的其他文件，可於香港交易所披露易網站 (*www.hkexnews.hk*) 以及我們的網站 (*www.bnppwarrant.com.hk*) 瀏覽。

What are our and the Guarantor's credit ratings?

The Issuer's long term credit rating is:

Rating agency	*Rating as of 27 April 2023*
S&P Global Ratings	A+ (stable outlook)

The Guarantor's long term credit ratings are:

Rating agency	*Rating as of 27 April 2023*
Moody's Investors Service, Inc.	Aa3 (stable outlook)
S&P Global Ratings	A+ (stable outlook)

Is the Issuer or our Guarantor subject to any litigation?

Save as disclosed in our Base Listing Document and this document, the Issuer, our Guarantor and their respective subsidiaries are not aware of any litigation or claims of material importance pending or threatened against any of them.

Have the Issuer's and the Guarantor's financial positions changed since last financial year-end?

Save as disclosed in the paragraph headed "Have the Issuer's and the Guarantor's financial positions changed since last financial year-end?" on page 5 of our Base Listing Document:

(i) there has been no material adverse change in the financial or trading position of the Issuer since 31 December 2022; and

(ii) there has been no material adverse change in the financial or trading position of our Guarantor since 31 December 2022.

How can you get further information about us and/or the Guarantor?

You may visit *www.bnpparibas.com* to obtain further information about us and/or the Guarantor.

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SUPPLEMENTAL INFORMATION IN RELATION TO US

Consent of the Issuer's auditors

As at the date of this document, the Issuer's auditors have given and have not withdrawn their written consent to the inclusion of their report dated 14 April 2023 on our financial statements for the year ended 31 December 2022 in this document and/or references to their names in the Listing Documents (as defined in our Base Listing Document), in the form and context in which they are included. Their report was not prepared for incorporation into this document.

The Issuer's auditors do not hold our shares or shares in members of our group, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Amendment to our Base Listing Document

The section headed "Other information" on page 362 of our Base Listing Document shall be deleted and replaced by the following:

> "**Other information**
>
> **Statutory arrangements concerning the appropriation of profits**
>
> Paragraphs 1 and 2 of Article 19 of the articles of association:
> 19.1 The allocation of profits accrued in a financial year shall be determined by the Shareholders' Body. If the Shareholders' Body does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.
> 19.2 Distribution of profits shall be made after the adoption of the annual accounts if permissible under the law given the contents of the annual accounts.
>
> The Shareholders' Body is defined as the body of the Company consisting of shareholders entitled to vote."

APPENDIX 1

OUR 2022 ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The information set out in this Appendix 1 is our 2022 Annual Report which includes our annual financial statements for the year ended 31 December 2022. References to page numbers on the following pages are to the page numbers of such Annual Report.

BNP PARIBAS ISSUANCE B.V.

Herengracht 595
1017 CE Amsterdam, the Netherlands
Chamber of Commerce Amsterdam no. 33215278

Annual report for the year ended 31 December 2022

Independent auditor

Deloitte Accountants B.V.
Gustav Mahlerlaan 2970, P.O. Box 58110, 1040 HC Amsterdam, The Netherlands

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Management Board Report

The Management Board presents their report and the audited financial statements of BNP Paribas Issuance B.V. for the year ended 31 December 2022.

Principal activity of the company

BNP Paribas Issuance B.V. ('the Company') was incorporated on 10 November 1989 under the law of the Netherlands.
The principal activity of the Company is the issuance of structured products such as warrants, certificates, notes and to enter into hedging agreements with other BNP Paribas companies to hedge against various risks.

Transition from Dutch GAAP to IFRS-EU

As result of Brexit on 1 February 2020 and according to the requirements - set out by the UK Financial Conduct Authority (FCA, the regulator) - for issuing programs for public offers in the UK, the Company needs to present their financial statements in accordance with International Financial Reporting Standards (IFRS-EU) which replaces Dutch GAAP. The Company managed to receive a waiver from the FCA for the period 1 January 2020 up to 30 June 2022, based on which the Company could continue presenting their financial statements for these periods in Dutch GAAP and at the same time, the Company was authorized to make offers in the UK and lists securities on the London Stock Exchange during the years 2020 - 2022.

IFRS-EU first time adoption

The Company has applied IFRS-EU for the first time in the financial statements for the year ended 31 December 2022. The date of transition to IFRS-EU is 1 January 2021. The Company applied accounting policies under IFRS-EU in its opening statement of financial position (1 January 2021) and throughout all periods presented in these financial statements. The accounting policies comply with IFRS-EU effective at the end of the financial year 2022.

An appropriate reclassification of previous-GAAP assets and liabilities has taken place and it has been reflected in these financial statements. Also, changes to disclosures in compliance with IFRS-EU have been added to the presented financial statements for the year 2022.

The transition from previous-GAAP to IFRS-EU standards did not affect the Company's reported financial position, financial performance and cash flows, as a result no IFRS 1 disclosure bridges with previous Dutch GAAP have been presented. In addition, the Company has no previous-GAAP assets and liabilities from 2021 which cannot be recognized under IFRS-EU and conversely, the Company has no items that should be recognized under IFRS-EU which were not recognized under previous-GAAP. As a consequence, the Company did not make any adjustments with regard to the move from previous-GAAP to IFRS-EU at the first-time of adoption. The first time adoption of IFRS has resulted in additional disclosures required under IFRS that were not required under Dutch GAAP (for example additional disclosures required by IFRS 13, IFRS 7 and IFRS 1). All mandatory IFRS 1 exceptions have been followed and no exemptions are used.

Review of business

During the year, the Company continued to issue structured products to private investors worldwide. The proceeds from the sale of the structured products were used to fund the activities of other BNP Paribas S.A. undertakings through certain economic hedging arrangements. The principal purpose of these hedging arrangements is to hedge the Company against various risks associated with the structured product issuance activity. The Company's ultimate controlling company is BNP Paribas S.A.

Strategy and future outlook

BNP Paribas Issuance B.V. is the main issuer of structured products of BNP Paribas Group. The Company operates on all platforms of Global Markets (Europe, Americas and Asia). It is a wholly owned subsidiary of BNP Paribas S.A. (the Parent) and is fully guaranteed in respect of all its obligations by BNP Paribas S.A. The Company issues secured or unsecured certificates, notes or warrants. The issued securities can be listed or not on regulated or unregulated markets.

It is expected that the Company will continue to issue structured products.

Principal risks and uncertainties

The Company's activities are exposed to various risks, which are managed using BNP Paribas' risk management framework. The Company has a low risk appetite and does not enter into unhedged economic positions.

Market risk

The Company takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by swap agreements with BNP Paribas group companies and OTC option agreements or collateral arrangements and therefore these risks are mitigated in principle.

Credit risk

The Company has a significant concentration of credit risks as all OTC contracts are acquired from its parent and other BNP Paribas group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas group is under supervision of the European Central Bank and the Autorité de controle prudentiel et de résolution, Paris, the Management Board considers these risks as acceptable. The long term senior debt of BNP Paribas S.A. is rated (A+) by Standard & Poor's and (Aa3) by Moody's.

Liquidity risk

The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent and other BNP Paribas group companies.

Operating result and dividend

The results for the year are set out on page 7 and show the Company's profit for the financial year after taxation is 96,167 EUR for 2022 and for 2021 it is 33,895 EUR.

Similarly to 2021, no dividend was paid or proposed during the year 2022.

Employees

The Company employs no personnel.

Directors

The director of the Company who served during the year and up to the date of signing the financial statements is BNP Paribas Finance B.V.

Statement under the Transparency Directive (as implemented in Dutch law)

According to the Board's best knowledge based on International Financial Reporting Standards (IFRS-EU) as endorsed by the European Union, the attached financial statements present a true and fair view of the assets, liabilities, financial position, and profit of the Company for the year ended 31 December 2022. Accordingly, the annual report, including the directors' report and the financial statements, provides a true and fair reflection of the Company's position as of 31 December 2022.

As BNP Paribas S.A. fulfils the requirements at group level, the Company is exempted from establishing its own Audit Committee under Article 3a of the Royal Decree of 26 July 2008 adopting EU Directive 2006/43EG. In accordance with the recommendations of the EU Commission, BNP Paribas S.A. has an Audit Committee that is made up of independent directors who are not members of the Executive committee.

Independent auditors

The previous-GAAP financial statements for the year ended 31 December 2021 have been audited by Mazars accountants N.V.

As of 30 June 2022 Deloitte Accountants B.V. has been appointed as the external auditor of the Company.

Amsterdam, 14 April 2023

The Management Board,

Signed by
BNP Paribas Finance B.V.

Financial statements
(after profit appropriation)

Balance Sheet

	Notes	31 December 2022	31 December 2021	1 January 2021
Assets		€	€	€
Non-Current Assets				
Financial assets held at fair value through profit and loss	4.1	70,716,594,373	61,827,807,042	51,184,524,160
Financial assets designated at fair value through profit or loss	4.2	3,880,263,787	5,276,148,095	3,562,950,307
Financial assets at amortized cost	4.3	186,927,959	468,562,214	791,938,318
Total Non-Current Assets		**74,783,786,119**	**67,572,517,351**	**55,539,412,785**
Current Assets				
Financial assets held at fair value through profit and loss	4.4	19,637,836,474	19,484,136,678	14,050,637,224
Financial assets designated at fair value through profit or loss	4.5	106,528,151	19,631,816	20,521,293
Financial assets at amortized cost	4.6	35,058,971	-	-
Trade and other receivables	4.7	651,444	289,613	11,580,363
Cash and cash equivalents	4.8	671,576	785,492	163,341
Total Current Assets		**19,780,746,616**	**19,504,843,599**	**14,082,902,221**
Total Assets		**94,564,532,735**	**87,077,360,950**	**69,622,315,006**
Liabilities				
Non-Current Liabilities				
Financial liabilities designated at fair value through profit or loss	4.9	66,254,104,646	60,907,019,497	51,196,836,400
Financial liabilities held at fair value through profit and loss	4.10	8,342,753,513	6,196,555,717	3,550,638,066
Financial liabilities at amortized cost	4.11	186,927,959	468,562,214	791,938,317
Total Non-Current Liabilities		**74,783,786,118**	**67,572,137,428**	**55,539,412,783**
Current Liabilities				
Financial liabilities designated at fair value through profit or loss	4.12	17,763,956,779	17,474,959,619	11,467,570,972
Financial liabilities held at fair value through profit and loss	4.13	1,980,407,847	2,029,188,798	2,603,587,546
Financial Liabilies at amortized cost	4.14	35,058,971	-	-
Trade and other payables	4.15	563,929	421,374	11,123,868
Current tax liability	4.16	10,987	1,794	1,795
Total Current Liabilities		**19,779,998,513**	**19,504,571,585**	**14,082,284,181**
Total Liabilities		**94,563,784,631**	**87,076,709,013**	**69,621,696,964**

	Notes	31 December 2022	31 December 2021	1 January 2021
Equity		€	€	€
Non-Current Assets				
Capital and reserves attributable to equity shareholders of the Company				
Share capital	4.17	45,379	45,379	45,379
Share premium reserve		-	-	-
Legal reserve		-	-	-
Retained earnings		702,725	606,558	572,663
Total Equity	4.18	**748,104**	**651,937**	**618,042**
Total Liabilities and Equity		**94,564,532,735**	**87,077,360,950**	**69,622,315,006**

The notes on pages 14 - 25 form an integral part of the financial statements.

Income Statement

	Notes	2022	2021
		€	€
Fee income		859,594	439,576
Other income		35,078	-
Operating expenes		-773,998	-391,720
Operating profit	**4.19**	**120,674**	**47,856**
Bank costs and similar charges		-7,536	-7,980
Profit before corporate income tax		**113,138**	**39,876**
Corporate income tax	4.20	-16,971	-5,981
Profit for the year attributable to equity shareholders (parent)		**96,167**	**33,895**

Statement of Comprehensive Income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above. As a result, profit for the financial year represents total comprehensive income.

Statement of Changes in Equity

Changes for the year 2022	Share Capital	Share Premium Reserve	Legal Reserve	Retained Earnings	Total
	€	€	€	€	€
Balance as at 1 January 2021	**45,379**	**-**	**-**	**572,663**	**618,042**
Profit for the period	-	-	-	33,895	33,895
Balance as at 31 December 2021	**45,379**	**-**	**-**	**606,558**	**651,937**
Balance as at 1 January 2022	45,379	-	-	606,558	651,937
Profit for the period	-	-	-	96,167	96,167
Balance as at 31 December 2022	**45,379**	**-**	**-**	**702,725**	**748,104**

Changes for the year 2021	Share Capital	Share Premium Reserve	Legal Reserve	Retained Earnings	Total
	€	€	€	€	€
Balance as at 1 January 2020	**45,379**	**-**	**-**	**530,180**	**575,559**
Profit for the period	-	-	-	42,483	42,483
Balance as at 31 December 2020	**45,379**	**-**	**-**	**572,663**	**618,042**
Balance as at 1 January 2021	45,379	-	-	572,663	618,042
Profit for the period	-	-	-	33,895	33,895
Balance as at 31 December 2021	**45,379**	**-**	**-**	**606,558**	**651,937**

Statement of Cash Flows

Cash and cash equivalents refers to the line item on the balance sheet that reports the value of the Company's assets that are cash or can be converted into cash immediately. Cash equivalents include merely bank accounts.

	Notes	31 December 2022	31 December 2021
Cash flow from operating activities		€	€
Received reimbursed issuing expenses		7,494,425	11,917,209
Received reimbursed operating expenses		687,377	671,309
Paid issuing expenses		-7,853,277	-11,459,311
Paid operating expenses		-489,568	-642,858
Interest income	5	43,288,219	27,017,009
Interest expense	5	-43,288,219	-27,017,009
Received taxes		47,127	135,802
Cash flow from / (used in) operating activities		**-113,916**	**622,151**
Net increase/(decrease) in cash and cash equivalents		-113,916	622,151
Net cash and cash equivalents at the beginning of the year		785,492	163,341
Net cash and cash equivalents at the end of the year		**671,576**	**785,492**

Refer to page 13 for the principles for preparation of the cash flow statement.

Notes to the financial statements

1. GENERAL INFORMATION

BNP Paribas Issuance B.V. (the Company), having its registered address in Amsterdam, was incorporated under the law of the Netherlands on 10 November 1989 as a private limited liability company.

The Company is registered at the Chamber of Commerce Amsterdam with no. 33215278.

The principal activity of the Company is the issuance of structured products such as warrants, certificates, notes and to enter into hedging agreements with other BNP Paribas companies to hedge against various risks.

All outstanding shares of the Company are owned by BNP Paribas S.A., France (direct and ultimate parent). The Company is a fully consolidated company of the BNP Paribas group. The financial statements of BNP Paribas S.A. can be found on the website group.bnpparibas.com.

The Company's main activity is the issuance of structured products comprising certificates, warrants and notes, and the hedging of associated risks through hedging agreements with other BNP Paribas companies. The valuation of a structured product will have no impact on the income statement, capital or net assets since the change in valuation of a structured product will have an equal offsetting change in the value of the hedging transaction with other BNP Paribas companies.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted within the EU (hereinafter IFRS-EU) and with Part 9 of Book 2 of the Netherlands Civil Code.

All amounts are stated in euros, the reporting currency which is also the functional currency of the Company, unless stated otherwise.

The accounting principles of the Company are summarised below. These accounting principles have all been applied consistently throughout this financial year unless indicated otherwise.

Transition from Dutch GAAP to IFRS-EU

As a result of Brexit on 1 February 2020 and according to the requirements - set out by the UK Financial Conduct Authority (FCA, the regulator) - for issuing programs for public offers in the UK, BNP Paribas Issuance B.V. (the Company) needs to present their financial statements in accordance with International Financial Reporting Standards (IFRS-EU) which replaces Dutch GAAP. The Company managed to receive a waiver from the FCA for the period 1 January 2020 up to 30 June 2022, based on which the Company could continue presenting their financial statements for these periods in Dutch GAAP and at the same time, the Company was authorized to make offers in the UK and lists securities on the London Stock Exchange during the years 2020 - 2022.

IFRS-EU first time adoption

The Company has applied IFRS-EU for the first time in the financial statements for the year ended 31 December 2022. The date of transition to IFRS-EU is 1 January 2021. The Company applied accounting policies under IFRS-EU in its opening statement of financial position (1 January 2021) and throughout all periods presented in these financial statements. The accounting policies comply with IFRS-EU effective at the end of the financial year 2022.

An appropriate reclassification of previous-GAAP assets and liabilities has taken place and it has been reflected in these financial statements. Also, changes to disclosures in compliance with IFRS-EU have been added to the presented financial statements for the year 2022.

The transition from previous-GAAP to IFRS-EU did not affect the Company's reported financial position, financial performance and cash flows, as a result no IFRS 1 disclosure bridges with previous Dutch GAAP have been presented. In addition, the Company has no previous-GAAP assets and liabilities from 2021 which cannot be recognized under IFRS-EU and conversely, the Company has no items that should be recognized under IFRS-EU which were not recognized under previous-GAAP. As a consequence, the Company did not make any adjustments with regard to the move from previous-GAAP to IFRS-EU at the first-time of adoption. The first time adoption of IFRS has resulted in additional disclosures required under IFRS that were not required under Dutch GAAP (for example additional disclosures required by IFRS 13, IFRS 7 and IFRS 1). All mandatory IFRS 1 exceptions have been followed and no exemptions are used.

Accounting convention

The accounts are prepared under the historical cost convention, except for the financial instruments that are measured at fair value.

Going concern basis of accounting

The Financial Statements have been prepared on a going concern basis. The Company has a master hedging agreement with BNP Paribas Group companies under which issued securities are hedged by swap agreements and OTC option agreements or collateral arrangements. In addition, the Company has an agreement with BNP Paribas Group Companies to recharge its operating expenses at a margin of 10%.

Use of estimates and judgements

The preparation of the Financial Statements requires management to exercise its judgements, make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In classifying a financial instrument in the valuation hierarchy, judgement is applied in determining whether one or more inputs are observable and significant to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. For instruments classified in levels 2 and 3, management judgement must be applied to assess the appropriate models and level of valuation adjustments.

Details on the Company's level 3 financial instruments are set out in the notes on the balance sheet.

Financial instruments

Financial assets and liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when those contractual provisions are expired or transferred.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The fair values of the hedging agreements are calculated the same way as their related issued securities.

Amortized cost

Financial assets are measured at amortized cost if they are held under a business model with the objective of collecting contractual cash flows ("Hold to Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI").

Financial assets measured at amortized cost include trade and other receivables, cash and cash equivalents.

Financial liabilities are measured at amortized cost unless they are held for trading or are designated as measured at fair value through profit or loss. Financial liabilities measured at amortized cost include trade and other payables and bank overdrafts.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value through profit or loss

Financial assets and financial liabilities are measured at fair value through profit or loss (FVTPL) if they are held for trading. A financial asset or a financial liability is defined as “held for trading” if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or it is a derivative.

Designated at fair value through profit or loss

Financial assets and financial liabilities are designated as measured at fair value through profit or loss only if the designation:

- Eliminates or significantly reduces a measurement or recognition inconsistency;
- Or applies to a group of financial assets, financial liabilities or both that the Company manages and evaluates on a fair value basis;
- Relates to an instrument that contains an embedded derivative unless the embedded derivative does not significantly modify the cash flows required by the contract or when a similar hybrid instrument is considered that separation of the embedded derivative is prohibited.

Offsetting financial assets and financial liabilities

No financial assets and liabilities have been offset on the balances as at 1 January 2021, 31 December 2021 and 31 December 2022.

Impairment of financial assets

The Company has a significant concentration of credit risks as all hedging contracts are acquired from its parent Company and other group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas group is under supervision of the European Central Bank and the *Autorité de controle prudentiel et de résolution*, Paris, the Management Board considers these risks as acceptable. The long term senior debt of BNP Paribas Group is rated (A+) by Standard & Poor’s and (Aa3) by Moody’s.

Despite the significant credit risk, the Company does not impair its financial assets as the credit risk is fully transferred to its parent by entering into hedging with BNP Paribas SA.

The Company does not hold any Traditional Credit Products (TCP) instruments. Non-TCP consists of financial assets measured at amortized cost which include trade and other receivables and cash instruments. The non-TCP are receivables from companies of the BNP Paribas Group.

Recognition of income and expenses

The net result of financial instruments includes capital gains or losses, currency results, interest income and expense or changes in fair value on the issued securities and related hedging contracts. As the Company enters into a swap agreement with a BNP Paribas Group Company and an OTC option on exactly the same terms and conditions of the issued security or a collateral arrangement on each issue of securities, there is a complete hedge of the economic risk of the Company. Therefore, the net result of the financial instruments equals zero and is recorded on a net basis. The gross results on fair value measuring and interest income / costs will be presented separately (see note 4.19).

Fee income, other income and operating expenses are taken in the year to which they relate. Profits are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

If securities are exercised against the Company, the Company fulfils its obligation by exercising the related swap agreements or OTC contracts entered into with companies of the BNP Paribas Group. Issued securities and related swap agreements and OTC contracts are released simultaneously. Issued securities not exercised at maturity and the related swap agreements and OTC contracts are released without any further future obligation to the Company.

Net result financial instruments

The net result for financial instruments includes capital gains and losses, currency results, interest income and expense and changes in fair value on the issued securities and related swap agreements and OTC contracts. As the Company enters into an OTC option or swap agreement with a BNP Paribas Group company on exactly the same terms and conditions of the issued security at each issue of securities, there is a complete hedge of the economic risk of the Company. Therefore, the net result on the financial instruments equals zero and is recorded on a net basis.

Currencies

The functional currency of the Company is the Euro.

Balance sheet items denominated in currencies other than the Euro are translated at the rate of exchange prevailing on the balance sheet date. Transactions in foreign currencies (not concerning derivatives) during the reporting period have been incorporated at the rate of settlement.

The premiums of the issued securities and the cost of the related swap agreements are denominated in different currencies. Moreover, the underlying contracts of the securities have their own currency denominations, which are often based on a basket of currencies. The net effect of the currency risk is nil though, as this risk is completely hedged.

Corporate income tax

Tax on the Profit and Loss for the period is calculated by applying the applicable rates for the financial year. Income tax payable on taxable profits (current tax) is recognized as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognized as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits with banks, net of outstanding bank overdrafts, along with highly liquid investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Share capital

The share capital of the Company consists of ordinary shares, classified as equity.

3. PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the direct method and consists of cash only.

Netting agreements between the Company and the BNP Paribas Group companies have been drawn up for all cash flows resulting from securities and hedging agreements to avoid that payments have to be made for these flows.

4. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

New major accounting standards, published not yet applicable

IFRS 17 “Insurance Contracts”, issued in May 2017 and amended in June 2020 will replace IFRS 4 “Insurance Contracts”. It was adopted by the European Union in November 2021, accompanied by an optional exemption from the application of the annual cohort grouping requirement for participating contracts based on intergenerational mutualisation of returns on the underlying assets of the technical commitments. It will be mandatory for financial periods beginning on or after 1 January 2023. The transition date for IFRS 17 will therefore be 1 January 2022 for the purposes of the opening balance sheet of the comparative period required by the standard.

The Company does not expect the application of these amendments to impact the financial statements of the Company. All other new and amended standards will not have an impact on the company’s financial statements.

Measurement of the fair value of financial instruments

The Company establishes securities programmes and issues securities such as warrants, notes and certificates exercisable pursuant to the terms and conditions of such securities programmes. The BNP Paribas Group companies have agreed to purchase the securities at the same time. The BNP Paribas Group companies distribute the securities to third parties. BNP Paribas S.A. acts as guarantor for the securities programmes towards the investors.

The BNP Paribas group, including the Company, determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model and interpolation techniques). They maximize the use of observable inputs and minimize the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is generally the individual financial asset or financial liability, but a portfolio-based measurement can be selected subject to certain conditions. Accordingly, the group retains this portfolio based measurement exception to determine the fair value when some group of financial assets and financial liabilities with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

When issued, securities are publicly offered or privately placed. Sometimes, privately placed securities are listed on the secondary market. Listed securities are listed on stock exchanges in and outside of the European Union; the related OTC contracts are not listed. The majority of the issued securities are not traded actively in active markets.

No accrued interest is presented on the balance sheet because the accrued interest is part of the market value of the derivatives as disclosed on the balance sheet. The net result on the derivatives equals zero and is recorded on a net basis in the profit and loss account, see note 4.19.

Description of the main instruments on each level

The following section provides a description of the instruments at each level in the hierarchy.
Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.

Level 2: The Level 2 stock of securities is composed of securities which are less liquid than Level 1 securities. Fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets.

Derivatives classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;

- Structured derivatives for which model uncertainty is not significant, such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;

- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;

- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an “observability zone” whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due, for instance, to the illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there is no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment. The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value. All given estimated fair values are related to the market conditions prevailing at the year’s end; the future values may differ.

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty about liquidity, specialised by the nature of underlying and liquidity bands.
Structured derivatives classified in Level 3 predominantly comprise structured derivatives, of which are hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment sensitive products, some stock basket optional products and some interest rate optional instruments.

The table below presents the assets and liabilities reported at fair value by major product category and fair value hierarchy.

At 31 December 2020	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets held at fair value through profit and loss:				
Funded and unfunded OTC as well as reverse repurchase agreements	-	41,051,767,906	24,183,393,478	65,235,161,384
Non-current assets (remaining maturity equal or higher than 1 year)				51,184,524,159
Current assets (remaining maturity lower than 1 year)				14,050,637,225
Financial assets designated at fair value through profit or loss:				
Bonds	-	3,583,471,599	-	3,583,471,599
Non-current assets (remaining maturity equal or higher than 1 year)				3,562,950,306
Current assets (remaining maturity lower than 1 year)				20,521,293
Total Financial Assets	**-**	**44,635,239,505**	**24,183,393,478**	**68,818,632,983**
Financial liabilities held at fair value through profit and loss:				
Warrants	-	3,249,098,562	2,905,127,050	6,154,225,612
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				3,550,638,066
Current liabilities (remaining maturity lower than 1 year)				2,603,587,546
Financial liabilities designated at fair value through profit or loss:				
Medium term notes and Certificates	-	41,386,140,944	21,278,266,428	62,664,407,372
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				51,196,836,400
Current liabilities (remaining maturity lower than 1 year)				11,467,570,972
Total Financial Liabilities	**-**	**44,635,239,506**	**24,183,393,478**	**68,818,632,984**

At 31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets held at fair value through profit and loss:				
Funded and unfunded OTC as well as reverse repurchase agreements	128,002	47,355,366,431	33,956,449,287	81,311,943,720
Non-current assets (remaining maturity equal or higher than 1 year)				61,827,807,042
Current assets (remaining maturity lower than 1 year)				19,484,136,678
Financial assets designated at fair value through profit or loss:				
Bonds		5,295,779,911	-	5,295,779,911
Non-current assets (remaining maturity equal or higher than 1 year)	-			5,276,148,095
Current assets (remaining maturity lower than 1 year)				19,631,816
Total Financial Assets 31 December 2021	**128,002**	**52,651,146,342**	**33,956,449,287**	**86,607,723,631**
Financial liabilities held at fair value through profit and loss:				
Warrants	-	6,156,257,850	2,069,486,664	8,225,744,514
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				6,196,555,717
Current liabilities (remaining maturity lower than 1 year)				2,029,188,797
Financial liabilities designated at fair value through profit or loss:				
Medium term notes and Certificates	128,002	46,494,888,492	31,886,962,622	78,381,979,116
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				60,907,019,497
Current liabilities (remaining maturity lower than 1 year)				17,474,959,619
Total Financial Liabilities	**128,002**	**52,651,146,342**	**33,956,449,286**	**86,607,723,630**

At 31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets held at fair value through profit and loss:				
Funded and unfunded OTC as well as reverse repurchase agreements	1,104,200	54,231,903,141	36,121,423,505	90,354,430,846
Non-current assets (remaining maturity equal or higher than 1 year)				70,716,594,372
Current assets (remaining maturity lower than 1 year)				19,637,836,474
Financial assets designated at fair value through profit or loss:				
Bonds	-	3,986,791,938	-	3,986,791,938
Non-current assets (remaining maturity equal or higher than 1 year)				3,880,263,787
Current assets (remaining maturity lower than 1 year)				106,528,151
Total Financial Assets	**1,104,200**	**58,218,695,079**	**36,121,423,505**	**94,341,222,784**
Financial liabilities held at fair value through profit and loss:				
Warrants	-	3,853,478,380	6,469,682,979	10,323,161,359
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				8,342,753,512
Current liabilities (remaining maturity lower than 1 year)				1,980,407,847
Financial liabilities designated at fair value through profit or loss:				
Medium term notes and Certificates	1,104,200	54,365,216,699	29,651,740,526	84,018,061,425
Non-current liabilities (remaining maturity *equal or higher than* 1 year)				66,254,104,646
Current liabilities (remaining maturity lower than1 year)				17,763,956,779
Total Financial Liabilities	**1,104,200**	**58,218,695,079**	**36,121,423,505**	**94,341,222,784**

Valuation process

BNP Paribas Group has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuation of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which add valuation adjustments.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market.
Fair value generally equals economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

4.1 Financial assets held at fair value through profit and loss (Non-current).

Financial assets held at fair value through profit or loss consist of derivatives and non-derivative financial instruments (funded and unfunded OTC as well as reverse repurchase agreements) with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial assets held at fair value through profit and loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current assets (remaining maturity equal or higher than 1 year)	70,716,594,373	61,827,807,042	51,184,524,160

4.2 Financial assets designated at fair value through profit or loss (Non-current)

Financial assets designated at fair value through profit or loss consist of bonds with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial assets designated at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current assets (remaining maturity equal or higher than 1 year)	3,880,263,787	5,276,148,095	3,562,950,307

4.3 Financial assets at amortized cost (Non-current)

Financial assets at amortized cost consist of repo transactions between the Company and BNP Paribas group with a remaining maturity of more than 1 year. Below is the relevant balance.
Since the exposure is to BNP Paribas and it is collateralized, the ECL (Expected Credit Loss) can be disregarded as not significant.

Financial Assets at amortized cost	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current assets (remaining maturity equal or higher than 1 year)	186,927,959	468,562,214	791,938,318

4.4 Financial assets held at fair value through profit and loss (Current)

Financial assets held at fair value through profit or loss consist of derivatives and non-derivative financial instruments (funded and unfunded OTC as well as reverse repurchase agreements) with a remaining maturity up to 1 year. Below is the relevant balance.

Financial assets held at fair value through profit and loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current assets (remaining maturity lower than 1 year)	19,637,836,474	19,484,136,678	14,050,637,224

4.5 Financial assets designated at fair value through profit or loss (Current)

Financial assets designated at fair value through profit or loss consist of bonds with a remaining maturity up to 1 year. Below is the relevant balance.

Financial assets designated at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current assets (remaining maturity lower than 1 year)	106,528,151	19,631,816	20,521,293

4.6 Financial assets at amortized cost (Current)

Financial assets at amortized costs consist of repo transactions between the Company and BNP Paribas group with a remaining maturity lower than 1 year. Below is the relevant balance.
Since the exposure is to BNP Paribas and it is collateralized, the ECL (Expected Credit Loss) can be disregarded as not significant.

Financial Assets at amortized cost	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current assets (remaining maturity lower than 1 year)	35,058,971	-	-

4.7 Trade and other receivables

Trade and other receivables include only amounts falling due within one year. Since the exposure basically is to BNP Paribas, the ECL (Expected Credit Loss) can be disregarded as not significant.

	31 December 2022	**31 December 2021**	**1 January 2021**
	€	€	€
Amounts falling due within one year			
Amounts owed by intragroup companies	620,704	271,129	11,559,920
Trade and other receivables (others)	30,740	18,484	20,443
Total	**651,444**	**289,613**	**11,580,363**

Current tax asset

There are no current tax assets as per reporting period.

4.8 Cash and cash equivalents

The balance stated below considers the position with regard to current bank accounts held by BNP Paribas.

	31 December 2022	31 December 2021	1 January 2021
	€	€	€
Cash receivables	-	-	-
Cash held with BNP intragroup companies	671,576	785,492	163,341
Cash held with third parties	-	-	-
Bank overdraft	-	-	-
Balances due to BNP intragroup	-	-	-
companies	-	-	-
Balances due to third parties	-	-	-
Net cash and cash equivalents as reported in the cash flow statement	**671,576**	**785,492**	**163,341**

4.9 Financial liabilities designated at fair value through profit or loss (Non-current)

Financial liabilities designated at fair value through profit or loss consist of medium-term notes and certificates with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial liabilities designated at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current liabilities (remaining maturity equal or higher than 1 year)	66,254,104,646	60,907,019,497	51,196,836,400

4.10 Financial liabilities held at fair value through profit or loss (Non-current)

Financial liabilities held at fair value through profit or loss consist of warrants with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial liabilities held at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current liabilities (remaining maturity equal or higher than 1 year)	8,342,753,513	6,196,555,717	3,550,638,066

4.11 Financial liabilities at amortized cost (Non-current)

Financial assets at amortized cost consist of medium-term notes related to 'Resonance' transactions (securitization) with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial Liabilities at amortized cost	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Non-current liabilities (remaining maturity equal or higher than 1 year)	186,927,959	468,562,214	791,938,317

4.12 Financial liabilities designated at fair value through profit or loss (Current)

Financial liabilities designated at fair value through profit or loss consist of medium-term notes and certificates with a remaining maturity up to 1 year. Below is the relevant balance.

Financial liabilities designated at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current liabilities (remaining maturity lower than 1 year)	17,763,956,779	17,474,959,619	11,467,570,972

4.13 Financial liabilities held at fair value through profit or loss (Current)

Financial liabilities held at fair value through profit or loss consist of warrants with a remaining maturity up to 1 year. Below is the relevant balance.

Financial liabilities held at fair value through profit or loss	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current liabilities (remaining maturity lower than 1 year)	1,980,407,847	2,029,188,798	2,603,587,546

4.14 Financial liabilities at amortized cost (Current)

Financial assets at amortized costs consist of medium-term notes related to 'Resonance' transactions (securitization) with a remaining maturity lower than 1 year. Below is the relevant balance.

Financial Liabilities at amortized cost	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
Current assets (remaining maturity lower than 1 year)	35,058,971	-	-

4.15 Trade and other payables

Trade and other payables consist of amounts falling due within one year.

	31 December 2022	**31 December 2021**	**31 December 2021**
Amounts falling due within one year	€	€	€
Amounts owed to intragroup companies	275,342	6,359	9,503,960
Trade and other payables (others)	288,587	415,015	1,619,908
Total	**563,929**	**421,374**	**11,123,868**

4.16 Current liabilities tax

The current tax liabilities consists of tax payables due to the Dutch Tax Authority.

	31 December 2022	**31 December 2021**	**31 December 2021**
	€	€	€
Tax income corporate	10,987	1,794	1,795
Total	**10,987**	**1,794**	**1,795**

4.17 Share capital

The authorized and issued share capital is fully paid. The relevant amounts are stated below.

Authorised share capital	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
45,379 ordinary shares of €1.00 each	45,379	45,379	45,379

Issued and fully paid share capital	**31 December 2022**	**31 December 2021**	**1 January 2021**
	€	€	€
45,379 ordinary shares of €1.00 each	45,379	45,379	45,379

4.18 Total equity (managed capital)

The Company's managed capital as at 31 December 2022 consists entirely of its issued share capital of 45,379 EUR and retained earnings of 702,725 EUR with a total capital of 748,104 EUR.
There are no external requirements applicable with regard to the Company's managed capital.

4.19 Operating Profit

Net income on financial instruments at fair value through Profit and Loss

Net income on financial instruments measured at fair value through profit and loss include all profit and loss items relating to financial instruments held at fair value through profit and loss and financial instruments designated at fair value through profit and loss.

Net income on financial instruments at amortized cost

Net income on financial instruments measured at amortized cost include all profit and loss items relating to financial instruments measured at amortized cost.

Fee income and other income

Fee income and other income concerns recharged operating expenses increased with an up-count of 10%, based on cost plus agreements concluded for an indefinite period of time. These costs have been or will be invoiced to BNP Paribas group companies:

- BNP Paribas S.A. receives all fee and commission income from its other businesses.
- The Company reimburses all fees and commission expenses that are paid by other BNP Paribas.

The sole member of the Management Board will charge a management fee of 60,000 EUR over 2022 (2021: 60,000 EUR).

	2022	**2021**
	€	€
Auditors' remuneration for the audit of the Company's annual financial statements	93,500	33,140

	2022	2021
	€	€
Gains / losses FVPL	-40,779,496,571	-25,331,663,878
Gains / losses designated FVPL instruments	40,779,496,571	25,347,387,878
Income / expenses from other activities	-	-15,724,000
Interest income	49,004,597	29,541,299
Interest expenses	-49,004,597	-29,541,299
Net income on financial instruments at FVPL	-	-
Interest income	15,666,592	7,484,702
Interest expense	-37,424,000	-52,817,578
Commissions income	21,837,408	45,332,876
Commissions expense	-80,000	-
Net income on financial instruments at amortized cost	-	-
Issuing income	7,751,500	9,418,114
Issuing expenses	-7,751,500	-9,418,114
Result on issuing income/expenses	-	-
Fee income	859,594	439,576
Other income	35,078	-
Operating expenses	-773,998	-391,720
Margin on operating expenses	120,673	47,756
Operating profit	**120,673**	**47,756**

4.20 Corporate income tax

	2022	2021
	€	€
Current tax	16,971	5,981
Tax on profit on ordinary activities	**16,971**	**5,981**
Profit for the year before tax	113,137	39,876
Tax calculated at applicable tax rates	16,971	5,981
Income tax expense	**16,971**	**5,981**

The standard tax rate in the Netherlands is 25.8% (2021: 25.0%). A tax rate of 15% (2021: 15%) is applied to the first EUR 395,000 (2021: EUR 245,000). The effective tax rate is therefore 15% in 2022 and 2021.

4.21 Related party transactions

Related parties consist of:

- Directors and shareholders of the Company
- Other BNP Paribas Group companies

None of the Directors received remuneration from the Company during the year. The Company did not employ any staff.

Related party transactions:

Outstanding balances	31 December 2022	31 December 2021	1 January 2021
	€	€	€
Financial assets held at fair value through profit or loss	90,354,430,846	81,311,943,720	65,235,161,384
Financial assets designated at fair value through profit or loss	3,986,791,938	5,295,779,911	3,583,471,599
Financial assets at amotized costs	221,986,930	468,562,214	791,938,317
Trade and other receivables	620,704	271,129	11,559,920
Cash and cash equivalents	671,576	785,492	163,341
Trade and other payables	-275,342	-6,359	-9,503,960
Total	**94,564,226,652**	**87,077,336,107**	**69,612,790,601**

Income and expenses	2022	2021
	€	€
Fee income	859,688	439,576
Other income	35,078	-
Operating expenses	-375,121	-122,257
Bank costs and similar changes	-7,536	-7,980
Total	**512,109**	**309,339**

For the off-balance related party transactions, reference is made to note 8: Commitments contingencies and off-balance items.

4.22 Valuation adjustments (CVA and DVA)

Financial assets held at fair value through profit and loss predominantly represent derivatives and fully funded OTC financial instruments with other BNP Paribas companies. Credit valuation adjustments (“CVA”) are necessary to reflect counterparty credit quality in the valuation of assets measured at fair value. CVA for financial assets at fair value through profit and loss is a loss amounting to EUR 161,429,456 (2021: a loss amounting to EUR 13,785,753) which is fully offset by an equal and opposite amount in financial liabilities at fair value through profit or loss.

Debit valuation adjustments are necessary to reflect the credit quality of the Company in the valuation of such financial liabilities at fair value through profit and loss. The directors consider that the Company is fully hedged and that there would, in the normal course of business, be no impact on the results of the Company due to movements in the fair value of the financial liabilities at fair value through profit or loss.
The amount of change attributable to changes in its own credit and funding risk in the financial liabilities at fair value through profit or loss and held at fair value through profit or loss is a gain amounting to EUR 161,429,456 (2021: a gain amounting to EUR 13,785,753). This is fully offset by an equal and opposite amount in financial assets at fair value through profit or loss.

5. NOTES TO THE CASH FLOW STATEMENT

In general, it is assumed that the securities and the related swap agreements and OTC contracts are exercised at the exercise dates mentioned in the final terms of the securities against the fair value as determined. Netting agreements between the Company and the BNP Paribas Group companies have been drawn up for all flows resulting from securities. OTC contracts, swap agreements and collateral arrangements to avoid that payments have to be made for these flows. Conditions that could influence future cash flows will therefore have no impact on the cash flow of the Company.

Received interest and paid interest and fees

These cash flows relate to a repack transaction in 2019 (notes issued by the Company backed by bonds). The Company receives monthly interest and pays fees to the BNP Paribas Group companies. The remainder is paid as interest to the noteholders. The relevant amount with regard to 2022 is 43,288,219 EUR for interest income as well as interest expenses (2021: 27,017,009 EUR).

6. FINANCIAL RISK MANAGEMENT

Risk management is central to the banking business and is one of the cornerstones of operations for the BNP Paribas Group. BNP Paribas Group has an internal control system covering all types of risks to which the Group may be exposed, organised around three lines of defence:

As the first line of defence, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising independent control in respect of the second line of defence.

The main control functions within BNP Paribas ensuring the second line of defence is the Compliance. Risk and Legal Functions. Their heads report directly to the Chief Executive Officer of BNP Paribas Group and account for the performance of their missions to the Board of directors via its specialised committees.

- General Inspection provides a third line of defence. It is responsible for periodic control.

The BNP Paribas Group has a strong risk and compliance culture. Executive Management has chosen to include the risk culture in three of its key corporate culture documents:

- Code of conduct: The Group adopted a new Code of conduct in 2016. It applies to all employees and defines the rules for our conduct in line with the core values of our corporate culture. For example, employees are reminded in the Code of conduct that the Group’s interests are protected by responsible risk-taking in a strict control environment. The Code of conduct also includes rules for protecting customers’ interests, financial security, market integrity and professional ethics, which all play an important role in mitigating compliance and reputation risks.

- Responsibility Charter: Executive Management drew up a formal Responsibility Charter, inspired by the Group’s core values (the “BNP Paribas Way”), management principles and code of conduct. One of the four commitments is “Being prepared to take risks, while ensuring close risk control”. The Group sees rigorous risk control as part of its responsibility, both to clients and to the financial system as a whole. The Bank’s decisions on the commitments it makes are reached after a rigorous and concerted process, based on a strong, shared risk culture which pervades all levels of the Group. This is true both for risks linked to lending activities, where loans are granted only after in-depth analysis of the borrower’s situation and the project to be financed, and for market risks arising from transactions with clients – these are assessed on a daily basis, tested against stress scenarios, and subject to limits. As a strongly diversified group, both in terms of geography and businesses. BNP Paribas is able to balance risks and their consequences as they materialise. The Group is organised and managed in such a way that any difficulties arising in one business area will not jeopardise another in the Bank.

- The Group’s mission and commitments: The mission of BNP Paribas is to finance the economy and advise its clients, by supporting them with their projects, their investments, and the management of their savings, guided by strong ethical principles. Through these activities, BNP Paribas wants to have a positive impact on stakeholders and on society, and be one of the most trustworthy players in the sector. BNP Paribas' 12 commitments as a Responsible Bank include in particular the commitment to apply the highest ethical standards and rigorously manage environmental, social, and governance risks.

The following sections outline the key risks that are inherent in the Company's business activities.

Credit risk

BNP Paribas Group's credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the BNP Paribas Group. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.

The Company has a significant concentration of credit risks as all hedging contracts are acquired from its parent Company and other group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas group is under supervision of the European Central Bank and the Autorité de controle prudentiel et de resolution, Paris, Management Board considers these risks as acceptable. The long term senior debt of BNP Paribas Group is rated (A+) by Standard & Poor's and (Aa3) by Moody's. Expected credit losses ('ECLs') related to the assets at amortized cost can be disregarded as not significant, since these relate to a reverse repo with BNP Paribas Group and are collateralized by government bonds. The counterparty has a low probability of default and in the event of default the loss given default is expected to be limited (due to the collateral), accordingly the ECL is regarded as not significant.

The maximum exposure to credit risk ("gross credit exposure") of the Company as at 31 December 2022 is the carrying amount of the financial assets held in the statement of financial position. The table below includes financial instruments subject to ECL and not subject to ECL. Those financial instruments that bear credit risk but are not subject to ECL are subsequently measured at fair value. Where the Company enters into credit enhancements, including receiving cash as collateral and master netting agreements, to manage the credit exposure on these financial instruments, the financial effect of the credit enhancements is also disclosed below. The net credit exposure represents the credit exposure remaining after the effect of the credit enhancements.

Collateral and other credit enhancements

The Company has entered into collateral arrangements with other BNP Paribas Group undertakings to mitigate credit risk. Collateral held is managed in accordance with the BNP Paribas Group's guidelines and the relevant underlying agreements.

31 December 2022	**Gross credit exposure**	**Credit enhancements**	**Net credit exposure**
Class	€	€	€
Subject to ECL			
Financial assets at amortized cost	221,986,930	-221,986,930	-
Trade and other receivables	651,444	-	651,444
Cash and cash equivalents	671,576	-	671,576
Not subject to ECL			
Financial assets at fair value	94,341,222,785	-4,078,325,854	90,262,896,931
Total assets	**94,564,532,735**	**-4,300,312,784**	**90,264,219,951**

31 December 2021	Gross credit exposure	Credit enhancements	Net credit exposure
Class	€	€	€
Subject to ECL			
Financial assets at amortized cost	468,562,214	-468,562,214	-
Trade and other receivables	289,613	-	289,613
Cash and cash equivalents	785,492	-	785,492
Not subject to ECL			
Financial assets at fair value	86,607,723,630	-3,935,501,021	82,672,222,609
Total assets	**87,077,360,949**	**-4,404,063,235**	**82,673,297,714**

31 January 2020	Gross credit exposure	Credit enhancements	Net credit exposure
Class	€	€	€
Subject to ECL			
Financial assets at amortized cost	791,938,317	-791,938,317	-
Trade and other receivables	11,580,363	-	11,580,363
Cash and cash equivalents	163,341	-	163,341
Not subject to ECL			
Financial assets at fair value	68,818,632,983	-3,282,108,618	65,536,524,365
Total assets	**69,622,315,004**	**-4,074,046,935**	**65,548,268,069**

Market risk

The BNP Paribas Group's market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting market risk include, but are not limited to exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters. The Company takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by swap agreements with the BNP Paribas Group companies and OTC option agreements or collateral arrangements and therefore these risks are mitigated in principle.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to honour its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short- to long-term horizons. The Company has liquidity risk exposures, but has netted this exposure by entering into netting agreements with its parent Company and other group companies.

In the following maturity analysis of financial assets and financial liabilities, derivative contracts and other financial instruments held at FVPL are disclosed according to their earliest contractual maturity; all such amounts are presented at their fair value, consistent with how these financial instruments are managed. All other amounts represent undiscounted cash flows receivable and payable by the Company arising from its financial assets and financial liabilities to the earliest contractual maturities at 31 December 2022, 31 December 2021 and 31 December 2020. This presentation is considered by the Company to appropriately reflect the liquidity risk arising from these financial assets and financial liabilities, presented in a way that is consistent with how the liquidity risk in these financial assets and financial liabilities is managed by the Company.

In certain instances, securities contain early redemption clauses such as callability features. The total amount in question is relatively small. No early redemption is applicable for 98% of the securities as per 31December 2022 (31 December 2021: 2% and 31 December 2020: 1%).

As the likelihood of the exercise of early redemption clauses within 1 year is unknown and depending on particular circumstances of the markets, or the choices made by holders, all securities having such features are treated based on their remaining contractual maturity date.

Financial assets as per 31 December 2020	**On demand**	**Less than 1 year**	**1 year - 2 years**	**2 years - 5 years**	**Greater than 5 years**	**Total**
	€	€	€	€	€	€
Financial assets held at FVTPL	-	14,050,637,225	10,445,172,972	19,643,937,043	21,606,222,323	65,745,969,563
Financial assets designated at FVTPL	-	20,521,293	33,805,725	2,346,152,322	672,184,080	3,072,663,420
Financial assets at AC	-	-	-	46,938,317	745,000,000	791,938,317
Trade & other receivables	-	11,580,363	-	-	-	11,580,363
Cash & cash equivalents	163,341	-	-	-	-	163,341
Total financial assets	**163,341**	**14,082,738,881**	**10,478,978,697**	**22,037,027,682**	**23,023,406,403**	**69,622,315,004**

Financial liabilities as per 31 December 2020	On demand	Less than 1 year	1 year - 2 years	2 years - 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	11,467,570,972	9,920,433,532	21,313,187,534	19,963,215,333	62,664,407,371
Financial liabilities held at FVTPL	-	2,603,587,546	558,545,165	676,901,830	2,315,191,071	6,154,225,612
Financial liabilities at AC	-	-	-	46,938,317	745,000,000	791,938,317
Trade & other payables	-	11,123,868	-	-	-	11,123,868
Current tax liability	-	1,795	-	-	-	1,795
Total financial liabilities	**-**	**14,082,284,181**	**10,478,978,697**	**22,037,027,681**	**23,023,406,404**	**69,621,696,963**

Financial assets as per 31 December 2021	On demand	Less than 1 year	1 year - 2 years	2 years - 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial assets held at FVTPL	-	19,484,516,601	9,870,490,386	25,306,983,964	26,649,952,768	81,311,943,720
Financial assets designated at FVTPL	-	19,631,816	105,673,235	3,818,954,865	1,351,519,995	5,295,779,911
Financial assets at AC	-	-	35,191,939	-	433,370,275	468,562,214
Trade & other receivables	-	289,613	-	-	-	289,613
Cash & cash equivalents	785,492	-	-	-	-	785,492
Total financial assets	**785,492**	**19,504,438,030**	**10,011,355,560**	**29,125,938,829**	**28,434,843,038**	**87,077,360,950**

Financial liabilities as per 31 December 2021	On demand	Less than 1 year	1 year – 2 years	2 years - 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	17,474,959,619	9,607,464,209	27,736,864,393	23,562,690,894	78,381,979,116
Financial liabilities held at FVTPL	-	2,029,188,798	368,699,411	1,389,074,436	4,438,781,869	8,225,744,514
Financial liabilities at AC	-	-	35,191,939	-	433,370,275	468,562,214
Trade & other payables	-	421,374	-	-	-	421,374
Current tax liability	-	1,794	-	-	-	1,794
Total financial liabilities	**-**	**19,504,571,585**	**10,011,355,559**	**29,125,938,829**	**28,434,843,038**	**87,076,709,012**

Financial assets as per 31 December 2022	On demand	Less than 1 year	1 year - 2 years	2 years - 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial assets held at FVTPL	-	19,637,836,474	17,723,013,765	24,312,253,074	28,681,327,533	90,354,430,846
Financial assets designated at FVTPL	-	106,528,151	148,485,649	2,589,217,303	1,142,560,835	3,986,791,938
Financial assets at AC	-	35,058,971	-	-	186,927,959	221,986,930
Trade & other receivables	-	651,444	-	-	-	651,444
Cash & cash equivalents	671,576	-	-	-	-	671,576
Total financial assets	**671,576**	**19,780,075,040**	**17,871,499,414**	**26,901,470,377**	**30,010,816,327**	**94,564,532,734**

Financial liabilities as per 31 December 2022	**On demand**	**Less than 1 year**	**1 year - 2 years**	**2 years - 5 years**	**Greater than 5 years**	**Total**
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	17,763,956,779	16,993,146,516	24,944,290,177	24,316,667,953	84,018,061,425
Financial liabilities held at FVTPL	-	1,980,407,847	878,352,898	1,957,180,200	5,507,220,416	10,323,161,360
Financial liabilities at AC	-	35,058,971	-	-	186,927,959	221,986,930
Trade & other payables	-	563,929	- -	-	-	563,929
Current tax liability	-	10,987	-	-	-	10,987
Total financial liabilities	**-**	**19,779,998,513**	**17,871,499,414**	**26,901,470,377**	**30,010,816,328**	**94,563,784,631**

7. OPERATIONAL RISK MANAGEMENT

Compliance risk

Compliance risk is defined as the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by leaders, particularly in application of guidelines issued by a supervisory body. The compliance risk is a sub-category of operational risk. Moreover, certain of its implications can involve more than a purely financial loss and may actually damage the institution's reputation. Reputation risk is the risk of damaging the Group's image, the trust placed in a corporation by customers, counterparties, suppliers, employees, shareholders, supervisors and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations. Reputation risk is primarily contingent on all the other risks borne by the Group, specifically the effective or potential materialisation of a credit, market risk, an operational, compliance, environmental, social or legal risk, as well as any violation of a law, a regulation of the Group's Code of conduct or procedure. Responsibility for controlling the risk of non-compliance lies primarily with the activities and business lines. In this context, the Compliance Function manages the system for monitoring non-compliance risks for the scope of all of the Group's businesses in France and abroad. Hierarchically integrated on a global basis. Compliance brings together all employees reporting to the function. Compliance is organised based on its guiding principles (independence, integration, decentralisation and subsidiarity of the function, dialogue with the business lines, a culture of excellence) through local teams.

Legal risk

The Group Legal Function is an independent function of the BNP Paribas Group and is hierarchically integrated with all the Group's legal teams. Group Legal is responsible for interpreting the laws and regulations applicable to the Group's activities and for providing legal guidance and advice to the Group in a manner that meets the highest standards of excellence and integrity. Group Legal is responsible for legal risk management. The Group Legal Function provides Executive Officers and the Board of directors of the Group with reasonable assurance that legal risks are monitored, controlled and mitigated at the Group level. It is responsible for the management (including prevention) of legal risks within the Group through its advisory and control roles. Legal risk refers to the potential loss to the BNP Paribas Group, whether financial or reputational, which impacts or could impact one or more entities of the BNP Paribas Group and/or its employees, business lines, operations, products and/or its services, and results from:

- Non-compliance with a law or regulation or a change in law(s) or regulation(s) (including a change in the interpretation or application of a law or regulation by a court or competent authority and any requirement of any regulatory or supervisory authority);
- A dispute (including all forms of alternative/extrajudicial dispute resolution and court orders) or an investigation or inquiry by a regulatory or supervisory authority (with implications for Group Legal);
- A contractual deficiency;
- A non-contractual matter;

The Group Legal Function is responsible for:

- The prevention of any failure or deficiency in a legal process that may involve the risk of a penalty, reputational risk or financial loss, in all areas (legal risk by nature);
- Management of risk relating to a conflict with a counterparty, a customer, a third party or a regulatory body, resulting from a deficiency or default that could be attributable to the Group in the course of its operations (legal risk as a consequence).

Tax risk

In each country where it operates. BNP Paribas is bound by specific local tax regulations applicable to companies engaged, for example, in banking, insurance or financial services. The Tax Function ensures at a global level that the tax risk is managed throughout all of the transactions conducted by the Group. In view of the financial and reputational stakes. Finance and Compliance are involved in the tax risk monitoring process. The Group Tax Department carries out the tax function and calls on the assistance of tax managers in certain businesses and in the main geographical areas where the Group operates (as well as tax correspondents in other geographical areas where the Group operates). In ensuring the coherence of the Group's tax practices and the global tax risk monitoring, the Group Tax Department:

- Has drawn up procedures covering all divisions, designed to ensure that tax risks are identified, addressed and controlled appropriately;
- Has implemented a process of feedback aimed at contributing to the control of local tax risk;
- Reports to Executive Management on tax risk developments;
- Oversees tax-related operational risks and the internal audit recommendations fall within the Tax Function's scope of responsibility.

A Tax Coordination Committee, involving Finance and Compliance and, on an as-needed basis, the businesses, is tasked with analysing the main tax issues with respect to the transactions the Group performs.

Cyber Security and Technology risk

The use and protection of data and technologies are determining factors for the Bank's activity and its transformation process. While the Bank continues the roll-out of Digital Banking (for the Group's customers and partners) and Digital Working (for the Group's employees), it must incorporate new technology and innovative risk management practices and establish new working practices. This introduces new technological risks in the cyber security arena. Technology management and information systems security is part of the Group's cyber security strategy. This strategy is focused on the preservation of the most sensitive data.

regularly adapting both its internal processes and procedures, and its employee training and awareness to contend with increasingly sophisticated and varied threats.
To reinforce its technology and the protection of data, the Group has adopted a comprehensive approach to cyber security management through its three lines of defence:

- Operational entities are the first line of defence. Since 2015. the Group has introduced across all of the entities a transformation programme based on the international standard NIST (National Institute of Standards and Technology). This programme is regularly updated, taking into account new threats and recent incidents identified around the world;

- As a second line of defence, the team dedicated to managing cybersecurity and technological risk within RISK ORM and under the responsibility of the Group Chief Operational Risk Officer, is tasked with the following in relation to Operational Risk Officers:
    - Presenting the Group's cyber security and technology risk position to the Group Executive Committee, the Board of directors, and the supervisory authorities.
    - Monitoring the transformation programme across the entire group.
    - Integrating the cyber security and technology risk aspects into all major projects within the Group.
    - Ensuring that policies, principles and major projects take aspects of cyber security and technology risk into consideration.
    - Monitoring existing risks and identifying new threats are likely to have a negative impact on the Group's business.
    - Overseeing third-party information systems risks within a strengthened framework.
    - Conducting independent assessment campaigns on priority objectives.
    - Taking measures to assess and improve the Group's ability to respond to failings and incidents;

- As the third line of defence, the role of General Inspection is to:
    - Assess the processes put in place to manage ICT risks (related to information and communication technologies), as well as associated controls and governance.
    - Check for compliance with laws and regulations.
    - Propose areas of improvement to support the mechanisms put in place.

The Group is responding to new technological and cybersecurity risks as follows:

- Availability and continuity risks: BNP Paribas relies heavily on communication and information systems across all its business activities. Any breach in the security of these systems could lead to failures or interruptions in the systems used to manage customer relations or to record transactions (deposits, services and loans) and could incur major costs to recover and verify compromised data. The Group regularly manages, and revises its crisis management and recovery plans (rate of existence of a business continuity plan validated at 31 December 2021: 89.08%), by testing its data recovery services and the robustness of its information systems, using various scheduled stress scenarios;

- Security risks: the Bank is vulnerable to cybersecurity risk, or risk caused by malicious and/or fraudulent acts, committed with the intention of manipulating information (confidential, bank/insurance, technical or strategic data), processes and users, which may result in material losses for the Group's subsidiaries, employees, partners and customers. The Group continually reassesses the threats as they evolve and mitigates risks detected at a good time by means of taking effective counter measures;

- Change-related risks: the Group's information systems are changing rapidly in the light of digital transformation. These risks, identified during the systems' design or modification phases, are regularly assessed to ensure that the proposed solutions are consistent with the needs of the Group's business lines;

- Data integrity risks: confidentiality of customer data and transaction integrity are areas covered by the same systems set up in response to Regulation (EU) No. 2016/679 of 27 April 2016 (General Data Protection Regulation – GDPR) intended to provide the Group's customers with a service that meets their expectations;

- Third-party information systems risks: the Bank is exposed to risks of financial default, breaches or operational capacity constraints when it interacts with third parties, including customers, financial intermediaries and other market operators. The Group's three lines of defence constitute the management framework of these risks at every step of integration until the end of the relationship with such third parties.

The Group deploys significant resources to identify, measure and control its risks and implements various techniques to manage its risk profile. The health crisis, which continued in 2021, increased the Group's dependence on digital technologies. In order to have the capacity to work remotely and to allow the Group to continue operating despite the high risk of cybercrime, the Group invested in IT upgrades to increase the bandwidth of the network and ensure the stability of the remote access infrastructure. At the same time, teams in charge of cybersecurity have strengthened their surveillance capabilities to improve detection and respond to threats more quickly. The processes and tools in place were complemented with cyber security reviews and specific support to businesses along with communication of actions to employees.

8. COMMITMENTS CONTINGENCIES AND OFF-BALANCE ITEMS

The Company has issued securities with pledged collateral. The value of the pledged collateral as at 31 December 2022 amounts to 7,919,326,414 EUR and as at 31 December 2021 amounts to 8,199,852,570 EUR.

The company is involved in Resonance transactions. In such transactions, IBV issues a note, sells a guarantee on a portfolio of BNP Paribas loans and enters into a repurchase agreement with BNP Paribas group. In this respect, the company has given a guarantee to BNP Paribas SA under which it shall offer a protection against credit risk for an amount of 221,986,930 EUR as at 31 December 2022 and at 31 December 2021 an amount of 468,562,214 EUR.

9. SUBSEQUENT EVENTS

No subsequent events have occurred.

10. APPROPRIATION OF THE RESULTS FOR THE YEARS 2021 AND 2022

As proposed by the board of management, the profit for the year 2021 has been added to the retained earnings. During the year, no dividend was paid or proposed.

The Managing Director proposes to the general meeting of shareholders to add the profit made by the Company during the year 2022 to the retained earnings. The financial statements do not reflect this proposal.

Board of Directors

Amsterdam, 14 April 2023
The Management Board,

Signed by
BNP Paribas Finance B.V.

Other Information

Statutory arrangements concerning the appropriation of profits

Paragraphs 1 and 2 of article 19 of the articles of association:
19.1 The allocation of profits accrued in a financial year shall be determined by the Shareholders' Body. If the Shareholders' Body does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.
19.2 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.

The Shareholders’ Body is defined as the body of the Company consisting of shareholders entitled to vote.

Independent auditors’ report

The independent auditor’s report is recorded on the next page.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of BNP Paribas Issuance B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of BNP Paribas Issuance B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BNP Paribas Issuance B.V. as at 31 December 2022, and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at 31 December 2022.
2. The following statements for 2022: the income statement, the statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising material accounting policy information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.
Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of BNP Paribas Issuance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 945.645.327. The materiality is based on 1% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with management that misstatements in excess of EUR 47.282.266, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to section 7. Operational risk management of the annual report for management's fraud risk assessment.
We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- Management override of controls (presumed fraud risk).

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgment areas and significant accounting estimates as disclosed in the financial statements. We have also tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries with the Chief Financial Officers and administrative staff. We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

This did not lead to indications for fraud potentially resulting in material misstatements.

Deloitte.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the Company through discussion with management and reading minutes. As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the BNP Paribas Issuance B.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of BNP Paribas Issuance B.V.'s business and the complexity of the laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to BNP Paribas Issuance B.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management and others within BNP Paribas Issuance B.V.'s as to whether the BNP Paribas Issuance B.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities as well as the responsibilities of the Management Board, related to going concern under the prevailing standards, are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating the assessment of the Management Board of BNP Paribas B.V.'s ability to continue as a going concern:

- We have assessed whether the continuity disclosures of the Management Board in the financial statements includes all pertinent information that we are cognizant of, as a consequence of our audit, and have made inquiries to the Management Board concerning the most significant assumptions.

- We performed inquiries with the Management Board about its knowledge of going concern risks after the period of the continuity assessment performed by the Management Board and considering the impact of financial, operational, and other conditions.

Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to management. The key audit matters are not a comprehensive reflection of all matters discussed.

The below identified key audit matter is 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.

Valuation of financial instruments

Description of key audit matter	How the scope of our audit responded to the key audit matter
Valuation of financial instruments (Issued securities and OTC contracts) Issued securities amounting to EUR 94.3 billion, are measured at fair value measured using 'level 1', 'level 2' and 'level 3' valuations. As the economic risk of the issued securities is completely hedged by OTC contracts with BNP Paribas group entities, the fair value of OTC contracts equals the fair value of issued securities. Fair value measurement of these financial instruments is important to our audit as the fair value is subject to estimation uncertainty.	Due to the nature of the company, the fair values are provided by BNP Paribas group entities, that are considered as service organizations in our audit. As part of our audit, we have assessed the quality of confirmations provided by the BNP Paribas group entities, also by relying on information provided by these service organization's auditors. We have received and reviewed reporting provided to us by the service organization's auditors, including their involvement of valuation specialists. We furthermore focused on the adequacy of the fair value disclosures in note 4 of the financial statements. **Our observations regarding this key audit matter:** Applying the aforementioned materiality, we did not identify any reportable findings in the valuation of the financial instruments.

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Report on the other information included in the annual report

The annual report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management board report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding 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.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 14 April 2023

Deloitte Accountants B.V.

Signed on the original: R.A. Spijker

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