

Short-form Audit Report

Financial Statements as at 31 December 2020 and Management Report for the Financial Year 2020

BNP PARIBAS Emissions- und Handelsgesellschaft mbH
Frankfurt am Main

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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Balance Sheet as at 31 December 2020

		31 Dec 2020	31 Dec 2019			31 Dec 2020	31 Dec 2019
		EUR	EUR k			EUR	EUR k
ASSETS				EQUITY AND LIABILITIES			
A. CURRENT ASSETS				A. EQUITY			
I. Receivables and other assets				Subscribed capital		25.564,59	26
1. Receivables from affiliated companies		82.133.636,23	120.695	B. PROVISIONS			
thereof due in more than one year EUR 27,639,000.00				Other provisions		81.131,95	85
(31 Dec 19 EUR 100,224k)							
thereof from the shareholder EUR 82,133,636.23				C. LIABILITIES			
(31 Dec 19 EUR 120,695k)				1. Bonds		1.664.491.487,06	1.578.897
2. Other assets		2.830.561.707,30	2.339.442	thereof convertible EUR 95,702,231.79			
thereof due in more than one year EUR 1,357,349,051.73				(31 Dec 19 EUR 105,953k)			
(31 Dec 19 EUR 1,080,775k)				thereof due within one year EUR 908,495,682.07			
thereof from affiliated companies EUR 2,827,945,929.30				(31 Dec 19 EUR 842,150k)			
(31 Dec 19 EUR 2,338,918k)				2. Liabilities to banks		462.750,64	180
B. PREPAID EXPENSES				thereof due within one year EUR 462,750.64			
Prepaid expenses		2.629,33	3	(31 Dec 19 EUR 180k)			
				thereof with the shareholder EUR 462,750.64 (31 Dec 19 EUR 180k)			
				3. Trade payables		107.960,15	236
				thereof due within one year EUR 107,960.15			
				(31 Dec 19 EUR 236k)			
				4. Other liabilities		1.247.529.078,47	880.716
				thereof due within one year EUR 618,536,831.73			
				(31 Dec 19 EUR 436,464k)			
		<u>2.912.697.972,86</u>	<u>2.460.140</u>			<u>2.912.697.972,86</u>	<u>2.460.140</u>

BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main**Statement of Profit or Loss for the Period from 1 January 2020 to 31 December 2020**

	1 Jan - 31 Dec 2020 EUR	2019 EUR k
Result of ordinary activities		
1. Other operating income	525.572,67	1.130
2. Other operating expenses	-525.572,67	-1.130
3. Net profit for the year	0,00	0

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BNP PARIBAS EMISSIONS- UND HANDELSGESELLSCHAFT MBH, FRANKFURT AM MAIN

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

I. ACCOUNTING AND VALUATION POLICIES

1. General

The financial statements of BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main, hereinafter also referred to as the "Company", were compiled in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the Limited Liability Companies Act (GmbH-Gesetz). The sized-related relief from reporting duties for small-sized corporations afforded by Sec. 288 (1) HGB was availed of in some cases.

The statement of profit or loss is presented using the cost-summary method in accordance with Sec. 275 (2) HGB.

2. Accounting and valuation policies

The accounting and valuation policies were applied without change in comparison to the financial statements for the year ended 31 December 2019.

All **liabilities** arising from securities issues and the hedging instruments presented under **receivables and other assets**, are treated as hedges in accordance with Sec. 254 HGB, as they qualify as perfect micro-hedges. From an accounting perspective, the net hedge method is applied by which the hedging instruments are measured at their historical cost. All changes in value between the underlying issued securities and the hedging instruments that offset each other are not recognized. Issued securities that are repurchased before maturity by the distribution/sales company as well as any partial issues are derecognized at their weighted average price. There was no need to record loss allowances or write-downs on receivables and other assets.

The disclosures on hedges required by Sec. 285 No. 19 and No. 23 HGB are presented in the table under II. Point 5 of the notes to the financial statements.

As the income from the sale of issued securities and the premiums paid to acquire the corresponding hedging instruments as well as any changes in value of the underlying hedged item and the hedging

instrument are always identical, the security issue business has no impact on the profit or loss of the Company. In accordance with IDW Accounting Practice Statement on Accounting for Hedges under German GAAP (IDW RS HFA 35) the cash flows that offset each other from the termination of the hedge or from any interest payments or other interim payments are posted directly to equity without affecting profit or loss.

Other provisions were recognized at their settlement amount based on a prudent business assessment.

Assets or liabilities carried under the line items “receivables from affiliated companies”, “other assets”, “bonds”, and “other liabilities” that are **denominated in foreign currency** were translated using the historical rate on the date of their issue

II. NOTES TO THE FINANCIAL STATEMENTS

1. Current assets

“Receivables from affiliated companies” consist of time deposits placed with the shareholder, BNP Paribas S.A. as hedging instruments for fixed income certificates (FIC).

“Other assets” consist of OTC options of EUR 2,829,887k, including OTC options of USD 12,923k denominated in USD, acquired from affiliated companies to hedge securities in circulation, as well as a receivable from BaFin from the 2019 cost allocation statement of EUR 675k.

2. Provisions

“Other provisions” were established for unbilled services associated with the issuing business and preparing the financial statements for the year ended 31 December 2020.

3. Liabilities

“Bonds” contain issued certificates of EUR 1,664,491k including certificates denominated in foreign currency of USD 13,790k.

“Liabilities to banks” consist entirely of the overdraft on the current account held at the shareholder, BNP PARIBAS S.A., German branch.

“Other liabilities” consist of issued option certificates of EUR 1,247,529k.

4. Aging structure of liabilities

Liabilities break down as follows:

	due in				
	Total	up to 1 year	1 to 5 years	over 5 years	thereof secured
	EUR k	EUR k	EUR k	EUR k	EUR k
Bonds	1,664,491	908,496	518,934	237,061	0
Other liabilities	1,247,529	618,537	47,187	581,805	0
Total	2,912,020	1,527,033	566,121	818,866	0

5. Nature and scope of derivate financial instruments and disclosures on hedge accounting pursuant to Sec. 254 HGB

The nature and scope of issued securities and the OTC options acquired to hedge them are presented in the following tables. As in most cases the nominal amounts are not defined upon a security issue the disclosures are on a per volume basis. The issued securities and the acquired OTC options are combined into perfect micro-hedges as defined by Sec. 254 HGB, by which all risks of changes in value and cash flows eliminate each other (including price risks, interest risks, currency risks, credit risks and also liquidity risks). Hedge effectiveness is ensured by matching the terms and conditions of the underlying and the hedging instrument, measured using the critical terms match method.

Derivatives and transactions with structured financial instruments are presented in the balance sheet as follows:

Issued certificates	Bonds (liabilities)
Issued option certificates	Other liabilities
Acquired options	Other assets

The swaps entered into to hedge the fixed income certificates are not presented in the balance sheet.

Summary of securities issues as at 31 December 2020

Type of security:	Option certificates (EUR)	Listed	
Line item: Other liabilities			
Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
339,854,143	600,146,206.76	310,758,222.01	289,387,984.75
309,427,481	477,991,643.80	984,027,953.92	-506,036,310.12
Category: Commodities			
8,781,139	25,864,569.51	12,587,366.24	13,277,203.27
15,573,505	44,753,978.16	92,641,789.97	-47,887,811.81
Category: Currencies			
10,461,964	41,930,183.15	25,144,137.55	16,786,045.60
8,220,182	26,964,335.21	41,937,314.68	-14,972,979.47
Category: Other			
7,879,464	13,623,032.32	8,409,603.15	5,213,429.17
9,307,404	16,255,129.56	33,649,767.78	-17,394,638.22
Total: Option certificates (listed)			
366,976,710	681,563,991.74	356,899,328.95	324,664,662.79
342,528,572	565,965,086.73	1,152,256,826.35	-586,291,739.62
709,505,282	1,247,529,078.47	1,509,156,155.30	-261,627,076.83

Type of security:	Certificates (EUR)	Listed	
Line item: Bonds			
Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
59,226,443	620,865,665.89	474,511,020.14	146,354,645.75
30,519,061	829,615,572.57	904,151,513.92	-74,535,941.35
Category: Commodities			
155,976	3,721,746.52	3,627,120.02	94,626.50
100,174	3,264,233.97	3,680,456.68	-416,222.71
Category: Other			
13,305,905	16,875,811.40	4,659,092.13	12,216,719.27
1,728,444	4,981,694.77	6,650,202.59	-1,668,507.82
Total: Certificates (listed)			
72,688,324	641,463,223.81	482,797,232.29	158,665,991.52
32,347,679	837,861,501.31	914,482,173.19	-76,620,671.88
105,036,003	1,479,324,725.12	1,397,279,405.48	82,045,319.64

Type of security:	Reverse convertible bonds (EUR)	Listed
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Line item: Bonds

Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
22,539	22,148,968.67	18,772,733.02	3,376,235.65
70,729	69,679,390.50	73,423,614.47	-3,744,223.97
Total: Reverse convertible bonds (listed)			
22,539	22,148,968.67	18,772,733.02	3,376,235.65
70,729	69,679,390.50	73,423,614.47	-3,744,223.97
93,268	91,828,359.17	92,196,347.49	-367,988.32

Type of security:	Fixed income certificates (EUR)	Listed
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Line item: Bonds

Quantity	Book value	Fair value	Difference
Category: Interest			
26,431	26,431,000.00	26,893,632.20	-462,632.20
Category: CLN			
1,000	1,000,000.00	997,201.78	2,798.22
50,941	53,911,000.00	55,036,448.90	-1,125,448.90
Total: Certificates (listed)			
1,000	1,000,000.00	997,201.78	2,798.22
77,372	80,342,000.00	81,930,081.10	-1,588,081.10
78,372	81,342,000.00	82,927,282.88	-1,585,282.88

Total option certificates/cert./rev. conv. bonds

814,712,925.00	2,900,024,162.76	3,081,559,191.15	-181,535,028.39
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OTC options (EUR) buy

Line item: Other assets

Quantity	Book value	Fair value	Difference
1. Underlying option certificates on shares/stock indexes			
204,452,667.51	477,991,643.80	984,027,953.92	506,036,310.12
116,095,744.70	600,146,206.76	310,758,222.01	-289,387,984.75
2. Underlying option certificates on commodities			
14,630,856.61	44,753,978.16	92,641,789.97	47,887,811.81
6,941,021.23	25,864,569.51	12,587,366.24	-13,277,203.27

3. Underlying option certificates on currencies				
	297,986,846.00	26,964,335.21	41,937,314.68	14,972,979.47
	725,292,850.00	41,930,183.15	25,144,137.55	-16,786,045.60
4. Underlying option certificates on other transactions				
	6,623,394.30	16,255,129.56	33,649,767.78	17,394,638.22
	4,205,505.60	13,623,032.32	8,409,603.15	-5,213,429.17
5. Underlying certificates on shares/reverse convertible bonds				
	30,517,048.60	829,615,572.57	904,151,513.92	74,535,941.35
	59,225,527.00	620,865,665.89	474,511,020.14	-146,354,645.75
6. Underlying certificates on commodities				
	100,174.00	3,264,233.97	3,680,456.68	416,222.71
	155,976.00	3,721,746.52	3,627,120.02	-94,626.50
7. Underlying certificates on other transactions				
	1,728,444.00	4,981,694.77	6,650,202.59	1,668,507.82
	13,305,905.00	16,875,811.40	4,659,092.13	-12,216,719.27
8. Underlying reverse convertible bonds				
	72,079.00	69,679,390.50	73,423,614.47	3,744,223.97
	22,539.00	22,148,968.67	18,772,733.02	-3,376,235.65
Total OTC options				
1. Underlying option certificates				
	523,693,764.42	565,965,086.73	1,152,256,826.35	586,291,739.62
	852,535,121.53	681,563,991.74	356,899,328.95	-324,664,662.79
	1,376,228,885.95	1,247,529,078.47	1,509,156,155.30	261,627,076.83
2. Underlying certificates				
	32,345,666.60	837,861,501.31	914,482,173.19	76,620,671.88
	72,687,408.00	641,463,223.81	482,797,232.29	-158,665,991.52
	105,033,074.60	1,479,324,725.12	1,397,279,405.48	-82,045,319.64
3. Underlying reverse convertible bonds				
	72,079.00	69,679,390.50	73,423,614.47	3,744,223.97
	22,539.00	22,148,968.67	18,772,733.02	-3,376,235.65
	94,618.00	91,828,359.17	92,196,347.49	367,988.32
Total OTC options				
	<u>1,481,356,578.55</u>	<u>2,818,682,162.76</u>	<u>2,998,631,908.27</u>	<u>179,949,745.51</u>

Hedging instruments (EUR) FIC (time deposit + swaps)
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Line item: Receivables from affiliated companies

	Quantity	Book value	Fair value	Difference
1. Underlying FIC on interest				
	6	26,431,000.00	26,893,632.20	462,632.20
2. Underlying FIC on credit linked notes				
	12	53,911,000.00	55,036,448.90	1,125,448.90
	1	1,000,000.00	997,201.78	-2,798.22
Total: Hedging instruments - FIC				
	18	80,342,000.00	81,930,081.10	1,588,081.10
	1	1,000,000.00	997,201.78	-2,798.22
	<u>19</u>	<u>81,342,000.00</u>	<u>82,927,282.88</u>	<u>1,585,282.88</u>

Type of security:	Certificates (USD)	Listed
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Line item: Bonds

	Quantity	Book value in EUR	Fair value in EUR	Difference
Category: Equity-linked/index related transactions				
	18,121	7,330,893.92	6,791,585.75	539,308.17
Total: Certificates (listed)				
	18,121	7,330,893.92	6,791,585.75	539,308.17
	<u>18,121</u>	<u>7,330,893.92</u>	<u>6,791,585.75</u>	<u>539,308.17</u>

Type of security:	Reverse convertible bonds (USD)	Listed
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Line item: Bonds

	Quantity	Book value in EUR	Fair value in EUR	Difference
Category: Equity-linked/index related transactions				
	4,501	3,873,872.62	3,508,429.10	365,443.52
Total: Reverse convertible bonds (listed)				
	4,501	3,873,872.62	3,508,429.10	365,443.52
	<u>4,501</u>	<u>3,873,872.62</u>	<u>3,508,429.10</u>	<u>365,443.52</u>

Type of security:	Fixed income certificates (USD)	Listed
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Line item: Bonds

Quantity	Book value in EUR	Fair value in EUR	Difference
Category: CLN			
867	791,636.23	710,343.55	81,292.68
Total: Certificates (listed)			
867	791,636.23	710,343.55	81,292.68
867	791,636.23	710,343.55	81,292.68
<hr/>			
Total option certificates/cert./rev. conv. bonds			
23,489.00	11,996,402.77	11,010,358.40	986,044.37

OTC options (USD) buy

Line item: Other assets

Quantity	Book value in EUR	Fair value in EUR	Difference
1. Underlying certificates on shares/reverse convertible bonds			
18,121.00	7,330,893.92	6,791,585.75	-539,308.17
2. Underlying reverse convertible bonds			
4,501.00	3,873,872.62	3,508,429.10	-365,443.52
Total OTC options			
1. Underlying certificates			
18,121.00	7,330,893.92	6,791,585.75	-539,308.17
18,121.00	7,330,893.92	6,791,585.75	-539,308.17
2. Underlying reverse convertible bonds			
4,501.00	3,873,872.62	3,508,429.10	-365,443.52
4,501.00	3,873,872.62	3,508,429.10	-365,443.52
<hr/>			
Total OTC options			
<u>22,622.00</u>	<u>11,204,766.54</u>	<u>10,300,014.85</u>	<u>-904,751.69</u>

Hedging instruments (USD) FIC (time deposit + swaps)

Line item: Receivables from affiliated companies

Quantity	Book value in EUR	Fair value in EUR	Difference
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3. Underlying FIC on credit linked notes

1	791,636.23	710,343.55	-81,292.68
Total: Hedging instruments - FIC			
1	791,636.23	710,343.55	-81,292.68
<u>1</u>	<u>791,636.23</u>	<u>710,343.55</u>	<u>-81,292.68</u>

Summary of securities issues as at 31 December 2019

Type of security:	Option certificates (EUR)	Listed	
Line item: Other liabilities			
Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
343,890,340	439,525,433.90	239,711,363.59	199,814,070.31
253,941,616	295,611,351.59	597,596,946.09	-301,985,594.50
Category: Commodities			
14,321,495	28,223,500.66	14,378,843.30	13,844,657.36
13,228,688	30,775,031.81	56,898,570.76	-26,123,538.95
Category: Currencies			
9,561,980	42,600,418.91	28,049,825.29	14,550,593.62
5,950,743	24,326,869.23	39,373,431.23	-15,046,562.00
Category: Other			
5,504,686	8,826,433.37	6,103,304.32	2,723,129.05
4,280,949	10,826,796.04	19,069,757.06	-8,242,961.02
Total: Option certificates (listed)			
373,278,501	519,175,786.84	288,243,336.50	230,932,450.34
277,401,996	361,540,048.67	712,938,705.14	-351,398,656.47
650,680,497	880,715,835.51	1,001,182,041.64	-120,466,206.13

Type of security:	Certificates (EUR)	Listed	
Line item: Bonds			
Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
17,033,305	409,694,589.94	370,296,858.11	39,397,731.83
19,061,062	909,114,275.84	955,679,282.09	-46,565,006.25
Category: Commodities			
66,296	1,216,833.98	1,205,683.01	11,150.97
108,730	3,144,905.40	3,351,629.75	-206,724.35
Category: Other			
4,216,058	13,896,499.31	5,473,557.82	8,422,941.49
713,779	9,697,238.11	10,841,422.34	-1,144,184.23
Total: Certificates (listed)			
21,315,659	424,807,923.23	376,976,098.94	47,831,824.29
19,883,571	921,956,419.35	969,872,334.18	-47,915,914.83
41,199,230	1,346,764,342.58	1,346,848,433.12	-84,090.54

Type of security:	Reverse convertible bonds (EUR)	Listed
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Line item: Bonds

Quantity	Book value	Fair value	Difference
Category: Equity-linked/index related transactions			
35,826	35,730,921.55	34,430,532.87	1,300,388.68
70,120	69,869,415.41	73,048,652.62	-3,179,237.21
Total: Reverse convertible bonds (listed)			
35,826	35,730,921.55	34,430,532.87	1,300,388.68
70,120	69,869,415.41	73,048,652.62	-3,179,237.21
105,946	105,600,336.96	107,479,185.49	-1,878,848.53

Type of security:	Fixed income certificates (EUR)	Listed
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Line item: Bonds

Quantity	Book value	Fair value	Difference
Category: Interest			
32,581	32,581,000.00	33,293,373.86	-712,373.86
Category: CLN			
2,000	2,000,000.00	1,990,166.37	9,833.63
105,639	82,483,000.00	85,652,069.71	-3,169,069.71
Total: Certificates (listed)			
2,000	2,000,000.00	1,990,166.37	9,833.63
138,220	115,064,000.00	118,945,443.57	-3,881,443.57
140,220	117,064,000.00	120,935,609.94	-3,871,609.94

Total option certificates/cert./rev. conv. bonds

692,125,893.00	2,450,144,515.05	2,576,445,270.19	-126,300,755.14
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OTC options (EUR) buy

Line item: Other assets

Quantity	Book value	Fair value	Difference
1. Underlying option certificates on shares/stock indexes			
170,179,696.62	295,611,351.59	597,596,946.09	301,985,594.50
125,072,868.09	439,525,433.90	239,711,363.59	-199,814,070.31
2. Underlying option certificates on commodities			
9,699,024.44	30,775,031.81	56,898,570.76	26,123,538.95
7,486,816.70	28,223,500.66	14,378,843.30	-13,844,657.36

3. Underlying option certificates on currencies			
179,950,371.00	24,326,869.23	39,373,431.23	15,046,562.00
655,433,624.00	42,600,418.91	28,049,825.29	-14,550,593.62
4. Underlying option certificates on other transactions			
3,568,189.50	10,826,796.04	19,069,757.06	8,242,961.02
3,969,099.70	8,826,433.37	6,103,304.32	-2,723,129.05
5. Underlying certificates on shares/reverse convertible bonds			
18,771,093.25	909,114,275.84	955,679,282.09	46,565,006.25
16,795,080.31	409,694,589.94	370,296,858.11	-39,397,731.83
6. Underlying certificates on commodities			
108,730.00	3,144,905.40	3,351,629.75	206,724.35
66,296.00	1,216,833.98	1,205,683.01	-11,150.97
7. Underlying certificates on other transactions			
713,779.00	9,697,238.11	10,841,422.34	1,144,184.23
4,216,058.00	13,896,499.31	5,473,557.82	-8,422,941.49
8. Underlying reverse convertible bonds			
70,120.00	69,869,415.41	73,048,652.62	3,179,237.21
35,826.00	35,730,921.55	34,430,532.87	-1,300,388.68
Total OTC options			
1. Underlying option certificates			
363,397,281.56	361,540,048.67	712,938,705.14	351,398,656.47
791,962,408.49	519,175,786.84	288,243,336.50	-230,932,450.34
1,155,359,690.05	880,715,835.51	1,001,182,041.64	120,466,206.13
2. Underlying certificates			
19,593,602.25	921,956,419.35	969,872,334.18	47,915,914.83
21,077,434.31	424,807,923.23	376,976,098.94	-47,831,824.29
40,671,036.56	1,346,764,342.58	1,346,848,433.12	84,090.54
3. Underlying reverse convertible bonds			
70,120.00	69,869,415.41	73,048,652.62	3,179,237.21
35,826.00	35,730,921.55	34,430,532.87	-1,300,388.68
105,946.00	105,600,336.96	107,479,185.49	1,878,848.53
Total OTC options			
<u>1,196,136,672.61</u>	<u>2,333,080,515.05</u>	<u>2,455,509,660.25</u>	<u>122,429,145.20</u>

Hedging instruments (EUR) FIC (time deposit + swaps)

Line item: Receivables from affiliated companies

	Quantity	Book value	Fair value	Difference
1. Underlying FIC on interest				
	10	32,581,000.00	33,293,373.86	712,373.86
2. Underlying FIC on credit linked notes				
	16	82,483,000.00	85,652,069.71	3,169,069.71
	2	2,000,000.00	1,990,166.37	-9,833.63
Total: Hedging instruments - FIC				
	26	115,064,000.00	118,945,443.57	3,881,443.57
	2	2,000,000.00	1,990,166.37	-9,833.63
	28	117,064,000.00	120,935,609.94	3,871,609.94

Type of security:

Certificates (USD)

Listed

Line item: Bonds

	Quantity	Book value in EUR	Fair value in EUR	Difference
Category: Equity-linked/index related transactions				
	1,417	1,273,648.79	1,244,491.85	29,156.94
	4,764	4,210,528.24	4,475,667.41	-265,139.17
Total: Certificates (listed)				
	1,417	1,273,648.79	1,244,491.85	29,156.94
	4,764	4,210,528.24	4,475,667.41	-265,139.17
	6,181	5,484,177.03	5,720,159.26	-235,982.23

**Reverse convertible bonds
(USD)**

Listed

Line item: Bonds

	Quantity	Book value in EUR	Fair value in EUR	Difference
Category: Equity-linked/index related transactions				
	201	353,034.17	386,391.14	-33,356.97
Total: Reverse convertible bonds (listed)				
	201	353,034.17	386,391.14	-33,356.97
	201	353,034.17	386,391.14	-33,356.97

Type of security:	Fixed income certificates (USD)	Listed
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Line item: Bonds

Quantity	Book value in EUR	Fair value in EUR	Difference
Category: CLN			
5,260	3,631,281.45	3,498,034.36	133,247.09
Total: Certificates (listed)			
5,260	3,631,281.45	3,498,034.36	133,247.09
5,260	3,631,281.45	3,498,034.36	133,247.09
<hr/>			
Total option certificates/cert./rev. conv. bonds			
11,642.00	9,468,492.65	9,604,584.75	-136,092.10

OTC options (USD) buy

Line item: Other assets

Quantity	Book value in EUR	Fair value in EUR	Difference
1. Underlying certificates on shares/reverse convertible bonds			
4,764.00	4,210,528.24	4,475,667.41	265,139.17
1,417.00	1,273,648.79	1,244,491.85	-29,156.94
2. Underlying reverse convertible bonds			
201.00	353,034.17	386,391.14	33,356.97
Total OTC options			
1. Underlying certificates			
4,764.00	4,210,528.24	4,475,667.41	265,139.17
1,417.00	1,273,648.79	1,244,491.85	-29,156.94
6,181.00	5,484,177.03	5,720,159.26	235,982.23
2. Underlying reverse convertible bonds			
201.00	353,034.17	386,391.14	33,356.97
201.00	353,034.17	386,391.14	33,356.97
<hr/>			
Total OTC options			
<u>6,382.00</u>	<u>5,837,211.20</u>	<u>6,106,550.40</u>	<u>269,339.20</u>

Hedging instruments (USD) FIC (time deposit + swaps)

Line item: Receivables from affiliated companies

	Quantity	Book value in EUR	Fair value in EUR	Difference
1. Underlying FIC on credit linked notes				
	3	3,631,281.45	3,498,034.36	-133,247.09
Total: Hedging instruments - FIC				
	3	3,631,281.45	3,498,034.36	-133,247.09
	<u>3</u>	<u>3,631,281.45</u>	<u>3,498,034.36</u>	<u>-133,247.09</u>

When calculating the fair value of financial instruments, the closing price determined by the sales/distribution company using internal pricing models is generally used as the basis. In accordance with the policies of the BNP PARIBAS Group, prices are determined by the back office, which is segregated from the front office involved in trading, and regularly audited by external auditors. They are generally based on observable market inputs (level 2 inputs according to the fair value hierarchy of IFRS 13).

The underlying issued securities and the corresponding hedging instruments are presented in the balance sheet at historical cost without any fair value adjustments.

Due to the particular design of the OTC options (zero strike call options on the security issued by the Company) their fair value is always identical to the fair value of the underlying security.

Fixed income certificates are hedged by placing the sales proceeds as a time deposit and entering into a swap by which the interest income from the time deposit can be swapped against the performance of the certificate. Based on the accounting treatment of the hedging instruments used by the counterparty (BNP PARIBAS S.A.) and the presentation as a perfect hedge, the time deposits and the swaps are presented in the table at fair value as one unit.

III. CASH FLOW STATEMENT

	Full year 2020	Full year 2019
	EUR	EUR
1. Cash flow from operating activities		
Cash receipts from reimbursed issue fees	1,328,214.90	1,269,784.66
Other cash receipts which cannot be allocated to investing or financing activities	47,684.60	41,792.12
Cash payments for issue fees	-1,610,606.26	-1,605,222.22
Other cash payments which cannot be allocated to investing or financing activities	-47,684.60	-41,792.12
Cash flow from operating activities	-282,391.36	-335,437.56
2. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	-282,391.36	-335,437.56
Cash and cash equivalents at the beginning of the period	-180,359.28	155,078.28
Cash and cash equivalents at the end of the period	-462,750.64	-180,359.28
3. Composition of cash and cash equivalents		
Cash	-462,750.64	-180,359.28
Cash and cash equivalents at the end of the period	-462,750.64	-180,359.28

Additional information required by No. 52 GAS 2:

- The demand deposit balances held with the shareholder and short-term liabilities to the shareholder are disclosed under cash and equivalents. No change was made to the definition of cash and cash equivalents compared with the prior period.
- Cash and cash equivalents equate to the balance sheet item "liabilities to banks".
- In the period under review, no significant non-cash investing or financing activities were undertaken. Significant non-cash transactions were only entered into in operations in the reporting period with regard to the issuance business and the related hedging instruments.
- The Company did not acquire or sell any entities during the period under review.

Additional information required by No. 53 GAS 2:

The balance of cash and cash equivalents is not subject to any restrictions on disposal.

IV. OTHER NOTES

1. Contingent liabilities

As at the balance sheet date, there were no contingent liabilities or other financial obligations other than those shown in the balance sheet.

2. Management

Hans Eich, banker, St. Ingbert, Chief Financial Officer of BNP Paribas S.A., German branch.

Grégoire Toubanc, banker, Frankfurt am Main, Head of Retail Listed Products of BNP Paribas S.A., German branch.

The executive directors did not receive any remuneration from the Company.

3. Employees

The Company has no employees. The business activities are performed by the employees of BNP Paribas S.A., German branch.

4. Equity

Subscribed capital comes to EUR 25,564.59 (translated from DEM 50,000).

5. Group affiliations and shareholders

A domination and profit and loss transfer agreement was entered into between BNP Paribas S.A. (formerly: Banque Nationale de Paris S.A.), German branch, and BNP Paribas Emissions- und Handelsgesellschaft mbH (formerly: BNP Emissions- und Handelsgesellschaft mbH), Frankfurt am Main, on 26 September 1991. This agreement was filed with the commercial register on 8 September 1992.

Due to requirements under tax legislation, an amendment was made on 1 November 2019 to the domination and profit and loss transfer agreement from 26 September 1991. Among other matters, the amendment includes a new arrangement for the term of the agreement by which it becomes non-cancellable until 31 December 2023. This amendment to the agreement was filed with the commercial register on 4 November 2019.

The consolidated financial statements for the largest and smallest group of consolidated companies are compiled by BNP PARIBAS S.A., Paris, (commercial register: RCS Paris No. 662 042 449). The Company is consolidated in these consolidated financial statements.

The consolidated financial statements can be viewed at:

Autorité des marchés financiers
17, place de la Bourse
75082 PARIS CEDEX 02

The French version of the consolidated financial statements is also published on the website of Autorité des Marchés Financiers (www.amf-france.org) and the Group's own website www.invest.bnpparibas.com. The annual report of BNP Paribas S.A. for the year 2020 is also available on the Group's website.

Frankfurt am Main, 26 February 2021

The management

Hans Eich

Grégoire Toublanc

MANAGEMENT REPORT
FOR THE REPORTING PERIOD FROM
1 JANUARY 2020 TO 31 DECEMBER 2020

Outline

- 1. Business and business environment**
- 2. Financial performance**
- 3. Financial position**
- 4. Assets and liabilities**
- 5. Subsequent events**
- 6. Opportunities, risks and forecast**

1. Business and business environment

The Company was founded as BNP Broker GmbH by notarized deed dated 26 September 1991. After being renamed it was entered in the commercial register of the local court of Frankfurt am Main on 8 September 1992 under the number HRB 35628 as BNP Handels- und Makler GmbH with its registered offices in Frankfurt am Main. It was renamed again on 21 September 1995 as BNP Emissions- und Handelsgesellschaft mbH and then on 21 November 2000 as BNP Paribas Emissions- und Handelsgesellschaft mbH, its current name (referred to below as Company).

The share capital of EUR 25,564.59 is held by the sole shareholder, BNP PARIBAS S.A., German branch.

A notarized domination and profit and loss transfer agreement was entered into between the Company and the shareholder, BNP Paribas S.A. on 26 September 1991. Under the terms of this agreement, the Company is obliged to transfer all the profit determined pursuant to the relevant provisions of German commercial law to the shareholder. The shareholder is obliged to offset any net loss which arises. The respective payment obligations fall due upon the ratification of the respective financial statements. Due to requirements under tax legislation, an amendment was made on 1 November 2019 to the domination and profit and loss transfer agreement from 26 September 1991. Among other matters, the amendment includes a new arrangement for the term of the agreement by which it becomes non-cancellable until 31 December 2023.

On 18 July 2017 the Company entered into a guarantee with BNP Paribas S.A. Paris in favor of the bearers of its outstanding securities. Under the terms of this guarantee, BNP Paribas S.A., Paris, has extended an unconditional

irrevocable guarantee of proper payment of all amounts payable under the terms and conditions of the respective security.

The business activities of the Company in the reporting period consisted solely of the issue and sale of securities (primarily option certificates and equity-linked certificates, currencies, stock baskets, indexes, and commodities as well as, to a lesser extent, reverse convertible bonds) as well as entering into the corresponding hedging instruments. The issued securities are sold at market prices to BNP PARIBAS ARBITRAGE S.N.C., Paris. To hedge these securities, OTC options with matching terms are acquired from BNP PARIBAS ARBITRAGE S.N.C.

The securities are distributed to the final buyers by BNP PARIBAS ARBITRAGE S.N.C., or, in the case of fixed income certificates and credit-linked notes, by BNP PARIBAS S.A.. Consequently, there is no impact on the economic circumstances of the issuer.

The sales of the BNP Paribas Group generated on the German retail derivative market increased by 76% in the second half of 2020 in comparison to the prior year. This development once again outperformed the total market, which also grew vigorously (69%). The balance sheet total rose by 18.4% in comparison to 31 December 2019, increasing from EUR 2,460 million to EUR 2,913 million. By contrast, there was a notable decrease in the balance sheet total in comparison to 30 June 2020 of 37.6%. However, the balance sheet total as at 30 June 2020 of EUR 4,669 million was unusually high as no comprehensive program had been conducted in the first half of 2020 to derecognize any securities that had not been placed on the market.

The ratio of external placements decreased from 55.7% as at 31 December 2019 to 48.1% as at 31 December 2020.

2. Financial performance

As the income from the sale of issued securities and the premiums paid to acquire the corresponding hedging instruments as well as any changes in value of the underlying hedged item and the hedging instrument are always identical, the security issue business has no impact on the profit or loss of the Company. In accordance with IDW Accounting Practice Statement on Accounting for Hedges under German GAAP (IDW RS HFA 35) the cash flows that offset each other from the termination of the hedge or from any interest payments or other interim payments are posted directly to equity without affecting profit or loss.

The management and administration of the Company is performed by the employees of BNP PARIBAS S.A., German branch. The Company does not have any employees of its own. Consequently, it does not incur any employee

expenses. Other administrative expenses (non-personnel expenses) are generally charged on to BNP PARIBAS S.A., German branch. The net result of the Company is therefore independent of the issue volume and is designed to always break even at EUR 0.00.

3. Financial position

The reported equity of the Company of EUR 25,564.59 consists solely of the fully-paid-in share capital of the sole shareholder, BNP PARIBAS S.A., German branch. The share capital was paid in by means of a credit note to the current account of the Company held at the sole shareholder.

The nature and execution of the business activities of the Company are aligned towards ensuring a balanced financial position at all times. The liabilities arising from the issue of securities are generally hedged by financial instruments featuring identical terms, currencies and price risks. Fixed income certificates are hedged by placing the sales proceeds as a time deposit and entering into a swap by which the interest income from the time deposit can be swapped against the performance of the certificate. With regard to all other issued securities, OTC zero strike call options are acquired to hedge the issued security. The hedging instruments are therefore designed as perfect hedges in terms of both the development of their value over time and also in terms of their cash flows. The sale of a security and the corresponding hedging instrument has always been conducted with the same counterparty in each case in the reporting period (BNP PARIBAS S.A., Paris, or BNP PARIBAS ARBITRAGE S.N.C., Paris) and has been settled without any impact on cash due to the existing netting arrangement in place. Transactions with a cash impact only exist with regard to other operating expenses (issue fees, publication costs, etc.) and are charged on to BNP PARIBAS S.A., German branch. All incoming and outgoing payments are executed via the current account referred to above.

All receivables (from deposits on current account and option rights) are with entities of the BNP PARIBAS Group. There are no risks of counterparty default outside of the BNP PARIBAS Group.

4. Assets and liabilities

Due to the structure of the Company's business activities, which are designed to break even, there are no changes in the net asset position, which always equates to the amount of fully paid-in share capital of EUR 25,564.59. Transactions with an impact on cash only arise from settling invoices from third parties and the quarterly allocation of the invoices

paid by the Company to BNP PARIBAS S.A., German branch. The costs incurred by the Company prior to the close of 31 December 2020 have already been reimbursed by BNP PARIBAS S.A., German branch.

In an environment of very strong sales on the German derivatives and option certificates market, business in the reporting year enjoyed rapid growth.

The financial performance, financial position and assets and liabilities of the Company are in good order. This also holds true as at the date on which this management report was compiled.

5. Subsequent events

There have not been any subsequent events of material significance that could have an impact on the financial performance, financial position and assets and liabilities of the Company since the close of the reporting period.

6. Opportunities, risks and forecast

The Company only sells the securities it issues to other entities within the BNP PARIBAS Group and simultaneously enters into corresponding hedges. In accordance with a resolution of the management, the securities issued and the associated hedging instruments are combined into a designated hedge in accordance with Sec. 254 HGB. The hedges are created at the beginning of the respective terms and are maintained until maturity. Consequently, there are no price risks. There are no settlement risks either as payments arising from the sale of the securities issued and the acquisition of the hedging instruments and from the exercise of the same are always netted. In accordance with the agreement, the prospectus risk and the operational risk are not borne by the Company but by the provider of the securities (BNP PARIBAS ARBITRAGE S.N.C. and BNP PARIBAS S.A.). The only receivables are from entities of the BNP PARIBAS Group. The business is designed to break even. Theoretically a loss can be made, but this would then be absorbed by BNP PARIBAS S.A. under the terms of the domination and profit and loss transfer agreement entered into. Consequently, there is no independent risk at the level of the Company. The credit rating of the BNP PARIBAS Group is the definitive factor in assessing the risk.

Due to the Company's affiliation in the BNP PARIBAS Group, liquidity risks depend on the entities of the BNP PARIBAS Group complying with the obligations. At present, there are no discernible specific liquidity risks.

In the second half of 2020, total market sales of German certificates and option certificates increased by 68.5% in comparison to the second half of 2019 in an environment affected by the corona crisis. Due to the fact that BNP Paribas Emissions- und Handelsgesellschaft mbH saw a more rapid rate of sales growth (up 72.6%) its market share increased accordingly (from 19.6% in the second half of 2019 to 20.5% in the second half of 2020).

BNP Paribas Emissions- und Handelsgesellschaft mbH issued approximately 207,500 products in the second half of 2020. This historically high level can be attributed to the high degree of volatility on the stock exchange during the Covid crisis. A lower level of securities issues is expected in 2021 compared to 2020. However, if the market proves to be as volatile as it was in the second half of 2020, the level of securities issues will once again be very high. Less investor demand for derivative products – particularly in response to changes in income tax legislation – or higher costs for issues and listing could have a dampening effect.

Changes in the financial performance and financial position of the Company are not anticipated for the coming two years on account of the design of business activities.

Frankfurt am Main, 26 February 2021

Hans Eich

Grégoire Toublanc

Independent Auditor's Report

To BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main:

Audit Opinions

We have audited the annual financial statements of BNP Paribas Emissions- und Handelsgesellschaft mbH, which comprise the balance sheet as at 31 December 2020 and the statement of profit or loss for the financial year from 1 January 2020 to 31 December 2020 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of BNP Paribas Emissions- und Handelsgesellschaft for the financial year from 1 January 2020 to 31 December 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January 2020 to 31 December 2020 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the Declaration on Corporate Governance referred to above.

Pursuant to Sec. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the financial statements and management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 12 March 2021

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Michael Skall
Wirtschaftsprüfer
[German Public Auditor]

Steffen Neuweiler
Wirtschaftsprüfer
[German Public Auditor]