



BNP PARIBAS

17 April 2023

BNP Paribas Emissions- und Handelsgesellschaft mbH
Frankfurt am Main
("Issuer")

SUPPLEMENT NO. 2

PURSUANT TO ARTICLE 23 OF THE REGULATION (EU) 2017/1129
("PROSPECTUS REGULATION")

WITH RESPECT TO THE
REGISTRATION DOCUMENT
DATED 15 JUNE 2022
(the "Registration Document")

This Supplement (the “**Supplement**”) should be read in addition to and in conjunction with the Issuer’s Registration Document dated 15 June 2022 as supplemented by the supplement dated 19 October 2022, which has been approved by the German Federal Financial Supervisory Authority (“**BaFin**”) as competent authority.

This Supplement constitutes a supplement to the Registration Document pursuant to Article 23 of the Prospectus Regulation for the purpose of updating certain information described in the following and contained in the Registration Document.

During the validity of the Registration Document and as long as securities issued in connection with the Registration Document are publicly offered, copies of this Supplement and the Registration Document, including any supplements thereto are freely available upon request at the registered office of the Issuer, Senckenberganlage 19, 60325 Frankfurt am Main, Germany.

This Supplement and the Registration Document are published on the website of the Issuer <https://warrants.bnpparibas.com/baseprospectus>.

The new factor resulting in this Supplement is:

*The publication of the English version of the annual financial statements as at 31 December 2022, management report for the financial year 2022 and audit report ("**Annual Financial Statements 2022**") of the BNP Paribas Emissions- und Handelsgesellschaft mbH, that has been issued on 3 April 2023 on the website <https://warrants.bnpparibas.com/financial-information/> and that has been submitted for publication in the company register of the Federal Gazette (Bundesanzeiger).*

The new factor resulting in this Supplement occurred on:

3 April 2023 in the morning

1. The Table of Contents is supplemented or amended as follows:

In the Table of Contents under the header **15 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES** the item "**ANNEX A: ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021, MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2021 AND AUDIT REPORT**" shall be updated with respect to the Annual Financial Statements 2022 and replaced by "**ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022, MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2022 AND AUDIT REPORT**".

2. In the Table of Contents under the header **15 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES** after the item "**ANNEX B: ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020, MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2020 AND AUDIT REPORT**" shall be updated with respect to the Annual Financial Statements 2021 and replaced by "**ANNEX B: ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021, MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2021 AND AUDIT REPORT**".
3. In the Table of Contents under the header **15 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES** the item "**ANNEX C: INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2022, INTERIM MANAGEMENT REPORT FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 AND AUDIT REPORT**" shall be deleted and replaced by "**ANNEX C: INFORMATION ACCORDING TO ARTICLE 26 (4) OF THE PROSPECTUS REGULATION**".
4. In the Table of Contents the item "**ANNEX D: INFORMATION ACCORDING TO ARTICLE 26 (4) OF THE PROSPECTUS REGULATION**" shall be deleted.
5. The text under the header **4.2 Company's statutory auditors** relating to the auditors shall be updated and replaced as follows:

"MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Theodor-Stern-Kai 1, 60596 Frankfurt am Main, Germany, ("**MAZARS GmbH & Co. KG**") has been appointed as statutory auditor for the statutory audit of the annual financial statements for the financial year 2021. The annual financial statements for the year ended on 31 December 2021 were issued with an unqualified audit report by MAZARS GmbH & Co. KG.

MAZARS GmbH & Co. KG has been appointed as statutory auditor for the statutory audit of the annual financial statements for the financial year 2022. The annual financial statements for the year ended on 31 December 2022 were issued with an unqualified audit report by MAZARS GmbH & Co. KG.

MAZARS GmbH & Co. KG is a full member of the Chamber of German Public Auditors (*Wirtschaftsprüferkammer*) in Berlin and of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*) in Düsseldorf, Germany."

6. The text under the header **7.1 Material adverse change in the prospects of the Issuer** shall be updated with regard to the Annual Financial Statements 2022 and the date "30 June 2022" shall be replaced as follows:

"No material adverse change in the prospects of the Issuer has occurred since 31 December 2022, the date of its annual financial statements for the financial year 2022, i.e. its last published audited financial statements which can be found on the website <https://warrants.bnpparibas.com/financial-information/> and in the electronic Federal Gazette (*eBundesanzeiger*).

7. The text under the header **7.2 Significant change in the Group's financial position and profit or loss** shall be updated with regard to the Annual Financial Statements 2022 and replaced by the following paragraph:

"No significant change in the Group's financial position and profit or loss has occurred since 31 December 2022, the date of the Issuer's annual financial statements for the financial year 2022, i.e. its last published audited financial statements which can be found on the website <https://warrants.bnpparibas.com/financial-information/> and in the electronic Federal Gazette (*eBundesanzeiger*)."

8. The text under the header **7.3 Outlook** shall be updated with regard to the Annual Financial Statements 2022 and replaced with the following paragraph:

"In the second half of 2022, total market sales of German certificates and option certificates decreased by 5% in comparison to the second half of 2021. Due to the fact that sales of BNP Paribas Group increased strongly (about +33% in comparison to the second half of 2021) its market share increased consequently from about 17% in the second half of 2021 to 24% in the second half of 2022.

BNP Paribas Emissions- und Handelsgesellschaft mbH issued approximately 332,000 products in the second half of 2022. In 2022 as a whole, the Company with approximately 664,000 new issues placed more than in 2021 (approximately 449,000 new issues in 2021). In general, the level of issuance activity is highly dependent on market volatility and the overall demand for retail derivatives. A slightly higher level of securities issues is expected in 2023 compared to 2022.

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."

9. The text under the header **15.1 Accounting Standards** shall be updated with regard to the Annual Financial Statements 2022 and replaced with the following paragraph:

"The annual financial statements for the year ended on 31 December 2022, management report for the financial year 2022 and audit report attached hereto as Annex A and the annual financial statements for the year ended on 31 December 2021, management report for the financial year 2021 and audit report attached hereto as Annex B have each been drawn up in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") and the additional provisions of the German Act on Limited Liability Companies (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung* – "**GmbHG**")."

10. The text under the header **15.2 Significant changes in the Issuer's financial position** shall be updated with regard to the Annual Financial Statements 2022 and replaced with the following paragraph:

"No significant changes in the Issuer's financial position have occurred since 31 December 2022."

11. Under the header **15.3 Historical financial information**

- a) the Annex A with the information on the Annual Financial Statements 2021 is replaced entirely by the information on the Annual Financial Statements 2022;
- b) the Annex B with the information on the Annual Financial Statements 2020 is replaced entirely by the information on the Annual Financial Statements 2021;
- c) the former Annex C with the information on the interim financial statements 2022 is deleted;
- d) the following updated Annex C (former Annex D) is inserted;

"ANNEX C: INFORMATION ACCORDING TO ARTICLE 26 (4) OF THE PROSPECTUS REGULATION

| Section B – Key information on the Issuer | | |
|---|---|---|
| Who is the Issuer of the securities? | | |
| Domicile and legal form: | The Issuer has its registered office in Frankfurt am Main. Its business address is Senckenberganlage 19, 60325 Frankfurt am Main, Germany. The Issuer is a company with limited liability (<i>Gesellschaft mit beschränkter Haftung – GmbH</i>) incorporated in Germany under the laws of Germany and its legal entity identifier (LEI) is 549300TS3U4JKMR1B479. | |
| Principal activities: | Issuance of securities | |
| Major shareholders: | The sole shareholder of BNP Paribas Emissions- und Handelsgesellschaft mbH is BNP Paribas S.A., a listed public limited company (" <i>société anonyme</i> ") incorporated under the laws of France. | |
| Identity of key managing directors: | The managing director of the Issuer is Grégoire Toubanc. | |
| Identity of statutory auditors: | MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Theodor-Stern-Kai 1, 60596 Frankfurt am Main, Germany, has been appointed as statutory auditor. | |
| What is the key financial information regarding the Issuer? | | |
| The financial information shown below has been taken from the Issuer's audited annual financial statements for the financial years ended 31 December 2021 and 31 December 2022. | | |
| Table 1: Income statement - non-equity securities | | |
| | Annual financial statements as at 31 December 2022 in EUR | Annual financial statements as at 31 December 2021 in EUR |
| Result of ordinary activities | | |
| Other operating income | 783,010.31 | 1,058,779.55 |
| Other operating expenses | - 783,010.31 | - 1,058,779.55 |
| Net profit for the year | 0 | 0 |
| Table 2: Balance sheet - non-equity securities | | |
| | Annual financial statements as at 31 December 2022 in EUR | Annual financial statements as at 31 December 2021 in EUR |
| Receivables and other assets | | |
| Receivables from affiliated companies | 8,285,000.00 | 27,639,000.00 |
| Other assets (assets/current assets) | 4,207,327,744.69 | 3,023,052,044.36 |

| | | | |
|---|------------------|------------------|--|
| | | | |
| Liabilities | | | |
| Bonds (liabilities/payables) | 2,361,510,475.11 | 1,573,817,871.04 | |
| Other liabilities (liabilities/payables) | 1,854,102,269.58 | 1,476,873,173.32 | |
| Net financial debt (long term debt plus short-term debt minus cash) | 0 | 0 | |

Table 3: Cash flow statement - non-equity securities

| | For the period from 1 January to 31 December 2022 in EUR | For the period from 1 January to 31 December 2021 in EUR |
|--|---|---|
| Net Cash flows from operating activities | - 13,222.76 | 526,859.27 |
| Net Cash flows from financing activities | - | - |
| Net Cash flow from investing activities | - | - |

What are the key risks that are specific to the Issuer?

Security holders bear the issuer risk/credit risk: Subject to the Guarantee provided by BNP Paribas S.A. as Guarantor for the due payment of all amounts to be paid under the securities issued by the Issuer, security holders are exposed to the risk of the Issuer not being able to meet its obligations under the securities, e.g. in the event that it becomes insolvent (illiquid/overindebted). If the Issuer becomes insolvent, this may even result in security holders losing the capital they invested when they purchased the securities (**risk of total loss**).

Security holders bear the risk of non-performance of the control and profit transfer agreement: A control and profit transfer agreement is in place between BNP Paribas S.A. and the Issuer. Under this agreement, BNP Paribas S.A. in particular has an obligation to compensate any net loss the Issuer may otherwise generate in a financial year during the term of the control and profit transfer agreement. Investors who have invested in the securities issued by the Issuer are therefore exposed to the risk of the Issuer not being able to meet its obligations to security holders at all or not being able to meet them completely or in due time if BNP Paribas S.A. does not meet its obligations to the Issuer under the control and profit transfer agreement at all, or does not meet them completely or in due time. In this case, security holders may lose all the capital they invested when they purchased the securities (**risk of total loss**).

"

e) the Annex D is deleted.

**ANNEX A: ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022,
MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2022 AND AUDIT REPORT**

Short-form Auditor's Report

**Financial Statements
as at 31 December 2022
and Management Report
for the Financial Year 2022**

BNP PARIBAS Emissions- und Handelsgesellschaft mbH
Frankfurt am Main

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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CONTENTS

Independent Auditor's Report

1. Balance Sheet as at 31 December 2022
2. Statement of Profit or Loss for the Period from
1 January 2022 to 31 December 2022
3. Notes to the Financial Statements as at 31 December 2022
4. Management Report for the Period from
1 January 2022 to 31 December 2022

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 2022 and the statement of profit or loss for the financial year from 1 January 2022 to 31 December 2022 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 mbH for the financial year from 1 January 2022 to 31 December 2022.

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 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022 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.

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, 24 March 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Michael Skall
Wirtschaftsprüfer
[German Public Auditor]

Steffen Neuweiler
Wirtschaftsprüfer
[German Public Auditor]

BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main

Balance Sheet as at 31 December 2022

| ASSETS | | 31.12.2022 | 31.12.2021 | EQUITY AND LIABILITIES | | 31.12.2022 | 31.12.2021 |
|--------|--|------------------|------------|------------------------|--|------------------|------------|
| | | EUR | EUR k | | | EUR | EUR k |
| A. | CURRENT ASSETS | | | A. | EQUITY | | |
| I. | Receivables and other assets | | | | Subscribed capital | 25,564.59 | 26 |
| 1. | Receivables from affiliated companies | | | B. | PROVISIONS | | |
| | thereof due in more than one year EUR 8,285,000.00 | 8,285,000.00 | 27,639 | | Other provisions | 22,140.03 | 41 |
| | (31 Dec 21 EUR 3,431k) | | | | | | |
| | thereof from the shareholder EUR 8,285,000.00 | | | C. | LIABILITIES | | |
| | (31 Dec 21 EUR 27,639k) | | | 1. | Bonds | | |
| 2. | Other assets | | | | thereof convertible EUR 411,743,913.80 | 2,361,510,475.11 | 1,573,818 |
| | thereof due in more than one year EUR 2,445,514,801.11 | 4,207,327,744.69 | 3,023,052 | | (31 Dec 21 EUR 164,340k) | | |
| | (31 Dec 21 EUR 1,680,183k) | | | | thereof due within one year EUR 1,069,802,806.17 | | |
| | thereof from affiliated companies EUR 4,207,327,744.69 | | | | (31 Dec 21 EUR 770,695k) | | |
| | (31 Dec 21 EUR 3,023,052k) | | | 2. | Liabilities to banks | | |
| II. | Balances with banks | | | | thereof due within one year EUR 0.00 | 0.00 | 0 |
| | thereof with the shareholder EUR 50,885.87 | 50,885.87 | 64 | | (31 Dec 21 EUR 0k) | | |
| | (31 Dec 21 EUR 64k) | | | | thereof with the shareholder 0,00 (31 Dec 20 EUR 0k) | | |
| B. | PREPAID EXPENSES | | | 3. | Trade payables | | |
| | Prepaid expenses | 0.00 | 3 | | thereof due within one year EUR 3,181.25 | 3,181.25 | 0 |
| | | | | | (31 Dec 21 EUR 0k) | | |
| | | | | 4. | Other liabilities | | |
| | | | | | thereof due within one year EUR 692,010,137.41 | 1,854,102,269.58 | 1,476,873 |
| | | | | | (31 Dec 21 EUR 596,382k) | | |
| | | 4,215,663,630.56 | 3,050,758 | | | | |
| | | | | | | 4,215,663,630.56 | 3,050,758 |

BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main
Statement of Profit or Loss for the Period from 1 January 2022 to 31 December 2022

| | 01.01.-31.12.2022 EUR | 2021 EUR k |
|--------------------------------------|--------------------------|---------------|
| Result of ordinary activities | | |
| 1. Other operating income | 783,010.31 | 1,059 |
| 2. Other operating expenses | -783,010.31 | -1,059 |
| 3. Net profit for the year | 0.00 | 0 |

BNP PARIBAS EMISSIONS- UND HANDELSGESELLSCHAFT MBH, FRANKFURT AM MAIN

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

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 2021.

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” comprise OTC options of EUR 4,207,328k, including OTC options denominated in foreign currency of USD 38,278k, CHF 2,650k and GBP 1.100k, acquired from affiliated companies to hedge securities in circulation.

The “Balances with banks” consist exclusively of a current account balance with the shareholder BNP PARIBAS S.A., Germany branch.

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 2022.

3. Liabilities

“Bonds” contain issued certificates of EUR 2,361,510k including certificates denominated in foreign currency of USD 38,278k, CHF 2,650k and GBP 1,100k.

“Other liabilities” consist of issued option certificates of EUR 1,854,102k.

4. Aging structure of liabilities

Liabilities from issued securities break down as follows:

| | | due in | due in | due in | |
|-------------------|------------------|------------------|------------------|------------------|-----------------|
| | Total | up to 1 year | 1 to 5 years | over 5 years | thereof secured |
| | <u>EURk</u> | <u>EURk</u> | <u>EURk</u> | <u>EURk</u> | <u>EURk</u> |
| Bonds | 2,361,511 | 1,069,803 | 1,166,984 | 124,724 | 0 |
| Other liabilities | 1,854,102 | 692,010 | 107,328 | 1,054,764 | 0 |
| Total | 4,215,613 | 1,761,813 | 1,274,312 | 1,179,488 | 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 2022

| Type of security: | Option certificates (EUR) | | Listed | |
|--|---------------------------|------------------|------------------|-----------------|
| Line item: Other liabilities | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category: Equity-linked/index related transactions | | | | |
| | 798,698,988 | 1,331,655,005.68 | 533,481,327.40 | 798,173,678.28 |
| | 332,927,566 | 499,071,403.99 | 1,206,205,312.67 | -707,133,908.68 |
| Category: Commodities | | | | |
| | 3,579,963 | 5,284,401.14 | 2,773,864.29 | 2,510,536.85 |
| | 2,088,032 | 3,092,067.86 | 6,499,928.80 | -3,407,860.94 |
| Category: Currencies | | | | |
| | 900,392 | 4,972,436.37 | 3,154,439.09 | 1,817,997.28 |
| | 375,604 | 1,522,820.30 | 2,271,069.62 | -748,249.32 |
| Category: Other | | | | |
| | 3,167,795 | 5,227,823.46 | 2,842,408.12 | 2,385,415.34 |
| | 1,896,072 | 3,276,310.78 | 6,341,290.92 | -3,064,980.14 |
| Total: Option certificates (listed) | | | | |
| | 806,347,137 | 1,347,139,666.65 | 542,252,038.90 | 804,887,627.75 |
| | 337,287,274 | 506,962,602.93 | 1,221,317,602.01 | -714,354,999.08 |
| | 1,143,634,411 | 1,854,102,269.59 | 1,763,569,640.91 | 90,532,628.68 |

| Type of security: | Certificates (EUR) | | Listed | |
|--|--------------------|----------------|----------------|----------------|
| Line item: Bonds | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category: Equity-linked/index related transactions | | | | |
| | 10,945,317 | 826,173,655.25 | 764,780,712.69 | 61,392,942.56 |
| | 19,732,397 | 723,644,109.46 | 776,851,496.76 | -53,207,387.30 |
| Category: Commodities | | | | |
| | 21,747 | 5,196,992.55 | 4,592,207.59 | 604,784.96 |
| | 4,803 | 626,166.92 | 641,191.51 | -15,024.59 |
| Category: Currencies | | | | |
| | 65,818 | 11,952,181.49 | 11,030,723.35 | 921,458.14 |
| Category: Other | | | | |
| | 931,282 | 262,600,757.09 | 223,592,564.71 | 39,008,192.38 |
| | 278,917 | 78,880,984.56 | 89,679,313.05 | -10,798,328.49 |
| Total: Certificates (listed) | | | | |

| | | | |
|-------------------|-------------------------|-------------------------|----------------------|
| 11,964,164 | 1,105,923,586.38 | 1,003,996,208.34 | 101,927,378.04 |
| 20,016,117 | 803,151,260.94 | 867,172,001.32 | -64,020,740.38 |
| 31,980,281 | 1,909,074,847.32 | 1,871,168,209.66 | 37,906,637.66 |

| Type of security: | Reverse convertible bonds (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|---|-----------------------|-----------------------|----------------------|
| Category: Equity-linked/index related transactions | | | |
| 210,898 | 211,181,334.29 | 183,350,362.16 | 27,830,972.13 |
| 43,728 | 43,111,020.84 | 45,292,663.81 | -2,181,642.97 |
| Category: Commodities | | | |
| 2,888 | 2,888,000.00 | 2,529,619.69 | 358,380.31 |
| 2,391 | 2,391,000.00 | 2,450,459.46 | -59,459.46 |
| Category: Currencies | | | |
| 13,475 | 13,494,740 | 9,937,547 | 3,557,192.71 |
| 1,000 | 1,000,000 | 1,008,753 | -8,753.10 |
| Category: Other | | | |
| 106,448 | 106,455,595 | 86,752,013 | 19,703,582.43 |
| 23,893 | 23,934,373 | 26,925,838 | -2,991,464.73 |
| Total: Reverse convertible bonds (listed) | | | |
| 333,709 | 334,019,670 | 282,569,542 | 51,450,128 |
| 71,012 | 70,436,394 | 75,677,714 | -5,241,320 |
| 404,721 | 404,456,063.20 | 358,247,255.88 | 46,208,807.32 |

| Type of security: | Fixed income certificates (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|-------------------------------------|---------------------|---------------------|-------------------|
| Category: Interest | | | |
| 5,285 | 5,285,000.00 | 5,147,293.38 | 137,706.62 |
| Category: CLN | | | |
| 30 | 3,000,000.00 | 3,026,980.69 | -26,980.69 |
| Total: Certificates (listed) | | | |
| 5,285 | 5,285,000.00 | 5,147,293.38 | 137,706.62 |
| 30 | 3,000,000.00 | 3,026,980.69 | -26,980.69 |
| 5,315 | 8,285,000.00 | 8,174,274.07 | 110,725.93 |

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

| | | | |
|------------------|------------------|------------------|----------------|
| 1,176,024,727.81 | 4,175,918,180.10 | 4,001,159,380.52 | 174,758,799.58 |
|------------------|------------------|------------------|----------------|

OTC options (EUR) buy

Line item: Other assets

| | Quantity | Book value | Fair value | Difference |
|---|------------------|------------------|------------------|-----------------|
| 1. Underlying option certificates on shares/stock indexes | | | | |
| | 341,424,013.90 | 499,071,403.99 | 1,206,205,312.67 | 707,133,908.68 |
| | 1,486,234,007.13 | 1,331,655,005.68 | 533,481,327.40 | -798,173,678.28 |
| 2. Underlying option certificates on commodities | | | | |
| | 1,711,309.37 | 3,092,067.86 | 6,499,928.80 | 3,407,860.94 |
| | 2,253,463.35 | 5,284,401.14 | 2,773,864.29 | -2,510,536.85 |
| 3. Underlying option certificates on currencies | | | | |
| | 2,593,402.00 | 1,522,820.30 | 2,271,069.62 | 748,249.32 |
| | 34,934,704.70 | 4,972,436.37 | 3,154,439.09 | -1,817,997.28 |
| 4. Underlying option certificates on other transactions | | | | |
| | 1,392,826.86 | 3,276,310.78 | 6,341,290.92 | 3,064,980.14 |
| | 1,809,621.59 | 5,227,823.46 | 2,842,408.12 | -2,385,415.34 |
| 5. Underlying certificates on shares/reverse convertible bonds | | | | |
| | 19,589,141.21 | 723,644,109.46 | 776,851,496.76 | 53,207,387.30 |
| | 11,506,421.10 | 826,173,655.25 | 764,780,712.69 | -61,392,942.56 |
| 6. Underlying certificates on commodities | | | | |
| | 4,803.00 | 626,166.92 | 641,191.51 | 15,024.59 |
| | 21,747.00 | 5,196,992.55 | 4,592,207.59 | -604,784.96 |
| 7. Underlying certificates on currencies | | | | |
| | 65,818.00 | 11,952,181.49 | 11,030,723.35 | -921,458.14 |
| 8. Underlying certificates on other transactions | | | | |
| | 278,917.00 | 78,880,984.56 | 89,679,313.05 | 10,798,328.49 |
| | 1,057,282.00 | 262,600,757.09 | 223,592,564.71 | -39,008,192.38 |
| 9. Underlying reverse convertible bonds | | | | |
| | 43,728.00 | 43,111,020.84 | 45,292,663.81 | 2,181,642.97 |
| | 210,898.00 | 211,181,334.29 | 183,350,362.16 | -27,830,972.13 |
| 10. Underlying reverse convertible bonds on commodities | | | | |
| | 2,391.00 | 2,391,000.00 | 2,450,459.46 | 59,459.46 |
| | 2,888.00 | 2,888,000.00 | 2,529,619.69 | -358,380.31 |
| 11. Underlying reverse convertible bonds on currencies | | | | |
| | 1,000.00 | 1,000,000.00 | 1,008,753.10 | 8,753.10 |
| | 13,475.00 | 13,494,740.00 | 9,937,547.29 | -3,557,192.71 |
| 12. Underlying reverse convertible bonds on other | | | | |

| | | | | |
|--|-------------------------|-------------------------|-------------------------|------------------------|
| | 23,893.00 | 23,934,372.81 | 26,925,837.54 | 2,991,464.73 |
| | 106,448.00 | 106,455,595.26 | 86,752,012.83 | -19,703,582.43 |
| Total OTC - options | | | | |
| 1. Underlying option certificates | | | | |
| | 347,121,552.13 | 506,962,602.93 | 1,221,317,602.01 | 714,354,999.08 |
| | 1,525,231,796.77 | 1,347,139,666.65 | 542,252,038.90 | -804,887,627.75 |
| | 1,872,353,348.90 | 1,854,102,269.59 | 1,763,569,640.91 | -90,532,628.68 |
| 2. Underlying certificates | | | | |
| | 19,872,861.21 | 803,151,260.94 | 867,172,001.32 | 64,020,740.38 |
| | 12,651,268.10 | 1,105,923,586.38 | 1,003,996,208.34 | -101,927,378.04 |
| | 32,524,129.31 | 1,909,074,847.32 | 1,871,168,209.66 | -37,906,637.66 |
| 3. Underlying reverse convertible bonds | | | | |
| | 71,012.00 | 70,436,393.65 | 75,677,713.91 | 5,241,320.26 |
| | 333,709.00 | 334,019,669.55 | 282,569,541.97 | -51,450,127.58 |
| | 404,721.00 | 404,456,063.20 | 358,247,255.88 | -46,208,807.32 |
| <hr/> | | | | |
| Total OTC options | 1,905,282,199.21 | 4,167,633,180.10 | 3,992,985,106.45 | -174,648,073.65 |

| Hedging instruments (EUR) FIC (time deposit + swaps) | | | | |
|---|----------|---------------------|---------------------|--------------------|
| Line item: Receivables from affiliated companies | | | | |
| | Quantity | Book value | Fair value | Difference |
| 1. Underlying FIC on interest | | | | |
| | 3 | 5,285,000 | 5,147,293 | -137,706.62 |
| 2. Underlying FIC on credit linked notes | | | | |
| | 1 | 3,000,000.00 | 3,026,980.69 | 26,980.69 |
| Total: Hedging instruments – FIC | | | | |
| | 1 | 3,000,000.00 | 3,026,980.69 | 26,980.69 |
| | 3 | 5,285,000.00 | 5,147,293.38 | -137,706.62 |
| | 4 | 8,285,000.00 | 8,174,274.07 | -110,725.93 |

| | | |
|--------------------------|---------------------------|---------------|
| 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 | | | |
| 23,797 | 14,213,985.44 | 11,915,853.73 | 2,298,131.71 |
| 1,350 | 1,261,741.20 | 1,644,922.06 | -383,180.86 |
| Category: Commodities | | | |
| 2,169 | 2,027,197.53 | 1,791,393.84 | 235,803.69 |
| Category: Other | | | |
| 40,395 | 9,115,106.32 | 7,841,088.57 | 1,274,017.75 |
| 2,000 | 1,869,246.23 | 1,930,941.37 | -61,695.14 |
| Total: Certificates (listed) | | | |
| 66,361 | 25,356,289.29 | 21,548,336.14 | 3,807,953.15 |
| 3,350 | 3,130,987.43 | 3,575,863.43 | -444,876.00 |
| 69,711 | 28,487,276.72 | 25,124,199.57 | 3,363,077.15 |

| | | |
|--------------------------|--|---------------|
| Type of security: | Reverse convertible bonds (USD) | Listed |
|--------------------------|--|---------------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|---------------------|---------------------|-------------------|
| Category: Equity-linked/index related transactions | | | |
| 970 | 906,584.42 | 785,090.89 | 121,493.53 |
| 1,700 | 1,563,328.75 | 1,609,706.35 | -46,377.60 |
| Category: Commodities | | | |
| 1,163 | 1,086,966.68 | 1,135,940.71 | -48,974.03 |
| Category: Currencies | | | |
| 350 | 320,735.45 | 332,758.69 | -12,023.24 |
| Category: Other | | | |
| 300 | 280,386.93 | 204,246.43 | 76,140.50 |
| 3,380 | 3,129,848.36 | 3,232,929.95 | -103,081.59 |
| Total: Reverse convertible bonds (listed) | | | |
| 2,783 | 2,594,673.49 | 2,458,036.72 | 136,636.77 |
| 5,080 | 4,693,177.11 | 4,842,636.30 | -149,459.19 |
| 7,863 | 7,287,850.60 | 7,300,673.02 | -12,822.42 |

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

| | | | |
|------------------|----------------------|----------------------|---------------------|
| 77,574.00 | 35,775,127.32 | 32,424,872.59 | 3,350,254.73 |
|------------------|----------------------|----------------------|---------------------|

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 | | | | |
| | 1,350.00 | 1,261,741.20 | 1,644,922.06 | 383,180.86 |
| | 23,797.00 | 14,213,985.44 | 11,915,853.73 | -2,298,131.71 |
| 2. Underlying certificates on commodities | | | | |
| | 2,169.00 | 2,027,197.53 | 1,791,393.84 | -235,803.69 |
| 3. Underlying certificates on other transactions | | | | |
| | 2,000.00 | 1,869,246.23 | 1,930,941.37 | 61,695.14 |
| | 40,395.00 | 9,115,106.32 | 7,841,088.57 | -1,274,017.75 |
| 4. Underlying reverse convertible bonds on shares/reverse convertible bonds | | | | |
| | 1,700.00 | 1,563,328.75 | 1,609,706.35 | 46,377.60 |
| | 970.00 | 906,584.42 | 785,090.89 | -121,493.53 |
| 5. Underlying reverse convertible bonds on commodities | | | | |
| | 1,163.00 | 1,086,966.68 | 1,135,940.71 | 48,974.03 |
| 6. Underlying reverse convertible bonds on currencies | | | | |
| | 350.00 | 320,735.45 | 332,758.69 | 12,023.24 |
| 6. Underlying reverse convertible bonds on other | | | | |
| | 3,380.00 | 3,129,848.36 | 3,232,929.95 | 103,081.59 |
| | 300.00 | 280,386.93 | 204,246.43 | -76,140.50 |
| Total OTC - options | | | | |
| 1. Underlying certificates | | | | |
| | 3,350.00 | 3,130,987.43 | 3,575,863.43 | 444,876.00 |
| | 66,361.00 | 25,356,289.29 | 21,548,336.14 | -3,807,953.15 |
| | 69,711.00 | 28,487,276.72 | 25,124,199.57 | -3,363,077.15 |
| 2. Underlying reverse convertible bonds | | | | |
| | 6,593.00 | 6,100,879.25 | 6,311,335.70 | 210,456.45 |
| | 1,270.00 | 1,186,971.35 | 989,337.32 | -197,634.03 |
| | 7,863.00 | 7,287,850.60 | 7,300,673.02 | 12,822.42 |
| <hr/> | | | | |
| Total OTC options | | | | |
| | <u>77,574.00</u> | <u>35,775,127.32</u> | <u>32,424,872.59</u> | <u>-3,350,254.73</u> |

| | | |
|-------------------|--------------------|--------|
| Type of security: | Certificates (CHF) | Listed |
|-------------------|--------------------|--------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|---------------------|---------------------|-------------------|
| Category: Equity-linked/index related transactions | | | |
| 450 | 454,966.80 | 459,525.03 | -4,558.23 |
| Category: Other | | | |
| 2,200 | 2,224,282.14 | 2,013,715.82 | 210,566.32 |
| Total: Certificates (listed) | | | |
| 2,200 | 2,224,282.14 | 2,013,715.82 | 210,566.32 |
| 450 | 454,966.80 | 459,525.03 | -4,558.23 |
| 2,650 | 2,679,248.94 | 2,473,240.85 | 206,008.09 |
| <hr/> | | | |
| Total option certificates/cert./rev, conv, bonds | | | |
| 2,650 | 2,679,248.94 | 2,473,240.85 | 206,008.09 |

OTC options (CHF) buy

Line item: Other assets

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|---------------------|---------------------|--------------------|
| 1. Underlying certificates on shares/reverse convertible bonds | | | |
| 450.00 | 454,966.80 | 459,525.03 | 4,558.23 |
| 2. Underlying certificates on other transactions | | | |
| 2,200.00 | 2,224,282.14 | 2,013,715.82 | -210,566.32 |
| Total OTC – options | | | |
| 1. Underlying certificates | | | |
| 450.00 | 454,966.80 | 459,525.03 | 4,558.23 |
| 2,200.00 | 2,224,282.14 | 2,013,715.82 | -210,566.32 |
| 2,650.00 | 2,679,248.94 | 2,473,240.85 | -206,008.09 |
| <hr/> | | | |
| Total OTC options | | | |
| 2,650.00 | 2,679,248.94 | 2,473,240.85 | -206,008.09 |

Type of security:

Certificates (GBP)

Listed

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|----------|-------------------|-------------------|------------|
|----------|-------------------|-------------------|------------|

| | | | | |
|--|--------------------------|--------------------------|--|--------------------|
| Category: Equity-linked/index related transactions | | | | |
| 1,100 | 1,240,188.32 | 921,452.93 | | 318,735.39 |
| Total: Certificates (listed) | | | | |
| 1,100 | 1,240,188.32 | 921,452.93 | | 318,735.39 |
| 1,100 | 1,240,188.32 | 921,452.93 | | 318,735.39 |
| <hr/> | | | | |
| Total option certificates/cert,/rev, conv, bonds | | | | |
| 1,100.00 | 1,240,188.32 | 921,452.93 | | 318,735.39 |
| OTC options (CHF) buy | | | | |
| Line item: Other assets | | | | |
| Quantity | Book value in EUR | Fair value in EUR | | Difference |
| 1. Underlying certificates on shares/ reverse convertible bonds | | | | |
| 1,100.00 | 1,240,188.32 | 921,452.93 | | -318,735.39 |
| Total OTC – options | | | | |
| 1. Underlying certificates | | | | |
| 1,100.00 | 1,240,188.32 | 921,452.93 | | -318,735.39 |
| 1,100.00 | 1,240,188.32 | 921,452.93 | | -318,735.39 |
| <hr/> | | | | |
| <u>Total OTC options</u> | | | | |
| <u>1,100.00</u> | <u>1,240,188.32</u> | <u>921,452.93</u> | | <u>-318,735.39</u> |

Summary of securities issues as at 31 December 2021

| Type of security: | Option certificates (EUR) | | Listed | |
|--|---------------------------|------------------|------------------|-----------------|
| Line item: Other liabilities | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category: Equity-linked/index related transactions | | | | |
| | 520,532,279 | 839,427,598.58 | 458,212,561.40 | 381,215,037.18 |
| | 298,466,102 | 486,592,751.25 | 1,009,973,904.67 | -523,381,153.42 |
| Category: Commodities | | | | |
| | 5,586,070 | 22,225,345.64 | 16,172,422.20 | 6,052,923.44 |
| | 5,049,685 | 23,044,047.63 | 36,010,108.95 | -12,966,061.32 |
| Category: Currencies | | | | |
| | 7,601,525 | 34,656,446.96 | 23,147,115.90 | 11,509,331.06 |
| | 4,113,073 | 16,035,192.49 | 23,358,086.57 | -7,322,894.08 |
| Category: Other | | | | |
| | 18,969,364 | 30,516,000.88 | 13,178,888.30 | 17,337,112.58 |
| | 9,269,417 | 16,727,780.01 | 41,245,719.69 | -24,517,939.68 |
| Total: Option certificates (listed) | | | | |
| | 552,689,238 | 926,825,392.06 | 510,710,987.80 | 416,114,404.26 |
| | 316,898,277 | 542,399,771.38 | 1,110,587,819.88 | -568,188,048.50 |
| | 869,587,515 | 1,469,225,163.44 | 1,621,298,807.68 | -152,073,644.24 |

| Type of security: | Certificates (EUR) | | Listed | |
|-------------------|--|----------------|----------------|----------------|
| Line item: Bonds | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category: | Equity-linked/index related transactions | | | |
| | 8,728,841 | 423,959,092.99 | 379,275,048.31 | 44,684,044.68 |
| | 17,810,792 | 944,037,509.53 | 990,085,115.14 | -46,047,605.61 |
| Category: | Commodities | | | |
| | 800 | 800,000.00 | 799,610.77 | 389.23 |
| | 8,211 | 708,988.66 | 945,003.85 | -236,015.19 |
| Category: | Other | | | |
| | 19,601 | 50,377.00 | 27,094.30 | 23,282.70 |
| | 12,535 | 23,566.62 | 36,822.71 | -13,256.09 |
| Total: | Certificates (listed) | | | |
| | 8,749,242 | 424,809,469.99 | 380,101,753.38 | 44,707,716.61 |
| | 17,831,538 | 944,770,064.81 | 991,066,941.70 | -46,296,876.89 |

26,580,780 1,369,579,534.80 1,371,168,695.08 -1,589,160.28

| Type of security: | Reverse convertible bonds (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|---|-----------------------|-----------------------|--------------------|
| Category: Equity-linked/index related transactions | | | |
| 80,742 | 80,415,534.52 | 77,638,098.89 | 2,777,435.63 |
| 77,187 | 77,238,686.45 | 80,190,100.83 | -2,951,414.38 |
| Total: Reverse convertible bonds (listed) | | | |
| 80,742 | 80,415,534.52 | 77,638,098.89 | 2,777,435.63 |
| 77,187 | 77,238,686.45 | 80,190,100.83 | -2,951,414.38 |
| 157,929 | 157,654,220.97 | 157,828,199.72 | -173,978.75 |

| Type of security: | Fixed income certificates (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|-------------------------------------|----------------------|----------------------|--------------------|
| Category: Interest | | | |
| 10,931 | 10,931,000.00 | 10,974,379.38 | -43,379.38 |
| Category: CLN | | | |
| 13,738 | 16,708,000.00 | 17,073,211.08 | -365,211.08 |
| Total: Certificates (listed) | | | |
| 24,669 | 27,639,000.00 | 28,047,590.46 | -408,590.46 |
| 24,669 | 27,639,000.00 | 28,047,590.46 | -408,590.46 |

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

896,350,893.00 3,024,097,919.21 3,178,343,292.94 -154,245,373.73

| OTC options (EUR) buy |
|-----------------------|
|-----------------------|

Line item: Other assets

| Quantity | Book value | Fair value | Difference |
|--|----------------|------------------|-----------------|
| 1. Underlying option certificates on shares/stock indexes | | | |
| 219,951,584.28 | 486,592,751.25 | 1,009,973,904.67 | 523,381,153.42 |
| 227,881,270.97 | 839,427,598.58 | 458,212,561.40 | -381,215,037.18 |
| 2. Underlying option certificates on commodities | | | |
| 4,735,525.60 | 23,044,047.63 | 36,010,108.95 | 12,966,061.32 |
| 4,752,728.14 | 22,225,345.64 | 16,172,422.20 | -6,052,923.44 |

3. Underlying option certificates on currencies

| | | | |
|----------------|---------------|---------------|----------------|
| 127,025,335.00 | 16,035,192.49 | 23,358,086.57 | 7,322,894.08 |
| 397,205,630.00 | 34,656,446.96 | 23,147,115.90 | -11,509,331.06 |

4. Underlying option certificates on other transactions

| | | | |
|---------------|---------------|---------------|----------------|
| 6,881,934.80 | 16,727,780.01 | 41,245,719.69 | 24,517,939.68 |
| 15,492,887.20 | 30,516,000.88 | 13,178,888.30 | -17,337,112.58 |

5. Underlying certificates on shares/reverse convertible bonds

| | | | |
|---------------|----------------|----------------|----------------|
| 17,724,431.80 | 944,037,509.53 | 990,085,115.14 | 46,047,605.61 |
| 7,755,663.80 | 423,959,092.99 | 379,275,048.31 | -44,684,044.68 |

6. Underlying certificates on commodities

| | | | |
|----------|------------|------------|------------|
| 8,211.00 | 708,988.66 | 945,003.85 | 236,015.19 |
| 800.00 | 800,000.00 | 799,610.77 | -389.23 |

7. Underlying certificates on other transactions

| | | | |
|-----------|-----------|-----------|------------|
| 12,535.00 | 23,566.62 | 36,822.71 | 13,256.09 |
| 19,601.00 | 50,377.00 | 27,094.30 | -23,282.70 |

8. Underlying reverse convertible

| | | | |
|-----------|---------------|---------------|---------------|
| 77,187.00 | 77,238,686.45 | 80,190,100.83 | 2,951,414.38 |
| 80,742.00 | 80,415,534.52 | 77,638,098.89 | -2,777,435.63 |

Total OTC - options

1. Underlying option certificates

| | | | |
|-------------------------|-------------------------|-------------------------|-----------------------|
| 358,594,379.68 | 542,399,771.38 | 1,110,587,819.88 | 568,188,048.50 |
| 645,332,516.31 | 926,825,392.06 | 510,710,987.80 | -416,114,404.26 |
| 1.003.926.895.99 | 1.469.225.163.44 | 1.621.298.807.68 | 152.073.644.24 |

2. Underlying certificates

| | | | |
|----------------------|-------------------------|-------------------------|---------------------|
| 17,745,177.80 | 944,770,064.81 | 991,066,941.70 | 46,296,876.89 |
| 7,776,064.80 | 424,809,469.99 | 380,101,753.38 | -44,707,716.61 |
| 25,521,242.60 | 1,369,579,534.80 | 1,371,168,695.08 | 1,589,160.28 |

3. Underlying reverse convertible bonds

| | | | |
|-------------------|-----------------------|-----------------------|-------------------|
| 77,187.00 | 77,238,686.45 | 80,190,100.83 | 2,951,414.38 |
| 80,742.00 | 80,415,534.52 | 77,638,098.89 | -2,777,435.63 |
| 157,929.00 | 157,654,220.97 | 157,828,199.72 | 173,978.75 |

Total OTC options

| | | | |
|--------------------------------|--------------------------------|--------------------------------|------------------------------|
| <u>1,029,606,067.59</u> | <u>2,996,458,919.21</u> | <u>3,150,295,702.48</u> | <u>153,836,783.27</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 | | | | |
| | 4 | 10,931,000.00 | 10,974,379.38 | 43,379.38 |
| 2. Underlying FIC on credit linked notes | | | | |
| | 4 | 16,708,000.00 | 17,073,211.08 | 365,211.08 |
| Total: Hedging instruments – FIC | | | | |
| | 8 | 27,639,000.00 | 28,047,590.46 | 408,590.46 |
| | <u>8</u> | <u>27,639,000.00</u> | <u>28,047,590.46</u> | <u>408,590.46</u> |

Type of security: Option certificates (USD) listed

Line item: Other liabilities

| | Quantity | Book value in EUR | Fair value in EUR | Difference |
|--|---------------|---------------------|---------------------|--------------------|
| Category: Other | | | | |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |
| Total: Option certificates (listed) | | | | |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |

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 | | | | |
| | 60 | 511,727.08 | 321,215.00 | 190,512.08 |
| | 10,861 | 10,268,219.32 | 12,130,378.93 | -1,862,159.61 |
| Total: Certificates (listed) | | | | |
| | 60 | 511,727.08 | 321,215.00 | 190,512.08 |
| | 10,861 | 10,268,219.32 | 12,130,378.93 | -1,862,159.61 |
| | 10,921 | 10,779,946.40 | 12,451,593.93 | -1,671,647.53 |

Type of security: Reverse convertible bonds (USD) listed

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|----------------------|----------------------|----------------------|
| Category: Equity-linked/index related transactions | | | |
| 2,340 | 1,956,231.39 | 1,317,158.90 | 639,072.49 |
| 5,048 | 4,729,851.06 | 5,611,605.42 | -881,754.36 |
| Total: Reverse convertible bonds (listed) | | | |
| 2,340 | 1,956,231.39 | 1,317,158.90 | 639,072.49 |
| 5,048 | 4,729,851.06 | 5,611,605.42 | -881,754.36 |
| 7,388 | 6,686,082.45 | 6,928,764.32 | -242,681.87 |
| <hr/> | | | |
| Total option certificates/cert./rev. conv. bonds | | | |
| 44,581.00 | 25,114,038.73 | 27,519,044.25 | -2,405,005.52 |

OTC options (USD) buy

Line item: Other assets

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|----------------------|----------------------|---------------------|
| 1. Underlying option certificates on other transactions | | | |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 2. Underlying certificates on shares/reverse convertible bonds | | | |
| 10,861.00 | 10,268,219.32 | 12,130,378.93 | 1,862,159.61 |
| 60.00 | 511,727.08 | 321,215.00 | -190,512.08 |
| 3. Underlying reverse convertible bonds | | | |
| 5,048.00 | 4,729,851.06 | 5,611,605.42 | 881,754.36 |
| 2,340.00 | 1,956,231.39 | 1,317,158.90 | -639,072.49 |
| Total OTC - options | | | |
| 1. Underlying option certificates | | | |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 2. Underlying certificates | | | |
| 10,861.00 | 10,268,219.32 | 12,130,378.93 | 1,862,159.61 |
| 60.00 | 511,727.08 | 321,215.00 | -190,512.08 |
| 10,921.00 | 10,779,946.40 | 12,451,593.93 | 1,671,647.53 |
| 3. Underlying reverse convertible bonds | | | |
| 5,048.00 | 4,729,851.06 | 5,611,605.42 | 881,754.36 |
| 2,340.00 | 1,956,231.39 | 1,317,158.90 | -639,072.49 |
| 7,388.00 | 6,686,082.45 | 6,928,764.32 | 242,681.87 |

Total OTC options

44,581.00 25,114,038.73 27,519,044.25 2,405,005.52

| | | |
|--------------------------|---------------------------|---------------|
| Type of security: | Certificates (CHF) | Listed |
|--------------------------|---------------------------|---------------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|---------------------|---------------------|-------------------|
| Category: Equity-linked/index related transactions | | | |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |
| Total: Certificates (listed) | | | |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |

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

1,600.00 **1,479,086.42** **1,545,832.70** **-66,746.28**

OTC options (CHF) buy

Line item: Other assets

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|-------------------|-------------------|------------|
| 1. Underlying certificates on shares/reverse convertible bonds | | | |
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |

Total OTC – options

| | | | |
|-----------------------------------|---------------------|---------------------|------------------|
| 1. Underlying certificates | | | |
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |

Total OTC options

1,600.00 1,479,086.42 1,545,832.70 66,746.28

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 2022 | Full year 2021 |
|--|----------------|----------------|
| | EUR | EUR |
| 1. Cashflow from operating activities | | |
| Cash receipts from reimbursed issue fees | 1,038,410.71 | 1,668,682.06 |
| Other cash receipts which cannot be allocated to investing or financing activities | 46,922.20 | 64,941.49 |
| Cash payments for issue fees | -1,046,598.29 | -1,162,253.11 |
| Other cash payments which cannot be allocated to investing or financing activities | -51,957.38 | -44,511.17 |
| Cash flow from operating activities | -13,222.76 | 526,859.27 |
| 2. Cash and cash equivalents at the end of the period | | |
| Change in cash and cash equivalents | -13,222.76 | 526,859.27 |
| Cash and cash equivalents at the beginning of the period | 64,108.63 | -462,750.64 |
| Cash and cash equivalents at the end of the period | 50,885.87 | 64,108.63 |
| 3. Composition of cash and cash equivalents | | |
| Cash | 50,885.87 | 64,108.63 |
| Cash and cash equivalents at the end of the period | 50,885.87 | 64,108.63 |

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 "balances with 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

Grégoire Toubanc, business administrator, Frankfurt am Main, Head of Sales Exchange Traded Solutions of BNP Paribas S.A., German branch.

The executive director 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. Auditor's fee

The information on the auditor's fee is included in the consolidated financial statements of BNP Paribas S.A. Due to the exempting group clause of Sec. 285 No. 17 HGB, this information is not provided here.

6. 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) as well as on the Group's own website www.invest.bnpparibas.com. The annual report of BNP Paribas S.A. is also available on the Group's website.

7. Subsequent events report

There have not been any subsequent events of material significance that occurred after the end of the reporting period. The current Ukraine crisis presently has no discernible negative impact on the assets and liabilities, financial performance and financial position of the Company.

Frankfurt am Main, 24 March 2023

The management

Grégoire Toubanc

MANAGEMENT REPORT

FOR THE REPORTING PERIOD FROM

1 JANUARY 2022 TO 31 DECEMBER 2022

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 33% in the second half of 2022 in comparison to the prior year. This development outperformed the total market, which declined by about 5% in the respective period. In the full year 2022, the Group's market share increased by about 17% (2021) to about 22%.

The balance sheet total rose by 38.2% in comparison to 31 December 2021, increasing from EUR 3,051 million to EUR 4,216 million. By contrast, there was a notable decrease in the balance sheet total in comparison to 30 June 2022 of 32.0%. However, the balance sheet total as at 30 June 2022 of EUR 6,202 million was unusually high as no comprehensive program had been conducted in the first half of 2022 to derecognize any securities that had not been placed on the market.

The ratio of external placements decreased from 50.5% as at 31 December 2021 to 48.4% as at 31 December 2022.

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 2022 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 development in the reporting year was very positive.

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. The current Ukraine crisis currently have no discernible negative impact on the assets and liabilities, financial performance and financial position of the Company.

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 decisive 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 2022, total market sales of German certificates and option certificates decreased by 5% in comparison to the second half of 2021. Due to the fact that sales of BNP Paribas Group increased strongly (about +33% in comparison to the second half of 2021) its market share increased consequently from about 17% in the second half of 2021 to 24% in the second half of 2022.

BNP Paribas Emissions- und Handelsgesellschaft mbH issued approximately 332,000 products in the second half of 2022. In 2022 as a whole, the Company with approximately 664,000 new issues placed more than in 2021 (approximately 449,000 new issues in 2021). In general, the level of issuance activity is highly dependent on market volatility and the overall demand for retail derivatives. A slightly higher level of securities issues is expected in 2023 compared to 2022.

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, 24 March 2023

Grégoire Toublanc

**ANNEX B: ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021,
MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2021 AND AUDIT REPORT**

Short-form Auditor's Report

Financial Statements as at 31 December 2021 and Management Report for the Financial Year 2021

**BNP PARIBAS Emissions- und Handelsgesellschaft mbH
Frankfurt am Main**

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

CONTENTS

Independent Auditor's Report

1. Balance Sheet as at 31 December 2021
2. Statement of Profit or Loss for the Period from
1 January 2021 to 31 December 2021
3. Notes to the Financial Statements as at 31 December 2021
4. Management Report for the Period from
1 January 2021 to 31 December 2021

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 2021 and the statement of profit or loss for the financial year from 1 January 2021 to 31 December 2021 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 2021 to 31 December 2021.

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 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021 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, 29 March 2022

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Michael Skall
Wirtschaftsprüfer
[German Public Auditor]

Steffen Neuweiler
Wirtschaftsprüfer
[German Public Auditor]

BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main

Balance Sheet as at 31 December 2021

| | | 31.12.2021 | 31.12.2020 | | | 31.12.2021 | 31.12.2020 |
|------------|--|-------------------------|------------------|------------------------|--|-------------------------|------------------|
| ASSETS | | EUR | EUR k | EQUITY AND LIABILITIES | | EUR | EUR k |
| A. | CURRENT ASSETS | | | A. | EQUITY | | |
| I. | Receivables and other assets | | | | Subscribed capital | 25.564,59 | 26 |
| 1. | Receivables from affiliated companies | 27.639.000,00 | 82.134 | B. | PROVISIONS | | |
| | thereof due in more than one year EUR 3,431,000.00 | | | | Other provisions | 41.241,37 | 81 |
| | (31 Dec 20 EUR 27,639k) | | | C. | LIABILITIES | | |
| | thereof from the shareholder EUR 27,639,000.00 | | | 1. | Bonds | 1.573.817.871,04 | 1.664.491 |
| | (31 Dec 20 EUR 82,134k) | | | | thereof convertible EUR 164,340,303.42 | | |
| | | | | | (31 Dec 20 EUR 95,702k) | | |
| 2. | Other assets | 3.023.052.044,36 | 2.830.562 | | thereof due within one year EUR 770,694,717.74 | | |
| | thereof due in more than one year EUR 1,680,183,434.34 | | | | (31 Dec 20 EUR 908,496k) | | |
| | (31 Dec 20 EUR 1,357,349k) | | | 2. | Liabilities to banks | 0,00 | 463 |
| | thereof from affiliated companies EUR 3,023,052,044.36 | | | | thereof due within one year EUR 0,00 | | |
| | (31 Dec 20 EUR 2,829,887k) | | | | (31 Dec 20 EUR 463k) | | |
| II. | Balances with banks | 64.108,63 | 0 | | thereof with the shareholder 0,00 (31 Dec 20 EUR 463k) | | |
| | thereof with the shareholder EUR 64,108.63 | | | 3. | Trade payables | 0,00 | 108 |
| | (31 Dec 20 EUR 0k) | | | | thereof due within one year EUR 0,00 | | |
| B. | PREPAID EXPENSES | | | | (31 Dec 20 EUR 108k) | | |
| | Prepaid expenses | 2.697,33 | 3 | 4. | Other liabilities | 1.476.873.173,32 | 1.247.529 |
| | | | | | thereof due within one year EUR 596,381,872.28 | | |
| | | | | | (31 Dec 20 EUR 618,537k) | | |
| | | <u>3.050.757.850,32</u> | <u>2.912.698</u> | | | <u>3.050.757.850,32</u> | <u>2.912.698</u> |

BNP Paribas Emissions- und Handelsgesellschaft mbH, Frankfurt am Main
Statement of Profit or Loss for the Period from 1 January 2021 to 31 December 2021

| | 01.01.-31.12.2021 EUR | 2020 EUR k |
|--------------------------------------|--------------------------|---------------|
| Result of ordinary activities | | |
| 1. Other operating income | 1.058.779,55 | 526 |
| 2. Other operating expenses | -1.058.779,55 | -526 |
| 3. Net profit for the year | 0,00 | 0 |

BNP PARIBAS EMISSIONS- UND HANDELSGESELLSCHAFT MBH, FRANKFURT AM MAIN

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

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 2020.

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” comprise OTC options of EUR 3,023,052k, including OTC options of USD 29,326k denominated in USD and CHF 1.600k, acquired from affiliated companies to hedge securities in circulation.

The “Balances with banks” consist exclusively of a current account balance with the shareholder BNP PARIBAS S.A., Germany branch.

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 2021.

3. Liabilities

“Bonds” contain issued certificates of EUR 1,573,818k including certificates denominated in foreign currency of USD 20,424k and CHF 1,600k.

“Other liabilities” consist of issued option certificates of EUR 1,476,873k including option certificates in foreign currency of USD 8,902k.

4. Aging structure of liabilities

Liabilities break down as follows:

| | | due in | due in | due in | |
|-------------------|------------------|------------------|----------------|----------------|--------------------|
| | Total | up to 1 year | 1 to 5 years | over 5 years | thereof secured |
| | <u>EUR k</u> | <u>EUR k</u> | <u>EUR k</u> | <u>EUR k</u> | <u>EUR k</u> |
| Bonds | 1,573,818 | 770,695 | 628,915 | 174,208 | 0 |
| Other liabilities | 1,476,873 | 596,382 | 78,475 | 802,016 | 0 |
| Total | 3,050,691 | 1,367,077 | 707,390 | 976,224 | 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 2021

| Type of security: | Option certificates (EUR) | | Listed | |
|---|---------------------------|------------------|------------------|-----------------|
| Line item: Other liabilities | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category : Equity-linked/index related transactions | | | | |
| | 520,532,279 | 839,427,598.58 | 458,212,561.40 | 381,215,037.18 |
| | 298,466,102 | 486,592,751.25 | 1,009,973,904.67 | -523,381,153.42 |
| Category : Commodities | | | | |
| | 5,586,070 | 22,225,345.64 | 16,172,422.20 | 6,052,923.44 |
| | 5,049,685 | 23,044,047.63 | 36,010,108.95 | -12,966,061.32 |
| Category : Currencies | | | | |
| | 7,601,525 | 34,656,446.96 | 23,147,115.90 | 11,509,331.06 |
| | 4,113,073 | 16,035,192.49 | 23,358,086.57 | -7,322,894.08 |
| Category : Other | | | | |
| | 18,969,364 | 30,516,000.88 | 13,178,888.30 | 17,337,112.58 |
| | 9,269,417 | 16,727,780.01 | 41,245,719.69 | -24,517,939.68 |
| Total: Option certificates (listed) | | | | |
| | 552,689,238 | 926,825,392.06 | 510,710,987.80 | 416,114,404.26 |
| | 316,898,277 | 542,399,771.38 | 1,110,587,819.88 | -568,188,048.50 |
| | 869,587,515 | 1,469,225,163.44 | 1,621,298,807.68 | -152,073,644.24 |

| Type of security: | Certificates (EUR) | | Listed | |
|---|--------------------|----------------|----------------|----------------|
| Line item: Bonds | | | | |
| | Quantity | Book value | Fair value | Difference |
| Category : Equity-linked/index related transactions | | | | |
| | 8,728,841 | 423,959,092.99 | 379,275,048.31 | 44,684,044.68 |
| | 17,810,792 | 944,037,509.53 | 990,085,115.14 | -46,047,605.61 |
| Category : Commodities | | | | |
| | 800 | 800,000.00 | 799,610.77 | 389.23 |
| | 8,211 | 708,988.66 | 945,003.85 | -236,015.19 |
| Category : Other | | | | |
| | 19,601 | 50,377.00 | 27,094.30 | 23,282.70 |
| | 12,535 | 23,566.62 | 36,822.71 | -13,256.09 |
| Total: Certificates (listed) | | | | |
| | 8,749,242 | 424,809,469.99 | 380,101,753.38 | 44,707,716.61 |
| | 17,831,538 | 944,770,064.81 | 991,066,941.70 | -46,296,876.89 |

26.580.780 1.369.579.534,80 1.371.168.695,08 -1.589.160,28

| Type of security: | Reverse convertible bonds (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|--|-----------------------|-----------------------|--------------------|
| Category : Equity-linked/index related transactions | | | |
| 80,742 | 80,415,534.52 | 77,638,098.89 | 2,777,435.63 |
| 77,187 | 77,238,686.45 | 80,190,100.83 | -2,951,414.38 |
| Total: Reverse convertible bonds (listed) | | | |
| 80,742 | 80,415,534.52 | 77,638,098.89 | 2,777,435.63 |
| 77,187 | 77,238,686.45 | 80,190,100.83 | -2,951,414.38 |
| 157,929 | 157,654,220.97 | 157,828,199.72 | -173,978.75 |

| Type of security: | Fixed income Certificates (EUR) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value | Fair value | Difference |
|-------------------------------------|----------------------|----------------------|--------------------|
| Category : Interest | | | |
| 10,931 | 10,931,000.00 | 10,974,379.38 | -43,379.38 |
| Category : CLN | | | |
| 13,738 | 16,708,000.00 | 17,073,211.08 | -365,211.08 |
| Total: Certificates (listed) | | | |
| 24,669 | 27,639,000.00 | 28,047,590.46 | -408,590.46 |
| 24,669 | 27,639,000.00 | 28,047,590.46 | -408,590.46 |

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

896,350,893.00 3,024,097,919.21 3,178,343,292.94 -154,245,373.73

OTC options (EUR) buy

Line item: Other assets

| Quantity | Book value | Fair value | Difference |
|--|----------------|------------------|-----------------|
| 1. Underlying option certificates on shares/stock indexes | | | |
| 219,951,584.28 | 486,592,751.25 | 1,009,973,904.67 | 523,381,153.42 |
| 227,881,270.97 | 839,427,598.58 | 458,212,561.40 | -381,215,037.18 |
| 2. Underlying option certificates on commodities | | | |
| 4,735,525.60 | 23,044,047.63 | 36,010,108.95 | 12,966,061.32 |
| 4,752,728.14 | 22,225,345.64 | 16,172,422.20 | -6,052,923.44 |

3. Underlying option certificates on currencies

| | | | |
|----------------|---------------|---------------|----------------|
| 127,025,335.00 | 16,035,192.49 | 23,358,086.57 | 7,322,894.08 |
| 397,205,630.00 | 34,656,446.96 | 23,147,115.90 | -11,509,331.06 |

4. Underlying option certificates on other transactions

| | | | |
|---------------|---------------|---------------|----------------|
| 6,881,934.80 | 16,727,780.01 | 41,245,719.69 | 24,517,939.68 |
| 15,492,887.20 | 30,516,000.88 | 13,178,888.30 | -17,337,112.58 |

5. Underlying certificates on shares/reverse convertible bonds

| | | | |
|---------------|----------------|----------------|----------------|
| 17,724,431.80 | 944,037,509.53 | 990,085,115.14 | 46,047,605.61 |
| 7,755,663.80 | 423,959,092.99 | 379,275,048.31 | -44,684,044.68 |

6. Underlying certificates on commodities

| | | | |
|----------|------------|------------|------------|
| 8,211.00 | 708,988.66 | 945,003.85 | 236,015.19 |
| 800.00 | 800,000.00 | 799,610.77 | -389.23 |

7. Underlying certificates on other transactions

| | | | |
|-----------|-----------|-----------|------------|
| 12,535.00 | 23,566.62 | 36,822.71 | 13,256.09 |
| 19,601.00 | 50,377.00 | 27,094.30 | -23,282.70 |

8. Underlying reverse convertible bonds

| | | | |
|-----------|---------------|---------------|---------------|
| 77,187.00 | 77,238,686.45 | 80,190,100.83 | 2,951,414.38 |
| 80,742.00 | 80,415,534.52 | 77,638,098.89 | -2,777,435.63 |

Total OTC - options

1. Underlying option certificates

| | | | |
|-------------------------|-------------------------|-------------------------|-----------------------|
| 358,594,379.68 | 542,399,771.38 | 1,110,587,819.88 | 568,188,048.50 |
| 645,332,516.31 | 926,825,392.06 | 510,710,987.80 | -416,114,404.26 |
| 1,003,926,895.99 | 1,469,225,163.44 | 1,621,298,807.68 | 152,073,644.24 |

2. Underlying certificates

| | | | |
|----------------------|-------------------------|-------------------------|---------------------|
| 17,745,177.80 | 944,770,064.81 | 991,066,941.70 | 46,296,876.89 |
| 7,776,064.80 | 424,809,469.99 | 380,101,753.38 | -44,707,716.61 |
| 25,521,242.60 | 1,369,579,534.80 | 1,371,168,695.08 | 1,589,160.28 |

3. Underlying reverse convertible bonds

| | | | |
|-------------------|-----------------------|-----------------------|-------------------|
| 77,187.00 | 77,238,686.45 | 80,190,100.83 | 2,951,414.38 |
| 80,742.00 | 80,415,534.52 | 77,638,098.89 | -2,777,435.63 |
| 157,929.00 | 157,654,220.97 | 157,828,199.72 | 173,978.75 |

Total OTC options

| | | | |
|--------------------------------|--------------------------------|--------------------------------|------------------------------|
| <u>1,029,606,067.59</u> | <u>2,996,458,919.21</u> | <u>3,150,295,702.48</u> | <u>153,836,783.27</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 | | | | |
| | 4 | 10,931,000.00 | 10,974,379.38 | 43,379.38 |
| 2. Underlying FIC on credit linked notes | | | | |
| | 4 | 16,708,000.00 | 17,073,211.08 | 365,211.08 |
| Total: Hedging instruments - FIC | | | | |
| | 8 | 27,639,000.00 | 28,047,590.46 | 408,590.46 |
| | <u>8</u> | <u>27,639,000.00</u> | <u>28,047,590.46</u> | <u>408,590.46</u> |

| | | |
|--------------------------|----------------------------------|---------------|
| Type of security: | Option certificates (USD) | Listed |
|--------------------------|----------------------------------|---------------|

Line item: Other liabilities

| | Quantity | Book value in EUR | Fair value in EUR | Difference |
|--|---------------|---------------------|---------------------|--------------------|
| Category : Other | | | | |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |
| Total: Option certificates (listed) | | | | |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |
| | 26,272 | 7,648,009.88 | 8,138,686.00 | -490,676.12 |

| | | |
|--------------------------|---------------------------|---------------|
| 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 | | | | |
| | 60 | 511,727.08 | 321,215.00 | 190,512.08 |
| | 10,861 | 10,268,219.32 | 12,130,378.93 | -1,862,159.61 |
| Total: Certificates (listed) | | | | |
| | 60 | 511,727.08 | 321,215.00 | 190,512.08 |
| | 10,861 | 10,268,219.32 | 12,130,378.93 | -1,862,159.61 |
| | 10,921 | 10,779,946.40 | 12,451,593.93 | -1,671,647.53 |

| Type of security: | Reverse convertible bonds (USD) | Listed |
|-------------------|------------------------------------|--------|
|-------------------|------------------------------------|--------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|--|---------------------|---------------------|--------------------|
| Category : Equity-linked/index related transactions | | | |
| 2,340 | 1,956,231.39 | 1,317,158.90 | 639,072.49 |
| 5,048 | 4,729,851.06 | 5,611,605.42 | -881,754.36 |
| Total: Reverse convertible bonds (listed) | | | |
| 2,340 | 1,956,231.39 | 1,317,158.90 | 639,072.49 |
| 5,048 | 4,729,851.06 | 5,611,605.42 | -881,754.36 |
| 7,388 | 6,686,082.45 | 6,928,764.32 | -242,681.87 |

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

| | | | |
|-----------|---------------|---------------|---------------|
| 44,581.00 | 25,114,038.73 | 27,519,044.25 | -2,405,005.52 |
|-----------|---------------|---------------|---------------|

| |
|------------------------------|
| OTC options (USD) buy |
|------------------------------|

Line item: Other assets

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|---|----------------------|----------------------|---------------------|
| 1. Underlying option certificates on other transactions | | | |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 2. Underlying certificates on shares/reverse convertible bonds | | | |
| 10,861.00 | 10,268,219.32 | 12,130,378.93 | 1,862,159.61 |
| 60.00 | 511,727.08 | 321,215.00 | -190,512.08 |
| 3. Underlying reverse convertible bonds | | | |
| 5,048.00 | 4,729,851.06 | 5,611,605.42 | 881,754.36 |
| 2,340.00 | 1,956,231.39 | 1,317,158.90 | -639,072.49 |
| Total OTC – options | | | |
| 1. Underlying option certificates | | | |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 26,272.00 | 7,648,009.88 | 8,138,686.00 | 490,676.12 |
| 2. Underlying certificates | | | |
| 10,861.00 | 10,268,219.32 | 12,130,378.93 | 1,862,159.61 |
| 60.00 | 511,727.08 | 321,215.00 | -190,512.08 |
| 10,921.00 | 10,779,946.40 | 12,451,593.93 | 1,671,647.53 |

3. Underlying reverse convertible bonds

| | | | |
|-----------------|---------------------|---------------------|-------------------|
| 5,048.00 | 4,729,851.06 | 5,611,605.42 | 881,754.36 |
| 2,340.00 | 1,956,231.39 | 1,317,158.90 | -639,072.49 |
| 7,388.00 | 6,686,082.45 | 6,928,764.32 | 242,681.87 |

Total OTC options

| | | | |
|-------------------------|-----------------------------|-----------------------------|----------------------------|
| <u>44,581.00</u> | <u>25,114,038.73</u> | <u>27,519,044.25</u> | <u>2,405,005.52</u> |
|-------------------------|-----------------------------|-----------------------------|----------------------------|

| | | |
|--------------------------|---------------------------|---------------|
| Type of security: | Certificates (CHF) | Listed |
|--------------------------|---------------------------|---------------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|--|---------------------|---------------------|-------------------|
| Category : Equity-linked/index related transactions | | | |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |
| Total: Certificates (listed) | | | |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |
| 1,600 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |

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

| | | | |
|-----------------|---------------------|---------------------|-------------------|
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | -66,746.28 |
|-----------------|---------------------|---------------------|-------------------|

OTC options (CHF) buy

Line item: Other assets

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|----------|-------------------|-------------------|------------|
|----------|-------------------|-------------------|------------|

1. Underlying certificates on shares/reverse convertible bonds

| | | | |
|----------|--------------|--------------|-----------|
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |
|----------|--------------|--------------|-----------|

Total OTC – options

1. Underlying certificates

| | | | |
|-----------------|---------------------|---------------------|------------------|
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |
| 1,600.00 | 1,479,086.42 | 1,545,832.70 | 66,746.28 |

Total OTC options

| | | | |
|------------------------|----------------------------|----------------------------|-------------------------|
| <u>1,600.00</u> | <u>1,479,086.42</u> | <u>1,545,832.70</u> | <u>66,746.28</u> |
|------------------------|----------------------------|----------------------------|-------------------------|

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 |
|--------------------------|--|---------------|

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 |
|--------------------------|--|---------------|

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 |
|----------------|------------------|------------------|-----------------|

| |
|------------------------------|
| 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) |
|---|

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 |
| | 19 | 81,342,000.00 | 82,927,282.88 | 1,585,282.88 |

| | | |
|--------------------------|---------------------------|---------------|
| 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 | | | | |
| | 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 |
| | 18,121 | 7,330,893.92 | 6,791,585.75 | 539,308.17 |

| | | |
|--------------------------|--|---------------|
| Type of security: | Reverse convertible bonds (USD) | Listed |
|--------------------------|--|---------------|

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 |
| | 4,501 | 3,873,872.62 | 3,508,429.10 | 365,443.52 |

| Type of security: | Fixed income certificates (USD) | Listed |
|-------------------|---------------------------------|--------|
|-------------------|---------------------------------|--------|

Line item: Bonds

| Quantity | Book value in EUR | Fair value in EUR | Difference |
|------------------------------|-------------------|-------------------|------------|
| Category : CLN | | | |
| 867 | 79,636.23 | 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 |

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 |

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 |
|---|----------|-------------------|-------------------|-------------------|
| 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> |

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 2021 | Full year 2020 |
|--|----------------|----------------|
| | EUR | EUR |
| 1. Cashflow from operating activities | | |
| Cash receipts from reimbursed issue fees | 1,668,682.06 | 1,328,214.90 |
| Other cash receipts which cannot be allocated to investing or financing activities | 64,941.49 | 47,684.60 |
| Cash payments for issue fees | -1,162,253.11 | -1,610,606.26 |
| Other cash payments which cannot be allocated to investing or financing activities | -44,511.17 | -47,684.60 |
| Cash flow from operating activities | 526,859.27 | -282,391.36 |
| 2. Cash and cash equivalents at the end of the period | | |
| Change in cash and cash equivalents | 526,859.27 | -282,391.36 |
| Cash and cash equivalents at the beginning of the period | -462,750.64 | -180,359.28 |
| Cash and cash equivalents at the end of the period | 64,108.63 | -462,750.64 |
| 3. Composition of cash and cash equivalents | | |
| Cash | 64,108.63 | -462,750.64 |
| Cash and cash equivalents at the end of the period | 64,108.63 | -462,750.64 |

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 "balances with 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

Grégoire Toubanc, business administrator, Frankfurt am Main, Head of Sales Exchange Traded Solutions der BNP Paribas S.A., German branch.

Hans Eich, banker, St. Ingbert, Head of Financial Accounting & Reporting der BNP Paribas S.A., German branch until 03 February 2022.

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. Auditor's fee

The information on the auditor's fee is included in the consolidated financial statements of BNP Paribas S.A. Due to the exempting group clause of Sec. 285 No. 17 HGB, this information is not provided here.

6. 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.

7. Subsequent events report

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. The current Ukraine crisis presently has no discernible negative impact on the assets and liabilities, financial performance and financial position of the Company.

Frankfurt am Main, 28 March 2022

The management

Grégoire Toublanc

MANAGEMENT REPORT
FOR THE REPORTING PERIOD FROM
1 JANUARY 2021 TO 31 DECEMBER 2021

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 declined by 7% in the second half of 2021 in comparison to the prior year. This development was below the total market, which grew by 13% in the respective period. In the full year 2021, the Group's market share was 17%. The balance sheet total rose by 4.7% in comparison to 31 December 2020, increasing from EUR 2,913 million to EUR 3,051 million. By contrast, there was a notable decrease in the balance sheet total in comparison to 30 June 2021 of 26.7%.

The ratio of external placements increased from 48.1% as at 31 December 2020 to 50.5% as at 31 December 2021.

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 2021 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 development in the reporting year was very positive.

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. The ongoing Covid crisis and the current Ukraine crisis currently have no discernible negative impact on the assets and liabilities, financial performance and financial position of the Company.

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 decisive 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 2021, total market sales of German certificates and option certificates increased by 13% in comparison to the second half of 2020. Due to the fact that sales of BNP Paribas Emissions- und Handelsgesellschaft mbH declined (-7%) its market share decreased (from 21% to 17%).

BNP Paribas Emissions- und Handelsgesellschaft mbH issued approximately 232,700 products in the second half of 2021. In 2021 as a whole, the Company placed approximately 449,000 new issues, slightly less than in 2020 (approximately 478,000 new issues in 2020). This high level can be attributed to the high degree of volatility on the stock exchange during the Covid crisis. A slightly higher level of securities issues is expected in 2022 compared to 2021. In general, the level of issuance activity is highly dependent on market volatility and the overall demand for retail derivatives.

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, 28 March 2022

Grégoire Toubanc