

# **BNP PARIBAS ISSUANCE B.V.**

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

**Interim report and financial statements for the six months period ended  
30 June 2024**

## **Independent auditor**

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

# BNP PARIBAS ISSUANCE B.V.

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# BNP PARIBAS ISSUANCE B.V.

## ***Directors' Report***

The Directors present their report and the reviewed financial statements of BNP Paribas Issuance B.V. for six months period ended 30 June 2024.

### **Principal activity of the company**

BNP Paribas Issuance B.V. ('the Company') was incorporated on 10 November 1989 under the law of the Netherlands.

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

### **Review of business**

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

### **Strategy and future outlook**

BNP Paribas Issuance B.V. is the main issuer of structured products of BNP Paribas Group. The Company operates on all platforms of Global Markets (Europe, Americas and Asia). It is a wholly-owned subsidiary of BNP Paribas S.A. (the Parent) and is fully guaranteed in respect of all its obligations by BNP Paribas S.A. The Company issues secured or unsecured certificates, notes or warrants. The issued securities can be listed on regulated or unregulated markets.

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

The Company did not engage in any research and development activities, investment nor financing activities during the six months period ended 30 June 2024 other than those already disclosed in this report, and is not expected to do so during the following year.

### **Principal risks and uncertainties**

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

#### Market risk

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

#### Credit risk

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

#### Liquidity risk

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

## Operating result and dividends

The results for the six months period ended 30 June 2024 are set out on page 7 and show the Company's profit for the period after taxation is 64,061 EUR (56,192 EUR for the six months period ended 30 June 2023).

No dividends were paid or proposed during the six months period ended 30 June 2024.

## Directors

The Directors of the Company who served during the six months period ended 30 June 2024 and up to the date of signing the financial statements, were:

Edwin Herskovic  
Cyril Le Merrer  
Folkert Van Asma  
Geert Lippens (resigned on 25 March 2024)  
Hugo Peek (appointed on 25 March 2024)  
Matthew Yandle

The Directors mentioned above are together authorised to represent the Company. The Directors of the Company are employed by the Company. The number of employees is expected to remain stable during the following year.

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

According to the Board's best knowledge based on International Financial Reporting Standards (IFRS-EU) as endorsed by the European Union, the attached financial statements present a true and fair view of the assets, liabilities, financial position, and profit of the Company for the the six months period ended 30 June 2024. Accordingly, the interim report, including the directors' report and the financial statements, provides a true and fair view of the Company's position as at 30 June 2024.

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

## Independent auditors

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

Amsterdam, 11 September 2024

The Board of Directors,

Signed by

Cyril Le Merrer

Edwin Herskovic

# BNP PARIBAS ISSUANCE B.V.

## Financial statements

(before profit appropriation)

### Balance Sheet

	Notes	30 June 2024	31 December 2023
<b>Assets</b>		€	€
<b>Non-Current Assets</b>			
Financial assets held at fair value through profit and loss	4.1	94,366,932,887	97,094,582,619
Financial assets designated at fair value through profit or loss	4.2	3,823,068,868	2,545,414,411
Financial assets at amortised cost	4.3	-	88,659,779
<b>Total Non-Current Assets</b>		<b>98,190,001,755</b>	<b>99,728,656,809</b>
<b>Current Assets</b>			
Financial assets held at fair value through profit and loss	4.4	47,421,893,505	25,222,420,892
Financial assets designated at fair value through profit or loss	4.5	460,285,217	1,609,394,850
Financial assets at amortised cost	4.6	-	-
Trade and other receivables	4.7	1,518,486	3,193,007
Cash and cash equivalents	4.8	8,037,602	3,498,827
<b>Total Current Assets</b>		<b>47,891,734,810</b>	<b>26,838,507,576</b>
<b>Total Assets</b>		<b>146,081,736,565</b>	<b>126,567,164,385</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities designated at fair value through profit or loss	4.9	85,313,654,338	89,212,731,768
Financial liabilities held at fair value through profit and loss	4.10	12,876,347,417	10,427,265,262
Financial liabilities at amortised cost	4.11	-	88,659,779
<b>Total Non-Current Liabilities</b>		<b>98,190,001,755</b>	<b>99,728,656,809</b>
<b>Current Liabilities</b>			
Financial liabilities designated at fair value through profit or loss	4.12	42,659,340,667	24,093,437,960
Financial liabilities held at fair value through profit and loss	4.13	5,222,838,055	2,738,377,781
Financial liabilities at amortised cost	4.14	-	-
Trade and other payables	4.15	4,186,446	5,870,946
Current tax liability	4.16	1,284	16,591
<b>Total Current Liabilities</b>		<b>47,886,366,452</b>	<b>26,837,703,278</b>
<b>Total Liabilities</b>		<b>146,076,368,207</b>	<b>126,566,360,088</b>

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	Notes	30 June 2024	31 December 2023
<b>Equity</b>		€	€
<b>Capital and reserves attributable to equity shareholders of the Company</b>			
Share capital	4.17	4,545,379	45,379
Share premium reserve		-	-
Legal reserve		-	-
Retained earnings		758,918	702,726
Profit for the year		64,061	56,192
<b>Total Equity</b>	4.18	<b>5,368,358</b>	<b>804,297</b>
<b>Total Liabilities and Equity</b>		<b>146,081,736,565</b>	<b>126,567,164,385</b>

## Income Statement

	Notes	30 June 2024	30 June 2023
		€	€
Net income on financial instruments at FVPL		-	-
Net income on financial instruments at amortised cost		-	-
Fee income and other income		586,089	337,202
Operating expenses		-504,558	-308,434
Net foreign exchange (loss)/gain		-	-
<b>Operating profit</b>	4.19	<b>81,531</b>	<b>28,768</b>
Bank costs and similar charges		-2,443	506
<b>Profit before corporate income tax</b>		<b>79,088</b>	<b>29,274</b>
Corporate income tax	4.20	-15,027	-5,562
<b>Profit for the period attributable to equity shareholders (parent)</b>		<b>64,061</b>	<b>23,712</b>

## Statement of Comprehensive Income

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

The notes on pages 9 - 32 form an integral part of the financial statements.

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## Statement of Changes in Equity

Changes for the six month period ended 30 June 2024	Share Capital	Share Premium Reserve	Legal Reserve	Retained Earnings	Undistributed profit	Total
	€	€	€	€	€	€
<b>Balance as at 1 January 2023</b>	<b>45,379</b>	-	-	<b>702,726</b>	-	<b>748,105</b>
Profit for the period	-	-	-	-	23,712	23,712
<b>Balance as at 30 June 2023</b>	<b>45,379</b>	-	-	<b>702,726</b>	<b>23,712</b>	<b>771,817</b>
Profit for the period	-	-	-	-	32,480	32,480
<b>Balance as at 31 December 2023</b>	<b>45,379</b>	-	-	<b>702,726</b>	<b>56,192</b>	<b>804,297</b>
Balance as at 1 January 2024	45,379	-	-	758,918	-	804,297
Profit for the period	-	-	-	-	64,061	64,061
Capital increase	4,500,000	-	-	-	-	4,500,000
<b>Balance as at 30 June 2024</b>	<b>4,545,379</b>	-	-	<b>758,918</b>	<b>64,061</b>	<b>5,368,358</b>

## Statement of Cash Flows

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

	Notes	30 June 2024	30 June 2023
		€	€
<b>Cash flow from operating activities</b>			
Received reimbursed issuing expenses		8,183,343	4,415,834
Received reimbursed operating expenses		126,934	284,820
Paid issuing expenses		-7,877,558	-3,777,814
Paid operating expenses		-327,052	-669,123
Interest income	5	38,672,159	28,747,535
Interest expense	5	-38,672,159	-28,747,535
Transactions with customers and credit institution		137,788	3,153,462
Salaries		-55,610	-
Net taxes (paid/received)		-	-482
		149,070	
<b>Cash flow from / (used in) operating activities</b>		<b>38,775</b>	<b>253,235</b>
<b>Cash flow from financing activities</b>			
Capital increase		4,500,000	-
<b>Cash flow from / (used in) financing activities</b>		<b>4,500,000</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		4,538,775	253,235
Net cash and cash equivalents at the beginning of the year		3,498,827	671,576
<b>Net cash and cash equivalents at the end of the year</b>		<b>8,037,602</b>	<b>924,811</b>

Refer to page 12 for the principles for the preparation of the cash flow statement.

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## *Notes to the financial statements*

### **1. GENERAL INFORMATION**

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

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

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

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

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

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and with Part 9 of Book 2 of the Netherlands Civil Code.

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

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

#### Accounting convention

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

#### Going concern basis

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

#### Use of estimates and judgements

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

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



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

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

## Financial instruments

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

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

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

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

## Amortised cost

Financial assets are measured at amortised cost if :

- they are held under a business model with the objective of collecting contractual cash flows ("Hold to Collect");
- they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI");
- they are not designated as measured at fair value.

## Fair value

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

## Fair value through profit or loss

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

## Designated at fair value through profit or loss

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

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

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## Offsetting financial assets and financial liabilities

No financial assets and liabilities have been offset on the balances as at 30 June 2024.

## Impairment of financial assets

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

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

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

## Recognition of income and expenses

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

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

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

## Net result financial instruments

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

## Currencies

The functional currency of the Company is the Euro.

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

The premiums of the issued securities and the cost of the related swap agreements are denominated in different currencies. Moreover, the underlying contracts of the securities have their own currency

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denominations, which are often based on a basket of currencies. The net effect of the currency risk is nil though, as this risk is completely hedged.

## Corporate income tax

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

## Cash and cash equivalents

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

## Share capital

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

### **3. PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT**

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

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

### **4. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT**

#### Measurement of the fair value of financial instruments

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

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

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

When issued, securities are publicly offered or privately placed. Sometimes, privately placed securities are

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listed on the secondary market. Listed securities are listed on stock exchanges in and outside of the European Union; the related OTC contracts are not listed. The majority of the issued securities are not traded actively in active markets.

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

## Description of the main instruments on each level

The following section provides a description of the instruments at each level in the hierarchy.

**Level 1:** fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.

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

*Derivatives* classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- Structured derivatives for which model uncertainty is not significant, such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

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

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

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

**Level 3:** fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due, for instance, to the illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there is no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment. The level in the fair value hierarchy within which the asset or liability is

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categorised in its entirety is based upon the lowest level input that is significant to the entire fair value. All given estimated fair values are related to the market conditions prevailing at the year's end; the future values may differ.

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

These vanilla derivatives are subject to valuation adjustments linked to uncertainty about liquidity, specialised by the nature of underlying and liquidity bands.

*Structured derivatives* classified in Level 3 predominantly comprise structured derivatives, of which are hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment sensitive products, some stock basket optional products and some interest rate optional instruments.

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

At 30 June 2024	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>Financial assets held at fair value through profit and loss:</b>				
Funded and unfunded OTC as well as reverse repurchase agreements	-	81,375,242,842	60,413,583,550	141,788,826,392
<i>Non-current assets</i>				
<i>(remaining maturity over 1 year)</i>				94,366,932,887
<i>Current assets</i>				
<i>(remaining maturity less than 1 year)</i>				47,421,893,505
<b>Financial assets designated at fair value through profit or loss:</b>				
Bonds	-	-	4,283,354,085	4,283,354,085
<i>Non-current assets</i>				
<i>(remaining maturity over 1 year)</i>				3,823,068,868
<i>Current assets</i>				
<i>(remaining maturity less than 1 year)</i>				460,285,217
<b>Total Financial Assets</b>	<b>-</b>	<b>81,375,242,842</b>	<b>64,696,937,635</b>	<b>146,072,180,477</b>
<b>Financial liabilities held at fair value through profit and loss:</b>				
Warrants	-	6,745,087,064	11,354,098,408	18,099,185,472
<i>Non-current liabilities</i>				
<i>(remaining maturity over 1 year)</i>				12,876,347,417
<i>Current liabilities</i>				
<i>(remaining maturity less than 1 year)</i>				5,222,838,055
<b>Financial liabilities designated at fair value through profit or loss:</b>				
Medium term notes and Certificates	-	74,630,155,778	53,342,839,227	127,972,995,005
<i>Non-current liabilities</i>				
<i>(remaining maturity over 1 year)</i>				85,313,654,338
<i>Current liabilities</i>				
<i>(remaining maturity less than 1 year)</i>				42,659,340,667

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<b>Total Financial Liabilities</b>	-	81,375,242,842	64,696,937,635	146,072,180,477
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At 31 December 2023	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>Financial assets held at fair value through profit and loss:</b>				
Funded and unfunded OTC as well as reverse repurchase agreements	-	75,941,069,514	46,375,933,997	122,317,003,511
<i>Non-current assets</i>				97,094,582,619
<i>(remaining maturity over 1 year)</i>				
<i>Current assets</i>				25,222,420,892
<i>(remaining maturity less than 1 year)</i>				
<b>Financial assets designated at fair value through profit or loss:</b>				
Bonds	-	-	4,154,809,261	4,154,809,261
<i>Non-current assets</i>				2,545,414,411
<i>(remaining maturity over 1 year)</i>				
<i>Current assets</i>				1,609,394,850
<i>(remaining maturity less than 1 year)</i>				
<b>Total Financial Assets</b>	-	<b>75,941,069,514</b>	<b>50,530,743,258</b>	<b>126,471,812,772</b>
<b>Financial liabilities held at fair value through profit and loss:</b>				
Warrants	-	3,974,441,751	9,191,201,292	13,165,643,043
<i>Non-current liabilities</i>				10,427,265,262
<i>(remaining maturity over 1 year)</i>				
<i>Current liabilities</i>				2,738,377,781
<i>(remaining maturity less than 1 year)</i>				
<b>Financial liabilities designated at fair value through profit or loss:</b>				
Medium term notes and Certificates	-	71,966,627,763	41,339,541,966	113,306,169,729
<i>Non-current liabilities</i>				89,212,731,768
<i>(remaining maturity over 1 year)</i>				
<i>Current liabilities</i>				24,093,437,960
<i>(remaining maturity less than 1 year)</i>				
<b>Total Financial Liabilities</b>	-	<b>75,941,069,514</b>	<b>50,530,743,258</b>	<b>126,471,812,772</b>

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## Valuation process

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

Economic value is composed of mid-market value, to which valuation adjustments may be added.

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

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market.

Fair value generally equals economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

The valuation adjustment for counterparty credit risk (CVA) and own-credit risk for derivatives (DVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant and justifies classifying these transactions in Level 3.

The table below provides the range of values of main unobservable inputs for the valuation of Level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in Level 3 are equivalent to those of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	5,791	-	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABS	0 bp to 93 bp	29 bp (a)
			Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	-25% to 48%	0.23% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	22% to 41%	34%

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<b>Interest rate derivatives</b>	11,366	-	Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	1.3% to 11.7%	(b)
			Forward Volatility products such as volatility swaps, mainly in euros	Interest rates option pricing model	Volatility of the year-on-year inflation rate	0.3% to 2.6%	
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly indexed on European collateral pools	Prepayment modelling Discounted cash flows	Forward volatility of interest rates	0.5% to 0.9%	(b)
					Constant prepayment rates	0% to 25%	0.4% (a)
<b>Credit derivatives</b>	18,766	-	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	18% to 85%	(b)
			N-to-default baskets	Credit default mode	Recovery rate variance for single name underlyings	0% to 25%	(b)
			Single name Credit Default Swaps (other than CDS on ABs and loans indices)	Stripping, extrapolation and interpolation	Default correlation	50% to 83%	56% (a)
					Credit default spreads beyond observation limit (10 years)	N.A.	99 bp
<b>Equity derivatives</b>	111,902	-	Simple and complex derivatives on multiunderlying baskets on stocks	Various volatility option models	Illiquid credit default spread curves (across main tenors)	2 bp to 1,436 bp (1)	101 bp ©
					Unobservable equity volatility	7% to 130% (2)	23% (d)
					Unobservable equity correlation	11% to 100%	62% (c)

For Level 3 financial instruments, the following movements occurred during the first half of 2024:

<b>Level 3</b>	<b>Assets</b>		<b>Liabilities</b>	
	<b>FVPL</b>	<b>FVPL designated</b>	<b>FVPL</b>	<b>FVPL designated</b>
At 31 December 2023	<b>46,375,933,996</b>	<b>4,154,809,261</b>	<b>9,191,201,292</b>	<b>41,339,541,965</b>
Purchases	9,966,897,736	133,950,059	-	-
Issues	-	-	420,457,707	9,680,390,088
Change in unrealised gain/loss	971,686,033	91,320,071	1,771,639,449	-708,633,345
Sales	-9,017,061,658	-96,725,306	-	-
Settlements	-	-	-437,819,557	-8,675,967,407
Transfers to L3	12,483,354,187	-	408,710,546	12,074,643,641
Transfers from L3	-367,226,744	-	-91,029	-367,135,715
At 30 June 2024	<b>60,413,583,550</b>	<b>4,283,354,085</b>	<b>11,354,098,408</b>	<b>53,342,839,227</b>

## Sensitivity of fair value to reasonably possible changes in level 3 assumptions

Financial instruments issued by the Company are hedged against various risk, including price risk, by entering into hedging agreements with other BNP Paribas group companies. Hence, the use of unobservable inputs would not impact neither the income nor the equity of the Company. As a result, as at 30 June 2024, no sensitivity analysis for level 3 financial instruments is disclosed.

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

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



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Financial assets held at fair value through profit and loss	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining maturity over 1 year)	94,366,932,887	97,094,582,619

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

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

Financial assets designated at fair value through profit or loss	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining maturity over 1 year)	3,823,068,868	2,545,414,411

## 4.3 Financial assets at amortised cost (Non-current)

Financial assets at amortised cost consist of repo transactions between the Company and BNP Paribas group with a remaining maturity of more than 1 year. Below is the relevant balance.

*Since the exposure is to BNP Paribas and is collateralised, the Expected Credit Loss ("ECL") can be disregarded as not significant.*

Financial assets at amortised cost	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining over 1 year)	-	88,659,779

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

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

Financial assets held at fair value through profit and loss	30 June 2024	31 December 2023
	€	€
Current assets (remaining maturity lower than 1 year)	47,421,893,505	25,222,420,892

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

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

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<b>Financial assets designated at fair value through profit or loss</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
Current assets (remaining maturity less than 1 year)	460,285,217	1,609,394,850

## 4.6 Financial assets at amortised cost (Current)

Financial assets at amortised costs consist of repo transactions between the Company and BNP Paribas group with a remaining maturity lower than 1 year. Below is the relevant balance.

*Since the exposure is to BNP Paribas and is collateralised, the Expected Credit Loss ("ECL") can be disregarded as not significant.*

<b>Financial Assets at amortised cost</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
Current assets (remaining maturity lower than 1 year)	-	-

## 4.7 Trade and other receivables

Trade and other receivables include only amounts falling due within one year.

*Since the exposure basically is to BNP Paribas, the Expected Credit Loss ("ECL") can be disregarded as not significant.*

	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
<b>Amounts falling due within one year</b>		
Amounts owed by intragroup companies	1,518,486	3,193,007
Trade and other receivables (others)	-	-
<b>Total</b>	<b>1,518,486</b>	<b>3,193,007</b>

## Current tax asset

There are no current tax assets at the date of the reporting period.

## 4.8 Cash and cash equivalents

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

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	30 June 2024	31 December 2023
	€	€
Cash receivables	-	-
Cash held with BNP intragroup companies	8,037,602	3,498,827
Cash held with third parties	-	-
Bank overdraft	-	-
Balances due to BNP Paris intragroup companies	-	-
Balances due to third parties	-	-
<b>Net cash and cash equivalents as reported in the cash flow statement</b>	<b>8,037,602</b>	<b>3,498,827</b>

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

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

<b>Financial liabilities designated at fair value through profit or loss</b>	30 June 2024	31 December 2023
	€	€
Non-current liabilities (remaining maturity over 1 year)	85,313,654,338	89,212,731,768

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

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

<b>Financial liabilities held at fair value through profit or loss</b>	30 June 2024	31 December 2023
	€	€
<i>Non-current liabilities (remaining maturity over 1 year)</i>	12,876,347,417	10,427,265,262

#### 4.11 Financial liabilities at amortised cost (Non-current)

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

<b>Financial liabilities at amortised cost</b>	30 June 2024	31 December 2023
	€	€
<i>Non-current liabilities (remaining maturity over 1 year)</i>	-	88,659,779

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

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

<b>Financial liabilities designated at fair value through profit or loss</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
<i>Current liabilities (remaining maturity lower than 1 year)</i>	42,659,340,667	24,093,437,960

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

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

<b>Financial liabilities held at fair value through profit or loss</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
<i>Current liabilities (remaining maturity lower than 1 year)</i>	5,222,838,055	2,738,377,781

### 4.14 Financial liabilities at amortised cost (Current)

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

<b>Financial liabilities at amortised cost</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
<i>Current assets (remaining maturity lower than 1 year)</i>	-	-

### 4.15 Trade and other payables

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
	€	€
<b>Amounts falling due within one year</b>		
Amounts owed to intragroup companies	150,962	1,861,658
Trade and other payables (others)	4,035,484	4,009,287
<b>Total</b>	<b>4,186,446</b>	<b>5,870,946</b>

### 4.16 Current tax liability

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

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	30 June 2024	31 December 2023
	€	€
Corporate income tax	1,284	16,591
<b>Total</b>	<b>1,284</b>	<b>16,591</b>

## 4.17 Share capital

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

### Authorised share capital

31 December 2023: Ordinary shares 45 379 shares of €1 each	45,379
Capital increase of 4,500,000 shares of €1 each	4,500,000
<b>30 June 2024: Share capital of 4,545,379 shares of €1 each</b>	<b>4,545,379</b>

### Issued and fully paid share capital

31 December: 2023 Ordinary shares 45 379 shares of €1 each	45,379
Capital increase of 4,500,000 shares of €1 each	4,500,000
<b>30 June 2024: Share capital of 4,545,379 shares of €1 each</b>	<b>4,545,379</b>

## 4.18 Total equity (managed capital)

The Company's managed capital as at 30 June 2024 consists entirely of its issued share capital of 4,545,379 EUR, retained earnings of 758,918 EUR and profit for the year of 64,061 with a total capital of 5,368,358 EUR.

There are no external requirements applicable with regard to the Company's managed capital.

## 4.19 Operating profit

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

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

### Net income on financial instruments at amortised cost

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

### Fee income and other income

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

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

### Auditor's remuneration

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	30 June 2024	30 June 2023
	€	€
Audit fees	61,757	17,500

The Audit fees amount as of 30 June 2024 is covering the review of the interim financial statements and the audit of the year-end financial statements.

## 4.20 Corporate income tax

	30 June 2024	30 June 2023
	€	€
Current tax	15,027	5,562
<b>Tax on profit on ordinary activities</b>	<b>15,027</b>	<b>5,562</b>
Profit for the year before tax	79,087	29,274
Tax calculated at applicable tax rates	15,027	5,562
<b>Income tax expense</b>	<b>15,027</b>	<b>5,562</b>

The standard tax rate in the Netherlands is 25.8% (2023: 25.8%). A tax rate of 19% (2023: 19%) is applied to the first 200,000 EUR (2023: 200,000 EUR). The effective tax rate is therefore 19% in 2024.

## 4.21 Related party transactions

Related parties consist of:

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

### Key Management personel remuneration

The Director of the Company who served from the start of the year 2023 and up to 20 December 2023 was BNP Paribas Finance B.V. For the period ended 30 June 2024, no management fee was charged to the Company (for the six months period ended 30 June 2023 : 32,250 EUR).

In 2023, the Company appointed 5 Directors in replacement of BNP Paribas Finance B.V. The Directors are employed by the Company and received a total remuneration of 88,565 EUR for the six months period ended 30 June 2024 (25,712 for 2023).

The scope of Key management personel per IAS 24 paragraph 17 is the same as the scope of art. 2:383 of DCC. There are no loans, advanced payments and guarantees granted to the Directors.

As at 30 June 2024, the Company has 5 employees, among which 4 are based in the Netherlands and 1 outside of the Netherlands.

The Company does not have a supervisory board.

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## Related party transactions with other BNP Paribas Group companies

Outstanding balances	30 June 2024	31 December 2023
	€	€
Financial assets held at fair value through profit or loss	141,788,826,392	122,317,003,511
Financial assets designated at fair value through profit or loss	4,283,354,085	4,154,809,261
Financial assets at amortised costs	-	88,659,779
Trade and other receivables	1,518,486	3,193,007
Cash and cash equivalents	8,037,602	3,498,827
Trade and other payables	-150,962	-1,861,658
<b>Total</b>	<b>146,081,585,603</b>	<b>126,565,302,727</b>

  

Income and expenses	30 June 2024	31 December 2023
	€	€
Fee income	578,865	799,252
Other income		
Operating expenses	-206,361	-442,065
Bank costs and similar changes	-2,443	5,818
<b>Total</b>	<b>370,061</b>	<b>363,005</b>

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

#### 4.22 Valuation adjustments (CVA and DVA)

##### Credit Valuation Adjustment

Financial assets held at fair value through profit and loss predominantly represent derivatives and fully funded OTC financial instruments with other BNP Paribas companies. Credit valuation adjustments ("CVA") are necessary to reflect counterparty credit quality in the valuation of assets measured at fair value.

CVA for financial assets at fair value through profit and loss for the six months period ended 30 June 2024 is a loss amounting to 287,731,719 EUR (a loss of 5,562,969 for the six months period ended 30 June 2023) which is fully offset by an equal and opposite amount in financial liabilities at fair value through profit or loss.

##### Debit Valuation Adjustment

Debit valuation adjustments are necessary to reflect the credit quality of the Company in the valuation of such financial liabilities at fair value through profit and loss. The directors consider that the Company is fully hedged and that there would, in the normal course of business, be no impact on the results of the Company due to movements in the fair value of the financial liabilities at fair value through profit or loss.

The amount of change attributable to changes in its own credit and funding risk in the financial liabilities at fair value through profit or loss and held at fair value through profit or loss for the six months period ended 30 June 2024 is a gain amounting to 287,731,719 EUR (a gain of 5,562,969 for the six months period ended 30 June 2023).

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2023). This is fully offset by an equal and opposite amount in financial assets at fair value through profit or loss.

## 5. NOTES TO THE CASH FLOW STATEMENT

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

### Received interest and paid interest and fees

These cash flows relate to repack transactions (notes issued by the Company backed by bonds). The Company receives monthly interest and pays fees to the BNP Paribas Group companies. The remainder is paid as interest to the noteholders. The relevant amount with regard to the six months period ended 30 June 2024 is 38,672,159 EUR for interest income as well as interest expenses (28,747,535 EUR for the half year 2023 ).

## 6. FINANCIAL RISK MANAGEMENT

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

- As the first line of defence, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising independent control in respect of the second line of defence.
- The main control functions within BNP Paribas ensuring the second line of defence are the Compliance and Risk Functions. Their heads report directly to the Chief Executive Officer of BNP Paribas Group and account for the performance of their missions to the Board of directors via its specialised committees.
- General Inspection provides a third line of defence. It is responsible for periodic control.

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

- Code of conduct: The Group adopted a new Code of conduct in 2016. It applies to all employees and defines the rules for our conduct in line with the core values of our corporate culture. For example, employees are reminded in the Code of conduct that the Group's interests are protected by responsible risk-taking in a strict control environment. The Code of conduct also includes rules for protecting customers' interests, financial security, market integrity and professional ethics, which all play an important role in mitigating compliance and reputation risks.
- Responsibility Charter: Executive Management drew up a formal Responsibility Charter, inspired by the Group's core values (the "BNP Paribas Way"), management principles and code of conduct. One of the four commitments is "Being prepared to take risks, while ensuring close risk control". The Group sees rigorous risk control as part of its responsibility, both to clients and to the financial system as a whole. The Bank's decisions on the commitments it makes are reached after a rigorous and concerted process, based on a strong, shared risk culture which pervades all levels of the Group. This is true both for risks linked to lending activities, where loans are granted only after in-depth analysis of the borrower's situation and the project to be financed, and for market risks arising from transactions with clients – these are assessed on a daily basis, tested against stress scenarios, and subject to limits. As a strongly diversified group, both in terms of geography and businesses. BNP Paribas is able to



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balance risks and their consequences as they materialise. The Group is organised and managed in such a way that any difficulties arising in one business area will not jeopardise another in the Bank.

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

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

## Credit risk

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

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

Expected credit losses ('ECLs') related to the assets at amortised cost can be disregarded as not significant, since these relate to a reverse repo with BNP Paribas Group and are collateralised by government bonds. The counterparty has a low probability of default and in the event of default the loss given default is expected to be limited (due to the collateral), accordingly the ECL is regarded as not significant.

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

## Collateral and other credit enhancements

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

<b>30 June 2024</b>	<b>Gross credit exposure</b>	<b>Credit enhancements</b>	<b>Net credit exposure</b>
<b>Class</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Subject to ECL</b>			
Financial assets at amortised cost	-	-	-
Trade and other receivables	1,518,486	-	1,518,486
Cash and cash equivalents	8,037,602	-	8,037,602

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## Not subject to ECL

Financial assets at fair value	146,072,180,477	-4,637,437,236	141,434,743,241
<b>Total assets</b>	<b>146,081,736,565</b>	<b>-4,637,437,236</b>	<b>141,444,299,329</b>

31 December 2023	Gross credit exposure	Credit enhancements	Net credit exposure
Class	€	€	€
<b>Subject to ECL</b>			
Financial assets at amortised cost	88,659,779	-88,659,779	-
Trade and other receivables	3,193,007	-	3,193,007
Cash and cash equivalents	3,498,827	-	3,498,827
<b>Not subject to ECL</b>			
Financial assets at fair value	126,471,812,772	-4,395,598,679	122,076,214,093
<b>Total assets</b>	<b>126,567,164,385</b>	<b>-4,484,258,458</b>	<b>122,082,905,927</b>

## Market risk

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

## Liquidity risk

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

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

In certain instances, securities contain early redemption clauses such as callability features. The total amount in question is €15,461,581,628 (11%). No early redemption was applicable for 95% of the securities as per 31 December 2023.

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Under IFRS 7, it is recommended that financial liabilities are allocated to the earliest period in which the entity can be required to pay, whenever the counterparty has a choice of when an amount is paid. Securities that include an issuer put option are disclosed in the following tables using their closest possible redemption date.

**30 June 2024**

<b>Financial assets as at 30 June 2024</b>						
	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 year – 2 years</b>	<b>2 years – 5 years</b>	<b>Greater than 5 years</b>	<b>Total</b>
	€	€	€	€	€	€
Financial assets held at FVTPL	-	47,421,893,505	18,341,387,496	39,485,634,095	36,539,911,296	141,788,826,392
Financial assets designated at FVTPL	-	460,285,217	325,282,919	2,281,305,688	1,216,480,261	4,283,354,085
Financial assets at AC	-	-	-	-	-	-
Trade & other receivables	-	1,518,486	-	-	-	1,518,486
Cash & equivalents	8,037,602	-	-	-	-	8,037,602
<b>Total</b>	<b>8,037,602</b>	<b>47,883,697,208</b>	<b>18,666,670,415</b>	<b>41,766,939,783</b>	<b>37,756,391,556</b>	<b>146,081,736,565</b>

<b>Financial liabilities as at 30 June 2024</b>						
	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 year – 2 years</b>	<b>2 years – 5 years</b>	<b>Greater than 5 years</b>	<b>Total</b>
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	42,659,340,667	17,474,052,250	38,131,865,283	29,707,736,805	127,972,995,005
Financial liabilities held at FVTPL	-	5,222,838,055	1,192,618,165	3,635,074,501	8,048,654,751	18,099,185,472
Financial liabilities at AC	-	-	-	-	-	-
Trade & other payables	-	4,186,446	-	-	-	4,186,446
Current tax liability	-	1,284	-	-	-	1,284
<b>Total</b>	<b>-</b>	<b>47,886,366,452</b>	<b>18,666,670,415</b>	<b>41,766,939,783</b>	<b>37,756,391,556</b>	<b>146,076,368,207</b>

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31 December 2023

<b>Financial assets as at 31 December 2023</b>						
	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 year – 2 years</b>	<b>2 years – 5 years</b>	<b>Greater than 5 years</b>	<b>Total</b>
	€	€	€	€	€	€
Financial assets held at FVTPL	-	25,222,420,892	20,523,844,250	37,160,950,523	39,409,787,846	122,317,003,511
Financial assets designated at FVTPL	-	1,609,394,849	462,789,460	828,436,506	1,254,188,446	4,154,809,261
Financial assets at AC	-	-	-	59,503,200	29,156,579	88,659,779
Trade & other receivables	-	3,193,007	-	-	-	3,193,007
Cash & cash equivalents	3,498,827	-	-	-	-	3,498,827
<b>Total</b>	<b>3,498,827</b>	<b>26,835,008,748</b>	<b>20,986,633,710</b>	<b>38,048,890,229</b>	<b>40,693,132,871</b>	<b>126,567,164,385</b>

<b>Financial liabilities as at 31 December 2023</b>						
	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 year – 2 years</b>	<b>2 years – 5 years</b>	<b>Greater than 5 years</b>	<b>Total</b>
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	24,093,437,960	19,838,801,094	35,740,250,977	33,633,679,697	113,306,169,728
Financial liabilities held at FVTPL	-	2,738,377,781	1,147,832,616	2,249,136,052	7,030,296,595	13,165,643,044
Financial liabilities at AC	-	-	-	59,503,200	29,156,579	88,659,779
Trade & other payables	-	5,870,946	-	-	-	5,870,946
Current tax liability	-	16,591	-	-	-	16,591
<b>Total</b>	<b>-</b>	<b>26,837,703,278</b>	<b>20,986,633,710</b>	<b>38,048,890,229</b>	<b>40,693,132,871</b>	<b>126,566,360,088</b>

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## 7. NON-FINANCIAL RISK MANAGEMENT

### Compliance risk

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

### Legal risk

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

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

The Group Legal Function is responsible for:

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

### Tax risk

In each country where it operates. BNP Paribas is bound by specific local tax regulations applicable to companies engaged, for example, in banking, insurance or financial services. The Tax Function ensures at a

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global level that the tax risk is managed throughout all of the transactions conducted by the Group. In view of the financial and reputational stakes. Finance and Compliance are involved in the tax risk monitoring process. The Group Tax Department carries out the tax function and calls on the assistance of tax managers in certain businesses and in the main geographical areas where the Group operates (as well as tax correspondents in other geographical areas where the Group operates). In ensuring the coherence of the Group's tax practices and the global tax risk monitoring, the Group Tax Department:

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

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

## Cybersecurity and Technology risks

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

To reinforce its technology and the protection of data, the Group has adopted a comprehensive approach to cyber security management through its three lines of defence:

- Operational entities are the first line of defence. Since 2015, the Group has introduced across all of the entities a transformation programme based on the international standard NIST (National Institute of Standards and Technology). This programme is regularly updated, taking into account new threats and recent incidents identified around the world.
- As a second line of defence, the team dedicated to managing cybersecurity and technological risk within RISK ORM and under the responsibility of the Group Chief Operational Risk Officer, is tasked with the following in relation to Operational Risk Officers:
  - Presenting the Group's cyber security and technology risk position to the Group Executive Committee, the Board of directors, and the supervisory authorities.
  - Monitoring the transformation programme across the entire group.
  - Integrating the cyber security and technology risk aspects into all major projects within the Group.
  - Ensuring that policies, principles and major projects take aspects of cyber security and technology risk into consideration.
  - Monitoring existing risks and identifying new threats are likely to have a negative impact on the Group's business.
  - Overseeing third-party information systems risks within a strengthened framework.
  - Conducting independent assessment campaigns on priority objectives.
  - Taking measures to assess and improve the Group's ability to respond to failings and incidents.
- As the third line of defence, the role of General Inspection is to:
  - Assess the processes put in place to manage ICT risks (related to information and communication technologies), as well as associated controls and governance.
  - Check for compliance with laws and regulations.

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- Propose areas of improvement to support the mechanisms put in place.

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

- Availability and continuity risks: BNP Paribas relies heavily on communication and information systems across all its business activities. Any breach in the security of these systems could lead to failures or interruptions in the systems used to manage customer relations or to record transactions (deposits, services and loans) and could incur major costs to recover and verify compromised data. The Group regularly manages, and revises its crisis management and recovery plans (rate of existence of a business continuity plan validated at 31 December 2021: 89.08%), by testing its data recovery services and the robustness of its information systems, using various scheduled stress scenarios;
- Security risks: the Bank is vulnerable to cybersecurity risk, or risk caused by malicious and/or fraudulent acts, committed with the intention of manipulating information (confidential, bank/insurance, technical or strategic data), processes and users, which may result in material losses for the Group's subsidiaries, employees, partners and customers. The Group continually reassesses the threats as they evolve and mitigates risks detected at a good time by means of taking effective counter measures;
- Change-related risks: the Group's information systems are changing rapidly in the light of digital transformation. These risks, identified during the systems' design or modification phases, are regularly assessed to ensure that the proposed solutions are consistent with the needs of the Group's business lines;
- Data integrity risks: confidentiality of customer data and transaction integrity are areas covered by the same systems set up in response to Regulation (EU) No. 2016/679 of 27 April 2016 (General Data Protection Regulation – GDPR) intended to provide the Group's customers with a service that meets their expectations;
- Third-party information systems risks: the Bank is exposed to risks of financial default, breaches or operational capacity constraints when it interacts with third parties, including customers, financial intermediaries and other market operators. The Group's three lines of defence constitute the management framework of these risks at every step of integration until the end of the relationship with such third parties.

The Group deploys significant resources to identify, measure and control its risks and implements various techniques to manage its risk profile. The Covid outbreak in 2020 increased the Group's dependence on digital technologies. In order to have the capacity to work remotely and to allow the Group to continue operating despite the high risk of cybercrime, the Group invested in IT upgrades to increase the bandwidth of the network and ensure the stability of the remote access infrastructure. At the same time, teams in charge of cybersecurity have strengthened their surveillance capabilities to improve detection and respond to threats more quickly. The processes and tools in place were complemented with cyber security reviews and specific support to businesses along with communication of actions to employees.

## 8. COMMITMENTS CONTINGENCIES AND OFF-BALANCE ITEMS

The Company has issued securities with pledged collateral. The value of the pledged collateral as at 30 June 2024 amounts to 4,637,437,236 EUR and as at 31 December 2023 amounts to 11,771,135,160 EUR.

## 9. SUBSEQUENT EVENTS

No subsequent event that could have significantly impacted the financial statements of the Company have occurred since 30 June 2024 and to the date of this report.

# BNP PARIBAS ISSUANCE B.V.

## Board of Directors

Amsterdam, 11 September 2024  
The Board of Directors,

Signed by

Cyril Le Merrer

Edwin Herskovic



# BNP PARIBAS ISSUANCE B.V.

## *Other Information*

### **Statutory arrangements concerning the appropriation of profits**

Paragraphs 1 and 2 of article 19 of the articles of association:

19.1 The allocation of profits accrued in a financial year shall be determined by the Shareholders' Body. If the Shareholders' Body does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

19.2 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.

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

### **Independent auditor's review report**

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

## INDEPENDENT AUDITOR'S REVIEW REPORT

To Management of BNP Paribas Issuance B.V.

### Our conclusion

We have reviewed the accompanying interim report and financial statements for the 6-months period ended 30 June 2024 of BNP Paribas Issuance B.V. based in Amsterdam.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the 6-months period ended 30 June 2024 of BNP Paribas Issuance B.V. do not give a true and fair view of the financial position of BNP Paribas Issuance B.V. as at 30 June 2024 and of its result for the period then ended in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim financial information comprises:

- The company's Balance Sheet as at 30 June 2024.
- The company's Income Statement and Statement of Comprehensive Income for the period from 1 January 2024 to 30 June 2024.
- The company's Statement of Changes in Equity and Statement of Cash Flows for the period from 1 January 2024 to 30 June 2024.
- The notes comprising material accounting policy information and other explanatory information.

### Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of BNP Paribas Issuance B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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

## **Responsibilities of management for the interim financial statements**

Management is responsible for the preparation of the interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial information that are free from material misstatement, whether due to fraud or error.

## **Our responsibilities for the review of the interim financial statements**

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding in the entity and its environment, and the applicable financial reporting framework, in order to identify areas in the interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of the entity's accounting systems and accounting records and consider whether these generate data that is adequate for the purpose of performing the analytical procedures.
- Making inquiries of management and others within the entity.
- Applying analytical procedures with respect to information included in the interim financial information.
- Obtaining assurance evidence that the interim financial information agrees with or reconciles to the entity's underlying accounting records.
- Evaluating the assurance evidence obtained.
- Considering the appropriateness of accounting policies used and considering whether the accounting estimates and related disclosures made by management appear reasonable.
- Considering the overall presentation, structure and content of the financial statements, including the disclosures.

- Considering whether the financial statements and the related disclosures represent the underlying transactions and events in a manner that gives a true and fair view.

Amsterdam, 11 September 2024

Deloitte Accountants B.V.

Signed on the original: R.A. Spijker