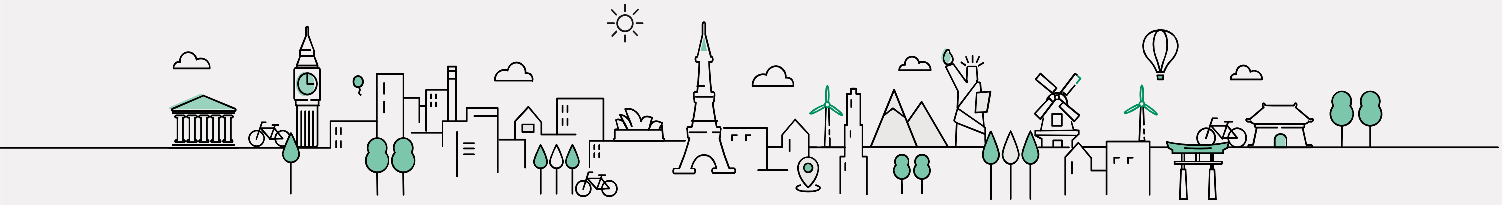
ANNUAL REPORT 2019

BNP PARIBAS ASSET MANAGEMENT NEDERLAND N.V.

Annual Report 2019 – 31 December 2019
International Financial Reporting Standards with Part 9 of Book 2, Dutch Civil Code



BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

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Report of the Board of Directors

General

We herewith present the financial statements for the year 2019 of BNP PARIBAS ASSET MANAGEMENT Nederland N.V. (the "**Company**") together with the report of the Management Board.

BNP Paribas Asset Management is the autonomous global asset management division of the BNP Paribas Group. The Company acts, amongst others, as director and/or management company (*beheerder*) for Alternative Investment Funds ("**AIFs**") and Dutch Undertakings for Collective Investment in Transferable Securities ("**UCITS**") (together: investment funds). Further, the Company is entrusted with asset management activities for both institutional mandates and foreign investment funds of BNP Paribas Asset Management. Total assets that are under the direct management of the Company were around EUR 37 billion as of 31 December 2019.

Corporate Structure

BNP PARIBAS ASSET MANAGEMENT Holding S.A. in France indirectly holds 100% of the shares of BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. which is the 100% owner of the shares of the Company. The Company is incorporated under the laws of the Netherlands and has its statutory seat in Amsterdam, the Netherlands.

BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. also held 100% of the shares of BNP PARIBAS ASSET MANAGEMENT Netherlands N.V., which was the formal employer of all BNP Paribas Asset Management employees in the Netherlands, as well as the contracting party for external contractors and other external temporarily staff that is based in the Netherlands. As per 1 January 2019, a merger between BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. and the Company took place by which merger the Company acted as the acquiring entity.

Year results 2019

The Company's net result increased with EUR 2.8 million, resulting in a net loss of EUR 5.7 million compared to the same period in 2018.

From continuing operations, the total assets under management (**AuM**) of the Dutch Fund range per December 2019 increased with 8% in comparison with December 2018 to EUR 1.7 billion. However, as the average AUM during 2019 was minus 7% versus 2018, the management fees of the Dutch Fund range decreased with EUR 0.8 million.

On the institutional side, during 2019 some new (European) clients and (positive net) inflows have been welcomed, which combined with positive markets have led to an increase of AuM with EUR 6.5 billion compared with the AuM per December 2018. Since the increased AuM is mainly invested in lower margin products, the positive financial impact of these new assets on the management fees is relatively marginal being EUR 0.4 million. This positive impact is fully offset against the lower AuM of the Japanese mandate, having a negative impact of EUR 0.4 million on the received management fees.

The other gains and losses have decreased with EUR 0.9 million due to IAS19R calculation on pension, death in service and (first time adaptation of) severance bonus.

Although the pension scheme of the Company is a 100% defined contribution plan as from 1 January 2019, the Company's retirement plan remains subject to IAS19R valuation.

The largest and positive contribution from the continuing operations originates from the new Transfer Pricing Policy (Note 5) effective per the 1 of July 2019, with a positive net impact on the net fee margin of the Company of EUR 2.0 million for the 2nd half of 2019.

To summarize the aforementioned developments, the net fee margin has increased with EUR 0.2 million for 2019 in comparison with 2018.

On the cost side, the administrative expenses strongly decreased with EUR 3.7 million. This can be mainly explained by EUR 4.7 million decrease in transfer pricing expenses, EUR 0.7 million drop in staff expenses excluding benefits which is offset by EUR 1.7 million increase in benefits due to one off pension adjustment in 2018 caused by ending defined benefit pension plan.
Following the above, the operating result for 2019 increased with EUR 3.9 million to a negative result of EUR 7.2 million.

Market Environment and Corporate Strategy

The asset management landscape has rapidly changed following 3 trends, being:

Firstly – from a regulatory perspective – increased client interest protection challenges the industry to further enhance service levels whereas pressure on margins continues. In parallel, an increase of transparency encourages more severe requirements on reporting and monitoring.

Secondly – from a client demand perspective – clients have new expectations especially in terms of value for money while at the same time the current low yield environment and deflationary pressures accentuate sensitivity to pricing. As a consequence, there is a polarisation of clients' demands towards low-margin and highly scalable passive products on the one hand, and high added value, higher fee solutions on the other hand. This evolution in the product mix results in a price erosion for traditional active products and in a strong development of passives and specific asset classes solutions.

Thirdly, – from the perspective of digitalisation of the industry – there is a change in the way business is done, as new entrants across the value chain challenge existing market participants. The market faces the arrival of a new kind of non-financial competitors in the field of big data.

The challenges as outlined above hold across borders and require a global approach with a global vision and mission. BNP Paribas Asset Management's mission is to be a leading provider of quality investment solutions for individuals, companies and institutions in order to meet their goals. BNP Paribas Asset Management aims to be a quality driven investment house, which delivers more than products, through a scalable and efficient platform, on a global scale and with a culture of performance.

There are a couple of practical guidelines along which this corporate mission of BNP Paribas Asset Management is being translated into practical strategy and implementation. This applies for aiming towards simplicity in the overall set-up. This would also apply for the creation of unified investment platforms for equity and for fixed income, but also for the combination of all multi-asset teams whereby fundamental and quant research is being bundled into a "quanta mental" approach. Furthermore, it would apply for the overall scope of the product range and for the simplification of the overall set-up. In addition, it stimulates a focus on the creation of a new product mix, being positioned both on the low fee and tracking error bucket and on higher pricing and tracking error, thereby creating an optimal balance between the traditional asset class and alternative asset classes.

BNP Paribas Asset Management is committed to integrating sustainable investment practices across all their strategies. This commitment started more than 15 years ago, amongst others by signing the UN Principles for Responsible Investment, but since then, BNP Paribas Asset Management has continued to strengthen their commitment as elaborated further in this report. This will be further implemented in 2020.

The Company's strategy, products and services

The Company forms an integral part of BNP Paribas Asset Management. Strategy of the Company is typically being derived from a global perspective, thereby taking local positioning and market circumstances sharply into account.

Organizational changes that have taken place within the Company in the course of 2019 – in the context of the mentioned trends and developments – specifically relate to:

- Further strengthening of the (global) investment solution activities from the Netherlands;
- Restructuring of Client Services and Sales teams, making a more explicit distinction between Sales and Account Management. In addition, 4 separate Centres of Expertise were recognised.

For the investment activities, the transfer towards the front- and mid-office platform of Aladdin has been effectuated in Q2, 2019.

In its position as Management Company for UCITS and AIFs, a couple of changes has been implemented in 2019.

The Company and the investment team of BNP Paribas OBAM N.V. ("**OBAM**") announced the intention to transfer management of OBAM to a newly to be incorporated management company. The share capital of this management company will be majority-held by the investment team, headed by S.H.W. Zondag. The Company will have a minority shareholding. The transaction will be effective following the required regulatory approval and the subsequent information flow to shareholders. This is expected to be during the course of this year. Until then, the current structure will remain in place, with OBAM continuing to be fully embedded within the Company.

The Company fully revamped BNP Paribas Global High Income Equity Fund on 11 June 2019 and transformed it into a sustainable multi-factor fund that invests globally, primarily in a diversified portfolio of equity securities with an attractive dividend yield. This transformation entailed a complete revision of, among other things, the name, the investment policy and the index of the fund. The name of the fund changed into BNP Paribas Global Income Multi-Factor Equity Fund. More information on this fund can be found in the prospectus of BNP Paribas Fund III N.V. dated 13 November 2019.

BNP Paribas Premium Global Dividend Fund ("**PGDF**") invested primarily in BNP Paribas Global High Income Equity. Due to the revamp of this fund as per 11 June 2019 and the relatively small size of PGDF, it was decided to liquidate PGDF on 14 June 2019. As liquidation payment, shareholders of PGDF – Classic Class received shares of BNP Paribas Global Income Multi-Factor Equity Fund – Classic class based on the ratio between the net asset value of PGDF – Classic class and the net asset value of BNP Paribas Global Income Multi-Factor Equity Fund - Classic class as determined on 14 June 2019 (the "**Exchange ratio**").

The Company was appointed as Management Company for the newly launched Luxemburg based Reserved Alternative Investment Fund Diversified Private Credit Fund S.C.Sp. SICAV-RAIF. The objective of the fund is to provide investors with an exposure to private debt and real assets debt investments in Europe and North America. Interests in the fund will only be offered to professional investors, being investors that are considered to be a professional client or are, on request, treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("**MiFID II**") ("**Professional Investors**").

On the institutional side, some new mandates have been welcomed which were mainly related to the Solution & Advisory side of the business activities, on the other hand, structural changes in the Wholesale segment caused an equivalent outflow during the year.

Sustainable Investment

As a founding signatory to the United Nations Principles for Responsible Investment (UN PRI), sustainable investment is a strategic area of development for BNP PARIBAS ASSET MANAGEMENT Holding SA and its subsidiaries ("BNPP AM"). In the 2019 PRI assessment, it received excellent scores in 9 of 11 categories, meeting or exceeding the median peer score over 90% of the time.
In March 2019, it launched its Global Sustainability Strategy detailing its approach to sustainable investment, setting clear objectives and commitments, and focusing on three key sustainability themes: energy transition, the environment and equality and inclusive growth (the ‘3Es’). The strategy reinforces BNPP AM’s commitment to invest for the long term and to engage with companies and regulators to promote best practice, as well as raise awareness about the role that finance can play in achieving a sustainable world.

For BNPP AM, sustainable investment includes four elements: ESG integration, stewardship, responsible business conduct and a forward-looking perspective. Together, these approaches strengthen the way it invests, including how investment ideas are generated, optimal portfolio construction, risk control and using its influence with companies and markets. ESG integration enhances investment decision-making by assessing the environmental, social and governance (ESG) risks and opportunities of each investment. Stewardship is important as BNPP AM believes that meaningful engagement with issuers (including voting) can enable it to further understand and manage ESG risks on behalf of clients, while public policy engagement aims at promoting a regulatory framework that enables the development of a low-carbon and inclusive economy, including the pricing of externalities and high quality corporate reporting. Responsible Business Conduct helps avoid reputational, regulatory and stranded asset risk, as BNPP AM excludes those companies deemed in violation of the UN Global Compact Principles and has put in place a series of sector policies that set out the conditions for investing in particular sectors and guide its screening requirements and engagement. Finally the forward-looking perspective is around the ‘3Es’ that are used to enhance investment decision-making and guide stewardship efforts, as it believes the energy transition, environmental sustainability and equality are necessary conditions to a healthy economic future.

In more concrete terms, at BNPP AM level for its total assets under management (equities and bonds) and as of the end of 2020, it will follow and report on specific KPI’s relating to the 3Es including among others, carbon intensity, water footprint, percentage of women on boards. Furthermore, as of 2020, its portfolio managers are strongly encouraged to seek to obtain a better average ESG score and a smaller carbon footprint for their portfolios versus the benchmark.

BNPP AM is committed to being a ‘future maker’, which means using – in consultation – the entrusted capital it manages on behalf of its clients, as well as the knowledge present in the organisation, to push towards a more sustainable future. This will benefit the investment returns, clients, BNPP AM’s employees and society at large.

Employees

Throughout 2019, all employees of BNP Paribas Asset Management based in the Netherlands were contractually employed by BNP Paribas Asset Management Nederland N.V.

Compliance and Corporate Governance

As always, the Board of Directors paid significant attention to applicable laws and regulations, including the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*). The Company’s Board of Directors has sought to ensure that required amendments, where necessary, were made in a timely manner, in amongst others prospectuses, its Principles of Fund Governance (as available on the Company’s website www.bnpparibas-am.nl and based on the requirements concerning sound business operations (as set out in the Wft)) and other public information, internal procedures, organisation and guidelines.

Notable regulatory changes for the Company over 2019 and the first month of 2020 include the Directive on Long-term shareholder engagement (Directive (EU) 2017/828), as entered into force on 10 June 2019, the EMIR Regulation (EMIR Refit) (Regulation (EU) 2019/834) as entered into force on 17 June 2019 and the entry into force of the UBO register as of 10 January 2020.
The Company currently anticipates on the changes after the end of the transition period after the departure of the United Kingdom from the European Union on 31 January 2020 and the implementation of the Fifth Anti-Money Laundering Directive (Directive (EU) 2018/843), which is expected to be implemented soon in the Dutch law. The Company is also studying the consequences of the Regulation on facilitating the cross-border distribution of collective investment undertakings (EU) 2019/1156, the Regulation on prudential requirements of investment firms (EU) 2019/2033, as well as developments in ESG legislation and regulations.

Internal control framework and risk assessment policies

Although the Company is not significantly exposed to risks from financial instruments, market movements may impact financial results as net income from fees is closely related to the underlying net asset value of the investment funds while administrative expenses are only up to a certain extent related to movements in net asset value. Furthermore, the performance of the Company might be affected by redemptions by investors of our investment funds, changes in strategy by our distribution partners and negative sentiment in the market in general.

The Board of Directors of the Company is responsible for the day-to-day management, but part of the daily operations is outsourced to other BNP Paribas Asset Management entities and external parties. The Board of Directors has designed policies, procedures and structures as well as reporting lines to monitor outsourced activities, to control operational activities and to identify risks. The internal control framework has been designed to achieve the Company's goals by effectively mitigating, evaluating and monitoring risks. Within this framework, the Company's Compliance department ensures overall compliance with applicable laws and regulations. The Company's department of Risk Operational Risk and Control assures the accuracy of the internal control measures and administration descriptions. During 2019 and as far as the Board of Directors is aware, the Company has effectively operated under its system of internal control.

DUFAS Asset Manager Code

As stated before, BNP Paribas Asset Management is the asset management division of BNP Paribas Group. the Company provides services to both retail and institutional investors in the Netherlands. Activities for retail investors take the form of the distribution and management of investment funds, while services to institutional investors comprise management of investment mandates, fiduciary management and management of investment funds.
The Company is a member of and is actively participating in DUFAS, the Dutch Fund and Asset Management Association. DUFAS adopted the Asset Manager Code in 2014 (*Code Vermogensbeheerders*), setting out ten General Principles for asset managers.

The main focus of the General Principles is on putting the interests of asset management clients first, good governance on the part of asset managers and investment funds and a high degree of transparency in respect of returns and costs. The Company endorses these principles and explains annually on how it has applied them. We refer to the website (www.bnpparibas-am.nl / Over ons / DUFAS Code Vermogensbeheerders) for the feedback from the Company for the year 2019.

As the Company's activities form an integral part of the international asset management activities of BNP Paribas Group, many processes have an international dimension. As stated above, part of the daily operations of the Company are delegated or outsourced. In all cases of delegation or outsourcing to foreign BNP Paribas Asset Management entities or third parties, the Company has sought to ensure that further to any local applicable laws and regulations, the customs, laws and regulations as applicable in the Netherlands are fully observed, including any guidelines following from the DUFAS Asset Manager Code.

Remuneration policy

The objective of a remuneration policy is to ensure all employees of BNP Paribas Asset Management are compensated in a way that complies with management guidelines, while offering transparency and consistency in the remuneration strategy, and ensuring compliance with applicable regulations.

In asset management, where human capital is crucial, a company's remuneration policy and practices have a significant impact on competitiveness, helping it recruit and retain talent.

Fostering awareness of our compensation policy and practices among our managers and employees is particularly important to BNP Paribas Asset Management.

For more details on the BNP Paribas Asset Management policy for the remuneration of its staff reference is made to Annex 1 of this annual report.

Aggregate quantitative information for members of staff of the Company(*)

Business Area	Number of staff(**)	Total Remuneration (fixed + variable) x € 1,000 (**)	Of which total variable remuneration x € 1,000 (**)
Members of staff of the Company	102	13,106	3,107

** This concerns employees of BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. deployed by the Company on the basis of an Intra-Group Resources agreement[1] including employees managing AIFs and/or UCITS and/or European mandates portfolio managers of BNP Paribas Asset Management Group.*

*** This concerns all employees employed by BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. as at 31 October 2018. Awards of variable remuneration during the financial year are based on performance over 2018. The amounts mentioned relate to the aforementioned employees and concern:*

- *Fixed remuneration including any raise awarded at the closing of the annual compensation review process (CRP) in May 2019; and*
- *Variable remuneration awarded during this CRP, based on performance during the preceding calendar year, whether this variable remuneration is deferred or not, and whether the employees ultimately remained in the Company or not. This concerns both the variable remuneration paid and the remuneration awarded and deferred in the financial year at the closing of the annual CRP in May 2019.*

All amounts mentioned are annualized.

1 The Intra-Group Resources agreement ceased to exist as per 1 January 2019 as a consequence of the merger that took place between BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. (disappearing entity) and the Company (acquiring entity) with the effective date of 1 January 2019.

Aggregate quantitative information for members of staff whose actions have a material impact on the risk profile of the Company (*) and who are indeed "Identified Staff"[2]:

Business Area	**Number of staff(**)**	**Total Remuneration x € 1,000 (**)**	**Of which total variable remuneration x € 1,000 (**)**
Identified Staff of the Company	**27**	**4,920**	**1,484**
Of which non-Portfolio managers	**6**	**1,352**	**420**
Of which AIF/ UCITS and European mandates Portfolio managers	**21**	**3,568**	**1,064**
Of which solely AIF Portfolio managers	**12**	**2,046**	**660**

** This concerns employees of BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. deployed by the Company on the basis of an Intra-Group Resources agreement[1] including employees managing AIFs and/or UCITS and/or European mandates portfolio managers of BNP Paribas Asset Management Group.*

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- *Variable remuneration awarded during this CRP, based on performance during the preceding calendar year, whether this variable remuneration is deferred or not, and whether the employees ultimately remained in the Company or not. This concerns both the variable remuneration paid and the remuneration awarded and deferred in the financial year at the closing of the annual CRP in May 2019.*

All amounts mentioned are annualized.

Other information:

- Number of AIF and UCITS Funds under management:

	Number of (sub)funds 31/12/2019	**Assets under Management at 31/12/2019 x € 1 billion**
UCITS (sub)funds	**7**	**1,734**
AIFs (sub)funds	**1**	**0,112**

- Under the supervision of the BNP PARIBAS ASSET MANAGEMENT Holding's remuneration committee and its board of directors, an independent and central audit of the Global BNP Paribas Asset Management remuneration policy and its implementation over the 2018/2019 financial year was conducted between May and July 2019. The results of this audit, which covered the BNP Paribas Asset Management entities with an AIFM and/or UCITS licence, was rated "satisfactory".

2 The identified staff is determined based on end of year review.

- In 2019, no employees working under the responsibility of the Company received a total annual remuneration of EUR 1 million or more.
- There were no carried interest payments to any of the Company's staff.

Outlook 2020

Throughout 2020 projects within BNP Paribas Group and BNP Paribas Asset Management will continue as long as required to further anticipate on the organizational, operational and commercial impact of Brexit.

Commercially, the enhancement of the Solution investment activities are expected to further strengthen the foothold in this institutional segment. In parallel, investment solutions in the area of private debt and real assets are expected to be in greater demand. Throughout the different client segments, ESG will remain a key topic. The Company will follow an integrated approach in ensuring that all these demands from our clients can be properly met.

No changes in the fund range offered by the Company are currently foreseen for 2020.

Since year end, the development of the Coronavirus Covid-19 outbreak initially in China is now reaching all continents leading to an unprecedented sanitary and economic crisis. At present it is not possible to assess the detailed impact of this crisis on the companies in portfolio of the funds and mandates under our management, but there is growing concern about the magnitude of its impact on the world economy. The Board of Directors continues to follow the efforts of governments to contain the spread of the virus and monitors the economic impact, if any, on such companies. We also refer to the note 29, Subsequent events: Covid-19.

As of early March 2020, the business contingency plan of the Company has been activated and will continue to be in place as long as required.

The current situation does not have any impact on these financial statements dated on 31 December 2019.

Amsterdam, 28 April 2020

The Board of Directors:

J.L. Roebroek (Chairman)

M.P. Maagdenberg C.J.M. Janssen A.H. Wouters

Report of the Supervisory Board

To the shareholder of BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

We herewith present the annual report of BNP PARIBAS ASSET MANAGEMENT Nederland N.V. (the "**Company**") for the financial year 2019, which includes, amongst others, the Management Board report and the financial statements. Deloitte Accountants B.V. has issued an unqualified auditors report on the financial statements, which may be found under 'Other information' on page 52.

The Supervisory Board held formal meetings with the Management Board on three occasions during the financial year. The main topics covered at those meetings were as follows:

- Corporate strategy and developments, including: the management buy-out of the OBAM investment team, Greenwich Survey and outcomes, market trends, key themes on the (Dutch) asset management market, and more territory driven, the ambitions and plans for BNP Paribas in the Netherlands, and further, more globally driven, the ESG focus of BNP Paribas Asset Management and BNP Paribas Asset Management projects, such as Back in the Race and Business Transformation (improvement of cost/income ratio), Columbus (Sales) and Convergence (IT);
- The governance, mission and teams of the several investment centres: Global Listed Real Estate, Client Advisory, Multi Asset, Quantitative and Solutions;
- The financial position of the Company, the Transfer Pricing Policy of BNP Paribas Asset Management and the annual accounts of 2018;
- Performance of the Dutch BNP Paribas investment funds and institutional mandates granted to the Company;
- Human Resources: the Company's staff composition, other statistics, and concerns, main Human Resource processes and the Human Resources agenda for 2019, as well as Training, Learning and Development;
- Evolution of client assets under management and commercial strategy;
- The composition of the Supervisory Board;
- The Inspection General Audit on Sales, Product Development and Fund Legal and its outcome.

In addition to these formal meetings, informal discussions took place at regular intervals between the Management Board and (individual) members of the Supervisory Board on topics including the corporate developments and specific current matters.

Overall, we believe the policy of the Company has been implemented adequately in the interest of the Company, of the Company's shareholder and of the employees and investors and other stakeholders of the Company. Furthermore we believe that the Company has acted in the interest of the investment funds it manages, that conflicts of interests were appropriately addressed and that any risks were adequately controlled within the BNP Paribas Asset Management organisation.

We recommend that you adopt this annual report in its current format and that you discharge the Management Board in respect of its management activities and the Supervisory Board in respect of its supervision thereof.

As per the date of signing of this report the Supervisory Board of the Company consists of three members:

- Mr. G.J.C. Lippens (appointed as per 1 August 2019): CEO and Country Manager of BNP Paribas The Netherlands;
- Mr. S. Pierri (appointed as per 1 April 2018): Global Head of Client Group BNP Paribas Asset Management;
- Mr. T.A. Rostron (appointed 1 January 2017): Managing Director Kroon Advisors Ltd.

Mr. D. Thielemans (appointed as per 1 April 2017) resigned as per 28 February 2019.

Amsterdam, 28 April 2020

The Supervisory Board:

G.J.C. Lippens S. Pierri T.A. Rostron

Financial Statements

Statement of financial position

Before appropriation of result

	Notes	31/12/19	31/12/18
		l'000	l'000
ASSETS			
Non current assets			
Deferred tax assets	7	136	183
Financial assets at FVTPL	8	35	-
Current assets			
Property, plant and equipment	6	1,949	172
Loans and receivables	9	-	156
Trade and other receivables	10	14,353	13,534
Cash and cash equivalents	11	38,239	46,383
Total assets		**54,711**	**60,428**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the owners of the Company			
Share Capital	12	226	226
Share premium	12	63,874	63,874
Other reserves		2	2
Retained earnings		(31,125)	(25,519)
Total Equity		**32,977**	**38,583**
LIABILITIES			
Non current liabilities			
Provisions	13	416	416
Current liabilities			
Trade and other payables	14	17,536	18,435
Provisions	13	3,782	2,994
Total liabilities		**21,734**	**21,845**
Total equity and liabilities		**54,711**	**60,428**

Statement of profit or loss and other comprehensive income

	Notes	Year ended 31 December 2019 I'000	Year ended 31 December 2018 I'000
Continuing operations			
Management and other fees	15	43,077	43,965
Rebate, sales and advisory costs	16	(11,175)	(13,309)
Other gains and losses	17	(469)	436
Interest income	19	(127)	-
Income from fees – net		**31,306**	**31,092**
Administrative expenses	18	(38,484)	(42,218)
Operating result		**(7,178)**	**(11,126)**
Finance income and costs	19	(15)	(23)
Finance income and cost		**(15)**	**(23)**
Result before income tax		**(7,193)**	**(11,149)**
Current tax income/ (expenses)	7	1,468	2,656
RESULT FOR THE YEAR		**(5,725)**	**(8,493)**
Other comprehensive Income			
Remeasurement defined benefit costs	20	23	223
FTA IFRS 16 (Lease)	20	97	-
Other comprehensive Income		**120**	**223**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(5,605)**	**(8,270)**

Earnings per share

	31/12/19 €'000	31/12/18 €'000
Result attributable to the owners of the Company	(5,725)	(8,493)
Weighted average number of ordinary shares in issue	503	503
Basic earnings per share	**(11.38)**	**(16.89)**

Statement of changes in equity

In 2019 the Company has the following changes in equity:

		Attributable to the owners of the Company				
		Share Capital €'000	Share Premium €'000	Other Reserves €'000	Retained Earnings €'000	Total Equity €'000
	Notes					
At 1 January 2019		226	63,874	2	(25,519)	38,583
Issued shares	12	-	-	-	-	-
Result distribution		-	-	-	(5,725)	(5,725)
Other comprehensive income						
Remeasurement defined benefit costs	20	-	-	-	23	23
FTA IFRS 16 (Lease)	21	-	-	-	97	97
Total other comprehensive income		-	-	-	**120**	**120**
At 31 December 2019		**226**	**63,874**	**2**	**(31,125)**	**32,977**

In 2018 the comparative figures for changes in equity looked as follows:

At 1 January 2018		225	63,875	2	(17,249)	46,853
Issued shares		1	(1)	-	-	-
Result distribution		-	-	-	(8,493)	(8,493)
Other comprehensive income						
Remeasurement defined benefit costs	20	-	-	-	223	223
Total other comprehensive income		-	-	-	**223**	**223**
At 31 December 2018		**226**	**63,874**	**2**	**(25,519)**	**38,583**

Statement of cash flows

	Notes	Final Figures Year ended 31 December 2019 €'000	Final Figures Year ended 31 December 2018 €'000
Cash flows from operating activities			
Result before income tax		(7,193)	(11,149)
Adjustments for:			
Depreciation on Property, Plant & Equipment	6	1,442	89
Increase (decrease) in OCI	20	120	223
Movements in working capital:			
Decrease (increase) in Financial assets at FVTPL	7	(35)	-
Decrease (increase) in Trade and other receivables	10	(798)	1,515
Increase (decrease) in Trade and other payables	14	(899)	(3,595)
Income tax receivable (payable) (within Trade Receivables)	7	1,495	2,622
Increase (decrease) in Provisions	13	787	(1,665)
Cash generated by operations		**(5,081)**	**(11,961)**
Investing activities			
Net investments in Property, plant and equipment	6	(3,219)	(33)
Redemption of other loans and receivables	9	156	210
Net cash (used in)/ generated from investing activities		**(3,063)**	**177**
Net increase (decrease) in cash		**(8,144)**	**(11,784)**
Cash and cash equivalents at 1 January	11	46,383	58,167
Cash and cash equivalents at 31 December	11	38,239	46,383
Change in Cash		**(8,144)**	**(11,784)**

Notes to the financial statements

1. Corporate information

BNP PARIBAS ASSET MANAGEMENT Nederland N.V. (the **Company**) is a public limited liability company with its registered office in Amsterdam, the Netherlands, and is a wholly-owned subsidiary of BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. The Company was incorporated in the Netherlands on 30 December 1966. The organisation chart of the Group to which the Company belongs is as follows:

A more detailed Group structure is included in the registration document (*registratiedocument*) as published by the Company on its website (www.bnpparibas-am.nl, under “Informatie Wet Financieel Toezicht”, “Beheerder”).

The Company acts, amongst others, as director and management company for Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). Investment funds are registered with or notified to the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten* or *AFM*). The Company is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank* or *DNB*) and the AFM and holds licenses under the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*). The Company is registered at the Dutch Chamber of Commerce under Amsterdam Trade Register no. 33.179.578.

These Financial Statements of the Company were authorized for issue by the Board of Directors and Supervisory Board on 24 April 2020.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The Financial Statements are presented in Euro, which is also the functional currency of the Group to which the Company belongs, rounded to the nearest thousand, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

The Financial Statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), with Part 9 of Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*).

Basis of measurement

The Financial Statements have been prepared under the historical cost convention. All amounts reported in this annual report are stated in EUR.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

Following the current standards and interpretations, IFRS control criteria with regard to consolidation of investment funds are not met. As a result, investment funds are not consolidated. Current IFRS considerations indicate that consolidation of investment funds, which do not meet the IFRS control criteria, does not appear likely. Nevertheless, the Company will closely monitor the IFRS developments on this subject.

Tax status

As of 1 January 2015, the fiscal unity structure for value added tax purposes is no longer the same as the fiscal unity structure for corporate income tax purposes (see chapter 2.11). For value added tax, the Company is part of a fiscal unity together with BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. and GroeiVermogen N.V. For corporate income tax, the Company, as well as BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. and GroeiVermogen N.V., has become individual member of the new horizontal corporate tax group at the country level of BNP Paribas. Consequently, the BNP Paribas Asset Management NL's fiscal unity for corporate income tax ceased.

The measurement of current tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Corporate income tax is calculated and settled by using a standard rate which was 25% for 2018 and 2019.

Amendments to standards

a) New standards, amendments and interpretations applicable for 2019

Below is a list of new and revised IFRSs and amendments to IFRSs adopted by the EU that are mandatorily effective in EU for the year ending 31 December 2019 with an effect on the Company's financial statements:

- Impact of initial application of IFRS 16 Leases;
- Amendments to IAS 19 Employee Benefits;
- IFRIC 23 Uncertainty over Income Tax Treatments.

Leases (IFRS 16)

Since 1 January 2019, the Company applies IFRS 16 "Leases", adopted by the European Union on 31 October 2017.

IFRS 16 supersedes IAS 17 "Leases" and the interpretations relating to the accounting of such contracts. It defines new accounting principles applicable to lease contracts for the lessee, that rely on both the identification of an asset and the control of the right to use the identified asset by the lessee.

The standard requires the recognition in the balance-sheet of the lessee of all lease contracts, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets are amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. The main change induced by this new standard is related to contracts which, under IAS 17, met the definition of operating leases, and as such, did not require recognition of the leased assets in the balance sheet.

The main impact in the profit and loss account is the replacement of rental expenses previously accounted for on a linear basis in operating expenses by additional interest expenses in Net Banking Income in relation with lease liabilities, and the recognition of additional amortizing expenses in relation with rights-of-use.

2. 1 a).i. Effect of IFRS 16 First Time Adoption

As of 1 January 2019, Company has applied the new accounting standard IFRS 16 "Leases". The Company decided to apply the simplified retrospective transition requirement, with the cumulative effect in equity. This impact in equity results from the difference between:
- A right of use and its amortisation as if the standard had been applied since the origination of the contract, discounted at the standard first application date;
- A lease liability discounted at the standard first application date.
The discount rate applied for the measurement of both the right of use and the lease liability is the incremental borrowing rate based on the residual maturity of each contract at the date of the initial application of the standard.

The Company has applied the main simplification measures offered by the standard when applying the simplified retrospective transition method, in particular the absence of accounting for a right-of-use for contracts whose residual maturity is lower than twelve months at transition date.

As part of the set-up of this standard, the Company has identified rights of use of leased assets. A good is considered to be leased if the contract confers the right for the lessee, to control the use of a particular asset for a certain period of time for a consideration. In each case, the Company assessed :
- the identifiable nature of the asset, which presupposes that the lessor has no substantial right of substitution at the date of the contract;
- the effective nature of the control on the asset, which presumes for the lessor the right to obtain substantially all of the economic benefits arising from use of the asset, as well as the ability to decide on its use.

Where the lease also contains a non-rental component such as the provision of services, only the share of the rental corresponding to the rental component is taken into account by the Company in the valuation of the Right of Use. The identification of rental or non-rental component is carried out on the basis of their individual contract price.

For the calculation of the lease liability, the Company retains amounts excluding value added tax of fixed rents.

The lease contracts identified are essentially property leases (office buildings sublet from BNP Paribas S.A. Netherlands branch) and vehicles leases.

The Company made the choice not to apply the exemption to the accounting of initial deferred tax assets (DTA) and deferred liabilities (DTL) permitted by paragraphs 15 and 24 of IAS 12 “Income taxes”.

The main impacts on the balance-sheet are a positive effect of EUR 97k (net of tax) in equity, an increase of fixed assets by EUR 2,837k, the recognition of a lease liability of EUR 2,708k and an decrease of deferred tax assets by EUR 32k.

The following table presents the balance-sheet accounts impacted by the first application of IFRS 16.

	31/12/18	Effect of IFRS 16 adoption	01/01/19
	€'000	€'000	€'000
ASSETS			
Non current assets			
Deferred tax assets	183	(32)	151
Current assets			
Property, plant and equipment	172	2,837	3,009
Of which gross value	5,036	7,001	12,037
Of which accumulated depreciation and impairment	(4,864)	(4,164)	(9,028)
Total effect on Assets		**2,805**	
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the owners of the Company			
Retained earnings	(25,519)	97	(25,422)
Total effect on Equity		**97**	
LIABILITIES			
Current liabilities			
Trade and other payables	18,435	2,708	21,143
Total effect on liabilities		**2,708**	
Total effect on equity and liabilities		**2,805**	

Employee Benefits (IAS 19)

The Company has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Company will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

Income Tax Treatments (IFRIC 23)

The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- Determine whether uncertain tax positions are assessed separately or as a group and;
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  —If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  —If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

b) New standards, amendments and interpretations applicable for the Company

At the date of authorisation of the financial statements there were a number of standards and interpretations which were in issue but not yet effective.

New forthcoming standards and amendments	Anticipated impact	Effective date
Insurance Contracts (IFRS 17)	To be assessed	January 1st 2021
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (IFRS 10 and IAS 28)	To be assessed	To be set by IASB
Definition of a business (IFRS 3)	To be assessed	January 1st 2020
Definition of material (IAS 1 and IAS 8)	To be assessed	January 1st 2020
Conceptual Framework	To be assessed	January 1st 2020

2.2 Segment reporting

The Company has made use of the exemption under IFRS 8.2 which exempts entities, whose equity or debt are not publicly traded and which are not in the process of issuing equity or debt securities in public security markets, to disclose segment information.

2.3 Cash and cash equivalents

Cash comprises cash at banks, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4 Cash flow statement

The cash flow statement, based on the indirect method of calculation, gives details of the source of cash which became available during the year and the application of this cash over the course of the year. Profit before income tax has been adjusted for costs and income that did not result in any expense or revenues during the reporting year.

2.5 Share capital

Ordinary shares are classified as equity.

2.6 Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to shareholders of the Company by the number of shares in issuance at the end of the year.

2.7 Trade receivables, trade payables, loans and receivables

Trade receivables and trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairment. A provision for doubtful debtors is established when there is objective evidence that the Company will not be able to collect all amounts. The provision for doubtful debtors is assessed individually.

2.8 Employee benefits

As a result of the merger of BNP Paribas Asset Management Netherlands N.V. into the Company as per 1 January 2019, all employees transferred under universal title to the Company, as did all contracts with external contractors and other temporarily staff.
The members of the Board of Directors and Supervisory Board of the Company are, except Mr. T.A. Rostron, employed by the Company or another entity of the BNP Paribas Group.

Therefore, the Company applies the accounting requirements described in IAS19 for employee benefits (e.g. short- and long-term benefits, termination benefits), which establishes the principle that the cost of providing employee benefits are recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable, and outlines how each category of employee benefits are measured, providing detailed guidance in particular about post-employment benefits.

With regard to the termination benefits, post-employment benefits and staff provisions reference is made to Note 7, 13 and 18.

2.9 Revenue recognition

Income from fees - net

Income from fees - net comprises the fair value of the service rendered in the ordinary course of the Company's activities, net of management and other fees minus rebate, sales and advisory costs. The Company recognises income from fees in the accounting period in which the service is provided, the amount can be reliably measured, it is probable that future economic benefits will flow to or out the entity and specific criteria have been met for each of the Company's activities as described below.

Management fees and other fees

Management and other fees include service fees and performance fees, as well as fees earned for the investment management and sales activities performed. Management fees for the Dutch Funds range are calculated on the fund's month-end or monthly average net asset value using predetermined fee percentages, as disclosed in the fund's prospectus. The same principle applies for service fees that are charged to cover administrative, custody and other operational costs that include cost of auditors, registration, supervision and external reporting.
For the institutional client base, the management fees are calculated over the quarterly (average) net asset value. Next to the fees earned from the Company's Funds and clients the Company is also compensated by other BNP Paribas Asset Management for its role in either managing (investment management fee) or selling (sales fee) foreign products, compliant with the Transfer Pricing Policy.

Rebate, sales and advisory costs

Rebate, sales and advisory cost are costs which are payable to third parties and related parties. These costs are recorded when the services have been provided and can be based on, in agreements, predetermined percentages of the (average) management fee or (one of) the principles as defined in the Company's Transfer Pricing Policy (see note 5).
The actual rebate costs are calculated using the position statements provided by custodians or internally registered positions.
Finally, the accruals are based on the latest actual costs or on the latest information provided by custodians.

Finance income and costs

Interest income and costs are recognized on an accrual basis and are charged to the statement of profit or loss and other comprehensive income. All transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of settlement exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

2.10 Costs

Costs are recognized on an accrual basis and are charged to the statement of profit or loss and other comprehensive income.

2.11 Income taxes

Income tax, based on the applicable standard rate, is recognized in the period in which the result arises and represents the sum of the tax currently payable and deferred tax.

Horizontal Tax Group

Effective as of 2015, the Company is part of the new BNP Paribas Netherlands fiscal unity for corporate income tax, headed by BNP Paribas S.A., Netherlands branch. For that reason, the Company is jointly and severally liable for the tax liabilities of this fiscal unity. The corporate tax position with respect to the financial year will be settled with the head of the fiscal unity, as much as possible on the basis of the individual fiscal result and taking into account the allocation of the benefits of the fiscal unity to the various members of the fiscal unity, except in the case of a (consolidated) annual profit for the Dutch BNP Paribas Asset Management entities.
Following a name change in the course of 2016, BNP Paribas Finance B.V. is the head of the horizontal corporate tax group in 2017. Following a restructuring of BNP Paribas Corporate and Institutional Banking (becoming a branch of BNPP SA), a new consolidated corporate tax group has been put in place as of 1 January 2017, headed by BNP Paribas S.A., Netherlands branch.

2.12 Dividend distribution

Dividend distribution to the Company's shareholder is recognized as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholder.

3. Financial risk management objectives and policies

3.1 Financial risk factors

The Company is exposed to a number of risks due to the nature of its activities. These risks include credit risk, market risk, operational risk and liquidity risk. The Company's objective in managing these risks is the protection and enhancement of shareholder value.

The Company's risk management policies are approved by the Board of Directors and seek to minimize the potential adverse effects of these risks on the Company's financial performance. The risk management system is an on-going process of identification, measurement, monitoring and controlling risk.

The Company has a limited number of financial instruments. Financial assets relate to trade receivables, other financial assets and cash and cash equivalents. Financial liabilities relate to trade payables. Both arise directly from the Company's operations. The Company does not use derivative financial instruments. The Company has designed policies, procedures and structures as well as reporting lines to monitor outsourced activities to control operational activities and to identify risks. Corporate policies & procedures are disclosed on the BNP Paribas Asset Management intranet web site accessible for all BNP Paribas Asset Management employees.

(a) Credit risk

Credit risk is the risk of incurring a loss on loans and receivables (existing or potential due to commitments given) resulting from a change in the credit quality of the Company's debtors, which can ultimately result in default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.
Trade and other receivables are related fees receivable from investment funds and institutional clients for which the Company is the manager, plus receivables from internal parties in relation to Transfer Pricing (note 5). The Company uses the following risk weights for the most relevant items in the statement of financial position:

0%	Taxes and balances held within Group;
20%	Cash balances (3rd Parties), Debtors in the Asset Management Business;
50%	Loans and Advances – Other Commercial Loans;
100%	Debtors/creditors;
150%	Accrued fee-income generated by the Asset Management activities.

Since the largest part of the balances are held within the Group, the risk is limited and only applicable for Institutional clients. These receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is not significant. Furthermore, the Company has no positions which could lead to significant concentrations of credit risk. The maximum exposure is the carrying amount as disclosed in note 10.
With respect to credit risk related to cash and cash equivalents, the Company's exposure arises from default of the counterparty, which is BNP Paribas S.A, Netherlands branch, with a maximum exposure equal to the carrying amount disclosed in note 11.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not have open market positions and therefore, changes in market prices do not have any impact. However, changes in market prices might impact financial results due to the fact that net income from fees is closely related to the net asset value of the investment funds while administrative expenses are only to a certain extent related to movements in net asset value. The Company is not exposed to any material foreign exchange risks.

(c) Operational risk

Operational risk defines as the risk due to inadequate or failed internal processes or due to external events, whether deliberate, accidental or natural occurrences.

Internal processes giving rise to Operational risk may, for instance, involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of Operational Risk.

Operational risk encompasses Human Resources risks, Legal risks, Tax risks, Information System risks, Non Compliance risks, risks linked to operations processing, risks related to published financial information. The scope of risks covered by Operational risk being so large, its management relies on specialized teams who have the relevant skills for assessing and mitigating the risks. This is true, especially, for Legal, Tax, IT Security, Finance and also Compliance.

For instance, according to French regulation, Non-Compliance risk is the risk of legal, administrative or disciplinary sanctions, together with the financial losses, potentially significant, that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to banking and financial activities (including instructions given by an executive body, particularly in application of guidelines issued by a supervisory body). By definition, this risk is a sub-category of Operational risk. However, as certain implications of Compliance risk involve more than a purely financial loss and may actually damage the institution’s reputation, the Company treats Compliance risk separately.

Legal risk is defined as the risk that the operations of the investment company/institution (amongst others processes, products and fiscal constructs) are in breach with (changes in) laws and regulation (European, (inter)national supervision). Also included is the risk that the Company is held liable by a judge for (material or immaterial) damage on 3rd parties, among others as a result of breach of contract.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company monitors its risk to a shortage of funds on an ongoing basis. Due to the nature of its activities management and other fees are generally received prior to payment of rebate, sales and advisory fees thereby limiting the risk of a shortage of funds.
The interest rate risk is limited to the working capital and due to the fact the Company does not have any long-term loans the risk is considered to be remote.

3.2 Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for the shareholder and to assure compliance with the capital requirements mentioned in the Wft. Reference is made to note 27 for details about the capital requirements under the Wft. The Company monitors its capital on an ongoing basis. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, its shareholder could make an informal capital contribution without the issuance of share or issue new shares.

3.3 Fair value estimation

The carrying amounts are assumed to approximate their fair values.

4. Critical accounting estimates and judgements

In the application of the Group's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. Currently the estimated useful lives are determined as follows:

IT Equipment (except mobile phones)	3 - 5 years
Mobile phones	2 years
Other Equipment	3 - 5 years
Leasehold improvements	5 years

Valuation of employee benefit plans

The defined benefit cost for the financial year is made up of:

- the service cost (total service cost), which consists of:
  - the cost of the additional benefits that members accrue during the year based on projected salaries at retirement or earlier termination (current service cost);
  - the change in present value of the defined benefit obligation resulting from a plan amendment or curtailment (past service cost);
  - the difference between the present value of the defined benefit obligation being settled and the settlement price (gains/losses on settlement).
- plus net interest on the net defined benefit liability (asset) (total interest cost).

The following items are recognised through other comprehensive income:

- the remeasurements of the net defined liability (asset) (remeasurements).

The amount recognised as a net defined benefit liability/ (asset) in the Company’s statement of financial position is:

- the deficit (surplus) in the plan at the reporting date;
- plus any surplus that is not recognised because of the surplus cap.

Valuation of restructuring provision

Reorganization plans are developed for BNPP AM in the Netherlands. The reorganization plans are communicated with the employees in several ways, making a justified expectation by the employees that the reorganization will take place. Different parts of the reorganization are already set in motion at the balance sheet date. The restructuring provision concerns the commitments related to job placement services and the discharge of employees. A change in assumptions and estimates may affect the actual costs of the restructuring, including choice of outflow (buyout or job replacement services) and time.

Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized in the period in which the estimate is revised. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are outlined below.

Rebate costs

Rebate costs regarding institutional mandates/investors are accrued monthly based on the latest actual costs or on the latest information provided by custodians. Normally the number of shares is communicated to/ obtained by the Company quarterly in arrears and might therefore, deviate from the number of shares used to determine the monthly accrual.
The rebate costs for 2019 were amounting to EUR 3.8 million (2018: EUR 3.8 million) have been paid to institutional mandates/ investors following the agreed discount on their investments in (one of) the Company's Investment Funds.

5. Transfer Pricing Policy

Effective as from 1 July 2019, assisted by KPMG/Fidal, BNP Paribas Asset Management defined and validated a new Transfer Pricing ("TP") methodology, all documented in adherence with the OECD Guidelines and the new French transfer pricing documentation obligation. This new TP replaces the previous TP that has been effective since 1 January 2011.

The revenue fee sharing is now divided into three parts. Next to the remuneration of the selling entity and investment centre, there is a remaining margin for the Management Company (Manco margin) of the respective product.
With regard to the sales efforts (distribution), the Management Company remunerates the entity which sells the product based on a certain proportion of the earned management fees plus service fees (fee base). Within the new TP this remuneration is 63% of the fee base for investment funds, except for (Luxemburg) I-shares for which the remuneration is 25%. For institutional clients/ mandates, the sales remuneration also amounts to 25% of the fee base.
In respect of the asset management efforts, the entity which manages the product (investment centre) is entitled to receive remuneration based on "at arm's length" delegation to an external manager. This remuneration of the investment centre is, aligned with the remuneration for the selling entity, also based on a certain proportion of the base fee. Within the new TP this remuneration is 25% of the fee base for investment funds, except for (Luxemburg) I-shares for which the remuneration is 65%. For institutional clients/ mandates, the investment centre remuneration also amounts to 65% of the fee base.
After remuneration of the selling entity and investment centre, the Manco margin remains. This margin amounts to 12% of the fee base for investment funds, except for (Luxemburg) I-shares for which the margin is 10%. For institutional clients/ mandates, the Manco margin is also 10% of the fee base.

The aforementioned can be schematically summarized as follows:

PROFIT SHARING CALCULATION BASIS

MANAGEMENT FEES + SERVICE FEES = Y

Distribution

STEP 1 = TOTAL DISTRIBUTION FEES

FUNDS (1)

- Total distribution fees = **Y** x 63 %

DEDICATED FUNDS / MANDATES

- Total distribution fees = **Y** x 25 %

STEP 2 = SOULTE (INTERNAL)

- Soulte= Total distribution fees – Rebates (external)

Investment Management

FUNDS (1)

- IMF = **Y** x 25 %

DEDICATED FUNDS / MANDATES

- IMF = **Y** x 65 %

ManCo

FUNDS (1)

- Manco revenues = **Y** x 12 %

DEDICATED FUNDS / MANDATES

- Manco revenues = **Y** x 10 %

Clarifications

- ❑ No soulte calculation and payment on X shares.
- (1) ❑ Exception for Funds “Institutional” shares: Application of Dedicated funds / mandates rates

Type of portfolio	Type of share	TP rate
Collective fund	Classic	Funds
	Institutional	Dedicated / mandates
	X	Funds with Distribution fees
Dedicated / mandate	Classic	Dedicated / mandates
	Institutional	Dedicated / mandates
	X	Dedicated / mandates with no distribution fees

In the scope of cost sharing the operational expenses are incurred within the departments Operations, Marketing, IT and Network Change Management & Strategy. Based on validated allocation keys (a.o. assets under distribution, users by IT-applications and number of portfolios) these costs are re-invoiced to the beneficiary entities of the BNP Paribas Asset Management Group.

Notes to the specific items of the statement of financial position and the statement of profit or loss and other comprehensive income

6. Property, plant and equipment

	2019	2018
	I'000	I'000
Carrying amounts of:		
Other operating assets	1,949	172
	1,949	**172**
Cost or valuation		
Balance at 1 January	12,037	5,028
Additions	382	33
Disposals	(385)	(25)
Balance at 31 December	**12,034**	**5,036**
Accumulated depreciation and impairment		
Balance at 1 January	(9,028)	(4,800)
Depreciation	(1,442)	(89)
Disposals	385	25
Balance at 31 December	**(10,085)**	**(4,864)**
Total	**1,949**	**172**

Changes over the period include the effect of IFRS 16 first time adoption (note 2. 1 a).i.).

7. Deferred and current tax assets

	31/12/19	31/12/18
	€'000	€'000
Deferred Tax Assets	136	183
	136	**183**

	31/12/19	31/12/18
	€'000	€'000
Income tax expenses	1,468	2,656
	1,468	**2,656**

Changes over the period include the effect of IFRS 16 first time adoption (note 2. 1 a).i.).

Restructuring provision

Commercially, restructuring provisions are recognized if certain conditions (IAS37) are met as at balance sheet date. Next to having a detailed/formalized restructuring plan and a present obligation (reliably estimated), the level of probability (“more likely than not” that an outflow of resources embodying economic benefits will be required to settle this obligation) must be taken into account. Despite formal announcements made to the impacted staff before balance sheet date, a restructuring plan might change (because of the WC-process) and/or because employees, nominated for redundancy, managed to find a suitable job-career after the balance sheet date, making the earlier established provision superfluous. From a fiscal point of view, these post-balance updates are considered in the tax filing, creating temporary differences with the provisions that were recognized in an earlier stage in the commercial accounting process. In any case, creation of a provision requires that a formal fact/event should have occurred before balance sheet date that will cause future costs to arise. Also from a fiscal point of view, it’s prohibited to create a provision for staff related costs to the extent it relates to future periods, in so far staff remains employed and actually performs work in the office during these future periods. This also applies to conditional staff compensation that requires staff to remain employed until vesting of their right.

Fixed assets

The deferred tax asset is related to the first time adaptation entries during 2016 following the differences between fiscal versus economic principles of the depreciation of fixed assets. Commercially, the fixed assets are depreciated over a period of 3 years to the maximum of the rental lease period (investments in building). The fiscal depreciation period is set on 5 years, which means that 20% is depreciated (linear method) taking into account a possible residual value. Only when a fixed asset is disposed earlier, a depreciation of more than 20% is allowed. The discrepancy in both depreciation methods results in different effects in the profit and loss sheet i.e. net asset values during the lifetime of the assets.

Other provisions relating to staff

During the financial year 2019, the effects of other (new) tax accounting rules regarding the creation of staff related provisions were examined:

1. The calculation of a provision (accrual) for future staff related costs should exclude future expected increase in Consumer Price Index (“CPI”) and future expected raise in salary level (temporary difference); and
2. Whereas staff related costs are in principle tax deductible, staff compensation costs consisting of the rewarding of shares, options and cash compensation relating to stock prices, are not deductible for tax (permanent difference).

In conjunction to the 1st point, the Company has provisions in the area of pension-, jubilee-, death cover and severance bonus o/w the rules and rights are formalized in contracts and/or staff regulations (“personeelsreglement”). In the commercial accounting, these staff provisions are actuarially calculated (IAS19r) taking into economic assumptions, including future salary increase rates and expected rates of inflation (or CPI). To arrive to provisions allowed for tax accounting, the actuaries excluded these future expectations from their (commercial/IFRS) calculations. The lower tax valuation of the employee plans concerning death cover and jubilee created a temporary difference vs. the commercial valuation. The commercial and tax valuation of the Company’s pension scheme don’t differ from each other as at yearend 2019. The reason is that the Company stopped its hybrid DB/DC-pension scheme as at 31 December 2018 (and changed to full DC as from 1 January 2019). Consequently, and given the insurance contract, the reserve (obligation to make future payments) fell away since the plan was frozen.

With regard to the 2nd point, potentially a temporary or timing difference and a permanent difference should be recognized in the area of bonuses:

a) A temporary difference should appear in the case of the (cash)bonuses paid in cash and not linked to BNPP-shares. In agreement with BNPP NL Country manager Tax, the Company was not required to recognize a temporary difference with regard to the cash bonuses (not linked to BNPP-shares) which were accrued as at yearend 2019 and paid out only a few months later (March/April 2020);

b) A permanent different should be created in case of the (deferred) bonus incentive schemes that will pay out in shares or options of BNPP, as such pay-outs are non-tax deductible in full. Incentive schemes that (partially) grant a pay-out after some years, which is linked to the evolution of BNPP stock price, firstly create a temporary difference (accrual of costs should be in proportion to past periods for tax accounting) and secondly (but conditionally) a permanent difference for the portion linked to BNPP-share evolution. In the case, in the year of pay-out the employee has a fiscal salary above the indicated threshold, this pay-out is non-tax deductible. In the case, in the year of vesting the employee gets a cash pay-out linked to BNPP-share evolution but his/her salary doesn't exceed the threshold, the pay-out is tax deductible. In 2019, the Company held 5 different incentive plans: the Long Term Incentive Plan ("LTIP"), the Deferred Investment Scheme ("DIS"), the Wealth Incentive Scheme ("WIS"), the International Sustainability & Incentive Scheme ("ISIS") and the Group Share Incentive Plan ("GSIP"). Based on the rules of the different schemes, it was assessed that only LTIP as well as GSIP were regarded as rewarding schemes in BNPP shares/options, hence would qualify as non-tax deductible. The FTA of the new tax accounting rules concerning LTIP (note: no GSIP-expenses recorded in 2019) resulted in a permanent difference EIUR 64k.

IFRS 16 – Leases

Since 1 January 2019, The Company applies IFRS 16 on Leases. The Company made the choice not to apply the exemption to the accounting of initial deferred tax assets (DTA) and deferred liabilities (DTL) permitted by paragraphs 15 and 24 of IAS 12 "Income taxes". As a consequence The Company calculated deferred taxes arising on temporary differences by comparing the carrying amount of assets (ROU asset) and liabilities (lease liability)

Other permanent differences

Finally, in 2019 3 situations occurred that certain costs were born by the Company in respect of products without having any revenue contribution to the Company as such. Based on this, it was confirmed to treat these costs consistently as non-tax deductible in the Netherlands and have therefore been recorded as a permanent difference (per the income tax reconciliation below).

Current Income Tax

The current income tax for the year can be reconciled to the accounting result as follows:

Income tax reconciliation	31/12/19 €'000
Result before CIT (- is profit, + is loss)	**7,193**
Non-taxable Result	-
Adjustment for wage tax (0.4%)	59
GSIP (Group Share Investment Plan)	-
LTIP (Long Term Investment Plan)	64
Other permanent differences	1,200
Total Non-taxable result (+ is profit, - is loss)	**1,323**
Taxable result (- is profit, + is loss)	**5,870**
CIT @ 25% (- is payable, + is receivable)	**1,468**

8. Financial assets at FVTPL

	31/12/19 €'000	31/12/18 €'000
Associates & Joint Ventures	35	-
	35	-

The Associates & Joint Ventures represents the minority shareholding of the Company in the newly to be incorporated management company of OBAM.

9. Loans and receivables

	31/12/19 €'000	31/12/18 €'000
Alphabet Nederland BV	-	130
Lease plan	-	26
	-	156

The loans and receivables are related to the car lease contracts with Lease plan and Alphabet, and have been fully redeemed in 2019.

Loans Overview	01-Jan-19	Net new investment	Repayments	Impairment	Capitalized Interest	Net Discount Amortization	31-Dec-19
Loan Lease plan	26	-	(26)	-	-	-	-
Loan Alphabet Nederland	130	-	(130)	-	-	-	-
Total	156	-	(156)	-	-	-	-

10. Trade and other receivables

	31/12/19 €'000	31/12/18 €'000
Fees and commission receivable	526	49
VAT and other tax receivable	2,846	3,652
Accrued other income	10,981	9,833
	14,353	13,534

Trade and other receivables are non-interest bearing and mainly relate to invoiced and accrued management fees and other fees which, except fees from the Dutch Funds, normally settle quarterly. A provision for doubtful debtors is established when there is objective evidence that the Company will not be able to collect all amounts. The provision for doubtful debtors is assessed individually. Per the end of December 2019 the provision for doubtful debtors amounts to nil (31 December 2018: nil).

11. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand and in banks.

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statements of financial position and are as follows:

	31/12/19 €'000	31/12/18 €'000
Cash and cash equivalents	38,239	46,383
	38,239	46,383

12. Share capital and share premium

	Number of shares	Ordinary shares €'000	Share Premium €'000	Total €'000
At 1 January 2019	**503**	**226**	**63,874**	**64,100**
Issued shares	-	-	-	-
At 31 December 2019	**503**	**226**	**63,874**	**64,100**
At 1 January 2018	**501**	**225**	**63,875**	**64,100**
Issued shares	2	1	- 1	2
At 31 December 2018	**503**	**226**	**63,874**	**64,100**

Issued and paid-up capital

Following the merger, 2 new shares were issued at the end of 2018 to the expense of the transferred share premium, resulting in 503 shares of EUR 450 per share that have been issued per the end of December 2019.

Share premium

Following the merger, the equity of BNP PARIBAS ASSET MANAGEMENT Netherlands N.V. was added to the share premium of BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

13. Provisions

The provision for employee benefits has a predominantly long-term character. The other provisions mainly concern provisions for guarantee commitments and claims and also have a predominantly long-term character.

	31/12/19 €'000	31/12/18 €'000
Provision Restructuring	2,846	2,474
Provision Jubilee	714	845
Provision Severance Bonus	561	-
Provision Death cover	77	91
	4,198	3,410
Non-current	416	416
Current	3,782	2,994
	4,198	3,410

Provision Restructuring

In a context of accelerated regulatory change and an uncertain economic environment, cost control remains a key issue for the Company, cost control is very important. As per the end of 2019 not all cost expenditures are finalized, hence a provision was formed to cover the costs of future redundancy payments in relation to local restructuring plans which have or will be implemented in 2020 in the context of BNPP AM's Transformation Program.

Movements in the provision restructuring in the current year were as follows:

	31/12/19	31/12/18
	€'000	€'000
Opening balance	2,474	1,712
Additions	2,382	3,497
Utilized amounts (paid)	(1,710)	(1,467)
Release of unutilized amounts	(300)	(1,268)
Closing net liability / (asset)	2,846	2,474

Provision Severance Bonus

Upon termination of active employment by retirement, the employee will be granted a Severance Bonus. This provision does not apply to employees who are entitled to a severance pay under any other arrangement, for example due to redundancy on the basis of the Company's Social Plan or to a transitional severance payment.

The Severance Bonus amounts to one month's gross salary (including holiday allowance and 13th month) and twelve months mortgage interest subsidy, based on the last mortgage interest payment. The Severance Bonus is paid in one amount upon the termination of the employment.

Movements in the provision Severance Bonus in the current year were as follows:

	31/12/19	31/12/18
	€'000	€'000
Opening balance	-	-
Additions	561	-
Utilized amounts (paid)	-	-
Release of unutilized amounts	-	-
Closing net liability / (asset)	561	-

BNP PARIBAS ASSET MANAGEMENT Nederland narrative disclosure

The funded status of the ASR pension plan and the amounts recognised as a company liability at 31 December 2019 are shown in following table:

	31/12/19 €'000	31/12/18 €'000
Present value of funded defined benefit obligation	20,812	14,804
Fair value of plan assets	(20,812)	(14,804)
(Surplus)/ Deficit for funded plans	-	-
Equity adjustment		
Restrictions on asset recognised	-	-
Net liability/(asset) arising from defined benefit obligation	-	-

Movements in net liability recognised are shown in following table:

	31/12/19 €'000	31/12/18 €'000
Net liability/(asset) at the beginning of the year	-	1,802
Remeasurements included in OCI	-	(171)
Net expense recognised in profit or loss	-	(538)
Employer contributions	-	(1,093)
Net liability/(asset) at the end of the year	-	-

Movements in the present value of the defined benefit obligation in the current year were as follows:

	Year ended 31/12/19 €'000	Year ended 31/12/18 €'000
Opening defined benefit obligation	14,804	16,924
Current service cost	-	1,914
Interest expense	281	254
Contributions from plan participants	-	364
Past service cost	-	(885)
(Gain) / Loss on settlements	-	(1,584)
Settlement payments from plan	-	1,584
Remeasurement - effect of changes in demographic assumptions	-	(210)
Remeasurement - effect of changes in financial assumptions	-	(2,002)
Remeasurement - effect of experience adjustments	5,764	(1,523)
Benefits paid from plan	(37)	(32)
Closing defined benefit obligation	20,812	14,804

Movements in the fair value of plan assets in the current year are as follows:

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Opening fair value of plan assets	(14,804)	(15,122)
Interest Income	(281)	(237)
Employer contributions	-	(1,093)
Employee contributions	-	(364)
Settlement payments from plan	-	(1,584)
Remeasurements	(5,764)	3,564
Benefits paid from plan	37	32
Closing fair value of plan assets	(20,812)	(14,804)

Assets are held within separate accounts. Conform IAS19.142 and IAS19.143 asset categories are disclosed:

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Other	(20,812)	(14,804)
Total	(20,812)	(14,804)

Amounts recognised in profit or loss in respect of the defined benefit plans are as follows:

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Administration expenses and taxes	-	-
Current service cost	-	1,914
Past service cost	-	(885)
(Gain) / Loss on settlements	-	(1,584)
Interest expense on DBO	281	254
Interest income on plan assets	(281)	(237)
Net periodic expense (income)	-	(538)

The history of experience adjustments is as follows:

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Present value of defined benefit obligation	20,812	14,804
Fair value of plan assets	(20,812)	(14,804)
Deficit/ (Surplus)	-	-
Experience adjustments on plan liabilities	5,764	(1,523)
Experience adjustments on plan assets	(5,764)	3,564

Provision Jubilee

Movements in the provision Jubilee in the current year were as follows:

	31/12/19	31/12/18
	€'000	€'000
Opening balance	845	1,294
Service cost	56	82
Interest expense	13	10
Cash flows	(30)	(18)
Remeasurements	(170)	(523)
Closing net liability/ (-asset)	714	845

Management estimates the jubilee allowances to be paid under this scheme during 2020 at EUR 34k , as far as can be estimated reasonably. Conditionally, staff members are entitled to receive a gross jubilee bonus based on their years in service (12.5, 25 or 40 years). The provision is based on future payments and is long term.

Provision Death cover

Movements in the provision Death cover in the current year were as follows:

	31/12/19	31/12/18
	€'000	€'000
Opening balance	91	116
Service costs	8	9
Interest expenses	1	1
Remeasurements	(23)	(35)
Closing net liability/ (-asset)	77	91

Management estimates the contributions to be paid under this scheme during 2020 at EUR 5k, as far as can be estimated reasonably. This provision is considered long term.

14. Trade and other payables

	31/12/19	31/12/18
	€'000	€'000
Accrued other charges	12,887	16,256
Lease liabilities	1,618	-
Accounts payable	324	29
VAT and other tax payable	2,707	2,150
	17,536	18,435

Movements in the Lease liabilities in the current year were as follows.

	31/12/19	31/12/18
	€'000	€'000
Opening balance *	2,708	-
Additions	209	-
Payments	(1,312)	-
Interest	13	-
Closing net liability / (asset)	1,618	-

Changes over the period include the effect of IFRS 16 first time adoption (note 2. 1 a).i.).

15. Management and other fees

	31/12/19	31/12/18
	€'000	€'000
Sales fee	13,504	13,938
Management fee	24,153	24,927
Investment management fee	4,597	4,132
Service fee & Other fee	823	952
Performance fee	-	16
	43,077	43,965

The decrease of management fees amounting to EUR 0.8 million can be explained by the decreased average AUM of the Dutch Funds (EUR -0.8 million) and a Japanese mandate (EUR -0.4 million), with a positive impact from the inflows of Dutch Mandates (EUR +0.4 million). Following the lower AUM of the Dutch Funds also the service fees decreased. The drop of sales fee is due to outflows from global products (mainly Luxemburg Investment Funds), whereas the increase of investment management can be mainly explained by the new TP effective as from mid-2019.

16. Rebate, sales and advisory costs

	31/12/19	31/12/18
	€'000	€'000
Advisory costs - net	(5,567)	(6,830)
Sales cost - net	(1,717)	(2,101)
Rebate cost	(3,754)	(3,786)
Rebate cost -net	(137)	(592)
	(11,175)	(13,309)

The total drop of the net advisory and sales costs amounts to EUR 2.1 million, of which EUR 1.7 million is mainly related to the new TP effective as from mid-2019. The remaining EUR 0.4 million can be explained by the decreased net rebate cost.

17. Other gains and losses

	31/12/19	31/12/18
	€'000	€'000
Change in Provisions	(469)	436
	(469)	436

The increase of provisions in 2019 is related to the first time adaptation of the Severance Bonus, whilst he decreased provision in 2018 is related to the pension service cost following the end of the DB pension component per the end of 2018.

Next to the Severance Bonus, Jubilee and Death in Service provisions are remaining.

18. Administrative expenses

	31/12/19	31/12/18
	€'000	€'000
Other Expenses	(9,790)	(9,885)
Reinvoicing	(10,387)	(15,042)
Staff expenses	(18,217)	(17,157)
Professional Fees	(90)	(134)
	(38,484)	(42,218)

Staff expenses

The decrease in salaries and social security contributions are mainly due to drop in FTE's in 2019.

Up and to the year 2018, the company had a hybrid pension scheme, being a mix of DB-plan and DC-plan. The DB-cost for the year 2018 includes charges/credits due to special events. The plan was closed to future accrual beyond balance sheet date of 31 December 2018.

As from 2019, the pension scheme is 100% DC-plan. This means that DC-pension premiums will only have to be paid by the Company as employer where there will be no longer need for a DB-obligation. This is the reason for the drop in contributions to pension schemes.

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Wages and salaries	(15,902)	(16,211)
Compulsory social security contributions	(994)	(1,113)
Contributions to pension schemes	(1,321)	167
	(18,217)	(17,157)

The average number of employees during the year was FTE 90.0 (2018: FTE 97.5). At the end of 2019 the number of employees was FTE 83.6 (2018: FTE 96.4).

The number of personnel can be categorized as follows:

	Year ended 31/12/19	Year ended 31/12/18
Management	10.9	10.9
Sales	9.4	12.6
Investment Management	29.8	30.8
Support	33.5	42.1
Total FTE	83.6	96.4
Average FTE	90.0	97.5

Reinvoicing

The costs relating to Marketing, Operations and ICT are “at arm’s length” charged between the different companies of BNPP AM. These costs and respective recharges to the Company have strongly decreased as a result of a decreasing global costs.

Other Expenses

Other Expenses are mostly rent, professional fees and service providers (e.g. BP2S, Bloomberg, Reuters).

Professional fees

Professional fees include legal, fiscal advice and audit costs performed on behalf of the Company.

The Company distinguishes audit costs related to the investment funds which are covered by the service fees or are part of the total expense ratio and audit costs directly related to the Company itself. The audit costs directly related to the Company amount to EUR 90k (2018: EUR 134k) for the audit services provided by Deloitte Accountants B.V.

19. Finance income and costs

	31/12/19 €'000	31/12/18 €'000
Finance Income	6	12
Finance Cost	(21)	(35)
	(15)	(23)

	31/12/19 €'000	31/12/18 €'000
Interest Income	(127)	-
	(127)	-

The Finance income and costs are related to foreign currency transactions, whilst the Interest Income is caused by the negative interest charged at the Company's bank accounts.

20. Other comprehensive income

	31/12/19	31/12/18
	€'000	€'000
Remeasurement defined benefit costs	23	223
FTA IFRS 16 (Lease)	97	-
	120	**223**

The other comprehensive income concerns the re-measuring of the provision Pension ASR being nil in 2019 (2018: EUR 188k), and provision Death cover EUR 23k (2018 EUR 35k). Up and to the year 2018, the company had a hybrid pension scheme, being a mix of DB-plan and DC-plan. As from 2019, the pension scheme is 100% DC-plan. This resulted in a decrease in 2019 of remeasurement DB-cost.

Concerning FTA IFRS 16, next to an increase in fixed assets by EUR 2,837k and the recognition of a lease liability of EUR 2,708k, a positive effect of EUR 97k was recorded (please refer to note 2. 1 a).i.) IFRS 16 first time adoption).

21. Basic earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	31/12/19	31/12/18
	€'000	€'000
Result attributable to the owners of the Company	(5,725)	(8,493)
Weighted average number of ordinary shares in issue	503	503
Basic earnings per share	**(11.38)**	**(16.89)**

(b) Diluted

The Company has no categories of dilutive potential ordinary shares. As a result, the diluted earnings per share are identical to the basic earnings per share as per the above summary.

22. Dividends per share

No dividends were paid in 2018 and 2019. The objective of the Company's dividend policy is to upstream as much dividend as possible.

23. Related-party transactions

The Company has related-party transactions with other BNPP AM entities (including EEIG) and other related parties: (a.o. BNP Paribas Security Services (“BP2S”)).

The following transactions were carried out with related parties:

Statement of profit or loss and other comprehensive income

	Year ended 31/12/19 €'000	Year ended 31/12/18 €'000
Parent Company	60	66
All other counterparties	1,803	(2,985)
BNP Paribas Securities Services	(887)	(1,106)
	976	(4,025)
Main counterparties		
BNP PAM JAPAN LIMITED	(1,122)	(1,673)
BNP PAM LUXEMBOURG	14,282	15,246
BNP PAM FRANCE	(2,203)	(2,229)
CARDIF ASSURANCE VIE	976	938
BNP PARIBAS DEALING SERVICES	(1,069)	(1,082)
EEIG	(8,327)	(12,894)

The transfer pricing policy contains the cost sharing policy where the operational expenses incurred within the departments Operations, Marketing, IT and Network Change Management & Strategy are re-invoiced to the beneficiary entities of the BNP Paribas Investment Partners Group.

Year-end balances arising from related-parties transactions:

Receivables from related parties:

	Year ended 31/12/19 €'000	Year ended 31/12/18 €'000
Parent Company	1,348	2,622
BNP Paribas Securities Services	-	-
All other counterparties	45,565	51,641
	46,913	54,263
Main counterparties		
BNPP AMSTERDAM	38,239	46,383
BNP PAM LUXEMBOURG	3,885	3,498
EEIG	1,260	714

Receivables from related parties relate to BNP PARIBAS ASSET MANAGEMENT Holding, cash and cash equivalents, debtors and accrued receivables. These receivables are not secured, non-interest bearing and settle normally within 30 - 90 days.

Payables to related parties:

	Year ended 31/12/19 €'000	Year ended 31/12/18 €'000
Parent Company	-	-
All other counterparties	6,217	7,039
BNP Paribas Securities Services	393	449
	6,610	7,488
Main counterparties		
BNP PAM UK Ltd	458	278
BNP PAM France	855	509
BNP PAM JAPAN Limited	391	409
BNP PAM BELGIUM	381	598
EEIG	2,994	4,661

Payables to related parties relate to Trade and other payables. The payables bear no interest. No guarantees are given. Depending on the underlying agreement payables settle normally within 30 - 90 days.

24. Key management compensation

The Board of Directors has the authority and responsibility for planning, directing and controlling the activities of the Company and is acknowledged as key management personnel as defined in IAS 24.9. Key management personnel can also perform activities on behalf of other companies. The following table includes management compensation only for the period the members were appointed as a member of the Board of Directors and employed by BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

The compensation of the Board of Directors, being compliant with the remuneration policy taking into account performance of individuals and market trends, was as follows:

	Year ended 31/12/19	Year ended 31/12/18
	€'000	€'000
Salaries	779	670
Short-term benefits	362	231
Post-employment benefits	97	123
share based payments	66	49
	1,304	**1,073**

25. Contingent assets and liabilities

The Company has a lease agreement for housing and vehicles. The total rent including service cost is estimated at EUR 2.1 million until the expiry date. In anticipation of this expiry date, the Company together with other entities belonging to BNP Paribas The Netherlands are considering multiple housing options. Currently it's uncertain what option will be pursued that will serve the needs of the entities concerned. The lease costs for vehicles amounted to EUR 0.5 million in 2019 (2018: EUR 0.5 million). The average duration of the lease terms is 4 years.

Duration of the operating lease commitments (lease cars) per year was as follows:

	31/12/19	31/12/18
	€'000	€'000
Not later than 1 year	-	(119)
Later than 1 year not later than 5 years	-	(37)
Later than 5 years		
	-	(156)

26. Capital commitments

At the end of 2019 the Company has no capital commitments (2018: nil).

27. Compliance

Act on Financial Supervision (Wft)

The license under the Act on Financial Supervision requires the Company, amongst other requirements, to:

- Publish its Annual Financial Statements within 4 months after the end of its financial year;
- Comply with a minimum amount of shareholders' equity.

Shareholders' equity

The sufficiency of the Company's shareholders' equity is determined by the Fixed Overheads Requirement ("FOR"), calculated over the audited costs of prior year multiplied with 25%.

The Company's shareholders' equity at 31 December 2019 (and 2018) is sufficient.

Fixed Overhead	31/12/19	31/12/18
	€'000	€'000
Total audited annual costs * 25%	9,165	9,672
Total required regulatory capital	**9,165**	**9,672**
Regulatory capital	32,759	38,309
Surplus regulatory capital	**23,594**	**28,637**

It is the intention of BNP PARIBAS ASSET MANAGEMENT NL Holding N.V. to (continue to) provide sufficient financial support to the Company for the year 2020, to enable the Company to meet the capital requirements arising under the Act on Financial Supervision.

28. Proposed result appropriation

It is proposed by the Board of Directors to deduct the loss for the year 2019 amounting to EUR 5,725,416 (EUR 11,382.54 per share) from the reserve of the Company.

29. Subsequent events: Covid-19

In issuing the financial statements, the Board of Directors assessed that the Company is able to continue as a going concern, and that this series of events do not provide evidence of conditions that existed at the end of 2019. The Board of Directors believes however that the outbreak may have an impact on the financial statements 2020. These will depend on several elements including clients sector, their financial health prior to Covid-19, the efficiency of the governmental and financial support they will benefit from, and the scale of the damage that will have been made to their business models or working force.

While the effect of these events on 28 April 2020 is largely unpredictable as the pandemic is still spreading, the Board of Directors however expects that they will have limited impact on the expected credit losses and the valuation of the Company's assets, and without questioning the Company's entity's going concern.

Business contingency measures

The Coronavirus outbreak occurred at a time close to the end of 2019, but the World Health Organization only characterized it as a pandemic on 11 March 2020. Many governments and regulators have introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain area. These measures will affect the global supply chain as well as demand for goods and services and therefore have significant impact to the global growth. At the same time, fiscal and monetary policies are being relaxed to sustain the economy, and while these government responses and their corresponding effects are still evolving, there is not yet sufficient certainty on the scale of damage this outbreak will have made to the local and global economies.

From an operational point of view, the Company has an extensive Business Continuity Plan ("BCP") in place for a variety of scenario's. It has taken all possible measures to be able to continue to provide services to its customers and protect the health and safety of its employees. In concrete terms, this has meant that the BCP set up has been activated, a.o. to enable staff to operate across multiple locations. All employees within the Company have a laptop that provides the possibility to work from home or another location. In addition, the organization has facilities at a contingency site from which certain activities can be carried out. A team split for Investment staff was established since 6 March 2020. A split of all functions was implemented on 16 March 2020 while a few days later, another step was taken by ensuring all staff to work from home, with the exception of about 10% of staff in business critical functions (Investments and investment-related functions and IT). In parallel, all critical outsourcing contracts of BNPP AM have included specific provisions relating to Business Continuity provisions. These are evaluated regularly and are critically monitored in the current situation.

In addition to active communication of information to employees about hygiene guidelines and the provision of hygiene articles, travel restrictions are in place and meetings are assessed on a case by case basis. The guidelines issued by local authorities are also implemented locally.

The Corona crisis is a global event which impacts all countries and regions. The contingency plans and efforts are therefore being coordinated from a global perspective. The measures taken in the Netherlands therefore mirror comparable steps in other European countries in the same timeframe, partly based on earlier experience in the Asian countries. Amongst others, market liquidity, and liquidity in fund flows, and critical outsourcing contracts are being monitored (please note that, at the time of writing of this annual report, the Company hasn't experienced any material liquidity issues for the regulated funds managed by the Company). In addition, a Group wide policy has been defined by Group Human Resources on safety of staff and remote working during the Corona crisis.

Economic scenario

Global recession in first half. Timing of subsequent pick-up in growth entirely dependent on pandemic being brought under control. Recovery will be gradual and uneven, in terms of countries and sectors. The Covid-19 pandemic represents combination of demand, supply and uncertainty shock. In addition there is also an oil supply shock. The tightening of financial conditions acts as an additional drag on activity. Policy focus to shift from pandemic relief to helping the recovery post-lockdown. Gradual recovery will require more fiscal policy stimulus. Major central banks have eased aggressively, a key objective being to maintain smooth market functioning and corporate funding. Various very targeted policy measures by governments with big packages in several countries.

Financial conditions (equity markets, corporate bond markets) will play an important role, both in terms of a potential drag on growth as long as a peak in the epidemic hasn't been reached, but also as a conditioning factor for the recovery. The drop in oil demand and the absence of an agreement at the end of the OPEC+ summit mean that lower oil prices may, via corporate leverage, act as an additional drag on growth in a number of countries. Clearly, the timing of the recovery of growth depends on how the epidemic evolves. In China, activity is picking up but remains well below normal levels. In Europe, the peak in the epidemic may, based on expert opinion, still be weeks away. For countries which economically are closely integrated via international trade, it matters whether lockdowns can be lifted simultaneously or not. The strength and speed of the recovery will depend on how long the period of subdued or even negative growth has lasted. The longer and deeper, the bigger the hit to balance sheets, corporate investment, employment and hence consumer spending. We expect a gradual, uneven recovery. Very low interest rates will help, all the more so considering that the origin of the growth shock was non-economic, but in such a scenario, fiscal policy will play a key role to neutralise some of the drop in private sector demand.

The end of lockdowns will lead to a 'mechanistic' rebound in activity and demand. Pent-up demand and inventory rebuilding are likely to give an additional short-term boost. The key question is what happens afterwards to growth. The experience in China is a reminder that we cannot take a V-shaped recovery for granted, quite on the contrary. It will probably be gradual because not all countries move at the same pace towards normality –which will hinder exports, as we already see in China today- and the economic impact of the pandemic differs as well. This impact has a bearing on how fast demand and activity will get back to the pre-pandemic growth path. Several factors point towards a very gradual, bumpy process. Balance sheets of many companies will have deteriorated so they will not rush out to invest or hire staff. Households -at least part of them- will adopt a precautionary savings attitude, seeking to re-establish some financial cushion. Lingering health risk concerns may also act as a drag on certain expenditures, e.g. international travel. More than anything, household spending will depend on how unemployment develops. In the US, where costs of laying off people are low, the initial jobless claims have skyrocketed and Federal Reserve officials expect the unemployment rate in increasing significantly. Tourism may suffer from 'prophylactic home bias' i.e. people not daring to go to exotic places or board cruise ships. From health risk perspective opening business and going to shops will be gradual (caution on supply and demand side). Hence: need for fiscal stimulus.

As long-term investors, one needs to take a stand on the ultimate human, social and economic cost of the virus and then benchmark those views against current valuations. At the end of March, prices look to have been over-shot, fuelled by panic and dislocations in markets. At present, we believe that the situation may get worse before it gets better. There will be a catastrophic loss of life and a sharp contraction in activity. However, we believe that the global policy response will eventually turn the tide.

We believe that a combination of factors will ultimately help society learn to live with the virus without recourse to endless shut-downs – in particular: rising acquired immunity within the population; diagnostic and serological testing on an industrial scale; increased capacity within the healthcare system to deal with acute cases; and the adoption of best practice from around the world on containment strategies outside lock-downs.

The game changers are obviously the arrival of effective antivirals and ultimately a vaccine but at least as far as the latter is concerned there is a timeline of many months of trials ahead of us to demonstrate that any vaccine is safe, and that will be difficult to compress. However, credible news on progress will likely cause the market to fast forward to the end game.

There are obviously risks around this baseline scenario, and in particular around the number and duration of shut-downs that the authorities will need to impose, and, around the delay in producing effective antivirals and a vaccine. We will update our view and our call on the market as news arrives using a number of key signposts – on the behaviour of the virus itself; on the public health response; on the economic cost of the shut-downs; on the economic policy response; on the state of business and consumer confidence; and on investor expectations.

Company impact

The Covid-19 crisis has not changed the essential mission of our Company: providing long term sustainable investment solutions to our clients. Providing asset management services (especially for pension funds) continues to be a crucial process for society as a whole.

Whether existing trends in the industry will accelerate, and/or whether new trends could appear will become clearer in the period to come. At a product level, a shift in preferences may lead to new demand. Given the size of the global company, the Company will be able to meet these new requests.

Although the base scenario foresees a rebound of economic activity in the course of the year –as explained in the economic scenario-, it is subject to several factors which are present unknowns.

The Company makes a continuous effort in risk analyses and assessments. This applies for various stress tests which includes scenarios of a significant downturn of the market. In these scenario's, the Company continues to be able to be adequately funded in order to meet regulatory requirements. While the effect of all of these events on 28 April 2020 remains largely unpredictable, the Board of Directors expects - based on the Company's current and regular cash flows from its management- and service fees (incl. Transfer Pricing revenues), sufficient to meet its outgoing commitments - that these events will have limited impact on the expected credit losses and/or the Company's assets. Consequently, the Board of Directors is not questioning the entity's going concern

Other subsequent events

A.H. Wouters was appointed as director as at 1 April 2020.

OTHER INFORMATION

Annex 1: Remuneration Policy of the Company

What are the key principles of BNP Paribas Asset Management's Reward Policy?

- First, our reward strategy is designed to achieve a sound, responsible and effective remuneration policy and practice. In particular, it is designed to:
  - avoid conflicts of interest;
  - protect the clients' interests; and
  - ensure there is no encouraging of excessive risk-taking.

  These three points are central to our policy and are emphasized to all our employees.

  To meet these objectives, we use a best practice, which is to align the long-term interests of the employee, the employer and our clients.

- Secondly, in concrete terms, BNP Paribas Asset Management's remuneration policy centres around four guiding business principles:

  Pay for Performance: our results-oriented reward policy helps us attract, motivate and retain the best and most effective talent.

  Share Wealth Creation: monitoring closely the pay-out ratio of variable remuneration relative to BNPP AM's operating profits (before variable remuneration), allows us to fully align the remuneration of BNPP AM's human capital with that of our shareholders.

  Aligning employee's and company's goals, particularly for investment teams and senior managers with long-term incentive plans, enables us to create a closer "***line of sight***", further strengthening the link between performance and rewards.

  Promoting an element of employee risk-sharing (which we dub "***skin in the game***"), ensures that investment teams and senior managers are fully committed to the long term performance of the company and its products.

  Together, these guiding principles help shape the BNPP AM approach to reward, resulting in what we call "Total Reward".
- Indeed, monetary remuneration is just one part of our total reward package. We also offer our employees competitive benefits, exciting career opportunities and a dynamic workplace offering challenges and a sense of achievement.

What types of remuneration are awarded in practice?

BNP Paribas Asset Management's compensation structure is made up of three main types of remuneration:

- Everyone benefits from **Fixed Compensation** or a base salary, reflecting the individual's role, qualifications and experience, as well as a satisfactory level of commitment.
- **Short Term Variable Compensation** is a supplement available to a wide range of employees and based on individual and collective performance. It is usually delivered in cash in March after the end of the performance measurement period.
- **Long Term Incentive Awards** are supplements based on objective criteria defined for targeted populations, such as senior managers and investment teams. These awards are deferred, with payment over several years, settled after various risk adjustment factors have been applied.

How is performance measured and linked to variable remuneration?

- Remuneration depends not just on individual success, but also on the whole Company's performance.

  For awards of variable remuneration, the global variable remuneration pool is a result of BNP Paribas Asset Management's overall performance, reflecting its success in meeting major business objectives. In a top-down approach, this collective performance is assessed and cascaded down to BNP Paribas Asset Management departments, based on specific key performance indicators.

  Finance and HR help BNP Paribas Asset Management's top management determine the annual global variable remuneration pool, based on an estimate of BNP Paribas Asset Management's profit before variable remuneration. This estimate is made after adjustments from Risk, Compliance, Legal and Operational Risk Control have been factored in, as may be needed. This helps ensure that all existing and foreseeable risks[3] are duly taken into account.

- Individual performance is assessed all along the year, then at the end of it, thanks to a performance rating, based primarily on individual objectives set at the beginning of the year, for each BNP Paribas Asset Management employee. BNP Paribas Asset Management ensures that financial objectives are at all times supplemented with non-financial objectives, which contribute for at least 50% in assessing individual performance. Variable compensation will for at least 50% be based on non-financial objectives. Here as well, managers are required to pay specific attention to all existing and foreseeable risks (as defined above), when carrying out their employees' annual individual appraisal. This can be done using key performance indicators tailored to each employee, pre-defined during the semi-annual objectives' setting and re-assessment processes.
  Furthermore, specific methodologies have been developed to measure the performance of investment managers and sales teams within the context of incentive schemes.
  Notably, for investment managers of benchmarked portfolios, excess performance over the benchmark are quantitatively measured, as a proportion of the target excess return of the portfolios, controlling that risks taken stayed within the pre-set risk budgets.
  This calculation is done on one and three years, or one, three and five years, with both the depth of performance and the relative weight of performance for each year, defined by asset classes. Further, the flagship portfolios of the team are given specific weights, under supervision from Risk, Compliance and HR.
- For control functions, such as Compliance, Risk, Legal and Operational Risk Control, fixed and variable compensation is set independently from the performance and the compensation pool of the business areas that they oversee or monitor. This is secured by BNP Paribas' organisation in integrated central control functions, with their heads directly reporting to BNP Paribas' CEO.
- Further, for long term incentives, specific risk adjustments may be applied after their awards, generally at their vesting dates at the end of their deferral periods. The remuneration committee of BNP PARIBAS ASSET MANAGEMENT Holding in France, the parent entity of BNP Paribas Asset Management business line, reviews all these awards annually, before they are paid out, and oversees that where needed, a malus, i.e. a downward adjustment to account for significant risks or underperformance (e.g. severe financial stress of BNP Paribas Asset Management, cases of individual misconduct, etc.) is applied. Ultimately, such remuneration committee may also apply at its discretion a malus.
  In case an event of misconduct is identified after a long term incentive award has been paid out, BNP Paribas Asset Management can resort to commercial terms of its awards (subject to applicable legislation), to recoup (or "claw-back") all or part of such unduly perceived variable remuneration.

  For the avoidance of doubt, in case of misconduct, variable remuneration can be reduced to zero.

How are the remuneration decisions calculated and taken and how is the remuneration policy governed?

- Remuneration decisions are made by enforcing the BNP Paribas Group's CRP or Compensation Review Process. CRP is a global end-of-year review used to validate every type of compensation. Its collaborative software platform allows the collective and individual performance impacts to be efficiently managed.
  It also helps ensure employees receive equal and fair treatment, delegation rules are respected and remuneration decisions are verified by both a manager and HR at every step.
  As a significant input to the Compensation Review Process, individual market benchmarks for fixed as well as variable remuneration are used from leading providers (mainly MacLagan and Towers Watson).

3 e.g., market, credit, operational, liquidity, compliance, litigation risks…

- As a rule, BNP Paribas Asset Management has a discretionary approach to its variable remuneration decisions, and implements them systematically via the BNP Paribas Group's CRP. In practice, the bonus pool is determined during the fourth quarter, based on estimates of performance indicators calculated by Finance and HR, in liaison with the business, Risk and Compliance, in the frame of the budgetary cycle.
- Ultimately, the global remuneration policy is designed and overseen by BNP Paribas Asset Management's Board of Directors and a three-member remuneration committee, who are responsible for ensuring its relevance and effectiveness at all times. This remuneration committee is chaired by one of the two independent directors of the board.

How is the list of identified staff determined?

- BNP Paribas Asset Management identifies its staff with a significant impact on the risk profile of their employer or on the portfolios that they manage in a consistent manner across all of its AIFM and/or UCITS[4] licenced entities:
    - At management company level, the heads of control functions (notably the heads of risk and compliance) are identified, as well as the board members, the CEO and the CIOs.
    - At portfolio level, portfolio managers are included in the identified staff, subject to proportionality rules as described below.

  Where non-AIFM or non-UCITS entities of BNP Paribas Asset Management are subject to other types of identification of staff requirements, BNP Paribas Asset Management ensures it respects rigorously those local requirements.

What specific remuneration policy applies to them?

- Identified Staff have at least 40% of their variable remuneration deferred over three years (with pro-rata annual vesting). This deferral is fully in "remuneration instruments" i.e. in the form of cash indexed on relevant indices:
    - For senior managers (excluding investments and control functions), the index is a weighted average, for 25% on the variation of the total return of a basket of portfolios common to all employees of BNP Paribas Asset Management and for 75%, the variation in BNP Paribas Asset Management's operational result[5] over the deferral periods (1, 2 and 3 years respectively for each third of the initial award).
    - For portfolio managers, the index is a weighted average for 25%, on the variation of the total return of a basket of portfolios common to all employees of BNP Paribas Asset Management, and for 75%, on the total return of a basket of portfolios representative of the portfolio manager's team activity. All indices are measured over the deferral periods (1, 2 and 3 years respectively for each third of the initial award).
    - For heads of control functions, there is no indexation, to preserve their independence.
- Where the applicable regulations require more than 40% of variable remuneration paid in instruments (typically, 50%), part of the non-deferred remuneration may be paid in retained instruments (i.e. the same instruments as those deferred, but only held for a period of six months, without vesting conditions).

How does BNP Paribas Asset Management implement proportionality?

- In line with general market practice, identified staff who earn less than 200 000 euros of variable remuneration for their regulated activity will not be subject to the mandatory thresholds of 40% deferral and 50% in instruments on the entirety of their annual variable remuneration award. Nonetheless, they may still have part of their variable remuneration deferred in instruments (as described above), for strategic retention reasons. Indeed, a firm-wide progressive grid of deferral (100% in instruments as described above) is applied, function of the variable remuneration award's level: 0% until EUR 0.1 million, 30% between EUR 0.1

4 UCITS V identified staff is subject to remuneration rules as from 1st January 2017 for the first time (i.e. for the 2017 performance year, with the corresponding variable remuneration paid or awarded in March 2018).

5 Moreover, an additional and conditional indexation (downward-adjusting only), linked to the total excess return of a basket of representative funds, is applied if the operational result has a positive evolution whilst this basket shows significant underperformance.

million and EUR 0.2 million, 40% beyond EUR 0.2 million. This grid is implemented for all BNP Paribas Asset Management staff as from March 2019's awards[6].

- Thus, for Identified Staff, the 40%[7] regulatory deferral percentage (on the entirety of their annual variable remuneration) replaces the firm-wide progressive deferral grid, when their variable remuneration award exceeds EUR 200k.

What about investment management delegations?

- In order to best leverage on its wide array of investment capabilities, BNP Paribas Asset Management resorts to internal delegations of portfolio management activities. Overall, there is only little use of delegations to asset managers external to BNP Paribas Asset Management. Internal delegations are generally given to other entities of BNP Paribas Asset Management, which are subject to the same BNP Paribas Asset Management Global Remuneration Policy. When a delegation is made to an internal entity of BNP Paribas Asset Management which is not subject to AIFMD or UCITS V, BNP Paribas Asset Management ensures that the corresponding identified staff is subject to its BNP Paribas Asset Management Global Remuneration Policy for its AIFM and/or UCITS entities.

This disclosure of BNP Paribas Asset Management's remuneration policy and practices was prepared by the HR, Compliance, Risk & Operational Risk Control and Legal departments of BNP Paribas Asset Management, and was approved by BNP Paribas Asset Management's management.

The last update of the BNP Paribas Asset Management Remuneration Policy was reviewed by BNP PARIBAS ASSET MANAGEMENT Holding's Remuneration Committee in November 2018 and was approved by BNP PARIBAS ASSET MANAGEMENT Holding's Board of Directors on 28 November 2018.

Wherever local law so requires, the Policy was presented to works councils, regulators, and other stakeholders as may be appropriate.

6 taking into account that 2018 was a transition year
7 respectively, 60%, when variable remuneration award is above EUR 750k

Independent auditors report

To the shareholders and the supervisory board of BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the accompanying financial statements 2019 of BNP PARIBAS ASSET MANAGEMENT Nederland N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of BNP PARIBAS ASSET MANAGEMENT Nederland N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code and with the Act on Financial Supervision.

The financial statements comprise:

1. The statement of financial position as at 31 December 2019.
2. The following statements for 2019: the income statement, the statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Emphasis of the impact of the coronavirus

The coronavirus also impacts BNP PARIBAS ASSET MANAGEMENT Nederland N.V. Management disclosed the current impact and her plans to deal with these events or circumstances in chapter 29 of the financial statements. Management indicates that it is currently not possible for them to properly estimate the impact of the Coronavirus on the financial performance and health of BNP PARIBAS ASSET MANAGEMENT Nederland N.V. Our opinion is not modified in respect of this matter.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Report of the Board of Directors.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Report of the Supervisory Board.

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.
By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.
Management is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of managementand the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code and with the Act on Financial Supervision. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.
The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.
We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 28 April 2020
Deloitte Accountants B.V.

Signed on the original: E.M. van der Hall

Stipulations of the articles of association with respect to result appropriation

Profit is appropriated in accordance with article 25 of the articles of association. The stipulations are as follows:

25.1 The profit is at the disposal of the general meeting.

25.2 Profits will be distributed after adoption of the annual accounts/ financial statements showing that this is justified.

25.3 In accordance with a proposal of the Board of Directors, the Company may distribute an interim dividend, by resolution of the general meeting, from profit of the current financial year, without prejudice to the provisions in article 26.1.

The Company may only distribute to shareholders as far as its own assets are larger than the issued capital plus reserves pursuant to the law subject to provisions in Book 2, section 105, paragraph 4 of the Dutch Civil Code.

Loss is appropriated in accordance with the Dutch Civil Code.

Organisation

BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

Registered office

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The Netherlands

Directors

J.L. Roebroek (Chairman)

M.P. Maagdenberg

E.C. Stienstra (until 30 June 2019)

C.J.M. Janssen

A.H. Wouters (appointed as per 1 April 2020)

Supervisory Board

S. Pierri

T.A. Rostron

D. Thielemans (until 28 February 2019)

G.J.C. Lippens (as of 1 August 2019)

Auditor

DELOITTE Accountants B.V.

P.O. Box 58110

1040 HC Amsterdam

The Netherlands

Banks

BNP Paribas S.A., Netherlands branch

Amsterdam

The Netherlands

Regulators

The Dutch Authority for the Financial Markets (AFM) (supervision of conduct of business)

The Dutch Central Bank (DNB) (prudential supervision)

List of investment funds managed in 2019

BNP Paribas Fund I N.V. [a]

– BNP Paribas Premium Global Dividend Fund

BNP Paribas Fund III N.V.

– BNP Paribas ESG Netherlands Index Fund

– BNP Paribas Global Property Securities Fund

– BNP Paribas Property Securities Fund Europe

– BNP Paribas High Income Property Fund

– BNP Paribas Global Income Multi-Factor Equity Fund[b]

– BNP Paribas Asia Pacific High Income Equity Fund

BNP Paribas OBAM N.V.

Diversified Private Credit Fund S.C.Sp. SICAV-RAIF[c]

[a] BNP Paribas Premium Global Dividend Fund was liquidated on 14 June 2019, followed by a liquidation of BNP Paribas Fund I N.V. on 30 August 2019

[b] Until 11 June 2019 called BNP Paribas Global High Income Equity Fund

[c] Launched on 14 October 2019

For more information

Investor services

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Client Service
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Amsterdam Trade Register no. 33.179.578

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- by email: AMNL.ClientService@bnpparibas.com