

BNP PARIBAS ASSET MANAGEMENT FRANCE

A French simplified joint-stock company (SAS),

1 Boulevard Haussmann

75009 Paris

Statutory auditors' report on the annual accounts

For the year ended 31 December 2022

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To the sole shareholder of BNP PARIBAS ASSET MANAGEMENT FRANCE

Opinion

In accordance with the assignment entrusted to us by the annual general meeting, we have audited the annual accounts of BNP PARIBAS ASSET MANAGEMENT FRANCE for the year ended 31 December 2022, as attached to this report.

We certify that the annual accounts present a true and fair view of the operating results for the year then ended and of the assets and financial position of the company at the year-end in accordance with French financial and accounting standards.

Basis of our opinion

Audit standards

We conducted our audit in accordance with the professional auditing standards applicable in France. We believe that our audit provides a reasonable basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Responsibilities of the statutory auditors with respect to the audit of the annual accounts".

Independence

We have conducted our audit engagement in accordance with the rules of independence set forth in the French commercial code and in the code of ethics of French statutory auditors, from 1 January 2022 until the date of issuance of our report.

Justification of our assessments

Pursuant to the provisions of Article L.823-9 and R.823-7 of the French commercial code relating to the justification of our assessments, we hereby inform you that the most significant assessments we have made, in our professional judgement, dealt with the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used, and the overall presentation of the accounts.

These assessments are to be understood within the context of the auditing of the financial statements taken as a whole and of the formation of our opinion as expressed above. We do not express an opinion on aspects of these annual accounts taken in isolation.

Accounting estimates:

As mentioned in the appended note on accounting principles, rules and methods, goodwill is recorded on the balance sheet at the contribution value and impairment is recognised if the current value is less than the contribution value. The current value is largely based on profitability criteria. We conducted an audit test to assess the company's valuation method.

Specific verifications

In accordance with the professional standards applicable in France, we also undertook the specific verifications required by the applicable law and regulations.

We have no comments to make as to the fair presentation and consistency with the financial statements of the information provided in the Chief Executive Officer's management report and in the other documents on the Company's financial position and financial statements.

We confirm that the information on payment terms provided pursuant to Article D. 441-6 of the French commercial code is presented fairly and is consistent with the annual accounts.

Responsibilities of the company's management and directors with respect to the annual accounts

The company's management is responsible for the preparation of the annual accounts and for ensuring that they provide a true and fair view in accordance with French accounting rules and standards and for putting in place the internal controls it deems necessary to ensure that the annual accounts contain no significant misstatements, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to operate as a going concern, to provide any relevant information in relation to this ability, and to apply the going-concern principle for accounting purposes, unless it intends to liquidate or otherwise terminate the fund.

The financial statements were approved by the Chairman.

The auditors' responsibility in auditing the annual accounts

Our task is to prepare a report on the annual accounts. Our aim is to obtain reasonable assurance that the annual accounts as a whole are free from significant misstatements. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with the standards of the profession will detect every misstatement. A misstatement may result from fraud or human error and is considered to be material when it is reasonable to expect that, either individually or in combination with one or more other misstatements, it may affect the economic decisions taken by users of the annual financial statements on the basis of these statements.

Pursuant to Article L.823-10-1 of the French commercial code, our audit engagement does not consist in assuring the viability of your company or the quality of its management.

In conducting an audit pursuant to the professional standards that are observed in France, statutory auditors must exercise their professional judgment throughout the audit. They must also:

- Identify and assess any risk that the annual financial statements may comprise a material misstatement, whether due to fraud or error, determine and implement audit procedures to address such risk, and obtain sufficient appropriate evidence on which to base their opinion. There is a higher risk of not detecting a material misstatement that is attributable to fraud rather than error, since fraud may involve collusion, falsification, a deliberate omission, misrepresentation or evasion of internal control;
- Obtain information on the aspects of the management company's internal control system that are relevant for the audit so that appropriate audit procedures may be determined, and not for the purpose of expressing an opinion on the effectiveness of this internal control;
- Assess the appropriateness of the accounting methods selected by management and the reasonableness of its accounting estimates, and assess any related information provided in the annual financial statements;
- He evaluates the appropriateness of the application by the management of the going concern principle and, on the basis of the audit evidence obtained, whether substantial uncertainty exists concerning events or facts which may cast doubt on the ability of the company to continue as a going concern. This evaluation is based on evidence collected up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the continuation of the business. If he concludes that a substantial doubt exists, he draws the attention of readers of his report to information on this uncertainty provided in the annual accounts, or if such information is not provided or is not relevant, he expresses a qualified audit opinion with reservations or he refuses to certify;
- Assess the overall presentation of the annual financial statements and determine whether they provide a true and fair view of the underlying transactions and events.

Neuilly-sur-Seine Cedex et Paris - La Défense, 29 March 2023

The statutory auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

Sarah Kressmann-Floquet

 *Stéphane Collas*

29-03-2023 | 21:14 CEST

29-03-2023 | 21:18 CEST

Sarah Kressmann-Floquet

Stéphane Collas

ANNUAL ACCOUNTS

BNPP AM FRANCE

**A French simplified joint-stock
company (SAS)**

1 Boulevard Haussmann 75009 PARIS

BALANCE SHEET DATE: 31/12/2022

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Assets

BALANCE SHEET ASSETS	Year N			Year N-1
	Gross	Depreciation	Net	Net
Capital subscribed not called up (I)	0		0	0
Formation costs	0	0	0	0
Development costs	0	0	0	0
Concessions, patents and similar rights	183,407,272	170,415,413	12,991,859	12,794,825
Goodwill	587,375,244	42,763,217	544,612,027	370,423,664
Other intangible assets	21,238,235	0	21,238,235	6,549,624
Advances on intangible assets	0	0	0	0
TOTAL intangible fixed assets	792,020,750	213,178,630	578,842,121	389,768,113
Land	0	0	0	0
Buildings	5,221,858	4,798,456	423,402	236,879
Plant and industrial equipment	0	0	0	0
Other tangible fixed assets	51,013,037	49,325,036	1,688,001	532,036
Fixed assets in progress	0	0	0	0
Advances and deposits	0	0	0	0
TOTAL tangible fixed assets	56,234,895	54,123,492	2,111,403	768,915
Investments accounted for using the equity method	0	0	0	0
Other investments	1,284,709	27,241	1,257,467	2,308,124
Receivables on investments	2,887,017	0	2,887,017	7,019,802
Other long-term securities	149,556	0	149,556	112,042
Loans	0	0	0	0
Other financial fixed assets	87	0	87	87
TOTAL financial fixed assets	4,321,369	27,241	4,294,128	9,440,055
Total Fixed Assets (II)	852,577,014	267,329,363	585,247,651	399,977,083
Raw materials, supplies	0	0	0	0
Production of goods in progress	0	0	0	0
Provision of services in progress	0	0	0	0
Intermediate and finished products	0	0	0	0
Goods	0	0	0	0
TOTAL Inventory	0	0	0	0
Advances and deposits on orders	76,549	0	76,549	4,065
Customer and related accounts receivable	288,314,424	354,034	287,960,390	213,462,821
Other receivables	448,080,694	0	448,080,694	339,255,854
Subscribed capital, called up, not paid	0	0	0	0
TOTAL Accounts Receivable	736,471,667	354,034	736,117,633	552,722,740
Transferable securities	255,209,182	11,785,678	243,423,504	244,336,544
of which own shares:				
Liquid assets	50,276,432	0	50,276,432	60,048,645
TOTAL Liquid Assets	305,485,613	11,785,678	293,699,935	304,385,189
Prepayments	6,994,707	0	6,994,707	2,424,452
Total Current Assets (III)	1,048,951,987	12,139,712	1,036,812,275	859,532,381
Deferred expenses of bond issues (IV)	0		0	0
Bond redemption premiums (V)	0		0	0
Foreign currency translation loss (VI)	185,031		185,031	171,766
Total (I to VI)	1,901,714,032	279,469,075	1,622,244,958	1,259,681,229

Liabilities

BALANCE SHEET LIABILITIES	Year N	Year N-1
Share capital Of which paid-up: 0	170,573,424	120,340,176
Premiums on share issues, mergers and contributions	587,002,803	356,566,378
Revaluation differences Of which difference on consolidation 0	0	0
Legal reserve	12,034,018	12,034,018
Statutory or contractual reserves	0	0
Regulated reserves of which provision for exchange rate fluctuations: 0	0	0
Other reserves of which purchase of original art works: 0	145,630	2,429,257
TOTAL Reserves	12,179,647	14,463,274
Retained earnings	41,983,653	35,498,681
RESULT FOR THE YEAR (profit or loss)	78,865,914	99,362,408
Investment subsidies	0	0
Regulated provisions	0	0
TOTAL EQUITY CAPITAL (I)	890,605,441	626,230,917
Gains on issue of participating securities ("titres participatifs")	0	0
Conditional advances	0	0
TOTAL OTHER EQUITY CAPITAL (II)	0	0
Provisions for risks	15,988,179	15,590,139
Provisions for charges	1,021,479	2,676,249
TOTAL PROVISIONS FOR RISKS AND CHARGES (III)	17,009,658	18,266,388
Convertible bonds	0	0
Other bonds	0	0
Borrowings and debts to credit institutions	154,952,585	123,319,562
Other borrowings and financial debts of which participating loans: 0	30,746,746	46,564,202
TOTAL Financial Liabilities	185,699,330	169,883,764
Advances and deposits received on orders in progress	0	0
Amounts payable to suppliers and related accounts	389,969,727	291,548,765
Tax and social security contributions payable	130,222,999	124,331,965
Debts on fixed assets and related accounts	1,858,255	937,960
Other debts	6,342,578	28,468,679
TOTAL Operating Debts	528,393,559	445,287,369
Deferred income	0	0
TOTAL DEBTS (IV)	714,092,889	615,171,134
Foreign currency translation gain (V)	536,970	12,791
OVERALL TOTAL - LIABILITIES (I to V)	1,622,244,958	1,259,681,229

Income statement

INCOME STATEMENT		Year N			Year N-1
		France	Exported	Total	
Sales of goods		0	0	0	0
Goods produced and sold		0	0	0	0
Services produced and sold		754,335,019	268,597,384	1,022,932,403	1,085,164,328
Net turnover		754,335,019	268,597,384	1,022,932,403	1,085,164,328
Inventoried production				0	0
Capitalised Production				699,128	-265,887
Operating subsidies				749,769	394,000
Write-back of amortisation & provisions, transfers of charges				12,486,150	25,383,476
Other income				13,588	51,154
Total operating income (I)				1,036,881,036	1,110,727,071
Purchases of goods (including customs duties)				0	0
Change in inventory (goods)				0	0
Purchases of raw materials and other supplies (including customs duties)				0	0
Change in inventory (raw materials and supplies)				0	0
Other purchases and external charges				699,517,170	722,538,610
Taxes duties and other payments				19,252,524	23,539,698
Wages and salaries				138,552,169	150,917,310
Social security contributions				51,399,275	56,923,753
Operating provisions	On fixed assets	Depreciation and amortisation		7,175,814	7,264,250
		Provisions		88,000	0
	On current assets: provisions			110,614	0
	For risks and charges: provisions			10,766,726	11,099,326
Other expenses				875,946	438,203
Total operating expenses (II)				927,738,237	972,721,149
OPERATING INCOME				109,142,800	138,005,922
Profit attributed or loss transferred (III)				0	0
Loss borne or profit transferred (IV)				0	0
Financial income from shareholdings				1,283,880	385,270
Income from other tradable securities and capitalised assets				7,768	0
Other interest and similar income				7,704,758	5,407,019
Writebacks of provisions and transfers of charges				45,940	20,663
Gains on exchange				1,633,634	770,731
Net gains on disposal of investment securities				1,668,064	97,223
Total financial income (V)				12,344,043	6,680,905
Financial appropriations to amortisation, depreciation and provisions				2,588,184	2,757,379
Interest and similar charges				1,426,420	1,103,878
Losses on exchange				789,494	411,539
Net charges on disposals of investment securities				21,288	4,190
Total financial expenses (VI)				4,825,386	4,276,986
FINANCIAL RESULT				7,518,658	2,403,919
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX (I-II+III-IV+V-VI)				116,661,458	140,409,841

Income statement (continued)

INCOME STATEMENT (continued)	Year N	Year N-1
Exceptional income from management operations	2,626	29,272,727
Exceptional income from capital operations	0	29,702
Writebacks of provisions and transfers of charges	0	0
Total exceptional income (VII)	2,626	29,302,429
Exceptional charges on management operations	-1,313	14,636,364
Exceptional charges on capital operations	17,857	22,072
Exceptional appropriations to amortisation and provisions	0	0
Total exceptional expenses (VIII)	16,544	14,658,436
EXCEPTIONAL RESULT (VII - VIII)	-13,918	14,643,993
Employee profit-sharing (IX)	10,960,176	11,187,609
Corporation tax (X)	26,821,450	44,503,818
TOTAL INCOME (I + III + V + VII)	1,049,227,706	1,146,710,405
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	970,361,792	1,047,347,998
PROFIT OR LOSS (total income - total expenses)	78,865,914	99,362,408

Accounting principles, rules and methods

(Decree No. 83-1020 of 29 November 1983 - Articles 7, 21, 24 of which 24-1, 24-2 and 24-3)

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

BNP PARIBAS ASSET MANAGEMENT France is a simplified joint-stock company (SAS) with share capital of €170,573,424.

Its registered office is at 1 boulevard Haussmann in the 9th district of Paris and its principal place of business is at 8 rue du Port 92000 Nanterre.

The balance sheet total for the year ended 31 December 2022 before appropriations is 1,622,244,958 euros.

The annual income statement showed a profit of 78,865,914 euros.

In addition to BNPP AM France, the company's accounts include the activities of its branches in Vienna (Austria), Milan (Italy), Frankfurt (Germany); Amsterdam (Netherlands) and Brussels (Belgium) and its merger-absorption of Fundquest Advisor.

The financial year began on 1 January 2022 and ended on 31 December 2022.

The notes below are an integral part of the annual accounts.

1. Significant events of 2022

1.1. Relocation of the France AM business to Nanterre

On 1 October 2022, France AM staff moved to the Odyssee building in Nanterre, which is partially occupied by BNPP Cardif.

The transfer of staff was organised in stages in compliance with the Business Continuity Plan.

A flex office workspace was implemented for these new premises.

1.2. Economic and geopolitical environment

Early in the year the worsening health situation in Asia was compounded by a major geopolitical crisis.

But even before the invasion of Ukraine on 24 February 2022, geopolitical tensions were making investors and economic agents nervous and causing commodity prices to soar. Severe disruptions in energy and food markets pushed inflation and inflation expectations to very high levels, particularly in the European countries.

With inflation higher than anticipated and expected to remain higher for some time, 2022 saw central banks normalise their monetary policies by raising interest rates.

This environment resulted in significant market volatility, which had a direct impact on BNPP AM France's assets under management and therefore on its profits.

The following transactions were completed in 2022:

1.3. Merger and absorption of Fundquest Advisor

BNPP Asset Management decided to merge its FundQuest Advisor subsidiary into BNPP AM France.

This merger simplifies the overall organisational structure of the AM business line, mainly by reducing the number of legal entities.

FundQuest Advisor selects the third-party-managed funds for BNPP AM's Multi-Asset Investment Centre (MAQS).

Given FundQuest Advisor's current activities (mainly buy-list and due diligence) and recent market developments, it is no longer necessary to maintain a dedicated legal entity.

The draft simplified merger agreement was signed on 19 September 2022 and confirmed by the sole shareholder in writing on 30 November 2022.

The transaction took place on 30 November 2022 with retroactive effect to 1 January 2022 for accounting and tax purposes.

This merger was conducted under the simplified mergers regime that applies to companies that are wholly owned by the same company, pursuant to Articles L 236-1 et seq. of the French commercial code and in particular Articles L 236-11 and R 236-1 et seq. of said code. This had the following impact on accounts:

The recognition of retained earnings of 3.4 million euros in the accounts of BNPP AM France, pursuant to Article 746-1 of the French chart of accounts, and goodwill of 2.7 million euros.

1.4. Merger and absorption of BNPP AM Belgium and activation of BNPP AM France's Belgian branch in Brussels.

On 1 November 2022, BNPP AM France created a Belgian branch called "BNP PARIBAS ASSET MANAGEMENT France, Brussels branch".

This branch was activated on 31 December 2022 by the cross-border merger of BNPP AM France (the absorbing company) with BNPP AM Belgium (the absorbed company).

This transaction was preceded by the contribution of BNPP AM Belgium shares held by BNPP AM Holding to BNPP AM France through a partial transfer of assets on 1 September.

This merger transfers current AM activities in Belgium to this branch.

This will enable BNPP AM France to continue this business in Belgium.

This project will rationalise the organisation of the Asset Management business line, with BNPP AM France operating its fund management business via a network of branches in Europe

This partial transfer of BNPP AM Belgium's shares, having a book value of 280,669,673 euros, resulted in:

- an increase in share capital of 50,233,248 euros from the issuance of 3,139,578 new shares with a par value of 16 euros allocated to BNPP AM Holding,
- a share premium of 230,436,425 euros.

The merger of BNPP AM Belgium resulted in the recognition of 171,536,012 euros of goodwill in accordance with Articles L.236-25 and L.236-3 of Section II of the French commercial code.

However, as this merger is not retroactive, the contribution of this new branch in BNPP AM France Monde's accounts at 31 December 2022 reflects the assets and liabilities transferred. The net income of 2022 is included in this branch's contribution.

This thus makes BNPP AM Belgium the 5th branch of BNPP AM France, the four others being those in Italy (Milan), Austria (Vienna), Germany (Frankfurt) and the Netherlands (Amsterdam).

2. Revaluation of the provision for the voluntary redundancy plan

A voluntary redundancy plan was presented to employee representative bodies on 24 June 2019, was approved on 4 December 2019 and was notified to employees in December 2019.

There were 88 departures, including 17 internal transfers.

The residual provision of €0.3 million at 31 December 2022 will be used mainly for the remaining business start-up and geographical mobility indemnities.

3. Accounting rules and methods:

The annual accounts were prepared in compliance with the provisions of the French commercial code and the general French chart of accounts.

General accounting conventions were observed, in keeping with the conservatism principle and the following basic assumptions:

- going concern
- consistency of accounting methods between fiscal years
- accrual basis

The basic valuation method used is the historical cost method.

BNPP AM France applies the ANC Regulation 2015-06 of 23 November 2015 amending Regulation 2014-03 concerning the general accounting plan.

The new rules allow the depreciation/amortisation of some fixed assets, and in particular of goodwill that has a limited useful life.

The goodwill currently shown in assets is considered to have an unlimited useful life and will not be amortised.

All goodwill is tested for impairment annually by comparing its book value with its current value.

Intangible fixed assets:

1 - Goodwill

The goodwill on the company's balance sheet consists mainly of partial transfers of assets made in 2000, a transaction with FIM France in 2010, and merger/acquisition deals with THEAM and CAM Gestion in 2017.

This goodwill is generally not amortised for the following reasons:

- the contribution of assets is treated as a sale
- the contributed goodwill is not broken down into individual assets.

Since these conditions are met and the historical cost of BNPP AM France's goodwill is less than its realisable value, it is maintained on the balance sheet at its contribution value.

The carrying value of goodwill is determined using two types of criteria:

- the valuation criteria set forth in the partial transfer of assets agreements between BNP Paribas group entities, which are mainly based on profitability criteria.
- the valuation of BNPP AM France's net assets that takes into account the profitability of assets by fund type.

On the basis of these criteria, impairment of 21,727,847 euros was recognised on the goodwill of FORTIS INVESTMENT MANAGEMENT France (FIM France) at 31 December 2012. This impairment was maintained at 31 December 2022.

Goodwill of 12.5 million euros was recognised for the acquisition of BNP Paribas S.A.'s a collateralised loan obligations (CLO) business in 2014.

The investment mandates acquired for this specialised fund management business, which involves managing credit derivatives backed by a portfolio of business loans, have a limited term. Given its limited useful life, it was decided to fully amortise this goodwill.

The merger with BNPP Capital Partners resulted in BNPP AM France's recognition of goodwill from the taking over of former subsidiary THEAM's fund of hedge funds business in 2014.

The merger with Fundquest Advisor resulted in BNPP AM France's recognition of goodwill of 2,740,000 euros at 30 November 2022.

The merger of BNPP AM Belgium resulted in BNPP AM France's recognition of goodwill of 171,536,012 euros at 31 December 2022.

2 - Other intangible assets:

This item consists of the design and development of software and the purchase of third-party software.

Purchased software and internal software developments costing over 300,000 euros are amortised on a straight-line basis over 3 years.

Software costing over 1 million euros for fundamental and transformation projects are amortised on a straight-line basis over 5 years.

For "large system / software", which includes the Oracle accounting system, the straight-line amortisation period is extended to eight years.

Property, plant and equipment:

Property, plant and equipment are valued as follows:

- at their cost of acquisition, which is their purchase price plus ancillary expenses, excluding fixed-asset acquisition fees and taxes. Depreciation is calculated on a straight-line basis.
- Fittings and improvements to buildings: 8 to 10 years
- Office and computer equipment: 3 years
- Furniture: 5 to 10 years

Financial fixed assets:

Securities are recorded on the balance sheet at their acquisition cost.

As of 1 January 2008, external costs directly attributable to the acquisition of investments, such as:

- transfer taxes;
- professional fees;
- advisory, commitment and guarantee fees; and
- the costs of legal formalities and documents

are added to the historical cost of these securities on the balance sheet. The alignment of the accounting treatment with the tax treatment avoids restatement between the different results.

The tax apportionment over 5 years is provided by the recording of amortisation required by tax law calculated as 1/5 of the amount of the costs pro rata for the 1st and the 5th year.

1 - Valuation of securities held in subsidiaries and associates (investments):

These securities are valued at their fair value.

Fair value can be calculated using several methods.

At BNPP AM France we use the following method:

Fair value is a cautious measurement of the market value of the entities held. It is calculated according to certain parameters:

- it is the net book value (excluding extraordinary income items) for subsidiaries whose securities have been held for over three years and whose average EBITDA (EBIT + deprec./amort.) has been negative or near zero over the past three years.

it is a multiple of EBITDA for subsidiaries whose securities have been held for over three years and whose average EBITDA (EBIT + deprec./amort.) has been positive or near zero over the past three years.

In the case of equity investments denominated in foreign currencies, the company's share of the net assets is determined by converting the foreign currency amounts using the period-end exchange rate.

Unrealised losses on securities require the recording of impairment that is calculated on a line-by-line basis with no set-off against unrealised capital gains.

Dividends are recorded when their distribution is proposed at a general meeting of shareholders or when they are received.

In the event a line of these securities is sold, the proceeds constitute either an exceptional expense or exceptional income.

If an impairment has already been booked, its cancellation is not included in the calculation of the capital gain or loss of the sale but is effected through a provision-reversal account.

The only securities that BNPP AM France holds are those of:

- BNPP AM Argentina (5%) valued at the Net Book Value
- EMZ Partners (12%) valued at the Net Book Value
- PT BNP Paribas Asset Management (14%) valued at the Net Book Value
- Merconter SA (3%) valued at the Net Asset Value

2 - Hedging of holdings in subsidiaries and equity investments denominated in a foreign currency:

As of 1 January 2017, BNPP AM France observes ANC Regulation 2015-05 on derivatives and hedging transactions. This new regulation imposes a distinction between the use of derivatives for hedging or for speculation (individual open positions).

BNPP AM France had no hedging transactions in its accounts at 31 December 2022.

3 - Investment securities:

Short-term investment securities consist of money-market funds, an investment in the BNP Paribas European SME Debt Fund and a CLO portfolio.

Money market UCITS and the BNP Paribas European SME Debt Fund are valued on the basis of their last published net asset value.

CLO units are marked to model.

Short-term investment securities are recognised on the balance sheet at their acquisition value net of all acquisition costs.

Their book value depends on whether they are listed or not. BNPP AM France holds no listed securities.

Unlisted securities are estimated at their likely trading value, which is based on several objective criteria:

such as recent transaction prices, mathematical value, yield, revenue, earnings and prospects.

This net asset value is compared to the cost of acquisition for each line of the portfolio. Although unrealised scapital gains are not recorded, impairment is recorded on all unrealised losses.

Receivables:

Receivables are measured at their nominal value. They are the subject of revaluation on a case-by-case basis. A provision for impairment is made if a receivable is at risk of total or partial non-repayment.

Foreign currency receivables and payables:

Receivables and payables in foreign currency are translated and recorded at the most recent exchange rate published in the Journal Officiel. Currency translation differences are recorded in a suspense account on the balance sheet as an asset if the difference results in an unrealised loss, and as a liability if it results in an unrealised gain.

Unrealised foreign exchange losses require a provision for risks.

Liquid assets:

Assets and liabilities denominated in a foreign currency are translated into the national currency and recorded at the most recent exchange rate.

Revenue and trailer fees:

Gross revenue consists mainly of the following income:

- management fees and performance fees paid to the management company for its fund or investment mandate management services. This remuneration corresponds to a specific fixed or variable percentage of the total assets under management. Management fees are calculated with each calculation of the net asset value. They are recorded in an accrued income account.
- distribution fees remunerate the management company for its distribution of the Luxembourg funds.
- account transaction fees paid by the funds.

Fees that are shared are expensed during the period in which the sharing obligation is incurred by recording a provision for accrued expenses.

Income tax:

Pursuant to the 2022 French Finance Act (JO of 31/12/2022) all French companies are subject to a single standard corporate tax rate of 25% regardless of their annual revenue or earnings, and to a 3.3% social tax if their corporate tax exceeds €763,000.

BNPP AM FRANCE's effective corporate tax rate is 25.00%.

Increases and decreases in future tax liabilities:

Using the same method used to recognise current tax, BNPP AM FRANCE has made no provision for deferred tax;

It should be noted that unrecognised deferred tax assets total 19.5 million euros, while deferred tax liabilities total 0.7 million euros.

Employee profit-sharing scheme:

Pursuant to French regulations, BNPP AM France records the amount of profit sharing in the income of the year during which the employee's entitlement arises.

The appropriation is recorded in "employee profit share".

Provisions for risks and charges:

A provision is made when it is likely that an expenditure will be necessary to pay for economic benefits to meet an obligation that has arisen from a past event and when the amount of the obligation may be reliably estimated. The amount of this obligation is discounted to determine the amount of the provision, when the effect of this discounting is significant.

This provision generally covers the following estimated costs:

- legal disputes, legal actions and claims by third parties (including tax authorities).
- fund currency valuation differences.
- lump-sum retirement benefits.
- the Group's discretionary remuneration measures.

All provisions are estimated using assumptions and economic data that may evolve over time and therefore are uncertain. They are however the best estimates based on the information available at the balance sheet date.

Debt:

A €20 million fixed-term subordinated loan was obtained from SAGIP on 22 December 2014 to cover the minimum regulatory capital requirement.

A €15 million fixed-term subordinated loan was obtained from BNPP AM Holding on 28 November 2019 to cover the minimum regulatory capital requirement.

The CLO business is financed by thirty loans from BNP Paribas SA totaling €147,676,000.

Employee benefit obligations:

As of 1 January 2019, BNPP AM France observes ANC Recommendation 2013-02 on the recognition of lump-sum retirement payments.

The valuation method used is the benchmark treatment, which covers all obligations to current and retired staff members.

The employees of French BNP Paribas group entities are entitled to the following four types of benefits:

- - termination payments, such as in the case of an early employment termination plan;
- - short-term benefits such as salary, annual leave, incentive plans, profit-sharing and top-up payments: the company records an expense for the services provided by its employees in exchange for the benefits it provides;
- long-term benefits, which include paid leave (essentially: the time saving account), long-service bonuses, and certain deferred remuneration paid in cash. The benefit obligation for this category is 9.6 million euros.
- post-employment benefits consist mainly of top-up banking industry pensions in France paid by BNPP AM France's pension funds and retirement bonuses. Only schemes qualified as "defined benefit schemes", in particular supplementary pensions paid by the BNPP AM France pension funds and retirement bonuses, represent a commitment by the Company that requires valuation and provisioning.

These defined-benefit post-employment benefits are estimated using actuarial methods that are based on demographic and financial assumptions. The amount provisioned is determined using BNP Paribas SA's actuarial assumptions and the projected unit credit method.

The obligation booked for this category is €5.81 million after taking into account the group life insurance policy that BNPP AM France took out in 1998. Under this policy, AXA takes over the payment of the statutory retirement indemnities the company owes to the employees of BNPP AM France.

The Company's obligation consists of an initial premium paid on the aforementioned policy in 1998. The company's commitment under this policy is determined in accordance with the rule whereby an employee's benefits are those the employee has acquired at the retirement date. Thus, the company's pension obligation is determined by taking the following into account, on the valuation date:

- the estimated amounts to be paid by AXA and the probable payment dates, prorated at the length of service acquired at the end of the year relative to the total length of service at retirement age
- assumptions on demographics, "early" retirement, salary increases and the discount rate (0.90% at end of period) and 2.2% inflation.

Comparative information for 2021 and 2022 is provided in the appendix hereto.

For the seconded employees made available by BNP Paribas SA, the lump-sum retirement payment obligation is recorded in the accounts of BNP Paribas SA.

In application of IFRIC's decision of 2021 to modify the method for calculating the commitments for pension plans that pay upon retirement a lump-sum payment that accrues over a number of years which is capped, the rights to these payments are now recognised on a straight-line basis starting with the capped number of years before retirement

Foreign currency transactions other than hedges of long-term equity investments:

Foreign exchange gains and losses on ordinary transactions in a foreign currency during the year are recorded on the income statement. A provision for currency risk is recorded on the income statement when the net exchange difference recorded at official year-end exchange rates on assets and liabilities held in a foreign currency at the balance sheet date represents a potential loss.

Remuneration paid to members of the Board of Directors:**Attendance fees:**

On the board of director's proposal, the combined shareholders meeting of 11 May 2022 approved the payment of €65,000 in director's attendance fees for the financial year.

Consolidation:

The company is fully consolidated in BNP Paribas SA (SIRET N° 66204244900014).

Since the company meets the requirements of Article R233-15 of the French commercial code, it does not have to prepare consolidated accounts.

Tax consolidation:

BNP AM France joined BNP Paribas SA's tax consolidation group on 1 January 2014. Under this tax consolidation, each subsidiary records its own income tax as if it had been taxed separately.

The head of the tax group, BNP Paribas SA, records:

- the Group tax charge
- tax income which represents the tax that each of its subsidiaries would in theory owe. Accordingly, the tax saving obtained through the tax group is recognised by the parent company BNP Paribas SA.

Within this tax group, each subsidiary recognises a corporate tax charge as if it were not a member of the tax group.

The head of the tax group, BNP Paribas SA, records:

- the Group tax charge
- tax income which represents the tax that each of its subsidiaries would in theory owe.

Accordingly, the tax saving obtained through the tax group is recognised by the parent company BNP Paribas SA.

Fixed assets

Section A	FIXED ASSETS		Gross value at start of year	Increases	
				Revaluation	Acquisitions and contributions
Formation and development costs (I)			6,097	0	-6,097
Other intangible fixed assets (II)			503,933,347	0	288,087,403
Land			0	0	0
Buildings	On own land		749,079	0	4,472,779
	On third-party land		0	0	0
	General installations, fittings and refurbishments of buildings		0	0	0
Technical installations, industrial equipment and tools			0	0	0
Other tangible fixed assets	Sundry fixtures and fittings		0	0	0
	Transport equipment		0	0	0
	Office and computer equipment		3,503,878	0	47,509,159
	Recoverable packaging and sundry		0	0	0
Tangible fixed assets in progress			0	0	0
Advances and deposits			0	0	0
TOTAL (III)			4,252,957	0	51,981,938
Investments valued using the equity method			0	0	0
Other investments			9,373,865	0	-5,202,139
Other long-term securities			112,042	0	37,514
Loans and other financial fixed assets			87	0	0
TOTAL (IV)			9,485,995	0	-5,164,626
GRAND TOTAL (I + II + III + IV)			517,678,396	0	334,898,618

Section B	FIXED ASSETS		Decreases		Gross value at year-end	Revaluation
			Transfer	Disposal		Original value
Formation and development costs (I)			0	0	0	0
Other intangible fixed assets (II)			0	0	792,020,750	0
Land			0	0	0	0
Buildings	On own land		0	0	5,221,858	0
	On third-party land		0	0	0	0
	General installations, fittings and refurbishments of buildings		0	0	0	0
Technical installations, industrial equipment and tools			0	0	0	0
Other tangible fixed assets	Sundry fixtures and fittings		0	0	0	0
	Transport equipment		0	0	0	0
	Office and computer equipment		0	0	51,013,037	0
	Recoverable packaging and sundry		0	0	0	0
Tangible fixed assets in progress			0	0	0	0
Advances and deposits			0	0	0	0
TOTAL (III)			0	0	56,234,895	0
Investments valued using the equity method			0	0	0	0
Other investments			0	0	4,171,726	0
Other long-term securities			0	0	149,556	0
Loans and other financial fixed assets			0	0	87	0

BNPP AM FRANCE

TOTAL (IV)	0	0	4,321,369	0
GRAND TOTAL (I + II + III + IV)	0	0	852,577,014	0

Amortisation

Section A		SITUATION AND MOVEMENTS IN AMORTISATION FOR THE YEAR					
Fixed assets subject to amortisation			Start of year	Increase	Decreases	Year end	
Formation and development costs (I)			6,097	-6,097	0	0	
Other intangible fixed assets (II)			85,402,469	98,925,395	0	184,327,864	
Land			0	0	0	0	
Buildings	On own land		512,199	4,286,257	0	4,798,456	
	On third-party land		0	0	0	0	
	Sundry fixtures and fittings		0	0	0	0	
Plant and industrial equipment			0	0	0	0	
Other tangible fixed assets	General installations, fittings and refurbishments of buildings		0	0	0	0	
	Transport equipment		0	0	0	0	
	Office and computer equipment and furniture		2,971,842	46,353,193	0	49,325,036	
	Recoverable packaging and sundry		0	0	0	0	
TOTAL TANGIBLE FIXED ASSETS (III)			3,484,042	50,639,450	0	54,123,492	
OVERALL TOTAL (I + II + III)			88,892,608	149,558,748	0	238,451,356	
Section B		BREAKDOWN OF TRANSACTIONS AFFECTING THE PROVISION FOR ACCELERATED DEPRECIATION					
Fixed assets	APPROPRIATIONS			REVERSALS			Year end
	Change in the dep./am. period	Declining balance method	Exceptional tax amort.	Change in the dep./am. period	Declining balance method	Exceptional tax deprec.	
Formation costs	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0
Buildings:							
own land	0	0	0	0	0	0	0
third-party land	0	0	0	0	0	0	0
Instal.	0	0	0	0	0	0	0
Other fixed assets:							
Tech. install.	0	0	0	0	0	0	0
Gen. Install.	0	0	0	0	0	0	0
Transport equip.	0	0	0	0	0	0	0
Office equip.	0	0	0	0	0	0	0
Packaging	0	0	0	0	0	0	0
TANGIBLE	0	0	0	0	0	0	0
Acquis. securities	0			0			0
TOTAL		0	0	0	0	0	0
Section C			Start of year	Increase	Decreases	Year end	
Loan issue costs apportioned over time			0	0	0	0	
Bond reimbursement premiums			0	0	0	0	

Provisions shown in the balance sheet

Nature of provision	Start of year	Provisions	Reversals	Year end
Provisions mineral and oil deposits	0	0	0	0
Provisions investments	0	0	0	0
Provision for price rises	0	0	0	0
Amortisation required by tax law	0	0	0	0
- Of which exceptional increases of 30%	0	0	0	0
Provisions foreign establishments before 1/1/1992	0	0	0	0
Provisions foreign establishments after 1/1/1992	0	0	0	0
Provisions for installation loans	0	0	0	0
Other regulated provisions	0	0	0	0
TOTAL (I)	0	0	0	0
Provisions for litigation	13,381,351	5,265,888	10,058,860	8,588,379
Development costs	0	0	0	0
Provisions for losses on futures markets	0	0	0	0
Provisions for fines and penalties	0	0	0	0
Provisions for losses on exchange	171,766	13,266	0	185,031
Provisions for pensions	2,676,249	668,323	2,323,093	1,021,479
Provisions for taxes	0	0	0	0
Provisions for renewal of fixed assets	0	0	0	0
Provisions for major maintenance	0	0	0	0
Provisions for social and tax charges on paid leave	0	0	0	0
Other provisions for risks and charges	2,037,023	6,924,244	1,746,499	7,214,768
TOTAL (II)	18,266,388	12,871,721	14,128,452	17,009,658
Provisions for intangible fixed assets	28,762,766	88,000	0	28,850,766
Provisions for tangible fixed assets	0	0	0	0
Provisions for securities consolidated by equity method	0	0	0	0
Provisions for participating securities	0	0	0	0
Provisions for other financial fixed assets	45,940	27,241	45,940	27,241
Provisions for stocks	0	0	0	0
Provisions for client accounts	243,420	110,614	0	354,034
Other provisions for impairment	9,210,760	2,574,918	0	11,785,678
TOTAL (III)	38,262,886	2,800,774	45,940	41,017,719
OVERALL TOTAL (I + II + III)	56,529,274	15,672,495	14,174,392	58,027,377
Of which appropriations and write-backs for operations		13,084,311	14,128,452	
Of which financial appropriations and write-backs		2,588,184	45,940	
Of which exceptional appropriations and write-backs		0	0	
Impairment of equity method investments				0

Status of maturities of loans and debts

Section A		Status of loans	Gross amount	Under one year	Over one year
Receivables on investments			2,887,017	2,887,017	0
Loans			0	0	0
Other financial fixed assets			87	87	0
TOTAL RECEIVABLES RELATED TO FIXED ASSETS			2,887,104	2,887,104	0
Doubtful clients or in litigation			354,034	354,034	0
Other trade receivables			287,960,390	287,960,390	0
Receivables on lent securities			0	0	0
Personnel and related accounts			0	0	0
Social security and other social entities			0	0	0
State and other public authorities	Corporation tax		0	0	0
	Value-added tax		6,092,177	6,092,177	0
	Other taxes		0	0	0
	State - miscellaneous		856,453	856,453	0
Group and associates			434,676,547	434,676,547	0
Sundry debtors			6,454,866	6,454,866	0
TOTAL RECEIVABLES RELATED TO CURRENT ASSETS			736,394,467	736,394,467	0
Prepayments			6,994,707	6,994,707	0
TOTAL RECEIVABLES			746,276,279	746,276,279	0
Loans granted during the year			0		
Reimbursements received during the year			0		
Loans and advances to associates			0		
Section B	Status of debts	Gross amount	Under one year	One to five years	Over 5 years
Convertible bonds		0	0	0	0
Other bonds		0	0	0	0
Debts to credit institutions under 1 year at origin		7,276,344	7,276,344	0	0
Debts to credit institutions over 1 year at origin		147,676,241	147,676,241	0	0
Other borrowings and financial debts		30,746,746	30,746,746	0	0
Suppliers and related accounts		389,969,727	389,969,727	0	0
Personnel and related accounts		84,380,375	84,380,375	0	0
Social security and other social entities		37,423,010	37,423,010	0	0
State and other public authorities	Corporation tax	769,238	769,238	0	0
	Value-added tax	6,328,066	6,328,066	0	0
	Secured bonds	0	0	0	0
	Other taxes	1,322,309	1,322,309	0	0
Debts on fixed assets and related accounts		1,858,255	1,858,255	0	0
Group and associates		0	0	0	0
Other debts		6,342,578	6,342,578	0	0
Debt securities		0	0	0	0
Deferred income		0	0	0	0
TOTAL PAYABLES		714,092,889	714,092,889	0	0
Loans subscribed during the year		0	Loans from partners (individuals)		0
Loans repaid during the year		0			

Income receivable

Income receivable	Amount
INV. TO BE ISSUED - TRANSACTION FEES	-1,315,500
RECEIVABLES FROM GOVERNMENT OTHER THAN INCOME TAX	127,969
SUNDRY - ACCRUED INCOME	91,815
INV. TO BE ISSUED - MANAGEMENT FEES	58,373,586
INV. TO BE ISSUED - ADVISORY CLIENTS	5,059,067
INV. TO BE ISSUED - DELEGATED MANAGEMENT CLIENTS	29,722,534
INV. TO BE ISSUED - CASH MANAGEMENT SERVICES	7,564,223
INV. TO BE ISSUED - TAXABLE GEN. OP. EXP.	1,030,199
INV. TO BE ISSUED - NON-TAXABLE GEN. OP. EXP.	292,947
INV. TO BE ISSUED - TAXABLE TRANSF. PRIC	2,769,276
INV. TO BE ISSUED - NON-TAXABLE TRANSF. PRIC	23,613,443
INV. TO BE ISSUED - EMPLOYEE SAVINGS	3,635,303
INV. TO BE ISSUED - DISTRIBUTION FEES	36,138,212
ACCRUED INT. ON NON-SUBOR LOANS	11,435
INV. TO BE ISSUED - RESEARCH FEES	1,117,425
DEFERRED GOVT. TAX ASSET	728,483
	0
	0
	0
	0
TOTAL	168,960,417

Accrued expenses

Accrued expenses	Amount
INV. NOT RECV. - PROPERTY GEN. OP. EXP.	1,597,932
PROV FOR PAID LEAVE FD	8,373,589
PROV. PROFIT SHARING AND EMPLOYER TOP-UP	6,285,706
ACCRUALS BONUS LOCAL PROV	37,051,144
ACCRUED CHARGES PAYABLE	29,174
ACCRUALS RTT FD	272,134
PROV BONUS DEFERRED LOCAL BUSINESS	5,451,212
CONSTRUCTION EFFORT	507,462
CH SOC BONUS LOCAL PROV	18,145,292
PROF. TRAINING C (FPC)	101,632
ACCRUALS SUNDRY CSF	173,000
INV. NOT RECV. - GEN. OP. EXP.	30,211,616
INV. NOT RECV. - DEPOSITARY BANK	9,921,474
ACCRUED INTEREST ON LOANS	371,219
INV. NOT RECV. - TRANSFER PRICING	34,811,917
INV. NOT RECV. - MANDATE & FUND ADMINISTRATION	139,992
INV. NOT RECV. - ORDER RECEIPT & TRANS.	5,884,641
INV. NOT RECV. - TRADE SUPPORT	431,130
INV. NOT RECV. - MULTIGESTION TRAILER FEE ON DIST.	189,000
INV. NOT RECV. - PARTNER/EXTERNAL DISTRIBUTION	164,641,661
TOTAL	324,590,926

Prepayments

PREPAYMENTS	Operating	Financial	Exceptional
PREPAYMENTS ON GEN. OP. EXP.	2,013,049	0	0
Prepaid expenses	118,649	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
TOTAL	2,131,698	0	0

Deferred income

Deferred income	Operating	Financial	Exceptional
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
TOTAL	0	0	0

Number of shares constituting the share capital and their par value

	Number at start of year	Created during the year	Redeemed during the year	Number at 31/12/2022	Nominal Value
Ordinary shares	7,521,261	3,139,578		10,660,839	16
Amortised shares				0	
Preferred dividend shares (without right to vote)				0	
Preference shares				0	
Members' shares				0	
Investment certificates				0	
Total	7,521,261	3,139,578	0	10,660,839	

Breakdown of annual revenue

Breakdown of annual revenue	Year N	Year N-1	Variation
Breakdown by sector of activity			
Sales of goods	0	0	0%
Goods produced and sold	0	0	0%
Services produced and sold	1,022,932,403	1,085,164,328	-6%
Breakdown by geographical market			
Net turnover - France	754,335,019	774,093,583	-3%
Net turnover - Export	268,597,384	311,070,745	-14%
Net turnover	1,022,932,403	1,085,164,328	-6%

Workforce

Employees	Average number of employees		Average number of employees made available to the company		Total average number of employees	
	Y	Y-1	Y	Y-1	Y	Y-1
Engineers and managers	819	781			819	781
Supervisory staff					0	0
Employees and technicians	17	18			17	18
Manual workers					0	0
Other					0	0
TOTAL	836	799	0	0	836	799

The average payroll is:

836

Income tax

Tax	Result before tax	Tax due	Net income after tax
Current Result	116,661,458	30,595,039	86,066,419
Exceptional result	-13,918		-13,918
Employee profit-sharing	-10,960,176	-3,773,589	-7,186,587
TOTAL	105,687,364	26,821,450	78,865,914

Subsidiaries and associates

Total number of subsidiaries of which over 10% of the capital owned by the company: 2

In thousands of euros

Name	Share capital	Reserves and retained earnings before appropriations	Share of capital held (in %)	Book value of securities held		Loans and advances granted and not yet repaid	Guarantees & endorsements granted	Revenue net of VAT of past financial year	Net income (profit or loss of the past financial year)	Dividends received by the company during the year	Observations
				Gross	Net						
BNPP AM Argentina	0	196							175	0	
EMZ Partners	500	17,180	12%						-5,020	1,200	
PT BNPP AM Indonesia	3002	5,613	14%						2,027		
Merconter	23	0	3%						0	0	

Change in shareholders' equity

SHAREHOLDERS' FUNDS	Opening	Increase	Decrease	Distribut. Dividends	Appropriation of the previous year's earnings	Contrib. and mergers	Closing
Share capital	120,340,176	50,233,248					170,573,424
Premiums on share issues, mergers and contributions	356,566,378					230,436,425	587,002,803
Revaluation differences	0						0
Legal reserve	12,034,018						12,034,018
Statutory or contractual reserves	0						0
Regulated reserves	0						0
Other reserves	2,429,256		2,283,626				145,630
Retained earnings	35,498,681	3,045,684		99,355,858	99,362,408	3,432,738	41,983,653
Annual income	99,362,408	78,865,913	99,362,408				78,865,913
Investment subsidies	0						0
Regulated provisions	0						0
TOTAL SHAREHOLDERS' FUNDS	626,230,917	132,144,845	101,646,034	99,355,858	99,362,408	233,869,163	890,605,441

Post balance sheet events

The first quarter of 2023 was marked by the failures of the Silicon Valley Bank and the Signature Bank in the United States, and the appointment of the Federal Deposit Insurance Corporation (FDIC) as their receiver. In addition, Credit Suisse was taken over by UBS after encountering problems that caused its share price to plunge. These events triggered a fall in banking stocks and very high volatility in equity market indices. BNPP AM had very little exposure to these three banks for several months.