

BlackRock

**BlackRock (Netherlands)
B.V.**

2024 Public Disclosure

Contents

1. Introduction and context	3
2. Governance and risk management	6
3. Own funds (capital resources)	16
4. Own funds requirements	18
5. Disclosure of remuneration	22
6. Investment Policy	27
Appendix A – Glossary	28
Appendix B – IF CC1 Own funds disclosure	30
Appendix C – IF CCA – Description of main features of capital instruments	32

1. Introduction and context

1.1 Purpose

BlackRock (Netherlands) B.V. ('BNBV', 'BNBV Solo', 'the company', 'the firm') is headquartered in the Netherlands and is regulated by the De Nederlandsche Bank ('DNB') and the Autoriteit Financiële Markten / The Netherlands Authority for the Financial Markets ('AFM').

BNBV is regulated under the Investment Firms Regulation ('IFR')¹ and the Investment Firms Directive ('IFD')². Under the IFR, BNBV is required to undertake a prudential consolidation of its investment firm group. Where required, the document distinguishes between BNBV on a solo basis as 'BNBV Solo' and on a group / prudential consolidation basis ('BNBV Group').

The IFR in conjunction with applicable technical standards and guidelines issued by the European Banking Authority ('EBA'), requires firms to publicly disclose quantitative and qualitative information on governance arrangements, key risks, capital adequacy, levels of own funds held and own funds requirements, remuneration policies and practices and investment policy to provide transparency to their investors and the wider markets.

This document fulfils the regulatory public disclosure requirements for the company on both a Solo and Group basis as set out in Part Six of the IFR.

This public disclosure document has been reviewed internally and approved by the Board of Directors of BNBV ('BNBV Board') for publication on the BlackRock website (<https://www.blackrock.com/nl/particuliere-beleggers/educatie/documentatie>).

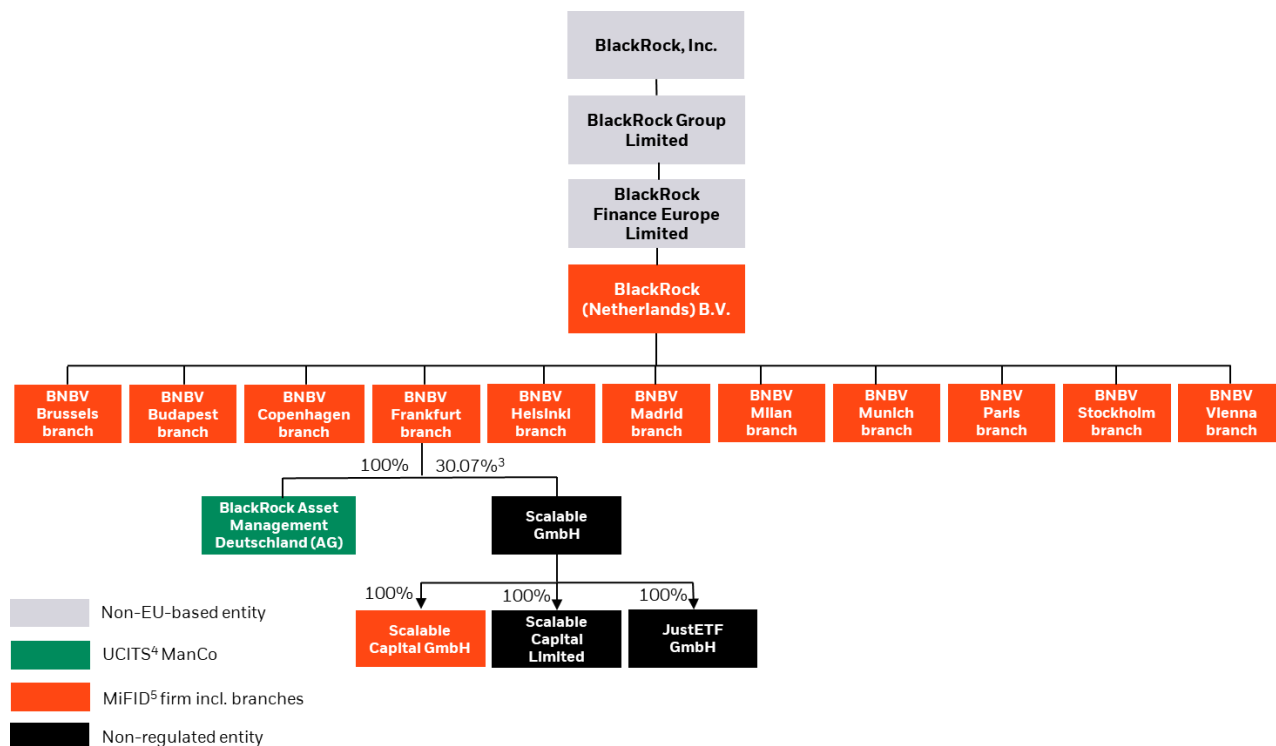
1.2 BlackRock structure and business overview

The firms which form the BNBV Group are illustrated on the following page in Figure 1.1. BNBV is a subsidiary of BlackRock Finance Europe Limited ('BRFE') which is owned by BlackRock Group Limited ('BGL'). BGL is regulated in the United Kingdom ('UK') on a consolidated basis by the Financial Conduct Authority ('FCA') by virtue of it being the holding company for BlackRock, Inc.'s ('BLK Inc.') Europe, Middle East and Africa ('EMEA') regulated business.

¹ Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019.

² Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019.

Figure 1.1 Summarised BNBV Group structure as at 31 December 2023



BNBV holds a 100% controlling interest in a German subsidiary, BAMDE and a 30.07% economic interest in a German entity, Scalable GmbH ('Scalable'). Scalable is not regulated under the IFR, however it has three subsidiaries, Scalable which is a digital investment manager and brokerage firm regulated under the IFR, Scalable Capital Limited which is a non-regulated UK company and JustETF GmbH which is a non-regulated German company.

Under Article 7 of the IFR, prudential consolidation applies with respect to all investment firms, financial institutions, ancillary services undertakings and tied agents which form part of an investment firm group. By virtue of this article, the prudential consolidation applies to BlackRock Asset Management Deutschland (AG) and Scalable GmbH and its subsidiaries, which together form the BNBV Group.

BNBV is one of the largest asset managers in the Netherlands. BNBV primarily acts as the EU hub for BlackRock's regulated services. BNBV also markets BlackRock's EU based fund ranges throughout the European Economic Area ('EEA') and acts as relationship manager to the distributors of those ranges.

The firm holds investment management agreements with its clients and carries out client service and order management activities through its branch network. BNBV aims to expand the provision of discretionary and advisory services to institutional and wealth clients in the EU via an increased local presence.

³ Economic ownership in Scalable GmbH

⁴ UCITS - Undertakings in Collective Investment in Transferable Securities, ManCo Management Company

⁵ MiFID - Markets in Financial Instruments Directive

1.3 Basis of preparation

Article 5 of the IFR requires a firm to comply with the requirement to make public disclosures on a standalone basis. Article 6 of the IFR also introduces a requirement to make public disclosures on a consolidated basis. Consequently, BNBV is required to disclose information on a Solo basis (i.e., for BNBV and its branches), in addition to disclosures for BNBV Group.

This public disclosure document contains information about BNBV on a Solo and Group basis. BNBV Group is not required to, and does not, prepare consolidated statutory financial statements. However, a prudential consolidation is prepared in respect of BNBV Solo, BAMDE and Scalable for regulatory reporting purposes.

Part Six (Article 46) of the IFR requires the public disclosure document to be updated and published at least annually. More frequent disclosures will be required where there is a significant change to a firm's business (such as changes to the scale of operations or the range of activities) or the risk profile. Part Six (Article 53) of the IFR also requires BNBV to prepare an environmental, social and governance disclosure on a bi-annual basis; this disclosure can be accessed through the link below (<https://www.blackrock.com/nl/particuliere-beleggers/educatie/documentatie>).

The minimum capital and liquidity requirements for BNBV Group as at 31 December 2023 have been calculated in accordance with the IFR, and applicable technical standards and guidelines issued by the EBA, as detailed in Chapter 4.

Each of the regulated entities within the BNBV Group and the group itself have sufficient capital and liquidity resources in relation to their regulatory capital and liquidity requirements.

BNBV has disclosed all the information that it deems material. There have been no material changes in relation to BNBV's business in the last financial year. For the purposes of this disclosure, information is regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

2. Governance and risk management

2.1 BNBV Board

Membership

BNBV operates under a one-tier management board structure with a division of responsibility between the Non-Executive Directors ('NEDs') and the Executive Directors. Whilst the Executive Directors and NEDs are jointly responsible for BNBV's strategy and its implementation, certain tasks are divided amongst the NEDs and Executive Directors.

Directors have been vetted and approved by the AFM prior to their appointment and they have pledged an oath of ethical and fiduciary behavior. The Directors are appointed by the general meeting of shareholders. The Board of Directors meet at least six times per year, in compliance with the adopted BNBV Board By-Laws.

As at 31 December 2023, the BNBV Board comprised of seven Directors, two of whom are NEDs. Figure 2.1 below sets out the number of internal and external directorships held by each member of the Board as at 31 December 2023.

Charlotte Insinger

Ms. Charlotte Insinger is a NED and the Chair of the BNBV Board since April 2022. Ms. Insinger joined BlackRock with 30+ years of relevant working experience, gained in Executive and Non-Executive roles. From 2011, Ms. Insinger works for the Ondernemingskamer Hof Amsterdam where she works as an officer appointed by the court for a number of companies. Her career started at the Royal Dutch Shell Group, where she held several senior positions from 1989 to 1998. Subsequently, she moved to Property Management, Robeco Nederland, Erasmus MC and Cerberus. In addition, Ms. Insinger held and holds several Non-Executive Board memberships at large companies and public organisations.

Henny Kapteijn-Fokkens

Ms. Kapteijn-Fokkens is a NED since April 2022 and the Chair of the BNBV Risk Committee. Ms. Kapteijn-Fokkens joined BlackRock with 25+ years of relevant working experience, gained in Executive and Non-Executive roles. Her previous roles included a NED role at some European financial institutions and working for multiple Dutch pension funds as a board member, supervisor or professional advisor. From 2007 to 2010, she served as an advisor to the European Commission on securities regulation and corporate governance. Previously, she was executive vice president at ABP Investments, an asset management company, and held positions at the Dutch Central Bank of the Netherlands and the European Central Bank.

Monique Donders

Mrs. Donders is an Executive Director and the Country Manager for BlackRock Netherlands. She joined BlackRock Netherlands in 2015, initially holding the position of the Head of Institutional Client Business, and then becoming the Country Manager for BlackRock Netherlands in 2017. Between 2002 and 2015, Mrs. Donders was employed by Robeco and held the position of the Head of Risk Management. From 2000 to 2009, Mrs. Donders was a Professor of Financial Management at Maastricht University, responsible for the Master's degree in Risk Management. From 1990 to 2002 Mrs. Donders held various positions at MeesPierson, IRIS and Erasmus University. She also held various ancillary positions, such as a member of the Supervisory Board of Pensioenfond Zorg & Welzijn, member of the Supervisory Board of APG Treasury Center and as an external advisor to the pension funds of ING and KLM. She is currently a non-executive director on the Board of Ortec Finance and a member of the Board of AmCham. Mrs. Donders obtained her Doctorate in Finance from the Erasmus University, Rotterdam, having completed her undergraduate degree in Econometrics at the same university.

Christian Hyldahl

Mr. Hyldahl is the Chief Executive Officer ('CEO') of the company and Head of Continental Europe at BlackRock. Mr. Hyldahl joined BlackRock in October 2019 as Head of Nordics. As BNBV CEO he is valued for his deep industry knowledge and expertise, as well as his extensive senior leadership experience gained in management functions of leading capital markets, asset management and pension fund organisations. Prior to joining BlackRock, Mr. Hyldahl was CEO of ATP, a nationwide pension scheme in Denmark. Mr. Hyldahl spent 25+ years at Nordea, where he held several senior management positions including both CEO and Chief Investment Officer ('CIO') of Nordea Asset Management. His career began in 1990 as a bond analyst at Unibank, a Danish bank that merged into Nordea in 2000.

Colin McDonald

Mr. McDonald is the Chief Financial Officer ('CFO') of BNBV, BGL and BlackRock Fund Managers Limited ('BFM Ltd.'). Mr. McDonald was appointed as BNBV CFO in 2020, after 15+ years of relevant professional experience. Mr. McDonald joined BlackRock in 2010 and since then he has held a number of senior positions. From 2016 to 2019 Colin represented the Investment Association on the International Financial Reporting Standards ('IFRS') Advisory Council, which is a strategic body that oversees the International Accounting Standards Board (global accounting standards setter). He is a member or standing attendee of Committees such as the BNBV Operating Committee, BGL Audit Committee, BGL Risk Committee and BGL Enterprise Risk Management Committee ('ERMC'). Also, he chairs the BGL Capital Committee and co-chairs the Global Corporate Sustainability Disclosure Committee. Mr. McDonald joined BlackRock from Ernst & Young LLP where he was an Audit Manager. He qualified as a Chartered Accountant in 2007.

Hanane El Habti-Saih

Mrs. El Habti-Saih, since July 2022, is the Chief Risk Officer ('CRO') and an Executive Director on the Board. Mrs. El Habti-Saih joined BlackRock with 17+ years of relevant experience, gained primarily in the investment banking industry. In her recent role, she acted as CRO and board member of TCX. Before that she was Head of market, counterparty, liquidity and funding risks at NatWest Markets NV. Between 2013 and 2018 she worked for ABN AMRO Bank, as Global Head of Market risk in trading and treasury books and then as the Head of eFX Sales Global Markets. Mrs. El Habti-Saih started her career as a quantitative consultant in the investment banking and held several senior roles in Tier 1 investment banks trading floors in London, Singapore, Hong Kong and Melbourne.

Anne Wilschut

Mr. Wilschut, since September 2022, is the Chief Operating Officer ('COO') and an Executive Director on the Board. Mr. Wilschut also acts as BlackRock Country COO for the Netherlands and Nordics. In his role as COO of BNBV, he is responsible for the effective operation of the company. This includes partnering with functional management to support growth and client service across channels, to manage risk, to promote operational efficiency, and to respond to market and regulatory change. Mr. Wilschut joined BlackRock with 15+ years of relevant industry experience. He started his career with ING Group where he held a number of senior management roles with ING Investment Management, which later re-named to NN Investment Partners. Prior to joining BlackRock, he acted as the CEO for NN Group's Dutch pension company BeFrank.

BNBV Board as at 31 December 2023

There have been no changes to the Board during the year.

The figure on the next page displays the directorships of the BNBV Board as at 31 December 2023.

Figure 2.1 BNBV Board member directorships

Director	Number of directorships ⁶
Monique Donders	1 BlackRock entity and 2 external entities
Hanane Habti-Saih	1 BlackRock entity
Christian Hyldahl	1 BlackRock entity
Charlotte Insinger	1 BlackRock entity and 3 external entities
Henny Kapteijn-Fokkens	1 BlackRock entity and 1 external entity
Colin McDonald	7 BlackRock entities
Anne Wilschut	1 BlackRock entity and 2 external entities

Recruitment of Board Members

BNBV's NEDs are responsible for ensuring that the BNBV Board is comprised of individuals who are best able to discharge the duties and responsibilities of directors. Their responsibilities focus primarily on the composition, appointment, succession and effectiveness of the BNBV Board.

Specifically, the NEDs are responsible for:

- Actively contributing to the selection of candidates for vacant management body positions within the BNBV Board, by reviewing and approving a written job description of the role, capabilities and time commitments required for an appointment to the BNBV Board, having evaluated the balance of skills, knowledge, diversity and experience already on the BNBV Board;
- At least every two years conducting an assessment of the skills, experience, independence, knowledge and diversity of the individual Directors of the Board collectively, to competently discharge their duties, having regard for BNBV's strategic direction and the commercial environment;
- At least every two years conducting a performance evaluation of the effectiveness of the BNBV Board, including the assessment of the Board structure, size and composition; and
- At least every two years reviewing progress against measurable diversity objectives in accordance with the Board-approved Diversity Policy and consider, if deemed appropriate, recommending amendments to the Diversity Policy to the BNBV Board for approval.

Diversity

BNBV believes that diversity within the Management Board is one of the factors that enhances the functioning of the Board.

Each member of the Board must have the skills, experience, knowledge and overall suitability that will enable him/her to contribute individually, and as part of the broader team, to the effectiveness of the Board. Subject to that overriding principle, BNBV believes that diversity of experience and approach, including educational and professional background, gender, age and geographical provenance, is of great value when making new appointments to the Board. Diversity addresses the threat of group-thinking and can facilitate independent thought and constructive challenge in the process of decision-making.

BNBV's priority is to ensure that the Board continues to have strong leadership and the right mix of skills to deliver its business strategy. Based on the BNBV Board Diversity Policy, BNBV aspires to maintain a balance so that there is female and male parity in the Board representation. The Board

⁶ Includes directorships for external entities and individual directorships within BlackRock.

commits to have no less than 33% female or male representations in the Executive and Non-Executive appointments, while recognising that periods of change in the Board composition may result in temporary periods when this balance is not achieved.

In accordance with the BNBV Board Director Selection, Appointment and Succession Policy:

- The Board composition and the succession planning is regularly reviewed; and
- New Board appointments are made on merit, taking account of the specific skills and experience, independence and knowledge, diversity objectives needed to ensure a rounded Board and the diverse benefits each candidate can bring to the overall Board composition.

The BNBV Board Diversity Policy is reviewed at least annually.

Induction

Every newly appointed Director receives a full and formal induction on joining the BNBV Board which is tailored to provide an in-depth view of the firm, and the Director's role on the Board. The aim of these programmes is to provide a new Director with an understanding of how the firm works and the key opportunities and challenges that it faces to enable them to contribute fully as a Member of the Board.

Continuing professional development ('education permanente')

Continuing professional development is an important aspect of a Director's role. Skills and knowledge need to be kept up to date to ensure the effectiveness of the Board as a whole and allow every Director to contribute fully during Board meetings and where applicable, Committee meetings.

The development programme is carried out throughout the year, utilising the following approaches:

- Annual training program – composed every year by taking into consideration the company's business profile, regulatory requirements and the training needs as identified by the Board (collectively and/or individually). The training program is agreed by the Board annually and administered by the Board Secretary;
- Periodic updates are presented to the Board by the BNBV and EMEA business and support functions throughout the year, providing Directors an enhanced view and update on current activities and ongoing topical issues;
- Presentations to the BNBV Board from EMEA Business Operations, the BNBV CFO, the BNBV CRO, the BNBV Head of Investment Oversight and BNBV Compliance as well as updates from business areas when appropriate; and
- Support functions such as Finance, Compliance, Legal and Risk present to the Board from time to time, to ensure the Directors' knowledge of key initiatives and projects is up to date.

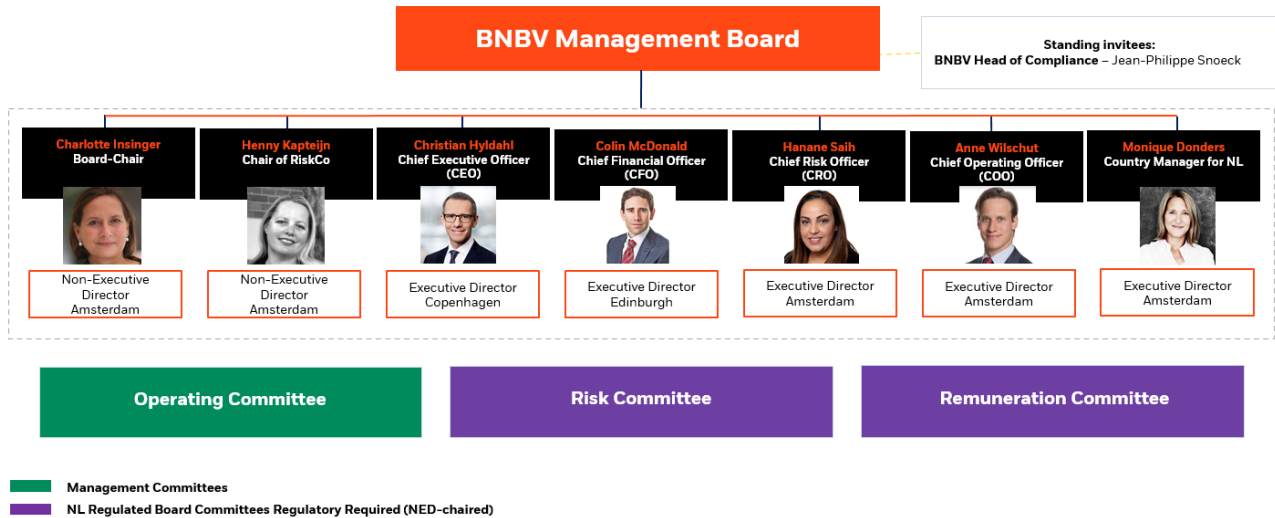
2.2 BNBV governance committees

BNBV is committed to the highest governance standards. Sound internal governance arrangements are fundamental to the BNBV operational set up. In this context, the BNBV Board has adopted a governance structure comprised of Board and management committees to provide review, challenge and oversight of the firm's risks. Governance arrangements, processes and mechanisms are in place to ensure BNBV has sufficient data and information to assess the group-wide risk profile. Furthermore, members of the Board are represented on a wide range of cross-functional BlackRock committees within EMEA and globally.

BNBV governance includes three local committees. The Operating Committee functions as the Management Committee that primarily supports operational management of the Board. Following the governance requirements under the IFR and IFD regimes, BNBV established the BNBV Risk

Committee and designated the BlackRock Management Development and Compensation Committee ('MDCC') to act as the BNBV Remuneration Committee. These Board committees advise and support the NEDs in their supervisory role. An overview of BNBV's governance structure is provided in Figure 2.2.

Figure 2.2 BNBV Governance structure as at 31 December 2023



A summary of the committees' key responsibilities is included in Figure 2.3 below.

Figure 2.3 BNBV Committees and responsibilities

Committee	Responsibilities
Operating Committee	<p>The committee meets monthly to monitor and oversee BNBV business activities to:</p> <ul style="list-style-type: none"> ➤ Ensure BNBV has visibility and transparency on material group developments and can drive change within the firm; ➤ Assist the Board with oversight over delegated services; ➤ Escalate any item that might be a reason for concern; ➤ Help ensure efficient and effective board meetings; ➤ Monitors and oversee BNBV business, on a solo and a consolidated basis, by receiving regular updates on: <ul style="list-style-type: none"> ○ Relevant topics from group committees ○ Subsidiaries/minority interests ○ Branch activities ○ Material business developments (key projects/initiatives) ○ Mortgage business ○ Human Resources ('HR') ○ Enterprise services ○ Facility management ○ Business Continuity Plan ('BCP'); ➤ Monitor delegated services by receiving and challenging the updates and oversight reports; ➤ Receive updates from BNBV Compliance on new local laws, best practices or other regulations, ongoing and upcoming regulatory engagements, surveys, etc; and

Committee	Responsibilities
Risk Committee	<ul style="list-style-type: none"> ➤ Receive updates on the actions arising from regulatory inspections or audit’s findings. <p>The Committee meets with such frequency and at such times as it may determine necessary. It is expected that the Committee meets at least four times each year.</p> <p>The Committee may leverage the BGL ERM, a sub-committee of BNBV’s parent company, BGL, responsible for overseeing risk management across all subsidiaries of BGL in EMEA.</p> <p>Key responsibilities:</p> <ul style="list-style-type: none"> ➤ Assist the management body of BNBV in overseeing the implementation of BNBV’s risk strategy and the corresponding limits set; ➤ Oversee the implementation of the strategies for capital and liquidity management as well as for all other relevant risks for BNBV, including risk to client, risk to market, risk to firm, operational risks (including compliance and information technology (‘IT’) risks) and reputational risks, in order to assess their adequacy against the approved risk appetite and strategy; ➤ Provide the management Board of BNBV with recommendations on necessary adjustments to the risk strategy resulting from changes in BNBV’s business model, market developments or recommendations made by the risk management function; ➤ Provide advice on the appointment of external consultants that the BNBV Board may decide to engage for advice or support; ➤ Review a number of possible scenarios, including stressed scenarios, to assess how BNBV’s risk profile would react to external and internal events; ➤ Oversee the alignment between all material financial instruments and services offered to clients and BNBV’s business model and risk strategy. This should include assessing the risks associated with the offered financial instruments and services and take into account the alignment between the prices assigned and the profits gained from those products and services; and ➤ Assess the recommendations of internal or external auditors and follow up on the appropriate implementation of measures taken.
Remuneration Committee	<ul style="list-style-type: none"> ➤ The MDCC serves as the designated Remuneration Committee for BNBV, with responsibilities and duties as required under the relevant law. ➤ The MDCC is the global, independent remuneration committee for BlackRock, Inc. and is comprised entirely of the NEDs of BlackRock, Inc.

2.3 BNBV’s approach to risk management

The risk management framework outlined below is relevant to BNBV Solo and BAMDE. As described in section 1.2, BNBV Group has a non-controlling interest in Scalable, therefore risk management arrangements described in this section do not directly apply to Scalable.

All risks described throughout this section fall within an established three lines of defence model, are governed by one or more firm-wide/group-wide policies and are overseen by a dedicated risk committee.

The first line of defence has the primary ‘ownership’ of risks in the business and comprises the vast majority of employees. These functions provide the framework within which activities for achieving entity-wide objectives are planned, executed, controlled and monitored. The first line of defence is

accountable for their respective risks, including risk assessment and management, adherence to policies, and management of talent and compensation.

The second line of defence functions (i.e. Risk and Quantitative Analysis ('RQA'), Finance and Compliance) provide independent oversight of, and support for, the activities performed within the first line of defence. These functions coordinate among themselves and actively work with BNBV's businesses, providing expertise and appropriate challenge to help ensure that risks are identified and mitigated in a timely manner across the organisation. The BNBV CRO leads the BNBV's risk management function and is a member of the BNBV Board and RQA. RQA is independent from the business functions.

The third line of defence is the Internal Audit function. Their mandate is to objectively assess the adequacy and effectiveness of BlackRock's internal control environment in order to improve risk management, control and governance.

2.3.1 Enterprise Risk Management Framework ('RMF')

BNBV has implemented a comprehensive RMF. BNBV's RMF begins with its culture, which is set from the tone at the top and communicates clear expectations for the firm and its employees including commitment to integrity and ethical values, fiduciary duty to clients and shareholders, commitment to competence, ownership of risk and risk management, and an adherence to a strong internal control environment. BNBV has adopted a comprehensive risk management framework with the following elements:

- **Risk identification and definition**, including:
 - Identifying key and emerging enterprise risks through tools such as risk and control self-assessments ('RCSAs');
 - Holding regular meetings with business units;
 - Reviewing new products, major changes, and internal and external operating events; and
 - Assigning risk owners.
- **Risk management in line with tolerance**, including:
 - Setting of risk tolerances by the Board;
 - Managing key risks within limits and tolerances; and
 - Ensuring appropriate escalations if risk tolerances are breached.
- **Risk management and control**, including:
 - Following the three lines of defence model;
 - Establishing appropriate processes to measure, manage and control risk taking;
 - Utilising RCSAs and Risk and Control Issues ('RCIs'); and
 - Addressing how specific duties related to risks and controls are assigned and coordinated.
- **Risk monitoring and reporting**, including:
 - Establishing and monitoring the key risk indicators ('KRIs') in the context of the risk tolerance;
 - Providing information and reports (e.g., risk profile, operating event and large operating event reporting) to the appropriate functional and regional business management, boards, committees and regulators;
 - Monitoring and investigating and if required escalating operating events, and recording them in a database of operating events; and
 - Overseeing the Internal Capital Adequacy and Risk Assessment Process ('ICARAP'), including the quantification of regulatory capital and liquidity requirements.

- **Risk governance**, including:
 - Establishing policies and procedures;
 - Establishing risk committees; and
 - Overseeing the risk management framework.

2.3.2 Board approved risk tolerance statement

BNBV’s risk tolerances form an integral part of BNBV’s risk management framework because they define the context within which the organisation manages risk. Risk tolerances are forward looking and define the level of risk the firm is willing to take to achieve its strategic and near-term business objectives. The key risks are identified by considering various inputs including the firm’s strategy and business model and are driven by the activities undertaken by BNBV.

All enterprise risks identified by the BNBV Board and the BNBV Risk Committee have assigned risk tolerances. BNBV does not define aggregate tolerances for portfolio risks because those risks are, in the first instance, borne by clients. However, failure to manage these risks properly and in the clients’ best interests may indirectly result in an adverse effect on BNBV’s earnings, capital, liquidity and reputation.

Senior management monitors the firm’s risk profile on an ongoing basis against this framework. Regular risk profile reporting relative to the risk tolerances is provided to the BNBV Board and the BNBV Risk Committee. Figure 2.4 provides details of BNBV’s key risks and tolerances. BNBV risk tolerance breaches are escalated to the BNBV Risk Committee and to the BNBV Board.

Figure 2.4 Key risks and tolerances

Enterprise risks	Tolerance	
Financial risks	Market risk to revenue	Medium
	Market risk to balance sheet ('FX ⁷)	Low
	Credit	Low
	Capital adequacy	Very low
	Corporate liquidity	Very low
	Corporate tax	Low
Operational risks	Internal operations	Low
	Third party	Medium
	Technology resilience	Low
	Information security	Low
	Corporate resilience	Low
	Model	Medium
	Compliance	Low
	Financial crime	Low
	People / culture	Low
	Financial reporting	Very low
	Major change	Medium
Product	Medium	
Other risks	Reputational	Low
	Strategy / business	Medium
	Conduct	Low
	Public policy	Low
	Group	Medium

⁷ Foreign exchange

Portfolio risks		Tolerance
	Investment	Determined at investment management agreement level
	Counterparty	
	Valuation	

2.3.3 Key risks and the associated risk management approach

The following section covers risk management objectives and policies for BNBV's relevant risks as set out in Parts Three, Four and Five of the IFR.

Risk-to-Client ('RtC')

Key RtCs would be caused by operational risks (including financial crime risk and technology resilience risk) which are often the result of inadequate internal processes, people and systems or external events. These risks may have an adverse financial impact. BNBV actively mitigates operational risks where possible through design and implementation of strong processes and effective controls.

Management of operational risks is integral to BNBV's RMF, utilising many of the elements outlined above in section 2.3.1. This includes a range of policies (e.g. Global Operating Event Policy) and procedures carried out by the three lines of defence with the aim of enhancing operational controls and minimising errors. The operational risks are profiled relative to the agreed tolerances included in the BNBV Risk Profile report, and reported to the BNBV Board and the BNBV Risk Committee.

Risk-to-Market ('RtM') and Risk-to-Firm ('RtF')

RtM and RtF K-factors are applicable exclusively to firms that (i) deal on own account and/or (ii) underwrite or place financial instruments on a firm commitment basis. BNBV does not undertake the aforementioned activities, therefore these categories are not material sources of risk and there are no associated risk management objectives and policies.

Concentration risk

BNBV has no concentration risk related to the K-CON K-factor as no trading on its own account is undertaken. There are other types of concentration risk that are considered as described below. BNBV's business channels, clients, products and therefore revenues are highly diversified. BNBV has a credit concentration risk due to the intercompany loan receivable from BlackRock Investment Management (UK) Limited ('BIM (UK)'). Additionally, BNBV has credit concentration risk in respect of the cash that it holds with its main pan-European banking service provider, HSBC Bank plc. This risk is actively managed by Treasury via cashflow forecasts and daily monitoring of all balances. In addition to reviewing and monitoring credit rating agency analysis, the creditworthiness of HSBC Bank plc is monitored by both Treasury and the RQA Counterparty Risk team. In order to mitigate the cash concentration risk, where cash is not required for working capital requirements or for regulatory requirements, cash is pooled centrally and when relevant invested in high quality, highly liquid and diversified money market funds.

Corporate liquidity risk

Corporate liquidity risk is the risk of being unable to meet financial obligations as they fall due without adversely affecting financial position, the normal course of business, or reputation.

BNBV's governance framework and liquidity policy are designed to:

- Describe how BNBV maintains liquidity resources in excess of liquidity requirements, including an approved management buffer;

- Identify the liquidity needs, risks and requirements of BNBV, outline the profile of these risks and how liquidity requirements are estimated; and
- Describe the liquidity resources as well as the governance and controls framework maintained by BNBV in connection with the liquidity risk management framework.

BNBV has a very low risk tolerance for corporate liquidity risk. The liquidity risk management framework ensures that BNBV remains solvent in any reasonably foreseeable stress scenarios, factoring unlikely but plausible events.

2.3.4 Information flow on risk to the BNBV Board

Risk information provided to the BNBV Board is typically first reviewed and challenged by the BNBV Risk Committee.

The BNBV Risk Committee receives and reviews the Risk Profile reports from BNBV and BAMDE to ensure it can adequately assess risk management across the Group. The BNBV Risk Profile report is prepared, reviewed and challenged by the second line of defence (RQA) and submitted to the BNBV Risk Committee for review. The BNBV Risk Committee advises on the approval of the Risk Profile report to the BNBV Board.

2.3.5 BNBV Board Declaration – adequacy of risk management arrangements

The BNBV Board is responsible for the effectiveness of BNBV's risk management arrangements and has implemented an appropriate governance and risk management structure. This is designed to determine what risks BNBV is willing to take and to manage those risks appropriately.

The Board considers that it has in place adequate risk management arrangements and that BNBV's risk profile is in line with its risk tolerances and strategy.

3. Own funds (capital resources)

BNBV must maintain own funds to meet its capital requirements. In accordance with the IFR, the definition of own funds has been aligned with Capital Requirements Regulation (EU) No 575/2013 ('CRR') however there are notable differences to make the rule more tailored and proportionate to investment firms.

3.1 Composition of regulatory own funds

All sources of own funds held by BNBV qualify as common equity tier 1 ('CET1') capital. This is the highest form of capital and consists of share capital, share premium, retained profits and other relevant qualifying reserves. There is no additional tier 1 or tier 2 capital held.

Appendix B provides further detail on the BNBV Solo and BNBV Group own funds composition and Appendix C contains a description of the main features of the capital instruments.

3.2 Reconciliation of own funds to audited financial statements

Figure 3.1 on the following page provides the reconciliation between the own funds for BNBV Solo to the audited financial statements as at 31 December 2023. BNBV Group does not produce consolidated financial statements and therefore there is no requirement to complete a reconciliation between the own funds held by BNBV Group to the balance sheet⁸ position.

⁸ Under IFRS the balance sheet is referred to as the Statement of Financial Position.

Figure 3.1 BNBV Solo – IF CC2 – Reconciliation of regulatory own funds to the balance sheet in the audited financial statements as at 31 December 2023

	Balance Sheet Description	Audited Financial Statements €000	Own Funds €000	Appendix B1 reference
Assets – breakdown by asset classes according to the balance sheet in the published/audited financial statements				
1	Property and equipment	4,374		
2	Right-of-use assets	17,101		
3	Investments *	217,556	(82,281)	a
4	Deferred tax assets	207,730	(207,730)	b
5	Loan receivable	70,000		
6	Trade and other receivables	241,797		
7	Income tax assets	42,544		
8	Cash and cash equivalents	124,261		
	Total Assets	925,363		
Liabilities – breakdown by liability classes according to the balance sheet in the published/audited financial statements				
1	Loans and borrowings	52,609		
2	Total lease liabilities	17,030		
3	Retirement benefit obligations	1,593		
4	Deferred tax liabilities	790		
5	Trade and other payables	54,740		
6	Provisions	3,229		
7	Income tax liability	1,908		
	Total Liabilities	131,899		
Shareholders' Equity				
1	Share capital	141,906	141,906	c
2	Share premium reserve	1,092,059	1,092,059	d
3	Foreign currency translation reserve	(885)	(885)	e
4	Share-based payments reserve **	13,041		
5	Other reserves	(682,768)	(682,768)	f
6	Retained earnings	230,111	230,111	g
	Total Shareholders' Equity	793,464		

Figures subject to rounding.

* Only the investment in Scalable is deducted from own funds

** The share-based payments reserve does not form part of own funds

4. Own funds requirements

Article 11 of the IFR states: “Investment firms shall at all times have own funds in accordance with Article 9 which amount to the highest of the following:

- Their fixed overhead requirement (‘FOR’) calculated in accordance with Article 13;
- Their permanent minimum capital requirement (‘PMR’) in accordance with Article 14; or
- Their K-factor requirement calculated in accordance with Article 15.”

The results of these requirements is detailed in the figure below:

Figure 4.1 BNBV own funds requirements (Solo and Group)

BNBV Solo - Own funds requirements	2023 €000s	2022 €000s
PMR	75	75
FOR	52,777	51,511
Risk-to-Client (RtC)	53,604	55,836
Risk-to-Firm (RtF)	-	-
Risk-to-Market (RtM)	-	-
K-factor requirement	53,604	55,836
Own funds requirement (highest of the above)	53,604	55,836

Figures subject to rounding.

BNBV Group - Own funds requirements	2023 €000s	2022 €000s
PMR	275	275
FOR	83,590	83,936
Risk-to-Client (RtC)	54,373	56,554
Risk-to-Firm (RtF)	-	-
Risk-to-Market (RtM)	-	-
K-factor requirement	54,373	56,554
Own funds requirement (highest of the above)	83,590	83,936

Figures subject to rounding.

4.1 Fixed Overheads Requirement

The FOR represents an expense-based capital requirement which requires investment firms to hold capital to cover its fixed expenditure for a period of at least three months, in line with Article 13 of the IFR.

The permissible deductions under Article 13 of IFR from a firm’s total expenditure are included in the figures below.

Figure 4.2 BNBV Solo Breakdown of FOR

BNBV Solo	2023 €000	2022 €000
Total expenses for the year ended 31 December 2023 / 31 December 2022	417,728	409,928
Deduct: Other appropriations of profits and variable remuneration, to the extent that they are fully discretionary	(22,027)	(20,514)
Deduct: Shared commission and fees payable	(70,425)	(67,427)

BNBV Solo	2023 €000	2022 €000
Deduct: Expenses relating to items already deducted from own funds	(18,722)	(23,342)
Deduct: Expenditures relating to taxes	(95,447)	(92,601)
Total annual fixed costs	211,107	206,044
Fixed overheads requirement (one quarter of total above)	52,777	51,511

Figures subject to rounding.

Figure 4.3 BNBV Group Breakdown of FOR

BNBV Group	2023 €000	2022 €000
Total expenses for the year ended 31 December 2023 / 31 December 2022	612,027	607,538
Deduct: Other appropriations of profits and variable remuneration, to the extent that they are fully discretionary	(22,505)	(21,033)
Deduct: Shared commission and fees payable	(137,067)	(134,880)
Deduct: Expenses relating to items already deducted from own funds	(22,646)	(23,342)
Deduct: Expenditures relating to taxes	(95,450)	(92,538)
Total annual fixed costs	334,359	335,745
Fixed overheads requirement (one quarter of total above)	83,590	83,936

Figures subject to rounding.

4.2 Permanent Minimum Requirement

Each of the individual entities is required to hold a certain amount of PMR in line with the regulations which apply to it.

Figure 4.4 BNBV Solo and BNBV Group PMR

Entity	BNBV Solo €000	BNBV Group €000	Reference
BNBV	75	75	IFD Article 9 (2)
BAMDE	-	125	EBA's Consultation Paper CP/2020/06 Article 10(1)(b)
Scalable Capital GmbH	-	75	IFD Article 9 (2)
Total	75	275	

Figures subject to rounding.

4.3 K-factor requirement

The K-factor requirement distinguishes between three broad categories of risk (RtC, RtF, RtM). Firms are required to calculate their own funds requirement for each applicable K-factor within these categories. BNBV has two applicable K-factors: K-AUM and K-COH, and these are explained below.

Figure 4.5 Applicability of the K-factor requirement to BNBV

Risk Category	K-factor	Applicability (Solo)	Applicability (Group)
RtC	K-ASA: Assets Safeguarded and Administered	x	x
	K-AUM: Assets Under Management	✓	✓
	K-CMH: Client Money Held	x	x

Risk Category	K-factor	Applicability (Solo)	Applicability (Group)
RtM	K-COH: Client Orders Handled	✓	✓
	K-CMG: Clearing Margin Given	✗	✗
	K-NPR: Net Position Risk	✗	✗
RtF	K-CON: Concentration Risk	✗	✗
	K-DTF: Daily Trading Flow	✗	✗
	K-TCD: Trading Counterparty Default	✗	✗

BNBV's K-factor requirements are based on K-AUM and K-COH. K-ASA and K-CMH are not applicable as BNBV does not hold the relevant permissions or undertake activities that would give rise to these. RtM and RtF K-factors are not applicable as described in section 2.3.3.

A summary of these metrics is provided below.

4.3.1 K-AUM

K-AUM is designed to capture the potential for harm when an investment firm manages assets for its clients in connection with MiFID business and is calculated in line with Article 17 of the IFR. This includes:

- Assets managed on a discretionary portfolio management basis; and
- Assets managed under non-discretionary advisor arrangements of an ongoing nature.

4.3.2 K-COH

K-COH is designed to capture the potential for harm from an investment firm handling client orders. This includes the value of orders which the firm handles for clients through both (i) the receipt and transmission of client orders; and (ii) the execution of orders on behalf of clients, other than those which relate to portfolios included in the AUM value outlined above. This is calculated in line with Article 20 of the IFR.

4.4 Internal capital

In addition to the requirements discussed above, BNBV has an internal minimum capital ratio set by the BNBV Board, which includes a buffer over and above the required amount.

Prior to any significant business decisions being made, the impact on capital at both a BNBV Solo and BNBV Group basis is fully assessed to ensure that the internal minimum capital ratios are maintained.

4.5 Approach to assessing adequacy of internal capital

BNBV's capital adequacy is assessed via the BNBV ICARAP. The ICARAP is an internal assessment of the amount of capital and liquidity that is considered adequate to cover the nature and level of the risks to which the firm is or might be exposed to at both a BNBV Solo and Group level. This approach, undertaken in full at least annually and subject to regular review, ensures a comprehensive consideration of all significant risks relevant to BNBV Group and is based on a combination of quantitative analysis and qualitative judgement of the BNBV Board, senior management and subject matter experts.

To enable the assessment of RtC, RtF and/or RtM, BNBV has identified potential sources of risk by reviewing its business model and activities in line with its risk management framework. The assessment of the risks follows the three steps outlined below:

- i. Identification of risks

The firm's key risks are reviewed individually to determine if risk issues could lead to RtC, RtF and/or RtM (e.g. any given risk issue could cause some or all types of risks). This assessment considers severe scenarios in each of the risk categories and determines the potential adverse impact caused. As part of this analysis, both financial (e.g. client loss due to trading error) and non-financial (e.g. inconvenience caused to clients) impacts are considered.

ii. Assessment of risks

The firm's key risks that could cause adverse impacts are further assessed to determine if specific risk issues could cause adverse financial impacts at 1 in 200-year severity. This allows identification of risks that necessitate holding capital in addition to the firm's rules based own funds requirements.

iii. Quantification of risks

For risks that could lead to an adverse financial impact at 1 in 200-year severity, the capital requirement is quantified via the following methods:

- RtC and RtF from operational risks: quantified via a top-down operational risk capital allocation methodology, combined with management review and bottom-up scenarios, where deemed appropriate;
- RtF from Changes in Book Value of Assets (Credit risk): quantified via analysis of severe impairments / default rates of individual balance sheet positions;
- RtF from Changes in Value of Positions (Market risk to balance sheet (FX)): quantified by applying a Value at Risk calculation to the firm's foreign currency exposures⁹; and
- RtF from Defined Benefit Pension Obligations: quantified by applying stresses to defined benefit pension plan assets and liabilities.

The assessment of risks considers implications beyond direct capital requirements. The types of adverse impacts that are beyond 1 in 200 year severity are assessed via stress tests and reverse stress tests. For example, stress tests and reverse stress tests assess the impact of reputational, strategy / business and group risks.

The Internal Capital Adequacy and Risk Assessment Committee ("ICARA Committee") is responsible for overseeing all aspects of the production of the BNBV public disclosure document, the ICARAP document and capital and liquidity assessments on behalf of the BNBV Board. The ICARA Committee engages with the first and second lines of defence and key decision-making committees. The BGL Capital Committee approves the underlying capital assumptions and figures in the BNBV public disclosure document and recommends them to the BNBV Board through the ICARA Committee.

For the 2024 ICARAP, an ICARAP-specific workshop was held with the BNBV Board and senior management and further progress updates were provided. A workshop is held with the BNBV Board each year where capital, liquidity, key risks and stress scenarios are discussed with the Board and they have the opportunity to review and challenge all aspects of the assessment.

⁹ Value at Risk is estimated at 99.5% confidence level (i.e. 99.5% confidence level market shock is applied to the FX positions that BNBV is exposed to).

5. Disclosure of remuneration

The below disclosures are made in accordance with the requirements of Part Six of the IFR (and article 1:120 of the Act on Financial Supervision (*Wet op het financieel toezicht* or 'Wft')).

As BNBV is a Dutch based MiFID licensed investment firm and a Dutch based financial intermediary, the applicable regulations regarding remuneration include those provided for in the IFR, the IFD, the Guidelines on sound remuneration policies under Directive (EU) 2019/2034 (the "EBA Remuneration Guidelines"), the Wft and the *Regeling beheerst beloningsbeleid Wft* ('Rbb'). The relevant provisions of the IFR, IFD, Wft, Rbb and EBA Remuneration Guidelines are jointly referred to as the Remuneration Regulations.

The remuneration provisions of the IFR, IFD and Wft apply to BNBV on an individual and consolidated basis.

5.1 Remuneration governance

BNBV is subject to BlackRock, Inc.'s governance processes with respect to remuneration. This helps ensure robust oversight of remuneration, effective management of any potential conflicts of interests and reflects the need to link remuneration decisions with risk appetite and profiles.

BlackRock, Inc.'s remuneration governance for EMEA operates as a tiered structure which includes: (i) the MDCC, which is the global, independent remuneration committee for BlackRock, Inc. and is comprised entirely of NEDs of BlackRock, Inc.; and also acts as the Remuneration Committee of BNBV; and (ii) in respect of BNBV, the BNBV Board and the NEDs in particular. As the Remuneration Committee of BNBV, the MDCC is responsible for the preparation of decisions on remuneration of the Material Risk Takers ('MRTs') and putting those for approval to the NEDs. The NEDs have the task (acting on the recommendations of the MDCC) of approving the decisions prepared by the MDCC on the remuneration of MRTs, including the company's senior officers in the independent control functions.

BNBV's Human Resources, Legal & Compliance and Enterprise Risk functions are involved in setting, implementing, overseeing and reviewing the BNBV Remuneration Policy.

5.2 Most important design characteristics of the remuneration system

General principles

The general principles upon which BNBV's Remuneration Policy is formulated are as follows:

1. The Remuneration Policy should be consistent with, and promote, sound and effective risk management and should not encourage excessive risk-taking.
2. The Remuneration Policy should be in line with the business strategy, objectives (including sustainability risk-related objectives), values and interests of BNBV and the assets managed by BNBV, as well as the interests of the customers of BNBV (e.g. the investors in such funds), should take into account long-term effects of any investment decisions taken, should include measures to avoid conflicts of interest, should encourage responsible business conduct and promote risk awareness and prudent risk taking.
3. The structure of staff members' remuneration should be consistent with and promote effective risk management.
4. The Remuneration Policy should aim to ensure that client interests are not adversely affected by remuneration structures and payments.
5. The Remuneration Policy should be gender neutral, i.e. there should be no differentiation between staff of the male, female or diverse genders.

6. Remuneration should be payable if it is sustainable according to the financial situation of BNBV as a whole, and justified according to the performance of the business, funds and individual concerned.
7. The Remuneration Policy should reflect how remuneration within the Company relates to the function of the Company in the sector and its position in society as well as how this relationship was established.

Performance management and adjustment

When setting remuneration levels other factors are considered, as well as individual performance, measured on the basis of qualitative and quantitative criteria, which may include:

- The performance of BNBV, BlackRock, Inc.'s business and the relevant business unit or functional department;
- Factors relevant to a staff member individually (e.g., relevant working arrangements; relationships with clients and colleagues; teamwork; skills; any compliance and/or other conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- The management of risk within the risk profiles appropriate for BlackRock's clients;
- Strategic business needs, including intentions regarding retention;
- Market intelligence; and
- Criticality to the business.

A primary product tool is risk management and, while staff are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, staff are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

Consistent with the Remuneration Regulations, the discretionary approach to remuneration takes into account a balanced mix of both quantitative and qualitative (non-financial) factors and as such shall be based on at least 50% qualitative factors.

BNBV maintains a Malus and Clawback policy, under which all variable compensation paid by BNBV will be subject to compensation recapture policies established by the BNBV Board in accordance with the Remuneration Regulations.

Control functions

Each of BNBV's control functions (Enterprise Risk, Finance, Legal & Compliance, and Internal Audit) has its own organisational structure which is operationally independent. The head of each of BNBV's control functions is either a member of the BNBV Board or has a reporting obligation to the BNBV Board.

The remuneration of the senior members of control functions is directly overseen by the MDCC.

Bonus pools for each individual control function is determined with reference to the performance of that function and do not depend upon the results of the business area(s) which it controls.

Ratio between fixed and variable remuneration

Fixed and variable components of total remuneration of BNBV's staff members are appropriately balanced. Fixed remuneration is set at a level which allows BNBV to operate a fully discretionary bonus policy (allowing it to award zero bonuses in appropriate circumstances).

Set up as an international group, BNBV applies a bonus cap of 100% of a staff member's fixed remuneration for staff working under its responsibility predominantly in the EEA, including the Netherlands.

Staff predominately working for BNBV outside the EEA may receive variable remuneration up to 200% of their fixed remuneration, subject to BNBV having obtained the relevant internal approvals, including shareholder approval if required pursuant to prevailing regulations.

Pay-out process rules

BNBV identifies MRTs in accordance with Commission Delegated Regulation (EU) 2021/2154. Pursuant to the Remuneration Regulations, additional requirements apply to the variable remuneration awards to MRTs (the Pay-out process rules). In accordance with the Remuneration Regulations, BNBV does not apply the Pay-out process rules to a staff member whose annual variable remuneration does not exceed €50k and does not represent more than 10% of the staff member's total remuneration.

A minimum of 50% of any discretionary bonus awarded to a MRT is deferred for a minimum period of three years, vesting on a pro-rata basis. In the case of a discretionary bonus award of a particularly high amount, at least 60% of the total discretionary bonus award will be deferred. The upfront portion of the discretionary bonus award is typically paid in January similar to any discretionary bonus awarded to staff who are not identified as MRTs.

A minimum of 50% of any discretionary bonus awarded to MRTs is settled in instruments and the remainder in cash. The type of instruments is determined by the MDCC, taking into account the requirements in the Remuneration Regulations. Once vested, instruments will be subject to a minimum retention period of twelve months.

No interest or dividend equivalents are earned or paid out during the vesting period of any deferred variable remuneration.

Before the vesting or settlement of any deferred variable remuneration, a reassessment of the performance and, if necessary, an ex-post risk adjustment is applied to align the discretionary bonus award to additional risks that have been identified or materialised after the award.

Guaranteed remuneration

Guaranteed variable remuneration is only awarded in exceptional circumstances and will not be excessive. Such guaranteed remuneration, if any, shall be consistent with the Remuneration Regulations, including being limited to the first year of service, in the context of hiring new staff and only if BNBV has a sound and strong capital base.

Where an award compensates a new joiner for forfeited deferred remuneration from a previous employer, any award will take into consideration the amount and terms (including any deferral, form and retention periods) of the variable remuneration awarded or offered by the individual's previous employer. If such an award is being made to an MRT, the Pay-out process rules apply. Any such award (whether to an MRT or other staff member) require the approval of the MDCC.

Severance pay

Any payments related to early termination of contracts reflect performance achieved over time and will be designed in a way which does not reward failure and will at all times be compliant with the Remuneration Regulations.

BNBV does not pay any severance to a staff member if the termination of their employment agreement (i) is at the initiative of the staff member, except as a result of serious reproachable behaviour by BNBV or (ii) is at the initiative of BNBV for serious reproachable behaviour by the staff member. In addition, BNBV does not pay any severance to a staff member who is in charge of the day-to-day management (a 'Policymaker') in the event of a failure of BNBV. For this purpose, the term Policymaker includes the executive directors (bestuurders) of BNBV and in addition individuals who are not executive directors but whose influence is such that they effectively determine the day-to-day management of BNBV. In practice, this group includes only those staff members who have been screened on trustworthiness (betrouwbaarheid) and suitability (geschiktheid) by the financial regulator AFM for being in charge of the day-to-day management of BNBV. Any severance paid by BNBV to a member of staff who is a policymaker is capped at 100% of such staff member's fixed remuneration.

Retention bonus

BNBV only awards a retention bonus if the award of the retention bonus is consistent with the Remuneration Regulations, including if the retention bonus is awarded in connection with a durable organisation change within BNBV, is only awarded to retain high-quality staff who are of importance to the continuity and value of BNBV.

Subject to (i) approval by the Regulator and (ii) BNBV having obtained the relevant internal approvals (including shareholder approval, if required pursuant to and consistent with prevailing regulations) the sum of any variable remuneration and any retention bonus received by any employee shall not exceed 200% of the relevant employee's fixed remuneration.

5.3 Quantitative remuneration disclosure

The following figures show the remuneration awards made to BNBV MRTs.

Figure 5.1 Fixed and variable remuneration awarded to MRTs in 2023¹⁰

	Senior management	Other MRTs
Number of beneficiaries	11	11
	€000	€000
Fixed remuneration ¹¹	5,470	6,118
Variable remuneration	3,703	4,074
Of which upfront cash	1,100	1,683
Of which upfront instruments	-	-
Of which deferred cash	-	-
Of which deferred instruments ¹²	2,603	2,391

Figures subject to rounding.

Figure 5.2 Deferred remuneration awarded to MRTs

€000	Senior management	Other MRTs
Deferred remuneration, vested ¹³	3,075	4,701
Deferred remuneration, unvested ¹⁴	7,290	7,605
Reduced through malus or clawback	-	-

Figures subject to rounding.

¹⁰ Data for staff identified as BNBV MRTs that do not receive any remuneration in respect of their BNBV role has not been included (i.e., MRTs who are identified as an MRT for BNBV by virtue of their regional or global management role and do not receive any remuneration for their BNBV role).

¹¹ This includes base salary and any fixed allowances. Non-Executive Directors receive fixed remuneration only.

¹² This includes restricted stock units and carried interest.

¹³ This includes deferred remuneration awarded for previous performance periods that has vested and paid in 2023.

¹⁴ This includes deferred remuneration awarded for previous performance periods, due to vest in subsequent years.

Figure 5.3 Guaranteed variable remuneration and severance payments awarded to MRTs

€000	Senior management	Other MRTs
Guaranteed variable remuneration awards in 2023	-	-
- Number of beneficiaries	-	-
- Amount	-	-
Severance payments paid out in 2023	-	-
Severance payments awarded in 2023	-	-
- Number of beneficiaries	-	-
- Amount	-	-

Figures subject to rounding.

There were ten staff members who earned €1m or more. These members of staff work in the Global Client Businesses. The total amount of annual variable remuneration paid by BNBV in 2023 to persons working under its responsibility amounts to €18,926k.

Proportionality

With respect to performance year 2023, BNBV did not apply the Pay-out process rules with respect to one staff member on the basis of proportionality in accordance with point (b) of Article 32(4) of the IFD and point 12 (b) of Appendix B of the Rbb because that staff member earned an annual variable remuneration that did not exceed €50k and did not represent more than 10% of the total annual remuneration.

The total remuneration awarded to this staff member was €182k, made up of €170k in fixed remuneration and €12k in variable remuneration.

5.4 Gender neutrality

BNBV's pay policies are consistent with the principle of equal pay for equal work. There is no evidence men and women in comparable circumstances are paid differently. We have processes in place designed to ensure fair pay for roles with similar scope and impact. Those processes are designed to assure continued diligence and vigilance going forward.

BlackRock has a strong pay-for-performance culture: our annual compensation process takes into consideration role, performance, seniority, skills, knowledge and market benchmarks. We conduct functional and regional reviews to ensure pay decisions are made fairly and without bias.

A leading independent third-party compensation firm conducts an annual analysis of our compensation practices. The results show that our pay practices are based on a number of factors, such as experience, role, and impact – gender is not a driver of pay.

6. Investment Policy

IFR Article 52(2) requires a firm to make specific disclosures (as set out in Article 52(1)) in respect of its investments in each company whose shares are admitted to trading on a regulated market and only in respect of those shares to which voting rights are attached, where the proportion of voting rights that the investment firm directly or indirectly holds exceeds the threshold of 5% of all voting rights attached to the shares issued by the company.

Where the 5% threshold is exceeded, Article 52(1) requires the following items to be disclosed:

- Proportion of voting rights attached to the shares held;
- Complete description of voting behaviour in the general meetings of companies the shares of which are held, an explanation of the votes, and the ratio of proposals put forward by the administrative or management body of the company which the investment firm has approved;
- An explanation of the use of proxy advisor firms; and
- Voting guidelines regarding the companies the shares of which are held.

The 5% threshold is assessed on a Solo and Group basis and includes both shares held directly by entities in the BNBV Group and shares held indirectly through the portfolio management activities of the operating entities in the BNBV Group. BNBV did not hold any holdings in respect of a company whose shares are admitted to trading in a regulated market in excess of the specified threshold on a Solo as well as consolidated basis.

Appendix A – Glossary

Abbreviation	Definition
AFM	The Dutch Authority for the Financial Markets
BAMDE	BlackRock Asset Management Deutschland AG
BCP	Business Continuity Plan
BFM Ltd.	BlackRock Fund Managers Ltd.
BGL	BlackRock Group Limited
BIM (UK)	BlackRock Investment Management (UK) Limited
BLK Inc.	BlackRock, Inc.
BNBV	BlackRock (Netherlands) B.V.
BNBV Board	Board of Directors of BNBV
BRFE	BlackRock Finance Europe Limited
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CIO	Chief Investment Officer
COO	Chief Operating Officer
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation 575/2013 of the European Parliament and of the Council
CUSIP	Committee on Uniform Securities Identification Procedures
DNB	De Nederlandsche Bank
EBA	European Banking Authority
EEA	European Economic Area
EEGA	Eastern Europe, Germany and Austria
EMEA	Europe, Middle East and Africa
ERMC	Enterprise Risk Management Committee
EU	European Union
FCA	Financial Conduct Authority
FOR	Fixed Overhead Requirement
FX	Foreign Exchange
HR	Human Resource
ICARA	Internal Capital Adequacy and Risk Assessment
ICARAP	Internal Capital Adequacy and Risk Assessment Process
IFD	Investment Firms Directive
IFR	Investment Firms Regulation
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
IT	Information Technology
K-ASA	K-factor to measure Assets Safeguarded and Administered
K-AUM	K-factor to measure Assets under management
K-CMG	K-factor to measure Clearing Margin Given
K-CMH	K-factor to measure Client Money Held
K-COH	K-factor to measure Client orders handled
K-CON	K-factor to measure Concentration risk
K-DTF	K-factor to measure Trading Counterparty Default
K-NPR	K-factor to measure Net Position Risk

Abbreviation	Definition
K-TCR	K-factor to measure Trading Counterparty Risk
KRI	Key Risk Indicator
ManCo	Management Company
MDCC	Management Development and Compensation Committee (BlackRock, Inc.'s independent remuneration committee)
MiFID	Markets in Financial Instruments Directive
MRT	Material Risk Takers
NED	Non-Executive Director
PLC	Public Limited Company
PMR	Permanent Minimum Requirement
Rbb	Regeling beheerst beloningsbeleid Wft
RCI	Risk and Control Issue
RCSA	Risk and Control Self-Assessment
RMF	Risk Management Framework
RQA	Risk and Quantitative Analysis
RtC	Risk-to-Client
RtF	Risk-to-Firm
RtM	Risk-to-Market
Scalable	Scalable GbmH
UCITS	Undertakings in Collective Investment in Transferable Securities
UK	United Kingdom
Wft	Wet op het financieel toezicht or Act on Financial Supervision

Appendix B – IF CC1 Own funds disclosure

Appendix B1 – BNBV Solo		€000	Source based on reference letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	OWN FUNDS	490,412	
2	TIER 1 CAPITAL	490,412	
3	COMMON EQUITY TIER 1 CAPITAL	490,412	
4	Fully paid up capital instruments	141,906	c
5	Share premium	1,092,059	d
6	Retained earnings	230,111	g
7	Accumulated other comprehensive income	(885)	e
8	Other reserves	(682,768)	f
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		
12	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(290,011)	a + b
13	(-) Own CET1 instruments		
14	(-) Direct holdings of CET1 instruments		
15	(-) Indirect holdings of CET1 instruments		
16	(-) Synthetic holdings of CET1 instruments		
17	(-) Losses for the current financial year		
18	(-) Goodwill		
19	(-) Other intangible assets		
20	(-) Deferred tax assets that rely on future profitability	(207,730)	b
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23	(-) CET1 instruments of financial sector entities where the institution does not have a significant investment	(82,281)	a
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment		
25	(-)Defined benefit pension fund assets		
26	(-) Other deductions		
27	CET1: Other capital elements, deductions and adjustments		
28	Additional Tier 1 Capital		
29-39	These rows have been omitted as all entries would have been blank		
40	Tier 2 Capital		
41-50	These rows have been omitted as all entries would have been blank		

Figures subject to rounding.

Appendix B2 – BNBV Group		€000	Source based on reference letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	OWN FUNDS	487,327	
2	TIER 1 CAPITAL	487,327	
3	COMMON EQUITY TIER 1 CAPITAL	487,327	
4	Fully paid up capital instruments	141,906	
5	Share premium	1,092,059	
6	Retained earnings	270,407	
7	Accumulated other comprehensive income	(885)	
8	Other reserves	(750,973)	
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		
12	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(265,187)	
13	(-) Own CET1 instruments		
14	(-) Direct holdings of CET1 instruments		
15	(-) Indirect holdings of CET1 instruments		
16	(-) Synthetic holdings of CET1 instruments		
17	(-) Losses for the current financial year		
18	(-) Goodwill	(57,457)	
19	(-) Other intangible assets		
20	(-) Deferred tax assets that rely on future profitability	(207,730)	
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23	(-) CET1 instruments of financial sector entities where the institution does not have a significant investment		
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment		
25	(-)Defined benefit pension fund assets		
26	(-) Other deductions		
27	CET1: Other capital elements, deductions and adjustments		
28	Additional Tier 1 Capital		
29-39	These rows have been omitted as all entries would have been blank		
40	Tier 2 Capital		
41-50	These rows have been omitted as all entries would have been blank		

Figures subject to rounding.

Appendix C – IF CCA – Description of main features of capital instruments

Appendix C1 – BNBV Solo		Free text
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Issuer	BlackRock (Netherlands) B.V.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Private placement
3	Public or private placement	Private placement
4	Governing law(s) of the instrument	Dutch law
5	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	EUR 1,234
7	Nominal amount of instrument	EUR 110.60
8	Issue price	N/A
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	<p>Company was incorporated on 7 May 1990 with shares transferred to BlackRock on 29 September 2006. Since the transfer, the following issues have taken place:</p> <ul style="list-style-type: none"> • 29 April 2020 1 share at €455 • 18 December 2020 1 share at €455 • 31 December 2020 10 shares at €455 • 20 December 2021 880,000 shares at €455 • 20 December 2021 nominal value of shares reduced to €227.51 • 15 December 2022 403,000 shares at €227.51 • 15 December 2022 nominal value of shares reduced to €110.60
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	No

Appendix C1 – BNBV Solo		Free text
	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	No
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

Figures subject to rounding.

Appendix C2 – BNBV Group		Free text
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Issuer	BlackRock (Netherlands) B.V.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Private placement
3	Public or private placement	Private placement
4	Governing law(s) of the instrument	Dutch law
5	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	EUR 1,234
7	Nominal amount of instrument	EUR 110.60
8	Issue price	N/A
9	Redemption price	N/A
10	Accounting classification	Shareholders' funds
11	Original date of issuance	<p>Company was incorporated on 7 May 1990 with shares transferred to BlackRock on 29 September 2006. Since the transfer, the following issues have taken place:</p> <ul style="list-style-type: none"> • 29 April 2020 1 share at €455 • 18 December 2020 1 share at €455 • 31 December 2020 10 shares at €455 • 20 December 2021 880,000 shares at €455 • 20 December 2021 nominal value of shares reduced to €227.51 • 15 December 2022 403,000 shares at €227.51 • 15 December 2022 nominal value of shares reduced to €110.60
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	N/A
	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A

Appendix C2 – BNBV Group		Free text
Common Equity Tier 1 (CET1) capital: instruments and reserves		
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

Figures subject to rounding.

Issued by BlackRock (Netherlands) B.V. ('BNBV'). BNBV is authorised and regulated by the Netherlands Authority for the Financial Markets. Registered office Amstelplein 1, 1096 HA, Amsterdam, Tel: 020 – 549 5200, Tel: 31-20-549-5200. Trade Register No. 17068311 For your protection telephone calls are usually recorded.

© 2024 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS and iSHARES are trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer.

Contact Information

Email: CorporateCommunications-EMEA@blackrock.com