



# BNP PARIBAS CORPORATE GOVERNANCE

**Jean LEMIERRE**  
Chairman

**MARCH / APRIL 2023**



**BNP PARIBAS**

The bank for a changing world

# Disclaimer

*The figures included in this presentation are unaudited.*

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**Unless otherwise mentioned, the financial information and items contained in this announcement include the activity related to BancWest reflecting an operational view. Such financial information and items therefore do not reflect the effects produced by applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The press release pertaining to 2022 full year results includes in appendix a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.**





# The BNP Paribas Fundamentals

Corporate Governance within BNP Paribas

Corporate Governance within BNP Paribas: focus on CSR

The Board of Directors and its Committees

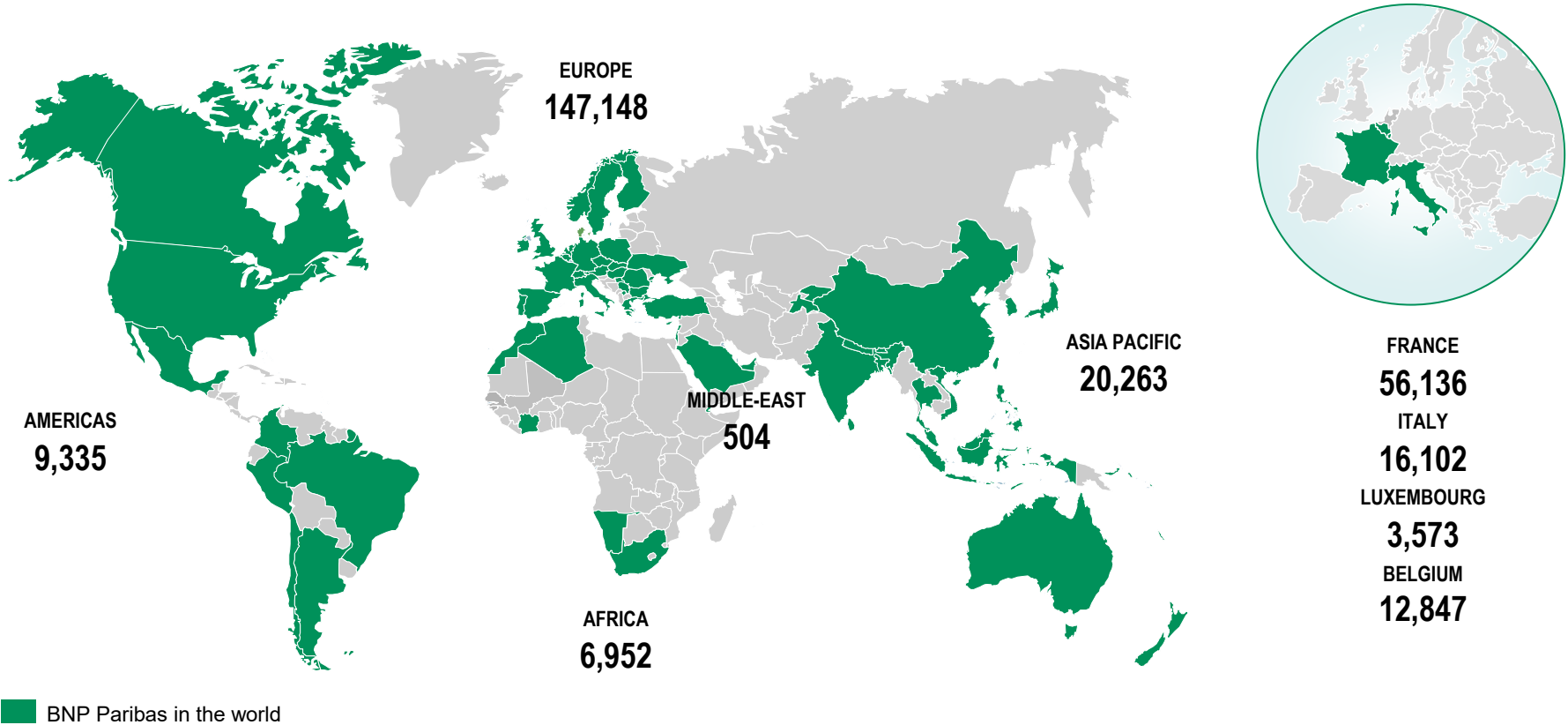
Corporate Officers' Compensation

Appendix



# Strong European Group with International Reach

Almost 185,000 employees in 65 countries\*



● 80% of staff in Europe, of which 48% in the 4 Domestic Markets and 30% in France

\* Figures as at 31 December 2022, excluding BoW



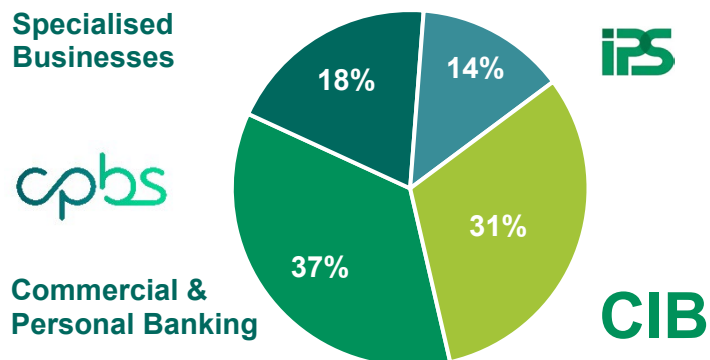
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# Organisation of the Operating Divisions

## 2022\* Revenues balanced by Operating Divisions



### COMMERCIAL, PERSONAL BANKING & SERVICES (52%)

#### COMMERCIAL, PERSONAL BANKING (32%)

- France, Belgium, Italy (BNL bc), Luxembourg
- Europe-Mediterranean

#### SPECIALISED BUSINESSES (20%)

- Arval & Leasing Solutions
- BNP Paribas Personal Finance
- New Digital Businesses and Personal Investors

### INVESTMENT & PROTECTION SERVICES (14%)

- BNP Paribas Cardif
- Wealth Management
- BNP Paribas Asset Management
- BNP Paribas Real Estate

### CIB (34%)

- Global Banking
- Global Markets
- Securities Services

\* As at 31 December 2022, excluding BoW

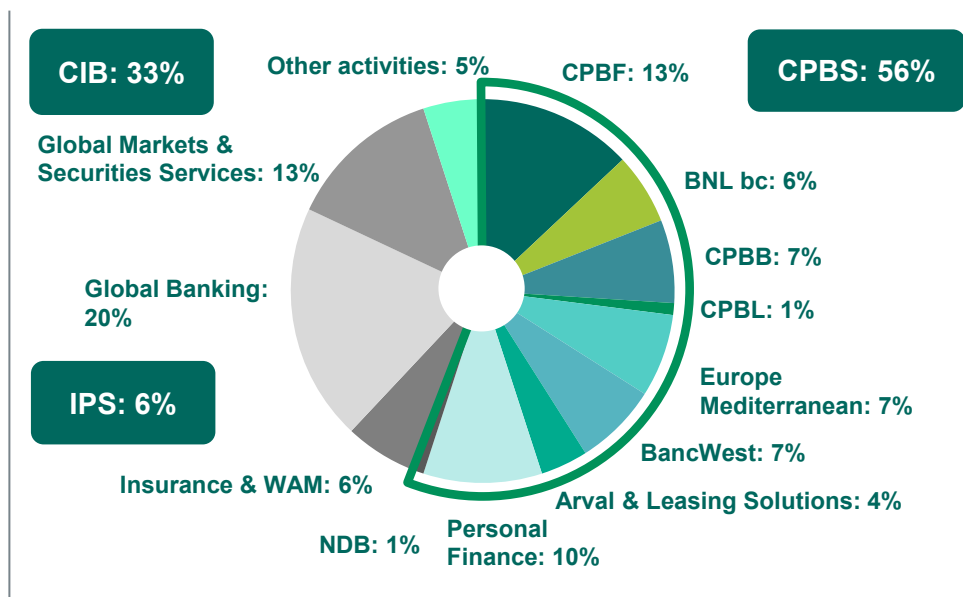
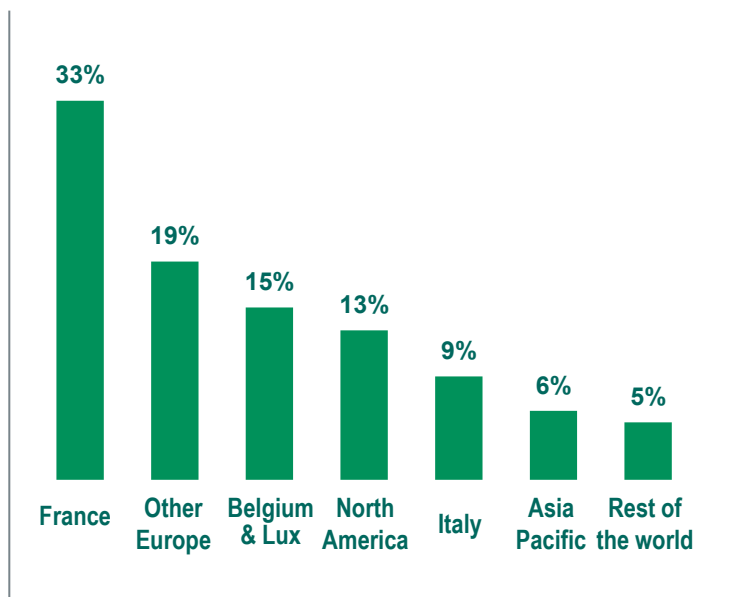


# A Business Model Well Diversified by Country and Business

No country, business or industry concentration

● **Gross Commitments<sup>1</sup> by region as at 31.12.22**  
 >90% in wealthy markets

● **Basel 3 risk-weighted assets<sup>2</sup> by business as at 31.12.22**

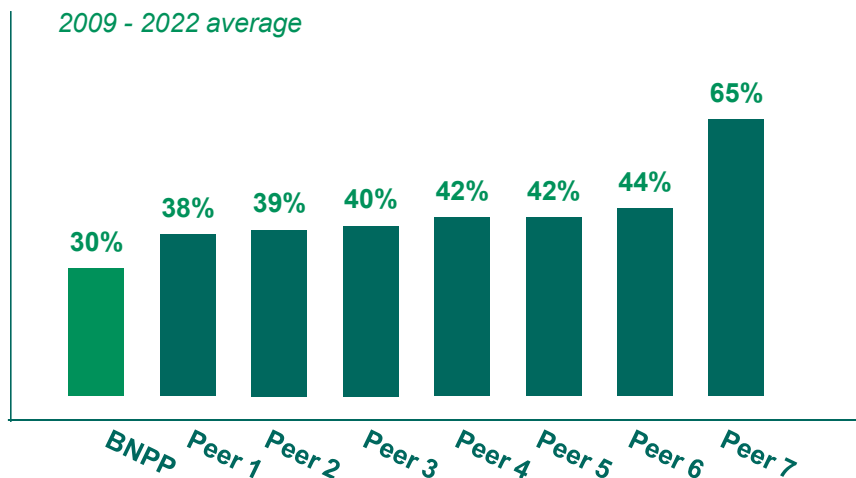


- A balanced business model: a clear competitive advantage in terms of revenues & risk diversification
- An integrated business model fueled by cooperation between Group Businesses
- A Strong resilience in changing environment

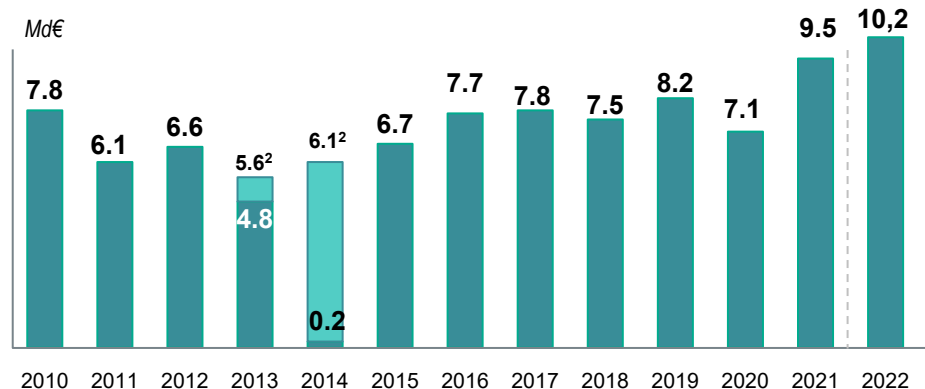
1. Total gross commitments, on and off balance sheet, unweighted of €1,897bn as at 31.12.22 ; 2. CRD 4 ; 3. Including Luxembourg

# Diversification leading to a recurrent profitability through the cycle

● Cost of Risk/Gross Operating Income 2008-2022<sup>1</sup>



● Net Income Group Share (2010-2022)



- Prudent approach: CoR / GOI ratio among the lowest in Europe

- Recurrent earnings generation through the cycle
  - Thanks to diversification
  - Strong proven capacity to withstand local crisis and external shocks

**Low risk and limited volatility of earnings  
Diversification => lower risk profile**

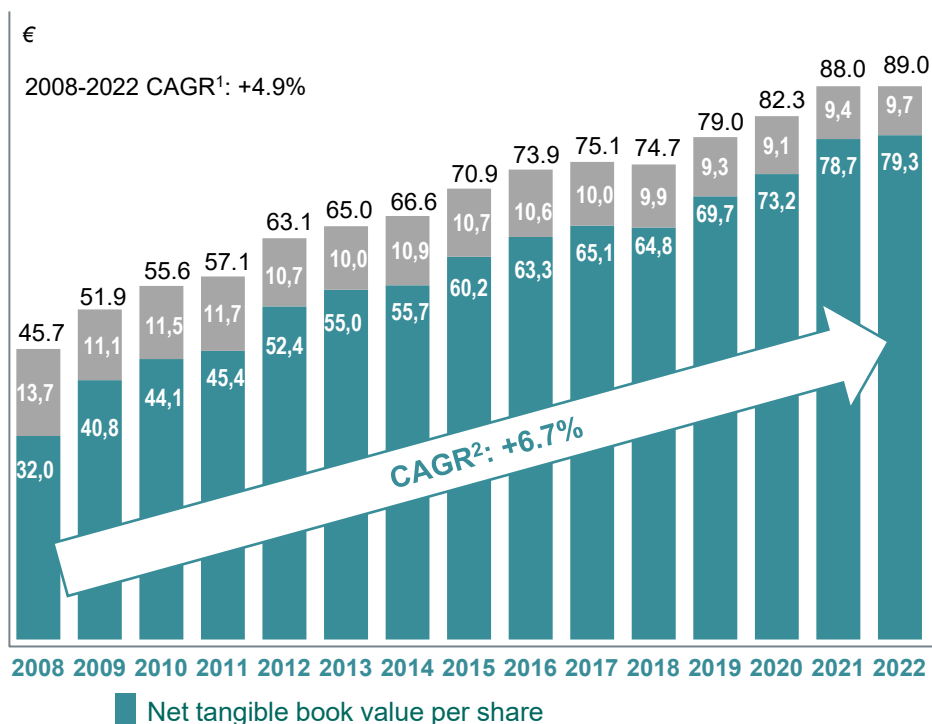
<sup>1</sup> Source: publications of Eurozone banks: BBVA, Crédit Agricole SA, Deutsche Bank, Intesa SP, Santander, Société Générale, Unicredit

<sup>2</sup> Adjusted for costs and provisions relating to the comprehensive settlement with U.S. authorities



# Continuous and strong value creation throughout the cycle

Steady increase in tangible equity per share: €79.3



## Ordinary distribution: 60% of 2022 results

- Taking the Bank of the West contribution into account
- Dividend: €3.90 per share paid in cash<sup>3</sup> (or 50% of distributable income)
- Share buyback programme: €962m<sup>4</sup> (or 10% of distributable income) (request submitted to the ECB)

## Extraordinary distribution related to the sale of Bank of the West

- Share buyback programmes: €4.04bn planned for 2023<sup>5</sup>
- 1<sup>st</sup> tranche of €1.54bn<sup>4</sup> (request submitted to the ECB)
- Launch of a 2<sup>nd</sup> tranche of €2.5bn planned for 2H23<sup>5</sup>

## €5bn in share buyback programmes planned for 2023<sup>5</sup>

Request submitted to the ECB for a 1<sup>st</sup> tranche of €2.5bn<sup>6</sup>

1. Of net book value per share; 2. Of net tangible book value per share for the 2008-2022 period; 3. Subject to the approval of the General Meeting of 16 May 2023, detached on 22 May 2023, paid out on 24 May 2023; 4. Pending ECB authorisation; 5. Upon customary condition precedents, including ECB authorisations; 6. €962m related to the ordinary distribution of 2022 income and €1,54bn from the sale of Bank of the West







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Appendix



# A Corporate Governance Framework Deeply Embedded in the Bank's Culture

## A « Triptic » Culture / Governance / Business Strategy

- **Balance, stability and consistency of the strategy**
- **A culture of control and risk management, aiming at helping customers to implement their projects**
- **A risk-reward balance closely monitored throughout the cycle**
- **A commitment for a positive impact on society as a whole**
- **Business model is closely aligned with culture, focused on:**
  - Customers (vs sales)
  - Long term (vs short term) results
  - Sustainability (vs growth)
  - Efficiency (vs low cost)
- **A reputation based on rigorous rules of ethics, compliance and transparency and on a true social commitment: focus on**
  - Values, compliance, behaviour
  - Consistency of message
  - Tone at the top.....Echo from the bottom



# A Corporate Governance that Supports the Long-Term Strategy of the BNP Paribas Group

- Separation of the functions of Chairman and CEO since 2003
- Neither the members of the Executive Management nor the Chairman are sitting on any of the Board Committees since 1997
- Selection of Directors:
  - A forward looking “Fit & Proper” process
  - Diversity and complementarity of the personal characteristics as well as of the areas of expertise
- Audit Committee set up as soon as 1994, whose competencies were split:
  - Financial Statements Committee, on the one hand
  - On the other hand, an Internal Control, Risk Management and Compliance Committee
- A Committee of the Board in charge of dealing, among others, with CSR matters
- Undertaking by the Directors to put their mandate at the Board’s disposal in the event of any significant change in their duties or powers
- Shareholders’ protection: 1 share = 1 vote = 1 dividend
  - No double voting rights
  - No voting caps
- No anti takeover or public exchange offer provisions
- A compensation policy integrating the long-term interests of the Group and its stakeholders



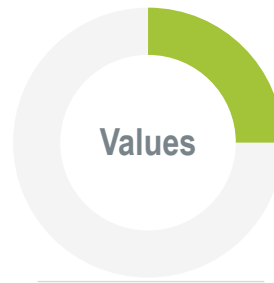
# Upholding the Highest Standards of Conduct and Ethics



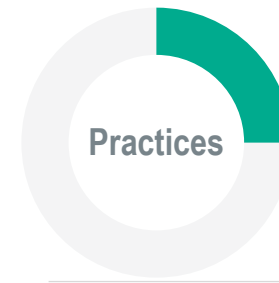
Mission



Rules



Values



Practices

- **Provide financing** for the economy and advise clients in an ethical manner
- **Have a positive impact** on our stakeholders and on the society

- Elaborated at Group level and built around **7 themes** (Customers' interests, Financial security, Market integrity, Professional ethics, Respect for colleagues, Group protection, Involvement with society)
- Enforced in every business line

- **4 strengths:** Stability, Responsibility, Expertise, Good place to work
- **4 levers:** Agility, Culture of compliance, Client satisfaction, Openness

- Annual performance appraisal, opportunity to reinforce the importance of appropriate behaviors
- Employee training
- Processes for employees to raise concerns, notably whistleblowing procedure
- Incentive to be exemplary but also sanctions (clawbacks,...)

## Code of Conduct



[Download the Code of Conduct](#)

Updated on December 2021

(including the Addendum "fighting corruption")

- The Group Code of Conduct has been updated in December 2021, especially its section on Fighting corruption that provides definitions as well as examples to illustrate prohibited behaviors.
- The Code of Conduct reminds the importance of the Conduct rules and provides guidance for the staff on how to rely on the Group values and their personal judgement to make the right decision. It also emphasizes on the possibility of speaking up.
- Since 2016, the Code has been implemented in all the business lines through dedicated frameworks, under the coordination of Compliance, in order to ensure the integration of Conduct into operational processes, controls, and more generally day-to-day activity, as well as to closely monitor the Group transversal priorities. The governance around Conduct has been significantly reinforced at Group, operating divisions and business lines level over the past few years.
- At end of 2022, 97.2% of Group employees were trained on ethical or Conduct matters through notably a new dedicated training path assigned to all staff, called the Conduct journey.

Source: <https://group.bnpparibas/en/group/governance-compliance/compliance>



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Corporate Governance March/April 2023 | 12

# BNP Paribas Company Purpose

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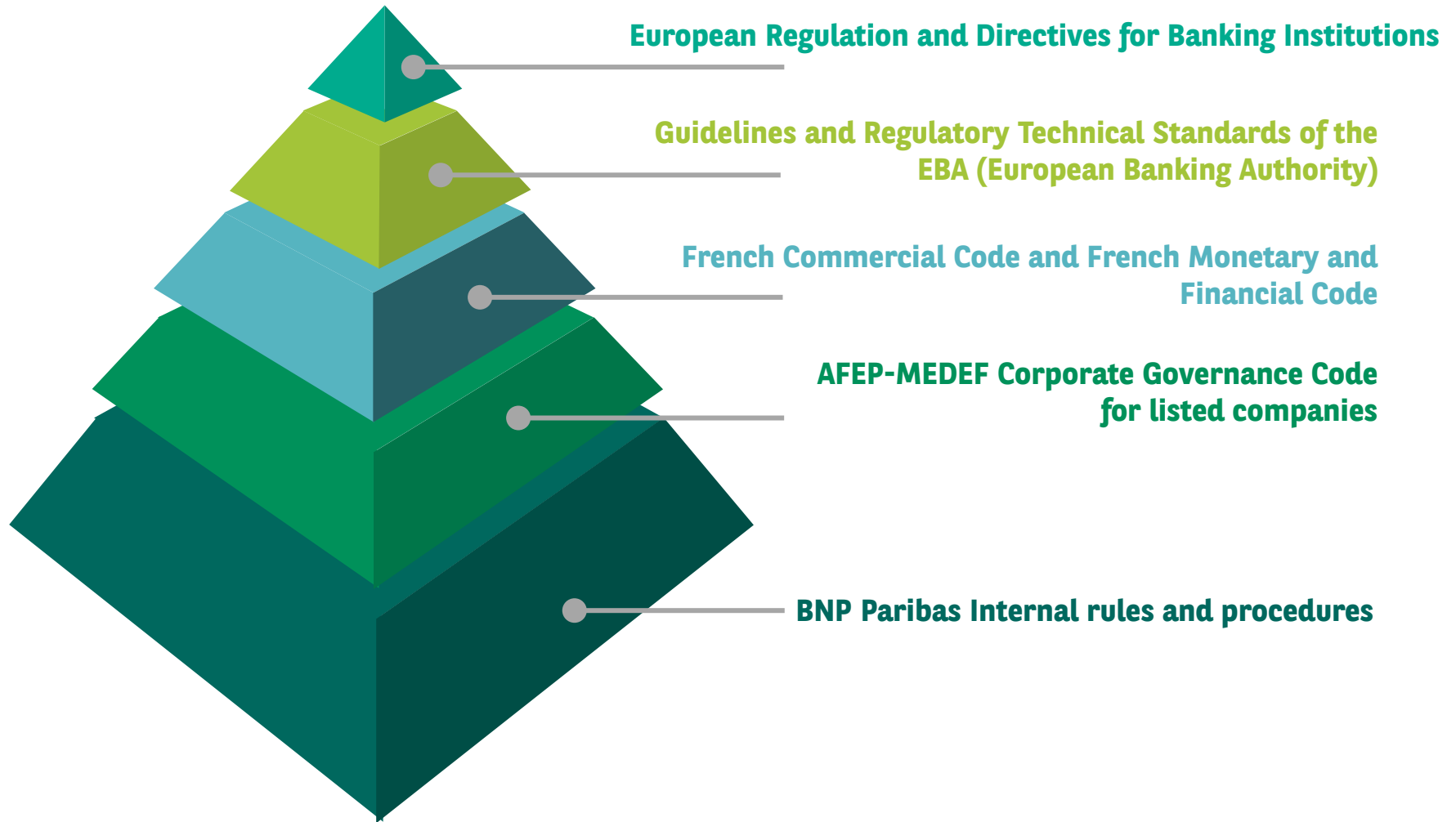
- BNP Paribas has formalized a “company purpose”
  - Elaborated under guidance from the BNP Paribas Executive Committee
  - Reviewed by the Board of Directors
  - Based on BNP Paribas’ Shared convictions, the Group Code of Conduct and the Engagement Manifesto
  - Communicated to all employees and available externally

*“BNP Paribas’ mission is to contribute to **responsible and sustainable growth** by financing the economy and advising clients according to the **highest ethical standards**”*

- The Group offers secure, sound and innovative financial solutions to individuals, professional clients, corporates and institutional investors while striving to **address the fundamental challenges of today with regard to the environment, local development and social inclusion**
- BNP Paribas employees aim to **deliver services that have purpose and relevance for clients and the world around them**
- The Group innovates in order to be a **leader in sustainable finance**
- BNP Paribas is developing the tools to **measure our environmental and social impact**



# A Specific Feature for Corporate Governance in the Banking Industry (1/3): A Pyramid of Regulations



# A Specific Feature for Corporate Governance in the Banking Industry (2/3): Regulators' and Supervisors' Oversight

- Suitability of the Board of Directors: oversight by the ECB and the ACPR through the SSM



- Financial Institutions are subject to stricter regulations than other sectors' companies, for instance:
  - Fewer directorships allowed
  - On-going assessment of the suitability of Directors and Effective Directors
  - Guidelines by the EBA on internal governance and the « fit and proper » of Directors and Effective Directors



# A Specific Feature for Corporate Governance in the Banking Industry (3/3): Regulators' and Supervisors' Oversight

- Remuneration policy: mandatorily consistent with the institution's risk profile



## For executive management and “Material Risk Takers”:

- **Limitation of variable remuneration:**
  - $\leq$  fixed remuneration or  $\leq 2$  times fixed remuneration if prior approval by the Shareholders General Meeting;
- **obligation to apply deferral and retention periods to variable remuneration;**
- **obligation to pay part of the variable remuneration in equity-linked instruments;**
- **Claw-back and malus provisions.**

- **Corporate Governance within BNP Paribas subject to EBA (European Banking Authority) guidelines and to the continuous oversight and assessment of the ECB (European Central Bank) through the SSM (Single Supervisory Mechanism)**
- **A rich set of rules and guidelines forming an additional guarantee for stakeholders regarding the suitability of Corporate Governance and its alignment with shareholders' interests**







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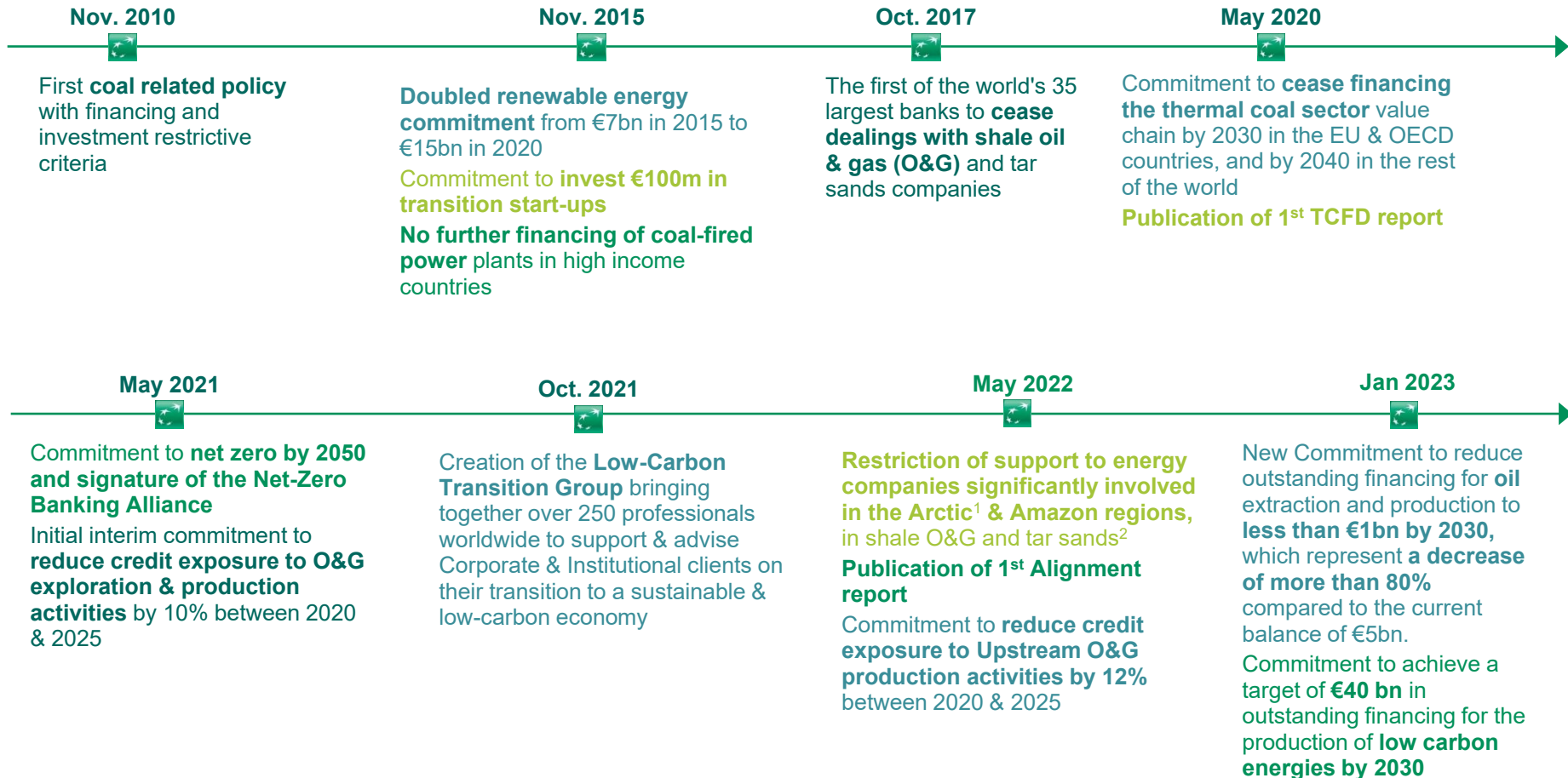
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Corporate Governance March/April 2023 |

17

# A long-standing commitment together with our clients with concrete actions



1. Definition of the Arctic region aligned with the Arctic Assessment & Monitoring Program (AMAP) except Norwegian-operated areas;  
 2. Exemptions to be granted to companies having the most credible transition plans towards net-zero by 2050 based on clear criteria;



# Sustainable finance

## Group mobilisation and external recognition

**Mobilised alongside clients to support them in the transition towards a sustainable economy and to align portfolios with the commitment to carbon neutrality**

<b>Sustainable loans</b> to Corporates, Institutionals & Individuals <i>dedicated to sustainable projects</i> <sup>1</sup>	▶	€87bn at end-2022	<u>2025 target: €150bn</u>
<b>Sustainable bonds</b> issued for BNP Paribas clients between 2022 & 2025 <sup>2</sup>	▶	€32bn at end-2022	<u>2025 target: €200bn</u>
<b>Assets under management in SFDR Article 8 and 9 funds</b> in 2025 <sup>3</sup>	▶	€223bn at end-2022	<u>2025 target: €300bn</u>
<b>Amount of support enabling clients to transition to a low-carbon economy</b> <sup>4</sup>	▶	€44bn at end-2022	<u>2025 target: €200bn</u>

**N°1 worldwide<sup>5</sup> in green bonds** with \$19.5bn

**N°3 worldwide<sup>5</sup> in sustainability-linked loans** with \$17.9bn

**Bank for Sustainability - 2022 Top Award by IFR**



**2022 European leader in combatting climate change and protecting biodiversity**

**World's top bank in sustainable finance in 2022**

1. Amount of sustainable loans related to environmental or social issues granted by BNP Paribas to its clients; 2. 2022-2025 cumulative amount of all types of sustainable bonds (total amount divided by the number of bookrunners); 3. BNP Paribas Asset Management open-ended funds distributed in Europe and classified Article 8 or 9 under SFDR; 4. Green loans, green bonds, and all financing supporting low-carbon technologies, such as renewable energies, green hydrogen, etc.; 5. Source: Bloomberg, bookrunner in volume as at 31.12.22



# A comprehensive Governance

## Board of Directors

- to review the CSR strategy and the annual reporting (e.g. 2022 vigilance plan)
- Corporate Governance and Nominations Committee extended its responsibilities to Ethics, Conduct and CSR in 2016

## Executive Committee to validate the ESG strategy & Group commitments

### Sustainable Finance Strategic Committee

Sponsored by CEO Jean-Laurent Bonnafé, meets bi-monthly  
Attendees: majority of Executive Committee's members + representatives of Clients Coverage + head of CSR

- To **approve** the overall strategy in terms of sustainable finance,
- To **decide** on the overall commitments made by the Group and the Sustainable Finance commercial policies,
- To **monitor** operational implementation

### Sustainable Finance Infrastructure Committee

Chaired by the Group COO

- **ensuring the robustness and coherence** of ESG initiatives and **industrializing** ESG processes, data and reporting (ESG data platform)

### ESG Regulatory Committee

- **to assess** the operational consequences of the main new regulations

## Governing bodies covering risk-related topics

### CCDG

(General Management Credit Committee)

- procedure specifies CCDG will review all issues surrounding the acceptability of risks **including ethics and CSR**

### GSCC

(Group Supervisory and Control Committee)

- to validate **financing and investment policies**



# Implementation of the ESG Assessment, a global risk assessment tool



- to **identify, assess** and **monitor** the performance and ESG risks of corporate clients by sector
- a **common** and **systematic approach** within the Group for clients within the credit process and KYC\* process
- to exercise **greater control** over the ESG dimensions during credit committees

**ESG Assessment will be rolled out to all large corporate clients by the end of 2023 (1500 analysis performed by end 2022)**

The ESG Assessment Tool can be illustrated as follows



\* Know Your Customer

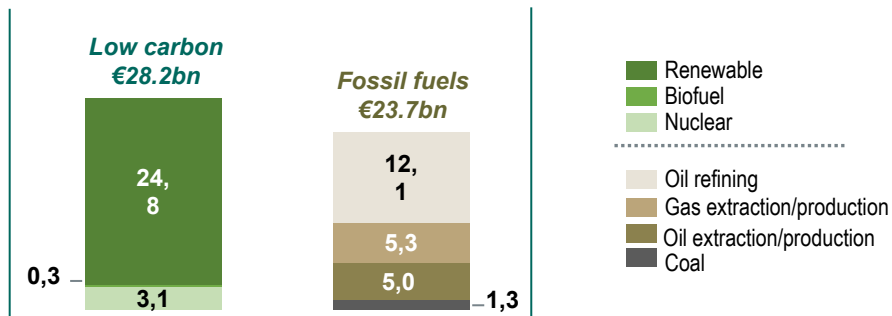


# A new acceleration in financing the energy transition<sup>1</sup>

BNP Paribas has already made a major pivot towards financing low-carbon energy production

A new phase of rapid acceleration in financing the production of low-carbon energies and reducing financing for fossil fuels

## Financing of energy production<sup>1</sup>:



Source: Loans outstanding in billions of euros as at 30 September 2022

## Objectives for 2030

- €40bn in credit exposure in the production of low-carbon energies, primarily renewables
- Less than €1bn in credit exposure for oil extraction and production (>+80% decrease compared to the current level of €5bn)
- +30% reduction in credit exposure for gas extraction and production

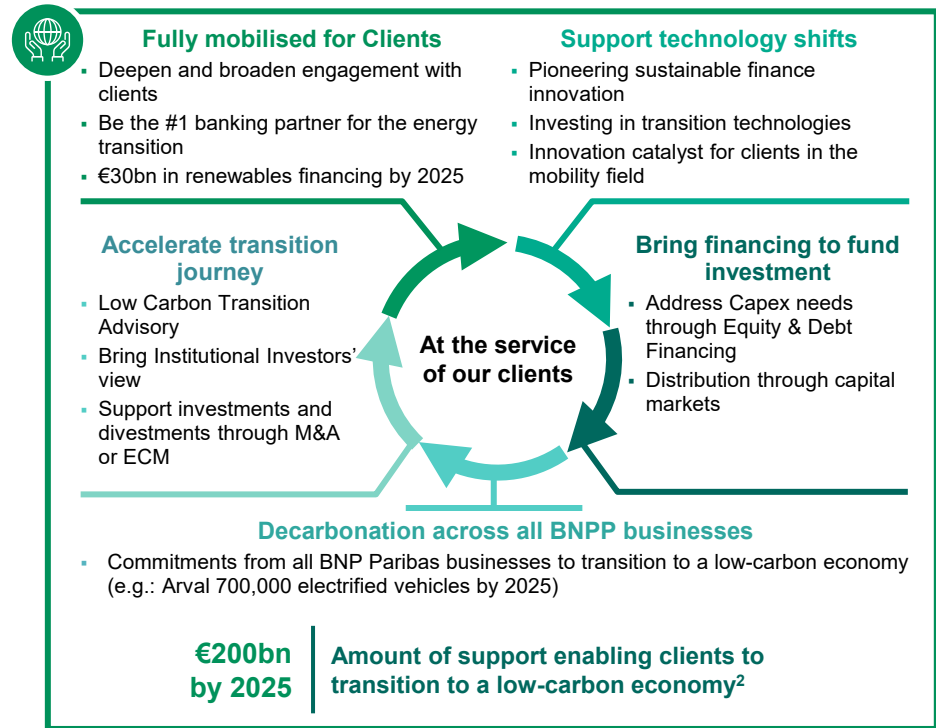
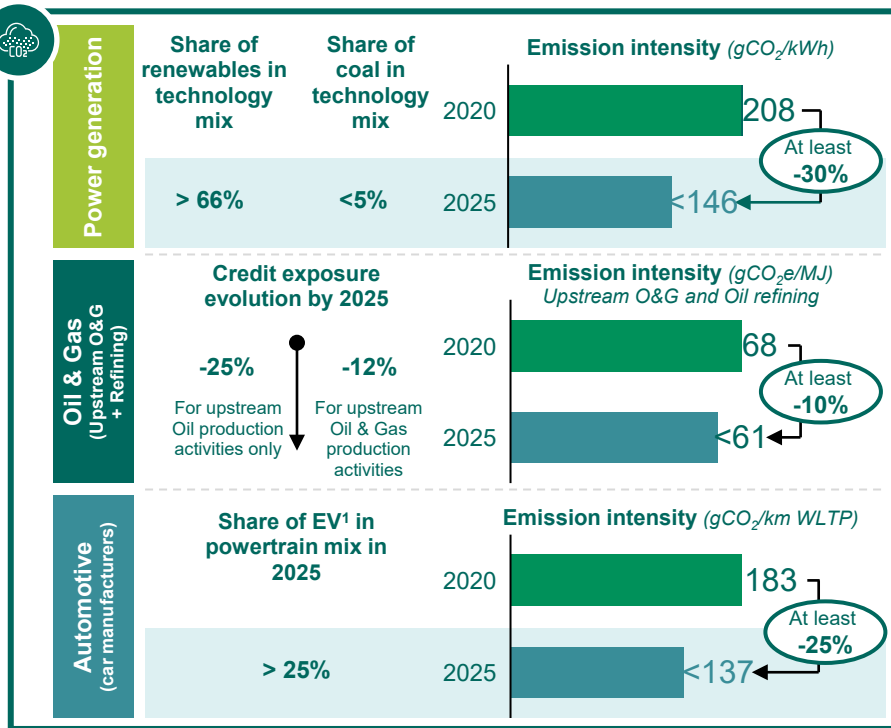
- Financing outstandings **almost 20% higher in production of low-carbon energies** than those for **fossil fuel production as of end-September 2022**
  - No financing to oil projects since 2016
  - **Coal exit already well underway** and will be completed by 2030 in EU and OECD countries and by 2040 in the rest of the world

**2030 objective:** 80% of credit exposure in energy production will be for low-carbon energy

<sup>1</sup>. See press release of 24 January 2023



# Ambitious 2025 decarbonisation targets for Power, Oil & Gas and Automotive with a full range of solutions to accompany our clients in their net zero transition journey



## New Oil & Gas Policy with additional commitments

- > BNP Paribas will no longer finance or invest in companies with more than 10% of their direct activities in tar sands and shale oil and gas
- > BNP Paribas will no longer finance any oil and gas project and related infrastructure in the Arctic and in the Amazon regions

1. Electrified Vehicles, including Battery Electrified Vehicles, Plug-In Hybrid Vehicles and Fuel-Cell Vehicles; 2. Green loans, green bonds, as well as all financings supporting low-carbon technologies, such as renewable energies, green hydrogen, etc.



# GTS 2025 strategic plan: CSR indicators with commitments by 2025

Pillar	No.	Indicator	2025 Objective
Our economic responsibility	1	Amount of sustainable loans <sup>1</sup>	EUR 150 billion
	2	Amount of sustainable bonds <sup>2</sup>	EUR 200 billion
	3	Amount of sustainable investment and savings (assets under management of article 8 & 9 SFDR funds)	EUR 300 billion
Our social responsibility	4	Share of women among the SMP population (Senior Management Position)	40%
	5	Number of solidarity hours performed by employees (#1MillionHours2Help)	1 million hours (over two rolling years)
	6	Proportion of employees who completed at least four training courses during the previous twelve months	90%
Our civic responsibility	7	Number of beneficiaries of products and services supporting financial inclusion	6 million beneficiaries
Our environmental responsibility	8	Amount of support for our clients in the transition to a low-carbon economy	EUR 200 billion
	9	Amount of financing to companies contributing to protect terrestrial and marine biodiversity <sup>3</sup>	EUR 4 billion
	10	Greenhouse gas emissions in tons of CO <sub>2</sub> equivalent (tCO <sub>2</sub> eq) / full-time employees (buildings kWh, including IT, + business trips)	1.85 teqCO <sub>2</sub> /FTE

#### Group Sustainability and Incentive Scheme:

20% of more than 7,000 key employees' deferred variable compensation relies on the performance of the 10 CSR performance indicators

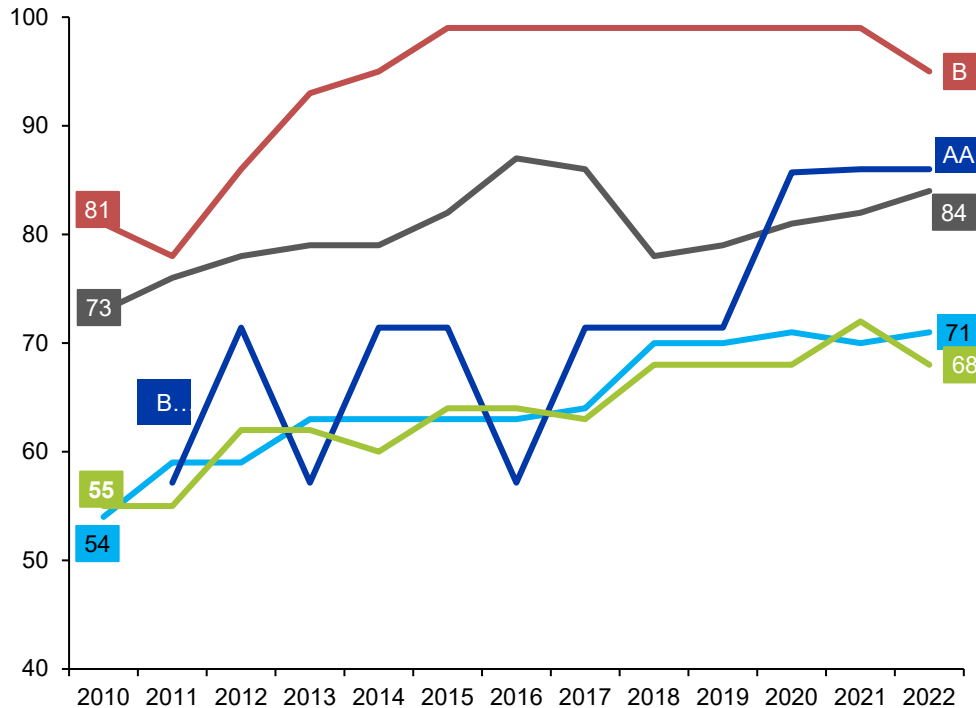

<sup>1</sup> Cumulative amount of sustainable loans for 2022-2025 related to environmental and social issues, originated by BNP Paribas and granted to its customers

<sup>2</sup> Cumulative amount of all types of sustainable bonds 2022-2025 (total amount divided by the number of bookrunners). <sup>3</sup> Loans and bonds contributing to the protection of terrestrial and marine biodiversity.





# BNP Paribas' CSR strategy recognised by extra-financial agencies

In 2022, Environmental Finance magazine awarded BNP Paribas **"Net-zero progression of the year – EMEA"** for the efforts in supporting clients in their transition to carbon neutrality.



For the 9<sup>th</sup> consecutive year, BNP Paribas is among the 2023 **"Global 100 Most Sustainable Corporations"** ranking (71<sup>st</sup>) as 1<sup>st</sup> French bank and 4<sup>th</sup> bank overall (out of a total of 576 banks assessed)



For the ninth consecutive year, BNP Paribas has been awarded the Top Employer Europe label by the Top Employers Institute.

<sup>1</sup> Methodology change: from 2017, CDP scores are now expressed in the form of letters, <sup>2</sup> Formerly SAM <sup>3</sup> Formerly Vigeo Eiris V.E



# Supporting transitions : Engaging with clients to support them in the transition towards a sustainable economy

## Mobilising BNP Paribas' distinctive model with 5 priority areas

## 2025 Sustainable targets

Bring innovative & seamless solutions to answer clients' Sustainable needs & leverage cross-divisional strengths to reach UN SDGs<sup>1</sup>

All BNP Paribas Business Lines aligned to reach ambitious targets, consolidated & monitored at Group level

### Sustainable savings, investments and financing

Foster sustainable savings development and steering clients' investment decisions towards positive environmental and social impacts

### Circular economy

Encourage clients' transition to circular models by financing adaptation of supply chain & production models



### Transitioning towards carbon neutrality

Foster our client's transition towards low carbon and more efficient energy systems and addressing their massive financing needs in this area in particular through the access to capital markets

### Natural capital & biodiversity

Orchestrate & promote development of solutions contributing to terrestrial & marine biodiversity conservation

### Social inclusion

Develop accessible financial services, promote female entrepreneurship, a positive-impact economy, and equal job opportunities for young people

**€150bn** | Amount of Sustainable loans to Corporates, Institutionals & Individuals dedicated to Sustainable projects<sup>2</sup>

**€200bn** | Amount of Sustainable bonds issued for BNP Paribas clients between 2022 & 2025<sup>3</sup>

**€300bn** | Amount of sustainable investments Assets under Management following ESG principles in 2025<sup>4</sup>

**€200bn** | to support our customers in the transition to a low-carbon economy

**€250m** | of the Bank's own capital to support innovative companies developing solutions with social, local and environmental impacts

1. Sustainable Development Goals; 2. 2022-2025 cumulative amount of sustainable loans dedicated to environmental and social topics, originated by BNPP and granted to clients; 3. 2022-2025 cumulative amount of all types of sustainable bonds (total amount divided by the number of bookrunners); 4. BNP Paribas Asset Management European open funds classified SFDR Art 8 or 9

# Deployment at scale: 3 strategic pillars to accelerate the implementation of Group's commitments



## Aligning our portfolios with our carbon neutrality commitment

- Trajectory for a **reduction in CO<sub>2</sub> emissions corresponding to financing** of the sectors with the highest levels of emissions (NZBA)
- **Aligning the objectives of Group's business lines** with shared objectives by sectors taking into account client transition

→ **New commitments and publication of an alignment report** (May 2022)

€ 150 billion by 2025 | Amount of **sustainable loans**  
€ 87 billion in 2022 <sup>1</sup>

€ 200 billion by 2025 | Amount of **sustainable bonds**  
€ 32 billion in 2022 <sup>2</sup>

€ 300 billion by 2025 | Amount of **sustainable investment and savings**  
€ 223 billion in 2022 <sup>3</sup>



## Engaging with clients to accompany them in the transition towards a sustainable & low-carbon economy

- **Mobilisation of the integrated model and all business lines** in support of clients
- **Low Carbon Transition Group**, an organisation of 250 bankers dedicated to supporting clients in accelerating their transition
- **Pooling and promoting the Group's technical expertise** via NEST, the in-house network of experts

€ 200 billion by 2025 | Amount of **support** for our clients in the transition to a low-carbon economy  
€ 44 billion in 2022



## Strengthening our sustainability culture and expertise, steering tools, processes & set-ups

- Sustainable finance training provided to each employee thanks to the **Sustainability Academy**
- **Accelerated industrialisation and strengthened governance** directly supervised by the CEO
- **Steering tools to support evolving needs** (of clients and regulators) and standards

→ **Priorities that are deeply embedded in the specific objectives of each of Group's businesses**

<sup>1</sup> Amount of loans at end 2022, drawn and not drawn, identified as sustainable by a classification system granted by BNP Paribas to its customers. The principles of Classification of Group transactions is based on standards of the Loan Market Association and the European Taxonomy in Europe. <sup>2</sup> Cumulative amount at end 2022 of all the types of obligations identified as sustainable according to the guidelines ICMA (international capital market association) guidelines issued by corporates, financial institutions and sovereign customers, and arranged by BNP Paribas (total amount divided by the number of books.). <sup>3</sup> Amount of assets under management at end 2022 in open funds Articles 8 and 9 according to SFDR. These are funds BNP Paribas Asset Management.

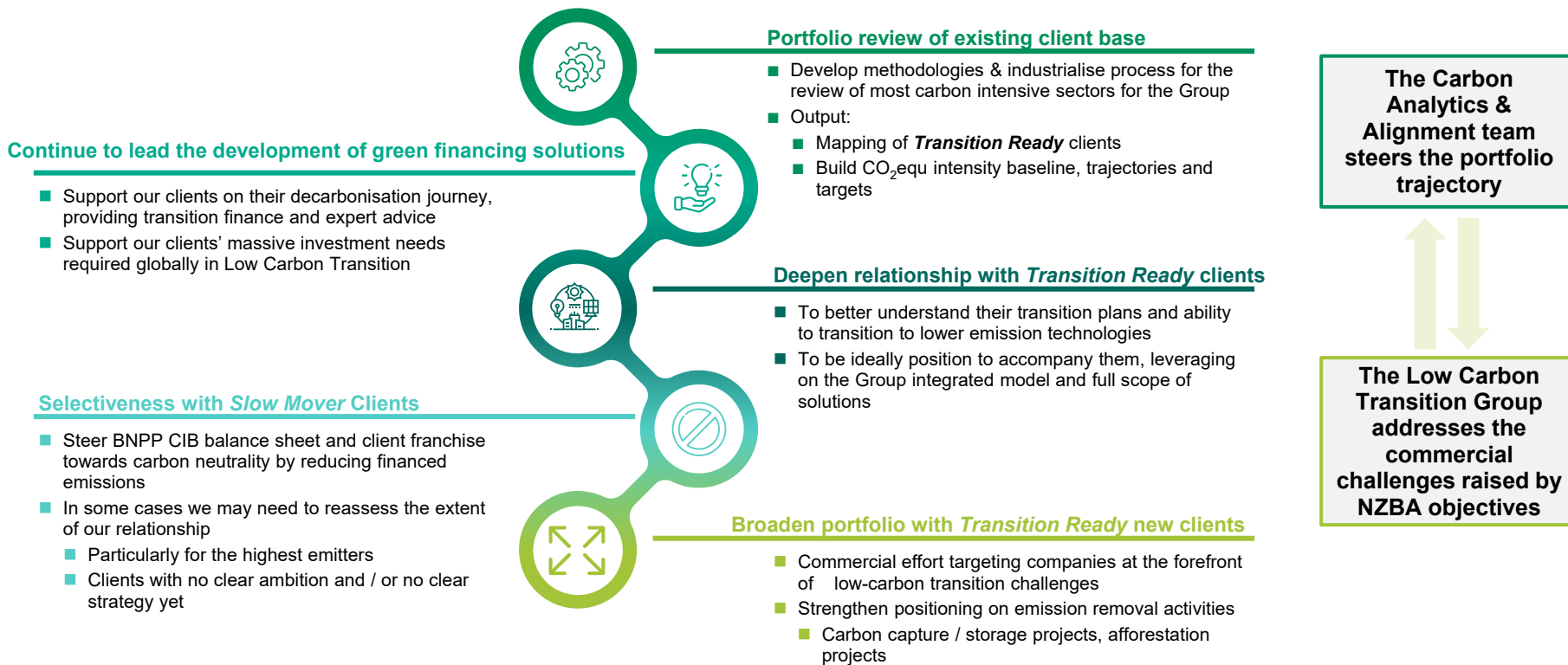


# Publication of 8 other sectors by the end of 2024



# NZBA is an opportunity to structure our commercial strategy to meet the Group's commitments while addressing clients needs towards a low carbon and sustainable economy

Become #1 Europe-based bank in low-carbon transition, leveraging EMEA leadership to cross-fertilize in APAC and Americas



# Mobilising all the Group's activities around key priorities

## Focus on social inclusion and natural capital & biodiversity



### Social Inclusion

Develop products and services that are widely accessible

- Continue to **support Social Enterprises**: as of end 2022, this amounted to **€2 bn**
- Grant specific support to female entrepreneurship in France: **€3 bn** of loans outstanding as of end 2022
- Increase **corporate philanthropic commitments** to **€200m** by 2025 (€50m every year), including support to youth, refugees, etc.

**6 million  
by 2025**

Number of beneficiaries of products & services supporting financial inclusion<sup>1</sup>



### Natural Capital & Biodiversity

Support solutions contributing to terrestrial and marine biodiversity

- Take part in **targeted coalitions** (e.g., **Act4Nature, Taskforce for Nature-related Financial Disclosures**)
- Continue our dialogue with clients, especially on **forests' preservation**
- Develop funds contributing to natural capital (e.g. **BNP Paribas Ecosystem Restoration Fund**)

**€4bn  
by 2025**

Amount of financing to companies contributing to protect terrestrial and marine biodiversity

1. Number of Nickel accounts opened since the inception and of beneficiaries of microloans distributed by microfinance institutions financed by the Group (at prorata of financing)

# Mobilising all the Group's activities around key priorities

## Focus on sustainable savings & investments and circular economy



### Sustainable Savings & Investments

#### A reference player in Europe for sustainable savings & investments

- Include ESG-by-design in Group **Financial Savings initiative: customer journeys, client profiling, advise & offerings, dashboard, training**
- Lead innovation in **ESG and impact investing in private assets and thematic funds**: cleantech, Solar Impulse, investments in start-ups-for-good, social impact, real estate investment funds
- Committed to **Net Zero Asset Managers initiative and Net Zero Asset Owners Alliance**

**>90% by 2025** | of assets under management in sustainable investments<sup>1</sup>  
89% achieved as at end 2022



### Circular Economy

#### Encourage clients' transition to circular models

- Support services contributing to the circular economy (e.g. product as a service and insurance and financing of second-hand goods)
- Develop strong partnerships and JVs to support initiatives allowing an increase in products life cycle or reuse (e.g. **BNP Paribas 3 step IT<sup>2</sup>, Evollis<sup>3</sup>, Back Market<sup>4</sup>**)
- Develop funds contributing to circular economy development (e.g., **BNP Paribas Circular Economy Leaders**)

**€0.85bn by 2025** | Amount of production in BNP Paribas 3 Step IT circular model

1. Share of BNP Paribas Asset Management open funds distributed in Europe AuM classified SFDR Art 8 or 9; 2. Joint venture between BNP Paribas and 3 Step IT; 3. BNP Paribas Personal Finance has a minority share of Evollis; 4. Commercial partnership between BNP Paribas Cardif and Back Market



# An employer of choice

Attracting and retaining talent from diverse backgrounds will be at the core of our priorities in order to respond to the needs and ambitions of the Group. This means offering an “employee experience” that reflects individual aspirations and building a collective trajectory by which skills can improve.

## Diversity and inclusion, well-being & career are the key strengths of BNP Paribas

### DIVERSITY AND INCLUSION

Ethic and inclusion as a company culture

- A strong **D&I commitment** across the Group encouraging all forms of diversity with more than 30,000 employees supporting diversity in BNP Paribas professional networks
- An ambitious **Code of Conduct, enriched in 2021**, with the raison d'être and updated in the fight against corruption, energy transition, competition law and respect for persons

**40% by 2025** | of women in the Group's Senior Management Positions (SMPs)\*

### WELL-BEING

We care about staff members in an agile environment

- Working conditions **with an attractive package « beyond fixed salary »** including health and social protections, profit-sharing and incentive agreements, bonuses but also a full set of **common rights across 65 countries**, including paternity/maternity leave and paid block leave
- A care program encouraging **the best work-life balance** and health protection
- Adapting our ways of working: **An agreement on teleworking** was signed for the first time at the level of BNP Paribas SA and its subsidiaries in France and a European charter on teleworking was signed.

**1 million solidarity hours by 2025** | put in over a two-rolling-year basis by employees (#1MillionHours2Help)

### CAREER

Employee experience: the right skills at the right place at the right time and

- The “About me” digital HR platform, at the heart of the Group's career management, has been recognised at **the Digital HR Awards** by Deloitte
- **Training, upskilling and reskilling** to develop the potential of all our employees, with an achievement of more than **4 million hours** of training in 2022
- **Talent retention 7 000 “Leaders for Tomorrow” talents** benefit from dedicated support and development programmes

**90% by 2025** | of employees who have taken at least four training sessions during the year

**20K**  
/year

External recruitments

**20K**  
/year

Internal recruitments

\* + cf. page 649 of the 2022 URD







The BNP Paribas Fundamentals

Corporate Governance within BNP Paribas

Corporate Governance within BNP Paribas: focus on CSR

# The Board of Directors and its Committees

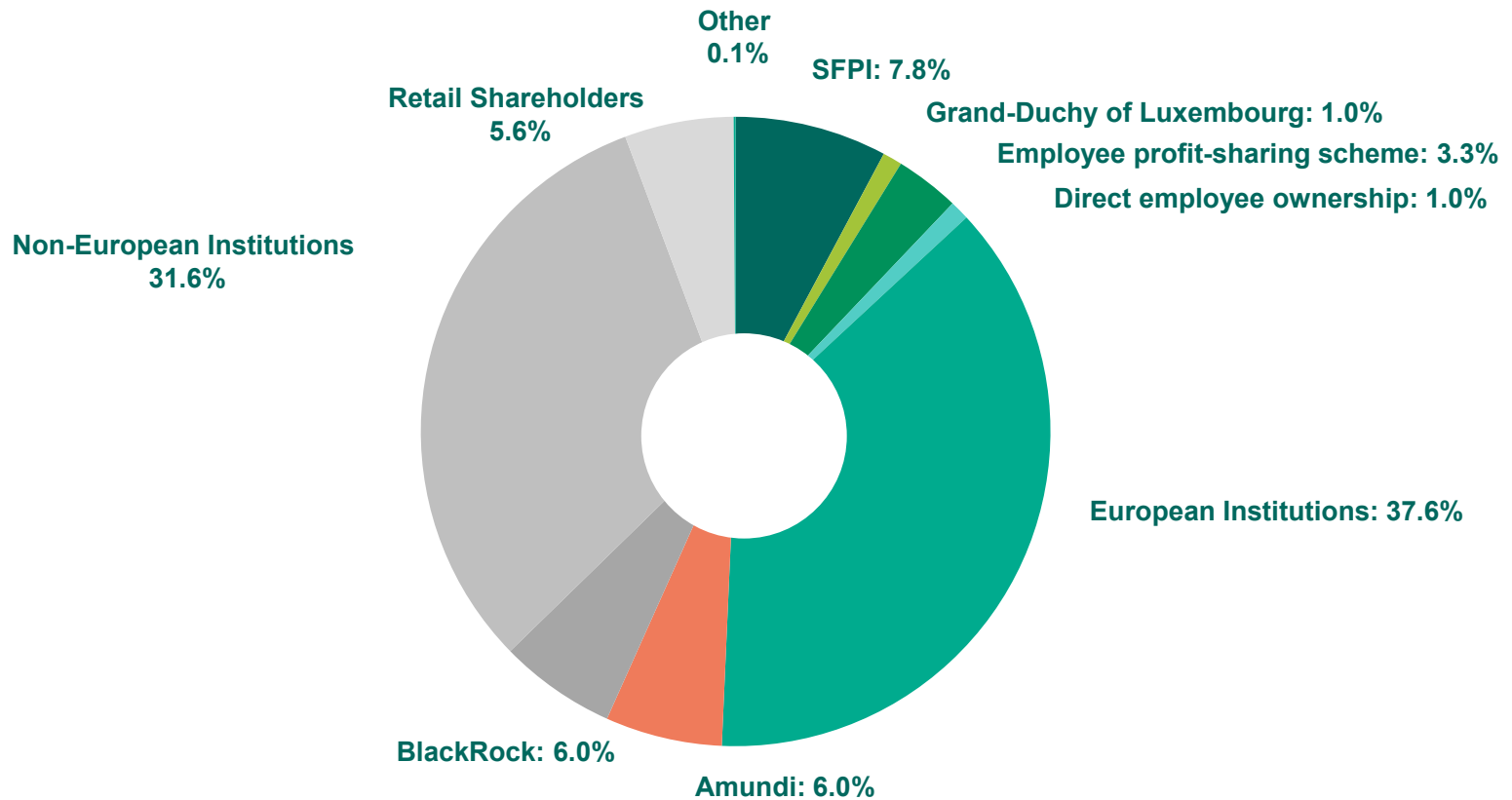
Corporate Officers' Compensation

Appendix



# Share Ownership Structure

At 31 December 2022 (as % of capital)



● A very liquid security, included in all the leading indices



# Proposed Re-Elections of Directors (1/2)



## M. Jean LEMIERRE

- Chairman of BNP Paribas since 1 December 2014
- Not a member of any Committee of the BNP Paribas Board

**Areas of expertise:**  
Banking/Finance, Risks / Regulation Monitoring, International business operations, AML/CTF



## M. Jacques ASCHENBROICH

- Chairman of Orange
- Chairman of the Corporate Governance, Ethics, Nominations and CSR Committee, member of the Financial Statements Committee
- Independent within the meaning of the Afep-Medef Code\*

**Areas of expertise:**  
Industry, International business operations, Transformation, CSR, Digital

(\*) As assessed by the Board



# Proposed Re-Elections of Directors (2/2)



## Ms. Monique COHEN

- Senior Advisor of Apax Partners
- Chairwoman of the ICRMCC(\*\*), member of the Corporate Governance, Ethics, Nominations and CSR Committee
- Independent within the meaning of the Afep-Medef Code\*

### Areas of expertise:

Banking/Finance, International business operations, CSR, AML/CTF



## Ms. Daniela SCHWARZER

- German
- Director of the Open Society for Europe and Central Asia Foundation
- Member of the Corporate Governance, Ethics, Nominations and CSR Committee
- Independent within the meaning of the Afep-Medef Code

### Areas of expertise:

Money Markets, Geopolitics, CSR

(\*) As assessed by the Board; (\*\*) Internal Control, Risk Management and Compliance Committee



# Composition of the Board of Directors after the 16 May 2023 AGM - Independence

The independence of Directors is ultimately demonstrated through their decisions

**If approved by the shareholders, the Board will be composed of:**



**12 Directors**

Appointed by the  
General Meeting

- For 3-year terms
- 4 nationalities
- 8 independent\* Directors
  - ✓ i.e. 2/3 of the Directors elected by shareholders
- 6 women
  - ✓ i.e. half of Directors elected by shareholders
- including 1 representative of employee shareholders



**2 Directors**

Elected by the staff

- For 3-year terms
- 1 lady
- Not considered independent\*\* (despite the method of their election)
- Of whom:
  - ✓ one sits at the Remuneration Committee and at the Internal Control, Risk Management and Compliance Committee
  - ✓ and the other one sits at the Financial Statements Committee

**> Directors with complementary skills**

**A composition that fully complies with stock market recommendations:  
largely more than 50% of independent Directors**

(\* ) Within the meaning of the Afep-Medef Code and in accordance with the guidelines of the Board; (\*\* ) Within the meaning of the Afep-Medef Code



# Composition of the Board of Directors after the 16 May 2023 AGM\* - Main Areas of Expertise (1/2)

Composition must ensure the necessary diversity within the Board, in terms of competences and experience, in accordance with the Bank's strategy

## ● Members with complementary backgrounds and experiences:



- Right balance between
  - “Wisdom” and judgment stemming from experience and tenure, on the one hand
  - On the other hand, the need for refreshment bringing renewed thinking and perspective

## ● Members with diverse skills, among others:



- Banking and financial matters
- Risk assessment capabilities
- High level management of large corporations
- Human resource staffing
- International vision
  - Stemming not only from nationality, but also from professional experience and assignments
- Digital expertise
- Expertise in the field of CSR



To ensure the Board's ability to make informed and effective decisions

(\* ) After agreement by the shareholders on the resolutions approved by the Board



**BNP PARIBAS**

The bank for a changing world

Corporate Governance March/April 2023 | 38

# Composition of the Board of Directors after the 16 May 2023 AGM\* - Main Areas of Expertise (2/2)

**Diversity and complementarity of the Directors' skills throughout the BNP Paribas Board**

## DIRECTORS

Jean  
Lemierre

Jean-Laurent  
Bonnafé

Jacques  
Aschenbroich

Juliette  
Brisac

Pierre-André  
de Chalendar

Monique  
Cohen

Hugues  
Epaillard

## MAIN AREAS OF EXPERTISE

- Banking / Finance
- Risks / Regulation Monitoring
- International business operations
- AML / CTF

- Banking / Finance
- International business operations
- CSR
- AML / CTF

- Industry
- International business operations
- Transformation
- CSR • Digital

- Representation of employee shareholders

- Industry
- International business operations
- CSR

- Banking / Finance
- International business operations
- CSR
- AML / CTF

- Organisation representing employees

## DIRECTORS

Rajna  
Gibson-Brandon

Marion  
Guillou

Lieve  
Logghe

Christian  
Noyer

Daniela  
Schwarzer

Michel  
Tilmant

Sandrine  
Verrier

## MAIN AREAS OF EXPERTISE

- Financial Markets
- Risks / Regulation Monitoring
- CSR

- Risks / Regulation Monitoring
- CSR
- Technology

- Banking / Finance
- International business operations
- Transformation

- Banking / Finance
- International business operations
- Risks / Regulation Monitoring
- AML / CTF

- Money Markets
- Geopolitics
- CSR

- Banking / Finance
- Risks / Regulation Monitoring
- International business operations
- AML / CTF

- Organisation representing employees

—● **A forward-looking succession planning process in order to implement a balanced set of skills, experiences and personalities**

(\* ) After agreement by the shareholders on the resolutions approved by the Board



**BNP PARIBAS**

The bank for a changing world

Corporate Governance March/April 2023 | 39

# Composition of the Committees of the Board after the 16 May 2023 AGM\*



## Financial statements committee

**C. NOYER (I)**  
Chairman

**J. ASCHENBROICH (I)**

**J. BRISAC (DRES)**

**L. LOGGHE (I)**

**D. SHWARZER (I)**

**S. VERRIER (ER)**



## Internal control, risk management and compliance committee

**M. COHEN (I)**  
Chairwoman

**H. EPAILLARD (ER)**

**R. GIBSON-BRANDON (I)**

**C. NOYER (I)**

**D. SHWARZER (I)**

**M. TILMANT (NI)**



## Corporate governance, ethics, nominations & CSR committee

**J. ASCHENBROICH (I)**  
Chairman

**P A. DE CHALENDAR (I)**

**M. COHEN (I)**

**M. GUILLOU (I)**

**D. SCHWARZER (I)**



## Remuneration committee

**P A. DE CHALENDAR (I)**  
Chairman

**H. EPAILLARD (ER)**

**M. GUILLOU (I)**

2 common participants

1 common participant

\*Subject to the reelection of the concerned Directors at the AGM; (I): Independent Director, in accordance with the guidelines of the Board and of the Afep-Medef Code; (NI): Non Independent Director, in accordance with the guidelines of the Board and of the Afep-Medef Code; (DRES): Director Representing Employee Shareholders; (ER): Employee Representative.





# Focus on the Audit Committee: roles split between the Financial Statements and the Internal Control, Risk Management and Compliance Committees

## Both Committees composed of Directors with the required expertise

- Financial Statements Committee: most members with qualifications and experience in financial management, accounting and financial information
  - Chairman is (among others) a former Governor of Banque de France
- Internal Control, Risk Management and Compliance Committee: most members with specific expertise in financial matters and risk management, either through their training or experience:
  - Chairwoman has been a member of the College of the French Financial Market Authority
  - Another member with international experience in banking management
  - A third one with extensive knowledge of financial risks

## Frequent contacts with operational managers and Auditors

- Compliance, Legal, Risk and Internal Audit functions
  - report regularly to the ICRMCC\*
  - can be interviewed by this Committee if and when they wish to do so
- The Group's Chief Financial Officer, the executive in charge of accounting and financial reporting, as well as the Statutory Auditors are interviewed every quarter by the Financial Statements Committee outside of the presence of the Executive Management

## The ICRMCC\* analyzed and proposed to the Board the Risk Appetite Statement of the Group, which addresses the risks to which the Group is exposed and is used as reference in the process of decision-making having an impact on the risk profile of the Group

## The ECB as Supervisor periodically conducts thematic reviews on Risk Governance and Appetite, which are twofold assessments:

- Of the functioning and effectiveness, among others, of the Board and its Committees
- Of the Risk Appetite Framework

**Close monitoring of the impacts of the Covid-19 crisis  
then of the Russian invasion in Ukraine in both committees**

*\* Internal Control, Risk Management and Compliance Committee*



# The Governance, Ethics, Nominations and CSR Committee :

## Focus on Board Assessment and the deployment of the Code of Conduct

### ●— **Assessment of the Board of directors :**

- By an external firm every three years (last time in 2021, on the account of 2020)
- “Internally” every year in the meantime

### ●— **2022 assessment internally conducted on 2021 - Main outcomes:**

- Satisfaction with the functioning of the Board and the contribution of each Director
- Monitoring of the implementation of the action plan resulting from the 2021 evaluation,
  - As a result, progress in addressing cybersecurity and ESG topics

### ●— **Implementation of the action plan following the 2021 and 2020 assessments**

- Proposal of an an action plan including in particular the strengthening of the involvement of the Board in the environmental and social domains
- Continuing discussions with the Group's operational managers

### **Regarding the Code of Conduct, the Committee has:**

- **reviewed the implementation of the Code of Conduct within the Group**
  - notably in terms of risk assessment, of the evolution of the alert framework and the monitoring of indicators, including the one on customer complaints
- **highlighted the importance of training all employees on Conduct matters, especially newcomers.**

The Committee has also been informed of the General Management proposal for gender diversity enhancement, with the acceleration of the strategy of feminization of the Group's key populations, translating into ambitious objectives for 2025.





The BNP Paribas Fundamentals

Corporate Governance within BNP Paribas

Corporate Governance within BNP Paribas: focus on CSR

The Board of Directors and its Committees

# Corporate Officers' Compensation

Appendix



# Fixed Compensation paid in 2022

J. LEMIERRE	950,000 €*
J-L. BONNAFE	1,843,000 €
Y. GERARDIN	1,500,000 €
T. LABORDE	900,000 €

\*Since the beginning of his chairmanship (1<sup>st</sup> December 2014)



# Rules for Determining the Annual Variable Remuneration for 2022 (1/3)

- **The target variable compensation (as a % of fixed remuneration) is set at:**
  - 100% for Jean-Laurent Bonnafé, Yann Gérardin and Thierry Laborde
    - Reminder: Jean Lemierre, Chairman, receives neither annual nor multi-annual variable compensation, i.e. only a fixed remuneration
- **Malus and claw-back in case of inappropriate behavior**
- **60% of the variable compensation awarded is deferred over 5 years + 1 additional retention year**
- **Half of the non-deferred portion is paid in May 2023, subject to the approval by the AGM**
  - the other half being postponed for 1 year from the date of the award (until March 2024) and indexed to the share price
- **The deferred amounts will be:**
  - Spread in fifths, from 2024 to 2029
  - Indexed for half of their total to the share price since the date of the award
    - each payment will thus be made half in March every year, then half in March the following year, indexed to the performance of the BNP Paribas share
    - the last payment of the award for 2022 will be made in March 2029
  - Subject to a performance condition: pre-tax RoE of the Group for FY preceding the payment > 5%

**The Board makes sure that the amount of the variable remuneration is consistent with the Group's results evolution**  
**The annual variable compensation cannot exceed 120% of the fixed remuneration**



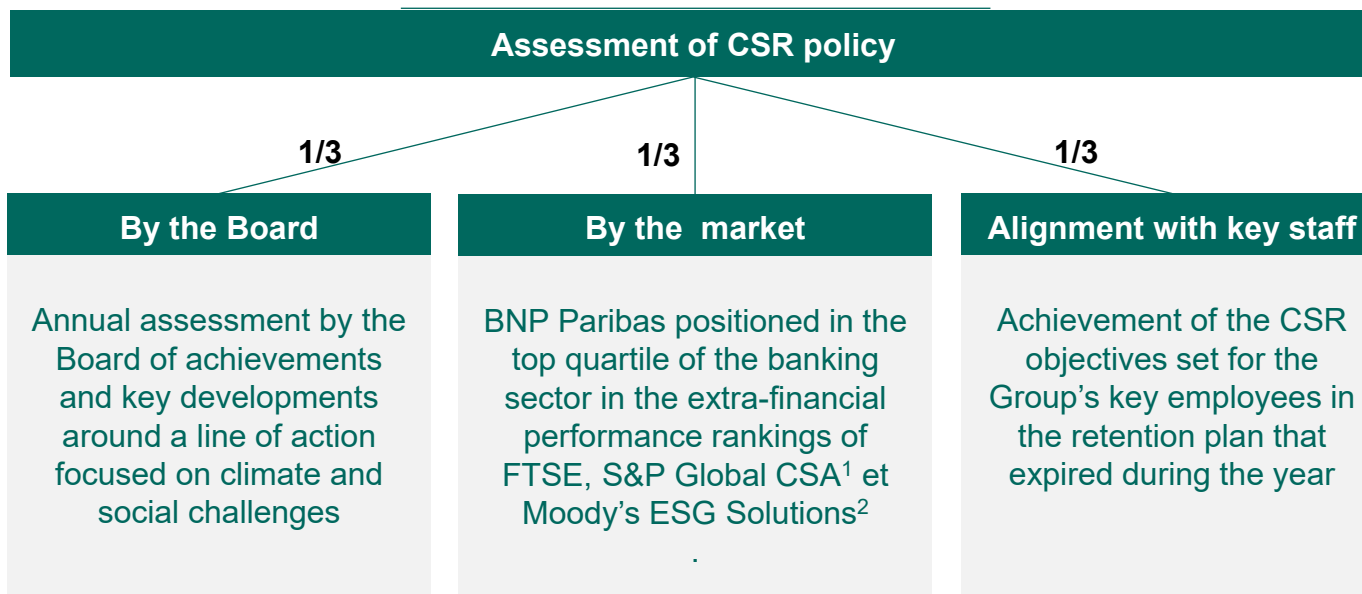
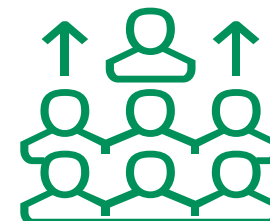
# Rules for Determining the Annual Variable Remuneration for 2022 (2/3)




**75%**  
**Group's Financial Performance**



**10%**  
**Qualitative Criteria**



# Rules for Determining the Annual Variable Remuneration for 2022 (3/3)

Criteria	% of TVR <sup>(1)</sup>	Jean-Laurent BONNAFÉ	% of TVR <sup>(1)</sup>	Yann GERARDIN Thierry LABORDE	
Criteria related to financial performance  	37.50%	Change in Earnings per Share (EPS) during previous FY	18.75%	Change in EPS during previous FY	
		% of achievement of the Group's budgeted Gross Operating Income (GOI)	18.75%	% of achievement of the Group's budgeted GOI	
	37.50%			18.75%	Evolution of the NIBT <sup>(2)</sup> of activities under responsibility
				18.75%	% of achievement of the budgeted GOI for the scope under responsibility

*The exceeding of the objective cannot result in an award higher than 130% of the target*

Criteria related to the Group's CSR performance

15.00%

Multicriteria assessment of environmental, social and societal actions.

Qualitative criteria

10.00%

Implementation of the strategic orientations, notably *the Growth, Technology & Sustainability 2025* plan, in terms of human, organizational and technical aspects, taking into account the general context of the FY under review

*The exceeding of qualitative and CSR objectives does not result in an increase of the variable component linked to these criteria*

**The Board makes sure that the amount of the variable remuneration is consistent with the Group's results evolution**  
**The annual variable compensation cannot exceed 120% of the fixed remuneration**

<sup>(1)</sup> Target Variable Remuneration; <sup>(2)</sup> Net Income Before Tax



# Assessment of the Annual Variable Remuneration for 2022: Strict Implementation of the Criteria

CRITERIA		% of TVR(*)	
		Weight	Results
<b>JEAN-LAURENT BONNAFÉ</b>			
Criteria related to the Group's financial performance	Change in Earnings per Share during previous FY <i>The exceeding of the objective cannot result in an award higher than 130% of the target</i>	37.5%	40.29%
	% of achievement of the Group's budgeted Gross Operating Income <i>The exceeding of the objective cannot result in an award higher than 130% of the target</i>	37.5%	39.51%
Criteria related to the Group's CSR performance	Multicriteria assessment of environmental, social and societal actions <i>The exceeding of objectives related to the Group's CSR performance does not result in an increase of the variable component linked to these criteria.</i>	15.0%	15.0%
Qualitative criteria	Implementation of the strategic orientations, notably <i>the Growth, Technology &amp; Sustainability 2025</i> plan, in terms of human, organizational and technical aspects, taking into account the general context of the FY under review <i>The exceeding of qualitative objectives does not result in an increase of the variable component linked to these criteria</i>	10.0%	10.0%

**The annual variable compensation cannot exceed 120% of the fixed remuneration**

\* Target Variable Remuneration, equal to 100% of the fixed remuneration





# Assessment of the Annual Variable Remuneration for 2022: Strict Implementation of the Criteria

CRITERIA		% of TVR(*)		
		Weight	Results	
			Y. GERARDIN	T. LABORDE
Criteria related to the financial performance	Change in Earnings per Share during previous FY	18.75%	20.15%	20.15%
	% of achievement of the Group's budgeted Gross Operating Income (GOI)	18.75%	19.76%	19.76%
	Evolution of the Net Income Before Tax of activities under responsibility	18.75%	21.75%	23.27%
	% of achievement of the budgeted GOI for the scope under responsibility	18.75%	20.14%	19.94%
<p><b>The exceeding of the objective cannot result in an award higher than 130% of the target</b></p>				
Criteria related to the Group's CSR performance	Multicriteria assessment of environmental, social and societal actions	15.0%	15.0%	15.0%
Qualitative criteria	Implementation of the strategic orientations, notably <i>the Growth, Technology &amp; Sustainability 2025</i> plan, in terms of human, organizational and technical aspects, taking into account the general context of the FY under review	10.0%	10.0%	10.0%

**The exceeding of CSR and qualitative objectives does not result in an increase of the variable component linked to these criteria**

**The annual variable compensation cannot exceed 120% of the fixed remuneration**

\* Target Variable Remuneration, equal to 100% of the fixed remuneration



# Annual Variable Compensation Awarded in Respect of 2022

	Target Variable Remuneration	Cap to Annual Variable Remuneration	Variable Compensation set by the Board	« Award / target » ratio	Reminder 2021 ratio « Award / target »
J-L. BONNAFÉ	1,843,000 €	2,211,600 €	1,931,464 €	104.80%	115.03%
Y. GERARDIN	1,500,000 €	1,800,000 €	1,602,000 €	106.80%	117.89%
T. LABORDE	900,000 €	1,080,000 €	973,080 €	108.12%	113.66%



# Evolution of the Remuneration\* Awarded to Corporate Officers

2007	2022	GROSS REMUNERATION	2011	2022
100	130	Group Net Income	100	169
100	118	Total Remuneration	100	143
100	80	Variable Remuneration	100	122

## Compensation of Executive Corporate Officers:

- Cushions on the rise
- Amplifies downwards

the evolution of the company's profitability

*\* LTIP not included*



# Rules of the Conditional Five-Year Long-Term Incentive Plan (LTIP) granted to Corporate Officers for FY 2022

- *Reminder:* as soon as April 2011, the Board of Directors established a long-term (five-year) fully conditional compensation plan, in order to align the interests of Executive Corporate Officers with the medium- to long-term performance of the BNP Paribas Group
- Initial amount equal to the target annual variable compensation in respect of 2022, split into 2 equal parts
- **One assessed on the evolution of the share price in absolute terms**
  - No payment would be made if the share price has not increased by at least 5% over the 5 year period
  - If this condition is met, a factor is applied to the initial amount, varying less than proportionally with the share price increase
  - Full payment of the initial award only if the share price has increased by at least 20%
    - Maximum: 175%
- **The other half in relative terms, measuring the over-performance of the share as compared to the EURO STOXX Banks index**
  - No payment is made if the share just follows the evolution of the benchmark
  - Full payment of this 50% portion only if an over-performance of at least 10% is observed
    - Maximum: cap at the initial award
- The amounts granted are valued in accounting terms by an outside firm. In 2023, it was valued at **41.22%** of the target annual variable compensation granted in respect of 2022
- Payment conditional to the presence in the Group during the five years of the plan (except retirement)
- In case of inappropriate behaviour: malus, and clawback over 5 years

**No payment linked to the LTIP can exceed 137.5% of the initial awarded amount**



# Long-Term Conditional Compensation Granted for 2022 to Corporate Officers

	LTIP awarded by the Board	Valuation at Fair Value of the Granted Amount <sup>(1)</sup>
J-L. BONNAFÉ	1,843,000 €	759,685 €
Y. GERARDIN	1,500,000 €	618,300 €
T. LABORDE	900,000 €	370,980 €

● — Performance-linked payment after a five-year period

**Determined on the basis of the target annual variable compensation in respect of FY2022**

<sup>(1)</sup> Fair Value of 41.22% of the amount awarded, as calculated by an independent expert



# Total Compensation granted or awarded on 2022 and 2021

	2022	FIXED	ANNUAL VARIABLE	LTIP (at fair value*)	TOTAL
	2021				
J. LEMIERRE		950,000 €			950,000 €
		950,000 €			950,000 €
J-L. BONNAFÉ		1,843,000 €	1,931,464 €	759,685 €	4,534,149 €
		1,562,000 €	1,796,769 €	680,720 €	4,039,489 €
Y. GERARDIN**		1,500,000 €	1,602,000 €	618,300 €	3,720,300 €
		927,419 €	1,093,334 €	404,169 €	2,424,922 €
Th. LABORDE**		900,000 €	973,080 €	370,980 €	2,244,060 €
		556,452 €	632,463 €	242,502 €	1,431,417 €

50% of the compensation indexed to the share price

\* Fair Value of the amount awarded, as calculated by an independent expert: 41.22% for FY2022 and 43.58% for FY 2021;

\*\*Prorata temporis of their executive corporate officer mandate in 2021



# Focus on Compensation Multiples

Chief Operating Officer

	2017	2018	2019	2020	2021	2022
<b>Chairman of the Board</b>						
Ratio / average employee compensation	12	12	12	12	11	11
Evolution N/N-1		2%	-5%	-2%	-5%	-3%
Ratio / median employee compensation	19	19	18	18	17	16
Evolution N/N-1		-1%	-3%	-2%	-3%	-5%
<b>Director and Chief Executive Officer</b>						
Ratio / average employee compensation	44	41	45	43	44	48
Evolution N/N-1		-6%	9%	-5%	3%	8%
Ratio / median employee compensation	68	62	69	66	69	74
Evolution N/N-1		-9%	11%	-5%	6%	7%
<b>Y. Gérardin*</b>						
Ratio / average employee compensation					42	39
Evolution N/N-1					nm	-8%
Ratio / median employee compensation					66	60
Evolution N/N-1					nm	-10%
<b>Th. Laborde*</b>						
Ratio / average employee compensation					25	23
Evolution N/N-1					nm	-6%
Ratio / median employee compensation					39	36
Evolution N/N-1					nm	-8%

\*Prorata temporis of their executive corporate officer mandate in 2021



# Total Compensation Paid in 2022 and Comparison With 2021

	2022	FIXED	ANNUAL VARIABLE	LTIP*	TOTAL
	2021				
J. LEMIERRE		950,000 €			950,000 €
		950,000 €			950,000 €
J-L. BONNAFÉ		1,843,000 €	1,689,625 €	1,405,800 €	4,938,425 €
		1,562,000 €	1,220,036 €	0 €	2,782,036 €
Y. GERARDIN**		1,500,000 €	218,667 €	-	1,718,667 €
		927,419 €	-	-	927,419 €
Th. LABORDE**		900,000 €	126,493 €	-	1,026,493 €
		556,452 €	-	-	556,452 €

\*The LTIP allocated in 2016 did not give rise to payment due to the non-fulfillment of the performance condition linked to the change in the value of the BNP Paribas share ; \*\*Prorata temporis of their executive corporate officer mandate in 2021







The BNP Paribas Fundamentals  
Corporate Governance within BNP Paribas  
Corporate Governance within BNP Paribas: focus on CSR  
The Board of Directors and its Committees  
Corporate Officers' Compensation

# Appendix



# — Post-Employment Benefits

## ●— End-of-career compensation

- No commitment has been made in respect of Jean Lemierre
- Jean-Laurent Bonnafé is not entitled to any retirement bonus
- Yann Gérardin and Thierry Laborde should benefit upon their retirement and depending on their original contractual situation, from the provisions applicable to all employees of BNP Paribas SA

## ●— Pension scheme: Corporate Officers

- Are not entitled to any kind of defined-benefit top-up pension plan
- Are part of the defined-contribution pension plan (article 83 of the French General Tax Code) set up for all BNP Paribas SA employees

## ●— End-of-mandate compensation

- Corporate Officers receive no contractual compensation for the termination of their term of office



# Non-Competition Agreement for Jean-Laurent Bonnafé, CEO

In order to protect BNP Paribas' and its shareholders' interests in the case of Jean-Laurent Bonnafé leaving the Company

- **A 12-month non-competition agreement has been concluded**
  - Preventing Jean-Laurent Bonnafé from cooperating with any listed financial institution or insurance company worldwide (or such non listed firm in France)
- **For which a compensation would be awarded to Jean-Laurent Bonnafé, equal to 1.2 times the amount of the fixed plus annual variable remuneration he received during the year preceding his leaving**
  - Paid in 12 monthly instalments
- **In coherence with the recommendations of the Afep-Medef Code, no payment can be made if Jean-Laurent Bonnafé leaves for retirement or has exceeded the age of 65**



# Stock Options and Performance Shares

## Holding and Retention of Shares

- **Jean Lemierre, Corporate Officer since 1 December 2014, received no allocation from 2011 onwards**
- **Jean-Laurent Bonnafé hasn't received stock options or performance shares since 2008**
- **Yann Gérardin and Thierry Laborde received no allocation since they are Corporate Officers (18 May 2021)**
- **Throughout their term of office, Corporate Officers are required to hold a minimum number of shares, set at:**
  - 10,000 shares for Jean Lemierre: holding<sup>(\*)</sup> = 41,345<sup>(1)</sup>
  - 80,000 shares for Jean-Laurent Bonnafé: holding<sup>(\*)</sup> = 109,674<sup>(2)</sup>
  - 30,000 shares for Yann Gérardin: holding<sup>(\*)</sup> = 162,396<sup>(3)</sup>
  - 20,000 shares for Thierry Laborde: holding<sup>(\*)</sup> = 20,001<sup>(4)</sup>

*(\*) At 31/12/2022 ; (1) Including 1 419 in the Company Savings Plan ; (2) Including 28 299 in the Company Savings Plan ; (3) Including 28 796 in the Company Savings Plan ; (4) Including 2 185 in the Company Savings Plan*



# Principles of Variable Remuneration of "Group MRT\*"

- These principles are established and proposed by Group Human Resources in cooperation with the relevant business units, presented for approval to the "Compliance, Risks, Finance" Group Committee, then decided upon by senior management after review by the Compensation Committee and approval by the Board of Directors. Every year,
  - procedures are audited and checked *a posteriori* by the Inspectorate General, whose report is submitted to the Compensation Committee and addressed to the Regulator;
  - the ECB reviews the principles and the implementation of the Group's compensation policy
- Since 2014, the Shareholders' Meeting is presented with some provisions on the MRT remuneration package
- The overall variable remuneration of market professionals takes into account, for each business unit concerned, all the components of profits and risk:
  - direct revenues, and direct and indirect costs allocated to the business unit;
  - internal cost of refinancing (including the real cost of liquidity);
  - risk provisioning;
  - cost of capital allocated to the entity
- No guaranteed bonus, except in a recruitment context
  - limited to one year, and paid in the same conditions as the "non-guaranteed" remuneration (in particular with a deferred part, subject to indexation and eventually performance criteria)
- No guarantee of compensation for premature termination
- Ban on hedging and insurance linked to the fluctuation of the share or the profitability of the businesses

\* Material Risk Takers



# Total Remuneration awarded to “Group MRT\*” on the Account of 2022

- **1,081 M€ were awarded to 1,154 persons\*\* on the account of 2022**
  - For 2021, 1,011 M€ and 1,214 employees
  - For 2020, 977 M€ and 1,444 employees
  - For 2019, 953 M€ and 1,476 employees
- **488 M€ have been allocated as fixed compensation**
- **593 M€ have been awarded as variable pay**
  - Half in cash and half in cash indexed to the BNP Paribas share price, after a 6 month lockup period for the deferred part and 9 months for the non-deferred part
  - 40% to 60% deferred
  - Only 117 M€ paid in March 2023
    - Then in 11 instalments from 2023 to 2028\*\*\*
  - Deferred part locked in over the four years following the year of the award, subject to financial performance and behavioral conditions to be met every year: last payment in September 2027\*\*\*
  - If these conditions are not achieved for a FY, the corresponding deferred annual fraction is lost (“malus”)
  - In case of an inappropriate behavior leading to dismissal: malus and possibly clawback

\* Material Risk Takers; \*\* Excluding Bank of the West; \*\*\*Except for Executive Corporate Officers and ExCo members: the deferral period is 5 years



# Variable Remuneration paid to “Group MRT\*” in 2022

- 926 M€ were paid to 1,174 persons\*\*
  - 480 M€ as fixed compensation
  - 446 M€ as variable compensation
    - in connection with variable remuneration awarded for FY2017 to FY2021
- In 2021, 841 M€ to 1,214 persons\*\*
- In 2020, 858 M€ and 1,444 employees\*\*
- In 2019, 822 M€ and 1,476 employees\*\*

*\* Material Risk Takers; \*\* Including people exclusively counted in because of their high level of remuneration*





# BNP PARIBAS CORPORATE GOVERNANCE

**Jean LEMIERRE**  
Chairman

**MARCH / APRIL 2023**



**BNP PARIBAS**

The bank for a changing world