

COMPENSATION REPORT



For 2019 financial year



BNP PARIBAS

The bank
for a changing
world

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EDITORIAL

Yves Martrenchar, Head of Group Human Resources



“ As a European banking Group with an international dimension, and with more than 200,000 staff members located in more than 70 countries, BNP Paribas pays a particular attention to its compensation policy.

The objective of this policy is to be competitive in order to attract and retain the most performant and talented staff members, and enable to compensate them according to local market practices and business specificities.

Strictly complying with European regulation on compensation and regulatory provisions specific to some countries or businesses, it is designed in a way not to encourage excessive risk taking, nor to create incentives that could lead to situations of conflict of interests between staff members and customers.

It is based on principles of fairness and transparency and is implemented via an unique annual process for compensation review - which happens simultaneously with the performance assessment of staff members - in order to enable a traceability and internal consistency of decisions as well as a control and monitoring of the evolutions by General Management.

The workforce evolution is also subject of a strict monitoring in order to ensure the appropriate staffing with the business requirements and anticipate the potential discrepancies that could lead to an increasing use of external recruitment, or on the contrary to the redeployment of the teams in compliance with the Group's decision to develop the internal employability of employees and their potential mobility. These career paths are supported as far as possible by the ambitious training programs (skills developments, or new learnings) and lead to a review of the compensation levels of each, in compliance with the positions held.

In the implementation of Group policy, the different businesses annually conduct reviews to assess the competitiveness of the compensation levels compared to the market practices. The Group has ensured again in 2019 that the variable compensation levels of the different businesses were consistent with their financial results and their cost monitoring.

BNP Paribas continually reinforces the attention paid to equality of treatment for all, absence of discrimination, including between women and men and to the contribution to the respect of Code of Conduct, Regulation and Risk Assessment and Management and internal rules for each staff member, in addition to the individual and collective performance measurement. Some staff members are also subject to an individual review by independent and control functions.

Concerning the equal treatment between women and men, when it is necessary, the Group sets up specific measures dedicated to the pay gap. In France, where the disclosure of the index on the equity pay between women and men has been introduced for the first time in 2019 for the companies with more than 250 employees, the scores of Group's entities concentrating more than 60 000 employees reach levels among the best in the sector and even beyond the minimum required by the Law.

Finally, fully conscious of its environmental and social responsibility for several years, the Group has integrated since 2013 in its compensation policy CSR indicators representative to the 4 pillars of the Group CSR policy for some key staff members within the Group. These CSR indicators have been also explicitly taken into account in 2019 for the assessment of part of the criteria used for the determination of the annual variable compensation of Group corporate executive officers.

This report presents the Group compensation policy, the governance implemented to ensure its consistency and correct application, as well as detailed elements on the compensation of some staff members. It concerns the employees, whose activities may have a material impact on the risk profile of the Group, who are identified as material risk takers in accordance with the identification criteria specified in the regulation at Group level and who are subject to specific provisions on their compensations required by the European regulation. ”

INTRODUCTION

The BNP Paribas Group applies all regulatory requirements on compensation such as specified in:

- **The European Directive CRD4¹** of 26 June 2013, as transposed into French law in the Monetary and Financial Code and the order of 3 November 2014 and the CRR1 European regulation of 26 June 2013;
- **European Commission Delegated Regulation** of 4 March 2014, on the identification criteria for employees whose professional activities have a material impact on the institution's risk profile ("Material Risk Takers" or "MRT"), on a consolidated basis, in all its branches and subsidiaries, including those outside the European Union;
- **EBA² guidelines** on sound remuneration policies of 27 June 2016 in line with the ACPR³ position.

Thus, the Group's compensation policy is compliant with all of these principles and aims to not encourage excessive risk-taking, to avoid incentives that may lead to conflicts of interest, and not to encourage or reward prohibited trading activities.

These regulatory prudential provisions apply to the Group on a consolidated basis (including subsidiaries and branches outside the European Union), except for derogations allowed by the regulation. In case of discrepancies between the regulation applied at Group level and the one which applies at local level, the most stringent rules shall apply.

This report is produced in order to comply with regulatory provisions of Article 450 of EU Regulation 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR)⁴.

In terms of specific populations targeted by legal and regulatory provisions, the following populations have been identified:

1 | Group MRT

Corresponding to the employees joining the Group MRT category in 2019 in accordance with the regulation in force. Thus, all the employees meeting one of the criteria defined in the Delegated Regulation, including those identified only because of their level of

remuneration (as a result of their expertise, even if it is not demonstrated that their professional activity has an impact on the Group risk profile) have been included in the scope of the Group MRT. These employees are subject to all the principles set out in the Group compensation policy as detailed below.

1 | Capital Requirements Directive
2 | European Banking Authority

3 | French Banking Supervisory Authority
4 | Capital Requirements Regulation

In addition to these legal and regulatory provisions applicable at Group level, other compensation requirements may apply to some employees who, even though they are not considered as Group MRT, are subject to specific provisions in some of the Group's entities.

2 | Local MRT

Local MRT are the staff members identified within Group significant banking subsidiaries located in the European Union and applying CRD4 on an individual basis due to national transpositions.

The number of employees identified under each of these provisions (1, 2, 3 above) is detailed on page 19. In addition, although a number of principles relating to the remuneration policy applies to all Group employees, the figures detailed as from page 20 of this report only concern employees identified as Group MRT subject to CRD4 principles at Group level as required by regulation.

3 | Locally regulated employees

Locally regulated employees are staff members identified due to other regulatory requirements by virtue of local banking regulations outside European Union.

Moreover, other specific rules on remuneration may apply to some Group businesses, for instance, due to provisions:

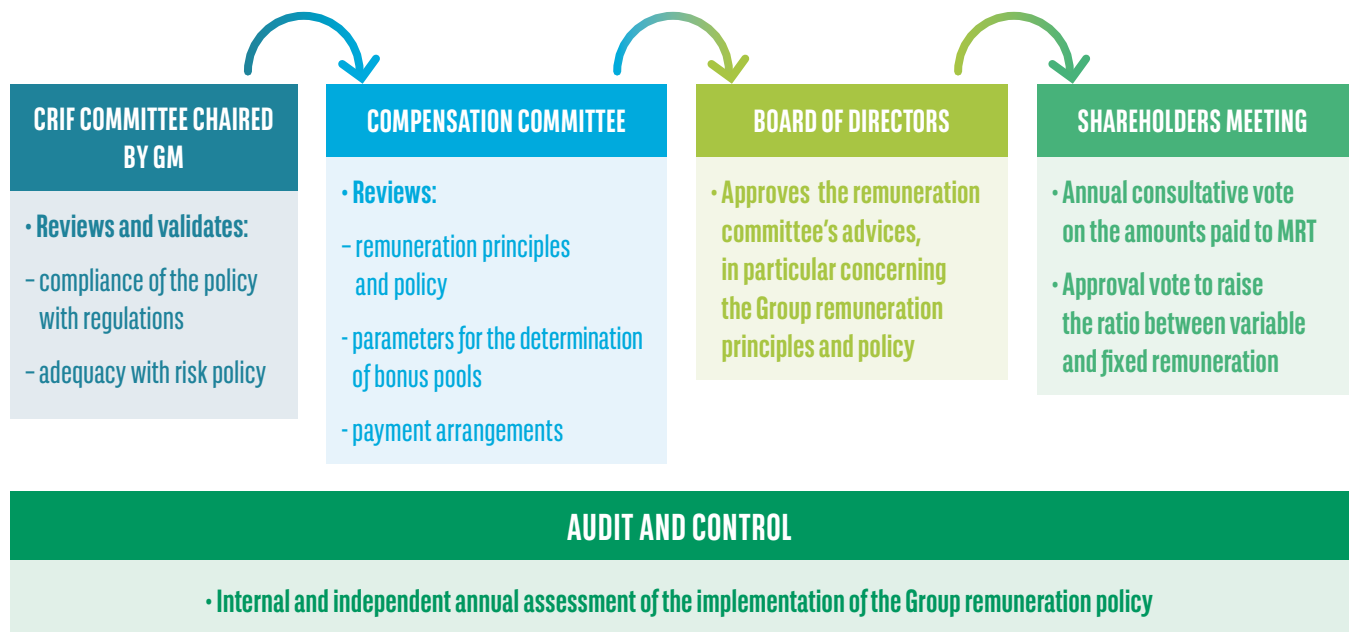
- **Linked to protection of clients' interests** (MIFID⁵ and ESMA⁶ guidelines) for staff members in direct or indirect contact with clients;
- **In relation with sectoral principles** (asset management with AIFMD and UCITS and insurance with Solvency);
- **Linked to the application of the French Banking Law** (such as transposed in the French Monetary Code) **and the Volcker Rule** for market professionals;
- **Specific to the Group for front office employees of Global Markets activities** of Corporate & Institutional Banking (CIB), for whom variable compensation awarded continues to be strictly controlled as previously (taking into account all costs and risks when determining variable compensation pools, and applying deferral and indexation provisions on a part of the variable compensation).

5 | Markets in Financial Instruments Directive
6 | European Securities and Markets Authority

1 · GOVERNANCE

The BNP Paribas Group compensation principles and compensation policy for MRT are designed and proposed by Group Human Resources in cooperation with the relevant business lines. They are presented for validation to the Group Compliance, Risk and Finance Committee (CRIF), chaired by the General Management, and then presented to the Compensation Committee before approval by the Board of directors. Since 2014, the General Shareholders Meeting is annually consulted on some subjects. In compliance with applicable regulation, the Compensation Committee of BNP Paribas SA also assumes the responsibility of the Compensation Committee for significant subsidiaries.

Preparation of the remuneration policy and its implementation by Group Human Resources



Group Compliance, Risk and Finance Committee (CRIF)

The CRIF Committee is a General Management Committee chaired by Mr. Philippe Bordenave, Chief Operating Officer, and includes the Heads of Compliance, Risk and Finance functions (or representatives appointed by them), as well as:

- The transversal Deputy Chief Operating Officer, chairman of the CRIF Committee by substitution under delegation of Mr. Philippe Bordenave;
- The Head of Group Human Resources;
- The Head of Group Compensation and Benefits, who acts as secretary.

Compensation policy for regulated employees is presented to and discussed by the CRIF Committee, which reviews and validates:

- Compliance of the policy with current regulations;
- Its adequacy and consistency with the institution's risk management policy;
- Consistency between variable compensation practices and the need to ensure a sufficient level of capital base.

This Committee met three times with respect to the compensation process for the year 2019.

Compensation Committee and Board of Directors

The Compensation Committee is a committee of the Board of directors chaired by Mr. Pierre-André de Chalendar. It further comprises Ms. Jane Fields Wicker-Miurin, who is also member of the Financial Statements Committee, Mr. Hugues Epailard, who is an employee representative at the Board of directors and also a member of the Internal Control, Risk Management and Compliance Committee. This composition is intended to facilitate the Board's work on the appropriateness of BNP Paribas' remuneration principles with the risk policy.

Its membership is consistent with applicable regulation and with the recommendations of the AFEP-MEDEF's Corporate Governance Code. **Its members are predominantly independent directors** and have experience in compensation systems and market practices in this field. Finally, the Chairman of the Board of directors is not a member, but is invited to participate in discussions, except when he is personally concerned.

The internal rules of the Board of directors define the Compensation Committee's missions: prepare the Board of directors' decisions concerning the principles of the remuneration policy, the compensation of Corporate Officers of the Group, as well as a compensation of employees whose activities have a significant impact on the company's risk profile (Group MRT), in accordance with applicable regulations. The Compensation Committee receives the decisions validated by the CRIF Committee.

Thus, the Compensation Committee analyses compensation policy for MRT, compensation principles, as well as the annual process guidelines reviewed and validated by the CRIF Committee, including:

- Parameters for the determination of variable compensation envelope (i.e. "bonus pools") for Global Markets;
- Terms and conditions of allocations, individual awards and payments.

The Compensation Committee also analyses the list of beneficiaries whose compensation exceeds some thresholds such as defined each year by General Management, and is responsible for controlling the individual compensation of the Heads of Risk function and of Compliance function at Group level.

The subjects discussed during the Compensation Committee meetings are then presented to the Board of directors for approval of the principles. The relevant information is also provided to the Board of directors of significant subsidiaries.

The Compensation Committee met four times to deliberate on the compensation process for the year 2019.

General Shareholders Meeting

The BNP Paribas General Shareholders Meeting is consulted annually about the compensation envelope paid in the past financial year to employees identified as Group MRT for that financial year, including the fixed and the variable compensation, in compliance with the French Monetary and Financial Code (see p. 22).

Moreover, the Group Compensation Committee (upon proposal validated by the CRIF) decides to propose to the Board of directors to submit a resolution to the General Shareholders Meeting to raise the variable to fixed compensation ratio from 100% to 200%. A two-thirds majority of the General Shareholders Meetings is

required for approval, provided that at least half of the shareholders are represented, lacking which, a three-quarters majority is required. Employees identified as MRT for the previous year are not allowed to take part in the vote.

Finally, the remuneration of Corporate Officers as well as the other BNP Paribas SA 's administrators is annually subject to specific resolutions submitted to the General Shareholders Meeting, in application of the provisions of the French Code de Commerce linked to the "loi Pacte". This information is detailed in the Board of directors' report to the General Shareholders Meeting..

Audit & Controls

The operating procedures implementing the Group's compensation policy are documented to provide an effective audit trail of any decisions. In addition, **controls have been defined by Group Human Resources and implemented by the Human Resources of poles, entities and functions of the Group** in order to ensure the correct identification of the MRT employees and the correct application of all regulatory requirements applicable to this population (deferral rules, indexation and variable to fixed ratio). At the end of the annual compensation review process, these controls are certified by each of the Group's poles, businesses and functions.

Moreover, a second level of control has been implemented by **RISK ORC** and the **Group's internal audit (Inspection Générale) performs an annual, independent ex post review of the compensation process** to ensure that it complies with the principles and procedures stipulated in the Group's compensation policy. The

Board's Compensation Committee is systematically provided with a summary of this report.

The review performed in 2019 by the Group internal audit team concerning the 2018 process and the implementation of the CRD4 principles (including the identification of employees according to criteria defined by Delegated Regulation), concluded that the principles and regulations had been appropriately applied. A summary of this review was brought to the attention of the Board's Compensation Committee and communicated to the regulator.

Moreover, every year, the European Central Bank reviews the principles and the implementation of BNP Paribas' Group remuneration policy.

2 · GROUP COMPENSATION PRINCIPLES

Compensation principles applicable to all Group employees

COMPENSATION ELEMENTS FOR GROUP EMPLOYEES

Group employees' compensation includes different components:

Fixed compensation

Fixed salary rewards competence, experience, qualification level, as well as the level of involvement in assigned tasks. It is set on the basis of local and professional market conditions and the principle of internal consistency within the BNP Paribas Group. It is composed of a fixed base salary, which compensates the skills and responsibilities corresponding to the position held, and when appropriate, fixed pay supplements linked, in particular, to the specific characteristics of the position held, in accordance with applicable regulation.

Collective variable compensation

Profit-sharing schemes can exist depending on local legislations, associating employees to the results of the Group and/or of their entity. Their calculation methodologies are usually defined by company agreements.

Individual variable compensation

Variable compensation rewards employees for their performance during the year based on the achievement of quantitative and qualitative targets and individual assessments according to fixed objectives. It takes into account the business line's results and the achievement of quantitative and qualitative targets, as well as contribution to risk management and respect of compliance rules and the local and/or professional market practices. It does not constitute a right and is set each year in accordance with the compensation policy for the year in question and current corporate governance guidelines.

In addition, variable compensation may also consist of a medium or long-term retention plan, or any other suitable instrument aimed at motivating and building the loyalty of the Group's key executives and high potential employees, by giving them an interest in the growth of the value created.

Variable compensation is determined in order to avoid the introduction of incentives that could lead to conflicts of interest between employees and customers, or non-compliance with the Code of Conduct, Rules and Regulations and Risk Management.

The fixed salary must represent a sufficiently high proportion of the total compensation to reward employees for their work, seniority level, expertise and professional experience without necessarily having to pay a variable compensation component.

Commercial incentives

For employees holding commercial functions in particular within retail activities, individual variable remuneration can be awarded under sales incentive schemes. These schemes must not be designed in a manner that would promote selling a product or a service which is not well adapted to the clients' needs, or favour employees' interests and/or the Group's interest over clients' interests.

Employee Benefits

Employee benefits depend on each country's legislation; they come in addition to any other remuneration components and they are intended to protect employees against the uncertainties of life (via health, disability and life insurances, etc.), encourage their savings efforts and promote preparation for retirement, via collective pension schemes.

Other compensation items

Buyout awards to newly hired experienced executives will be paid according to a schedule and under conditions as equivalent as possible to the initial vesting dates and conditions of the repurchased instruments and in accordance with the payment and behavioural conditions stipulated in the framework of the BNP Paribas Group's deferred compensation scheme in effect at the date of the buyout awards to these employees.

Guaranteeing in advance the payment of variable compensation is prohibited. However, in the context of hiring, especially to attract a candidate with a key skill, the allocation of variable compensation may be guaranteed on an exceptional basis the first year; this award shall in any event be subject to the same conditions as variable compensation (i.e. with a deferred portion, indexing, and performance conditions where appropriate).

In case of the early termination of an employment contract, any amount paid in the transactional context (beyond the existing legal minima and collective agreements) shall reflect the actual past performance of the employee.

HEDGING PROHIBITION

Hedging or insurance coverage by beneficiaries of risks related to share price fluctuation or the profitability of business lines, aimed at eliminating the uncertainties related to their deferred compensation is prohibited, including during the retention period.

THE ANNUAL COMPENSATION REVIEW PROCESS

Compensation reviews are managed through a single annual process across the Group and via a centralized system that enables the General Management to obtain at any time updated proposals within the Group, particularly for all MRT. Moreover, General Management can monitor the whole process – depending on the economic situation, the institution's results and market conditions - until individual decisions are taken and announced.

3 · COMPENSATION POLICY FOR GROUP MRT

Perimeter

Group MRT are identified annually according to the criteria defined by the European Commission Delegated Regulation, and through additional criteria decided by the Group, according to the following methodology:

AT GROUP LEVEL

- **Corporate Executive Officers;**
- **Non-executive Corporate Officers;**
- **The members of the Group's Executive Committee;**
- **The Heads at Group level** of Finance, Human Resources, Compensation Policy, Legal Affairs, Fiscal Affairs, IT, and Economic Analysis;
- **Within the Compliance and Internal audit functions:** the Head at Group level and the managers who directly report to this person;
- **Within the Risk function:** the Head at Group level, the managers who directly report to this person, as well as the other Executive Committee members for this function;
- **Senior managers** responsible for business lines, geographical areas, business areas and operational entities with a material impact on the Group's risk profile.

AT THE LEVEL OF THE GROUP'S MAIN BUSINESS LINES

Within significant entities for which the Group allocates more than 2% of its internal capital:

- The Head and the managers who directly report to this person;
- The Head of Risk and the managers who directly report to this person.

BY VIRTUE OF RISK CRITERIA

- Employees with delegations on credit that exceed certain thresholds (0.5% of the Group's Common Equity Tier 1 "CET1") and those with authority to approve or reject such credit decisions;
- Group employees with the authority to initiate transactions of which the Value at Risk "VaR" exceeds certain thresholds (5% of the Group's VaR limit), and those who have authority to approve or reject such transactions;
- Members with authority among the committees to accept or reject transactions, operations or new products;
- Managers whose cumulated delegations for their direct employees exceed the threshold for credit risk.

BY VIRTUE OF COMPENSATION LEVEL

Furthermore, the list also includes Group employees whose total annual compensation for the preceding year exceeds certain absolute thresholds (500,000 euros) or relative thresholds (within the 0.3% of best paid staff).

Determination of bonus pools and breakdown by business line

GLOBAL MARKETS ACTIVITIES

In the context of strict oversight of compensation for all Global Markets staff, **the variable compensation pool for this business line is determined by taking into account all components of revenues and risk**, including:

- Direct revenues;
- Direct and indirect costs allocated to the business line;
- Refinancing cost billed internally (including actual cost of liquidity);
- The cost of risk generated by the business line;
- The cost of capital allocated to the activity during the year.

However, some elements of revenues or costs are not allocated to the business line when they do not reflect its performance over the year.

The bonus pools thus calculated are distributed among the Global Markets business lines on the basis of clearly defined and documented criteria specific to each business line or team, which reflect:

- Quantitative performance measurement (including the creation and development of long-term competitive advantages for the Group);
- The measurement of underlying risk;
- Market value of the teams and the competitive situation.

These elements are supplemented by factual elements designed to measure the collective behaviour of the teams in terms of:

- Ongoing control, compliance and respect for procedures;
- Team spirit within the business line and cross-selling within the Group.

The criteria selected are based on quantitative indicators and factual elements, which are defined each year at the beginning of the compensation review process.

THE GROUP'S OTHER BUSINESS LINES

Variable compensation pools for the Group's other business lines are determined on the basis of the net revenues, after direct costs and cost of capital, after taking into account risks (in particular for CIB activities), or by the application of a variation rate from the preceding financial year, set in particular on the basis of the Group's performance profile or the performance profile of the business line as a whole after taking into account risks (in particular for Retail Banking activities), as well as on the basis of market practices.

POOLS FOR GROUP AND CONTROL FUNCTIONS

Variable compensation pools for Group functions and integrated control functions⁷ are determined independently from the performance of the business lines for which they facilitate, validate or check the operations.

Variable compensation pools for the functions within business areas and business lines are defined with respect to those of Group functions, taking into account, to a limited extent and where appropriate, specific job market situations.

Individual awards

Individual awards are made upon management decision based on:

- The performance of the team to which the concerned employee belongs and his or her individual performance (performance is measured on the basis of results achieved and the risk level associated with these results);
- Appraisals (mandatory annual individual assessment performed by the line manager), which simultaneously assess;
 - qualitative achievements in relation to fixed objectives,
 - professional behaviour with respect to the Group's values, compliance rules, Code of Conduct and procedures of the Group,
 - contribution to risk management, including operational risk and
 - the managerial behaviour of the concerned employee where applicable.

Failure to comply with applicable rules and procedures or blatant breaches of compliance rules or Group Code of Conduct shall entail the reduction or cancellation of the bonus, independently of any disciplinary proceedings.

The employees identified as Group MRT and local MRT are annually formally and independently assessed by control functions (Compliance and Risk) against the Respect of Code of Conduct and Rules & Regulations and against the Risk Assessment & Management such as defined by the Group.

The result of these reviews is then taken into account by the managers of the concerned employees in the annual performance appraisal and for the determination of their annual variable compensation.

Failure to comply with at least one of these rules leads to a systematic reduction or cancellation of the awarded variable remuneration of the year for the relevant employees.

Individual awards for employees of Group functions and control functions are made in accordance with these principles and independently from the performance of the business lines controlled by the employees. Furthermore, particular emphasis is given to the employee's contribution to risk management during the annual appraisal process.

Payment of variable compensation

For MRT⁸, variable compensation includes a non-deferred portion and a deferred portion.

The deferred portion increases in proportion to the level of the amount of variable compensation, according to a grid set each year by the General Management, ranging from at least 40% to 60% for the highest variable compensation amounts.

In accordance with regulatory requirements, bonuses (including both the deferred and non-deferred portions) are paid as follows:

- Half in cash;
- Half in cash indexed on the BNP Paribas share price, at the end of a six-month retention period.

Indexing on the share price has a double purpose: to align the beneficiaries interests with those of shareholders, and to ensure solidarity with the institution's overall performance results.

The deferred portion is acquired over minimum 3 years following the award year and vests no faster than prorata temporis. Thus, the payment of bonuses subject to deferral over 3 years, is spread over 8 payment dates, with the last payment in September 2023, i.e. 3 years and 9 months after the reference year for determining the variable compensation awards.

The deferred portion vests progressively over 3 years following the year of award, subject to achieving the business line, activity and Group financial performance targets and meeting the behavioural criteria set at the time of award.

Variable compensation is deferred by fifth, over 5 years following the award date in particular for the members of the Group Executive Committee.

Vesting of each annual portion is thus conditional upon the fulfillment of the conditions defined initially at the award date on each annual vesting date, based on the profitability level of the business line and/or activity, and/or the Group as a whole. These conditions are designed to promote an awareness of the impact that activities in a given year could have on results in subsequent years and to align individual conduct with the institution's strategy and interests. **If these conditions are not met during a financial year, the annual portion of deferred variable remuneration is not paid ("Malus").**

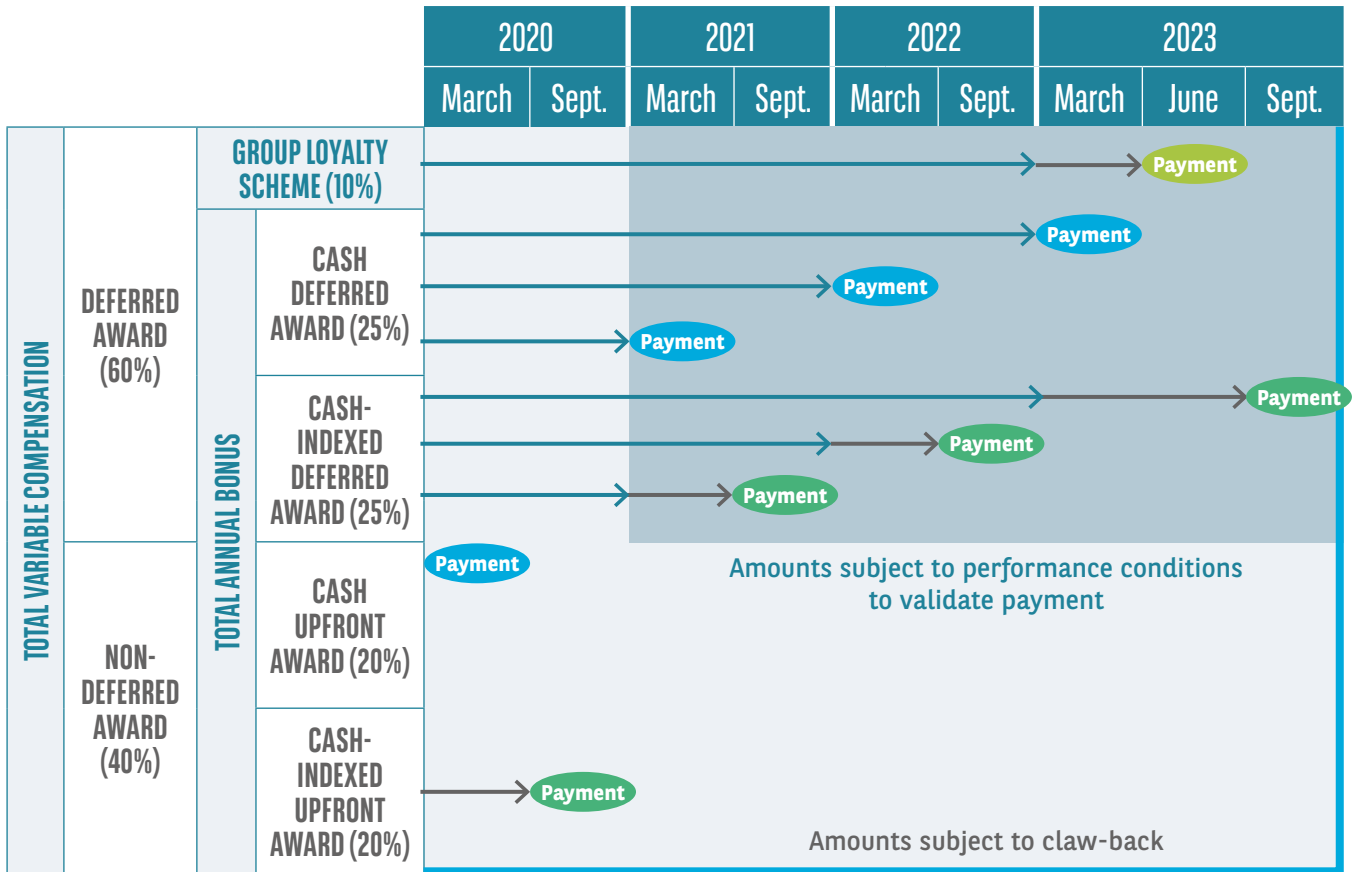
Some MRT are also beneficiaries of a fully deferred 3 to 5-year Group loyalty scheme⁹ in the form of a contingent capital instrument for which payment is subject to the absence of regulatory resolution measures and to a level of the Group's CET1¹⁰ ratio above 7%. This scheme also includes conditions relative to Group financial performance as well as CSR criteria, defined at the time of award.

The figure below shows an example of variable compensation payment rules applicable to a MRT employee subject to a deferred rate of 60% over 3 years and benefiting from an allocation of 10% of its total variable compensation under the Group loyalty scheme:

8 | Excluding BNP Paribas SA Executive Corporate Officers (see p.18 for details)

9 | Medium term variable compensation

10 | The Group's Common Equity Tier 1 stood at 12.1% on 31/12/2019



- Payment** (Green oval): Cash-indexed on the BNP Paribas SA share price
- Payment** (Blue oval): Cash
- Payment** (Yellow oval): Contingent capital instrument
- (Blue arrow): Deferred period
- (Black arrow): Retention period
- (Light blue box): Amounts subject to performance conditions to validate payment
- (White box): Amounts subject to claw-back

According to the application of the proportionality principle and for administrative purposes, any deferred instalment inferior to 5,000 euros is paid by anticipation at the award date (for awarded variable remunerations below 75 000 euros).

In case of dismissal for misconduct (or for employees who left the Group, the misconduct that would have led to his/her dismissal if it had been revealed while she/he was an employee), particularly when the employee’s action involves the breach of risk control rules, compliance or the respect of the Code of Conduct, or also a dissimulation or an action that resulted in a distortion of the conditions under which bonuses previously allocated were set, **all or part of the rights to the deferred portions of all previously awarded variable compensations¹¹ shall be lost (“Malus”) and potentially any elements of variable compensation already paid shall be recovered (“claw-back”)** (subject to respect of local labour law).

In addition, in the event of the implementation of a resolution plan, as defined in Article L. 613-50 and

following of the Monetary and Financial Code, the deferred variable compensation schemes will provide for the conditions under which parts of awarded variable remuneration may be reduced or cancelled.

Finally, the variable remuneration of employees working in capital market activities, not included in the category of MRT, continues to be strictly controlled and subject to payment rules including deferral, indexation and payment conditions arrangements.

Risk, conduct and compliance criteria and their measurement are thus taken into account ex-ante in the annual compensation review process for the calculation of variable compensation pools (collective) and during the annual appraisal process (individual). Moreover, conduct and compliance are also taken into account ex-post for employees who benefit from variable compensation subject to deferral (malus and claw-back in case of misconduct).

All of these elements contribute to strengthen conduct, compliance and risk culture of all Group staff members.

11 | Including awards made under Group loyalty scheme

Ratio between variable and fixed compensations

Total variable compensation awarded to an employee included in the MRT category, considered at its notional value at the award date, **cannot exceed his or her total fixed compensation** for the same year multiplied by a ratio.

The CRIF Committee proposes **a maximum ratio of 200%** to the Compensation Committee of the Board of directors. This proposal is then submitted for approval to the General Shareholders Meeting.

The General Meeting of May 24, 2018 approved by more than 80% this ratio of 200% for a 3-year period¹².

For the purpose of calculating the ratio, the portion of variable compensation deferred for 5 years and paid in the form of instruments, up to a limit of 25% of total variable compensation, is discounted at a rate defined in compliance with the EBA guidelines¹².

For 2019 performance year, 4 employees¹³ in France benefited from this discount rate.

43% of employees identified as Group MRT benefited for 2019 performance year of a ratio from 100% to 200% between the variable and the fixed components of their total compensation.

Scope of application and local rules

The provisions described above are those applicable in principle to the Group MRT. Specific provisions, sometimes more stringent in particular concerning payment conditions of variable compensation or the ratio, may apply to Group MRT in some countries, due to the local transposition of CRD4 rules.

Moreover, according to the order of 3rd November, 2014, the Group's activities subject to specific regulatory provisions (e.g. AIFMD and UCITS for Asset Management and Solvency for insurance) or entities not subject to

CRD4 whose total assets are below 10 billion euros and whose activities have no impact on the solvency and liquidity of the Group (in particular Real Estate activity) are not subject to CRD4 provisions.

These CRD4 provisions on compensation also apply on an individual basis at the level of Group banking subsidiaries within European Union, depending on local legislation, to employees identified as local MRT, in accordance with the Group principles detailed supra and with applicable local regulation.

Corporate Officers of BNP Paribas SA

The variable compensation of BNP Paribas SA's Corporate Officers is determined in compliance with the principles set out above applicable to all Group MRT and in accordance with the terms and conditions proposed by the Compensation Committee and adopted by BNP Paribas' Board of directors.

Specific compensation principles and policy applicable to BNP Paribas SA's Corporate Officers are detailed in chapter 2 of the 2019 Universal Registration Document.

12 | EBA guidelines (EBA/GL/2014/01)

13 | Excluding Corporate Executive Officers

4 · QUANTITATIVE INFORMATION ON COMPENSATION AWARDED FOR 2019 FINANCIAL YEAR

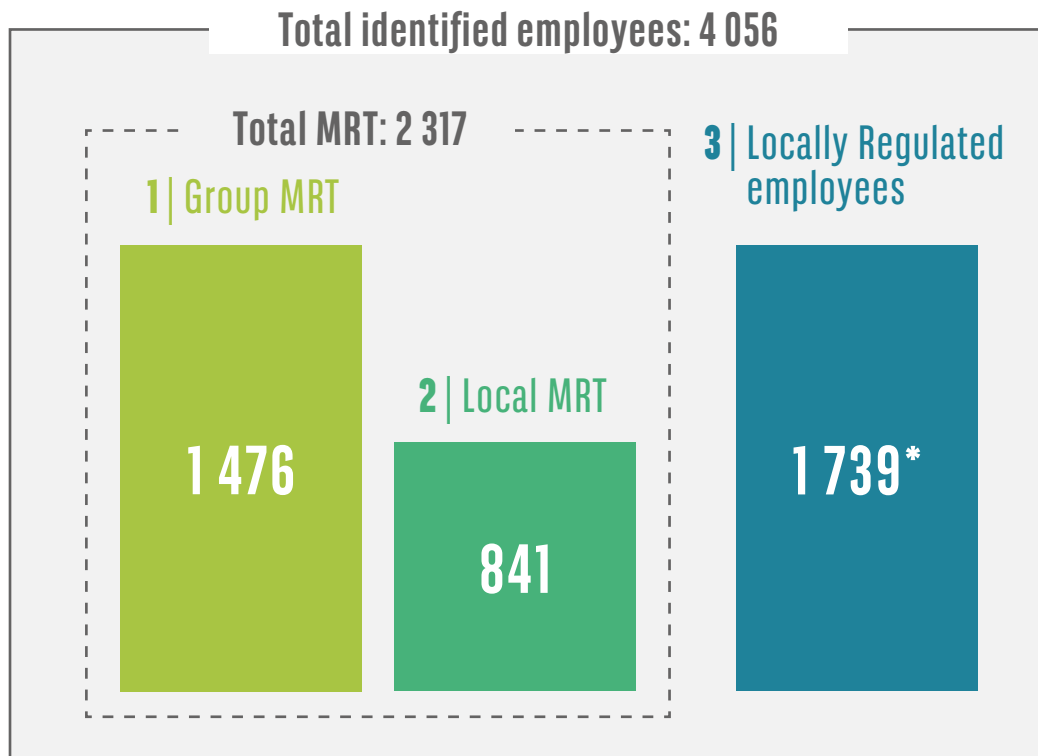
Overall data

GROUP INFORMATION

BNP Paribas Group counts more than 200,000 employees¹⁴, as of 31 December 2019, representing a total of salary and employee benefits cost of 17.5 billion euros – out of which 13 billion euros of fixed and variable remuneration (including profit-sharing schemes) – as detailed in the Consolidated Financial Statements of the 2019 Universal Registration Document.

GROUP EMPLOYEES WHOSE 2019 COMPENSATION IS SUBJECT TO OVERSIGHT RULES

The chart below shows the number of employees whose 2019 compensation is subject to oversight rules according to regulatory provisions applicable worldwide and to internal rules such as described in the introduction.



*Including 1230 staff members of Bank of the West subject to Federal Reserve regulatory provisions

14 | Workforce in Full Time Equivalents (FTE) of entities under exclusive control or consolidated via global integration (Financial headcount)

Compensation of Group MRT employees in 2019

The quantitative information presented below concerns gross compensation (excluding employer contribution) awarded for 2019 to employees identified as Group MRT, but does not concern compensation awarded to other

Group employees identified as Local MRT within Group subsidiaries (applying CRD4 on an individual basis due to national regulations) or other Group employees whose compensation is also subject to oversight.

QUANTITATIVE INFORMATION ON COMPENSATION AWARDED TO GROUP MRT.

The compensation awarded to Group MRT for 2019 financial year is split as follows:

In k€ excluding employer contribution	Chairman of the Board	Other non executive Corporate Officers	Executive Corporate Officers ²	CIB	Retail Banking & Services	Independent Control functions	Group functions	TOTAL
Number of concerned employees	1	12	2	843	288	271	59	1 476
Total compensation amount	1 010	1 180	6 279	686 077	131 165	79 836	47 798	953 344
o/w fixed compensation ¹	1 010	1 180	2 622	320 291	76 215	51 448	20 696	473 462
o/w variable compensation	0	0	3 657	365 785	54 950	28 388	27 102	479 882
o/w cash	0	0	1 828	179 492	21 843	12 940	9 650	225 753
o/w share-linked instruments	0	0	1 828	178 892	21 596	11 465	9 586	223 367
o/w other instruments	0	0	0	7 401	11 511	3 983	7 866	30 761
o/w variable compensation in upfront cash	0	0	529	86 552	15 555	9 736	6 416	118 787
o/w conditional deferred variable compensation ³	0	0	3 128	279 233	39 395	18 652	20 686	361 095

(1) The fixed compensation includes the compensation paid in the 2019 year for the BNP Paribas SA 's dIrector position.

(2) Subject to the approval of the Shareholders' Annual General Meeting of 19 May 2020 under the terms provided for by article L.225-100 of the French Commercial Code.

The amount of variable compensation paid in cash in March 2020 for 2019 financial year to employees identified as Group MRT in 2019 totaled 119 million euros. The remaining variable compensation (i.e. a theoretical amount of 361 million euros), is spread out over 7 to 11 conditional payments between September 2020 and September 2023 or 2025 depending on the staff members, out of which 115 million euros in September 2020.

Total variable compensation awarded for the year 2019 to Group MRT employees worldwide amounted to 480 million euros, **out of which only one fourth has been paid in March, 2020.**

Other elements relative to Group MRT compensation are the following:

In k€ excluding employer contribution	Executive Corporate Officers	Other MRT	TOTAL
Amount of unvested deferred compensation for previous years	17 159	489 705	506 865
Amount of deferred compensation paid in 2019 (award value)	4 027	251 390	255 418
Amount of deferred compensation paid in 2019 (payment value)	1 461	237 494	238 955
Amount of reductions to deferred compensation in 2019 as a result of the year's performance	-	4 495	4 495
Amount of severance benefits paid in 2019	-	19 169	19 169
Severance benefits number of beneficiaries	-	50	50
Sums paid to new hires in 2019	-	308	308
Number of beneficiaries of new hire payments granted during 2019	-	5	5

NUMBER OF MRT EMPLOYEES WHOSE TOTAL COMPENSATION FOR 2019 EXCEEDS €1 MILLION

Total compensation	NUMBER OF MRT
Between €1 and €1.5 million	135
Between €1.5 and €2 million	43
Between €2 and €2.5 million	22
Between €2.5 and €3 million	8
Between €3 and €3.5 million	4
Between €3.5 and €4 million	5
Between €4 and €4.5 million	0
Between €4.5 and €5 million	0
Between €5 and €6 million	1
TOTAL	218

Among the 218 employees listed in the table above, 66 work in the United Kingdom, 57 in the United States, 38 in Asia, 44 in France and the other employees listed are spread over 8 other countries.

5 · QUANTITATIVE INFORMATION ON COMPENSATION PAID TO GROUP MRT IN 2019

In accordance with article L511-73 of the Monetary and Financial Code, the BNP Paribas Annual Shareholders' Meeting of 19 May 2020 will vote on a consultative basis in its eighteenth resolution, on the global amount of compensation paid in 2019 to employees identified as Group MRT in 2019.

These remunerations are, by definition, different from what is presented in paragraph 3 above, which reflects the compensations awarded in 2020 for 2019 financial year. Compensations actually paid out in 2019 refer to partial payments of variable compensation awarded between 2016 (for financial year 2015) and 2019 (for financial year 2018), for the portion payable in 2019 in accordance with applicable provisions.

The amount paid for these variable compensation awarded in previous years may be affected by a failure to achieve performance conditions and by fluctuations in the BNP Paribas share price between the award date and the payment date.

The amount of fixed compensation reflects the amount actually paid out in the year, taking into account any potential salary increases awarded during the year. Fixed compensation, awarded as set out above in section 3, reflects fixed compensation at 31/12/2019 considered on an annual basis.

Therefore, the total compensation paid out in 2019, subject to the consultation of General Shareholders meeting, amounted to 822 million euros.

Amount in k€ excluding employer contribution

NUMBER OF EMPLOYEES CONCERNED	2019	
	Amount of fixed compensation paid	Amount of variable compensation paid
1476	468	354

Variable compensation paid includes:

Amount in k€ excluding employer contribution	2019	
	Award value	Payment value**
2018 bonus paid in the year	178	181
2017 deferred bonus	46	39
2016 deferred bonus	43	38
2015 deferred bonus	63	63
2015 Group loyalty scheme	26	19
Other components of variable compensation*	16	14
TOTAL	372	354

* sign-on bonuses, buyout awards, collective profit sharing schemes, etc.

** the difference between the award value and the payment value results from the partial indexation of variable compensation to the BNP Paribas share price and from performance conditions.



April 2020



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