



BNP PARIBAS CORPORATE GOVERNANCE

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JUNE 2020



BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited.

On 29 March 2019, BNP Paribas issued a restatement of its quarterly results for 2018 reflecting, in particular (i) the internal transfer in the 3rd quarter 2018 of Correspondent Banking activities within CIB from Corporate Banking business to Securities Services and (ii) the transfer, effective 1st October 2018, of First Hawaiian Bank (FHB) from the BancWest business to the Corporate Centre following the sale of 43.6% of FHB in 2018 (the remaining stake was sold on 25 January 2019). These changes do not affect Group results as a whole but only the analytical breakdown of IFS (BancWest), CIB (Corporate Banking, Securities Services), and Corporate Centre. The 2018 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2018. This presentation is based on the restated 2018 quarterly series.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

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BNP PARIBAS

The BNP Paribas Fundamentals

Corporate Governance within BNP Paribas

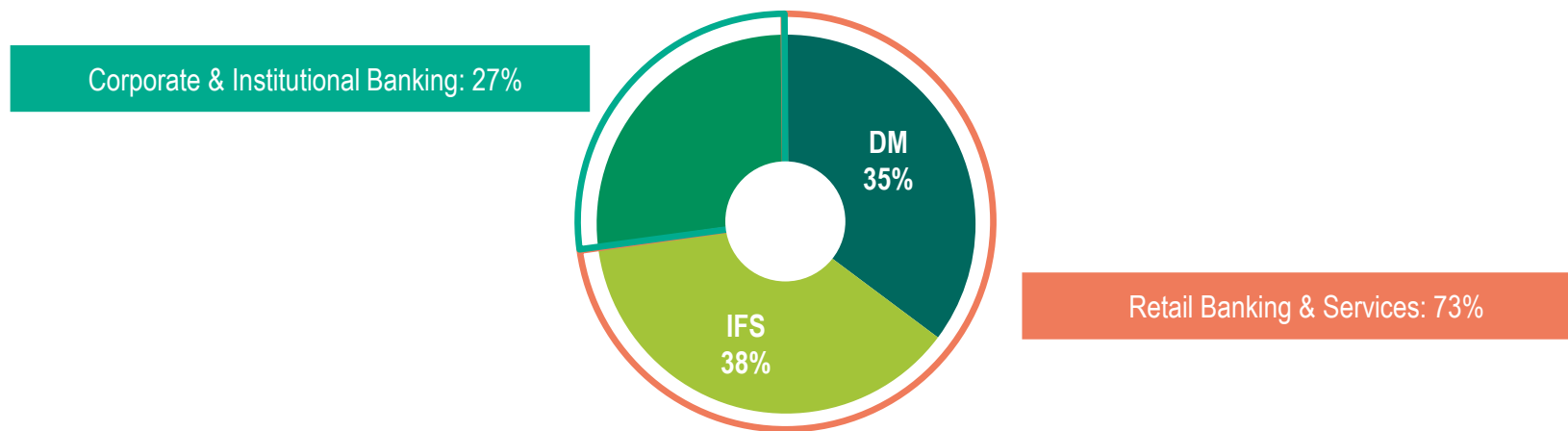
The Board of Directors and its Committees

Corporate Officers' Compensation

Appendix

Organisation of the Operating Divisions

2019 Revenues of the Operating Divisions



CIB

- CORPORATE BANKING
- GLOBAL MARKETS
- SECURITIES SERVICES

INTERNATIONAL FINANCIAL SERVICES

- PERSONAL FINANCE
- EUROPE - MEDITERRANEAN
- BANCWEST
- BNP PARIBAS CARDIF
- WEALTH MANAGEMENT
- BNP PARIBAS ASSET MANAGEMENT
- BNP PARIBAS REAL ESTATE

DOMESTIC MARKETS

- FRENCH RETAIL BANKING
- BNL BANCA COMMERCIALE
- BELGIAN RETAIL BANKING
- LUXEMBOURG RETAIL BANKING
- BNP PARIBAS PERSONAL INVESTORS
- ARVAL
- BNP PARIBAS LEASING SOLUTIONS
- NICKEL

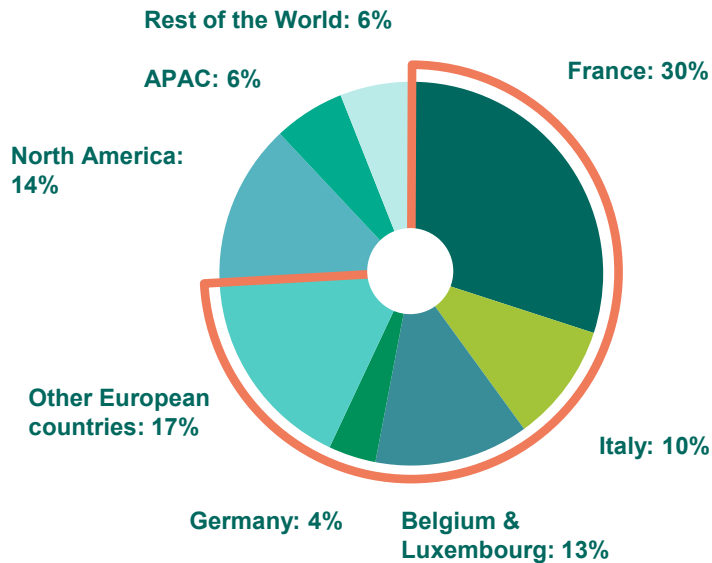
— **Straightforward business structure with ~3/4 of retail and service activities**



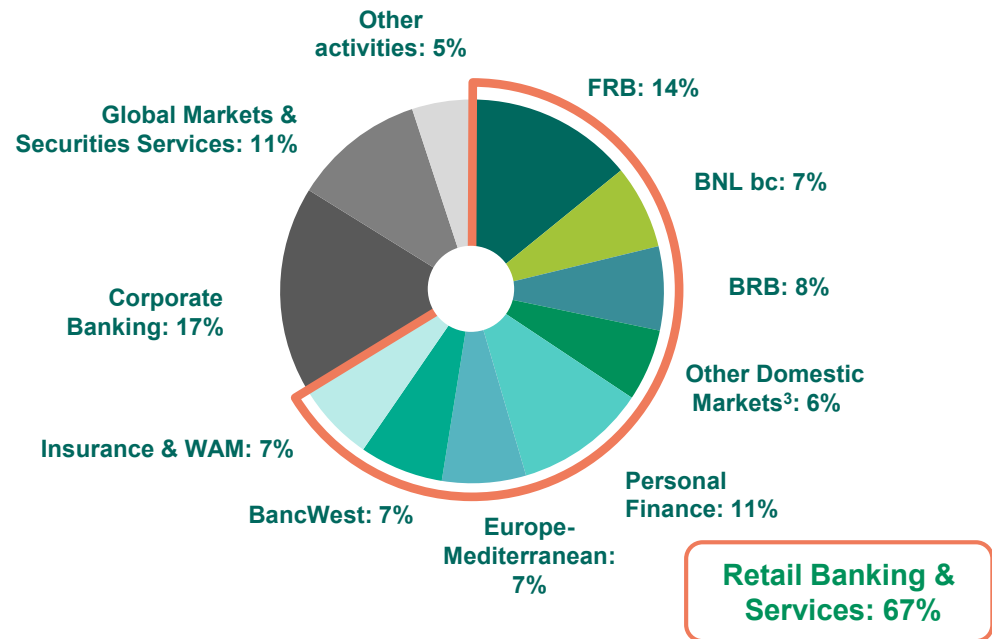
A Business Model Well Diversified by Country and Business

No country, business or industry concentration

● **2019 Gross Commitments¹ by region**
 >90% in wealthy markets



● **Basel 3 risk-weighted assets² by business as at 31.12.2019**



A balanced business model: a clear competitive advantage in terms of revenues and risk diversification

Business units and regions evolving according to different cycles

An integrated business model fuelled by cooperation between Group Businesses

Strong resilience in a changing environment

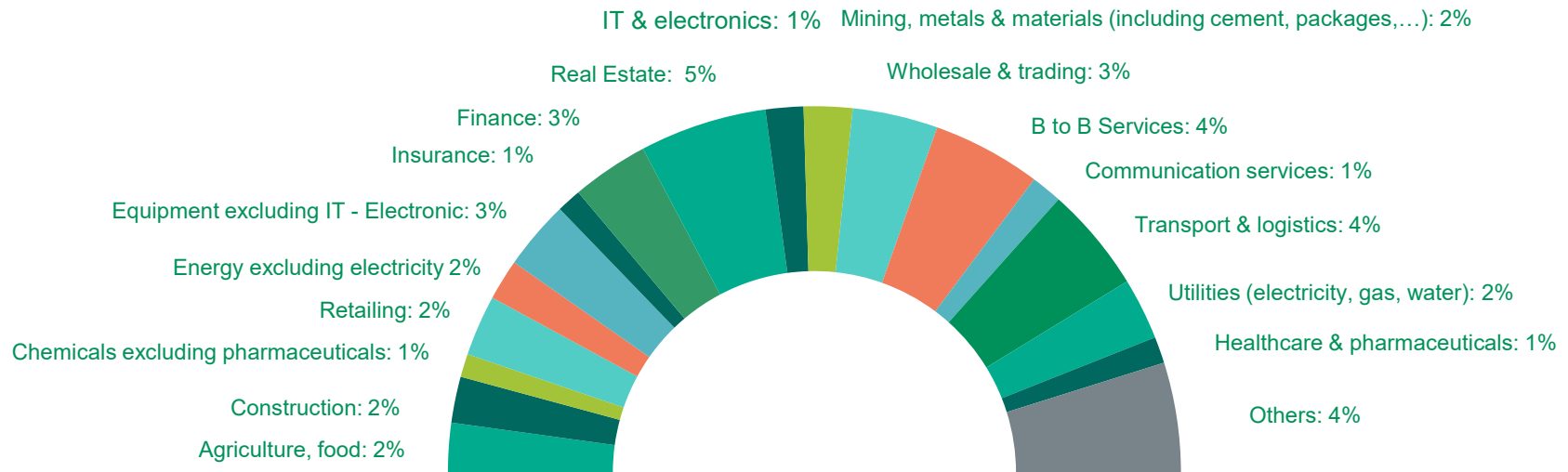
1. Total gross commitments, on and off balance sheet, unweighted of €1,581bn as at 31.12.19 ; 2. CRD 4 ; 3. Including Luxembourg

Strong resilience on the back of a diversified and integrated business Model – Highly diversified

Total gross commitments on and off-balance sheet, unweighted

= €1,581bn as at 31.12.2019

Corporate asset class represents 44% of the total

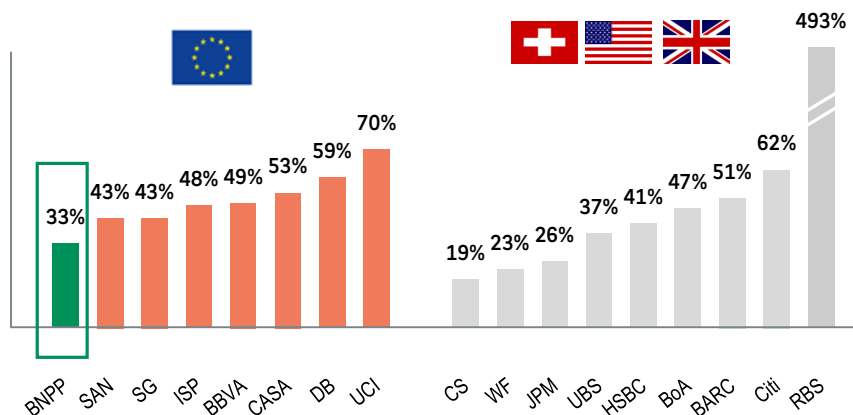


Corporate asset class by sectors
(in% total gross commitments on and off balance sheet, unweighted)

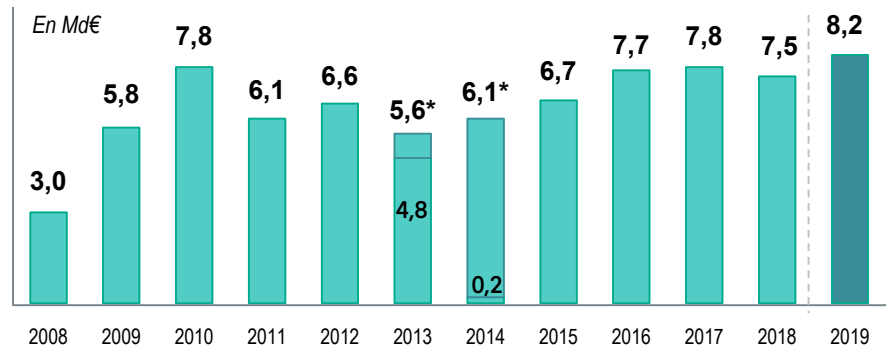


Diversification leading to a recurrent profitability through the cycle

● Cost of Risk/Gross Operating Income 2008-2019



● Net Income Group Share (2008-2019)



- One of the lowest CoR/GOI through the cycle

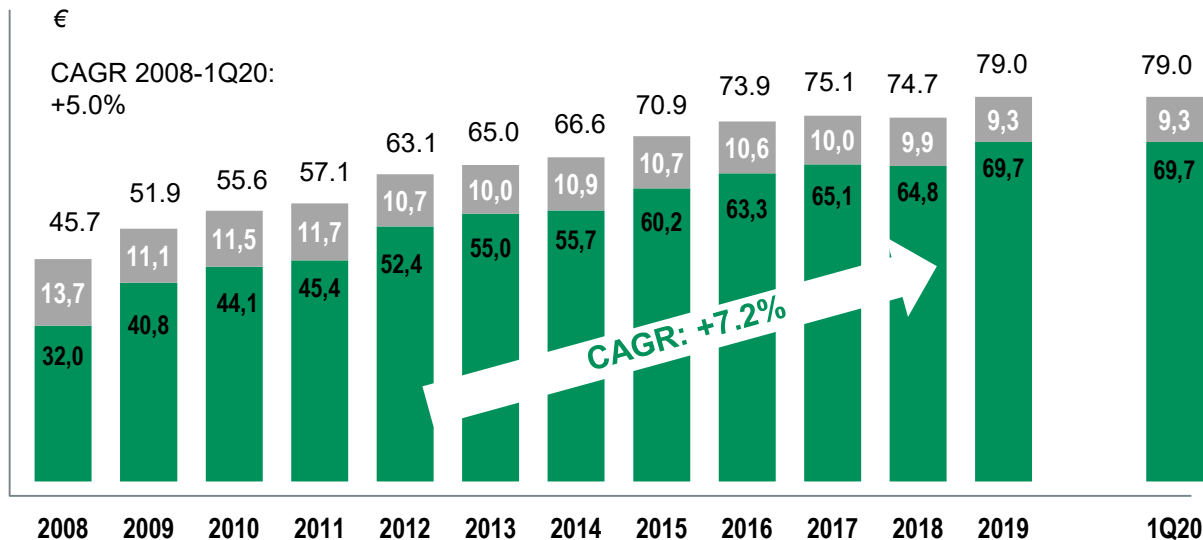
- Recurrent earnings generation through the cycle
 - Thanks to diversification
 - Strong proven capacity to withstand local crisis and external shocks

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

* Adjusted for costs and provisions relating to the comprehensive settlement with U.S. authorities

Recurrent Value Creation for Shareholders

Net book value per share end of period



■ Net tangible book value per share

Reminder:

- Equity impact of the first time application of IFRS 9 as at 01.01.18: -€2.5bn or €2 per share





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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



Upholding the Highest Standards of Conduct and Ethics



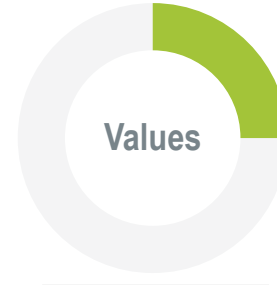
Mission

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



Rules

- 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



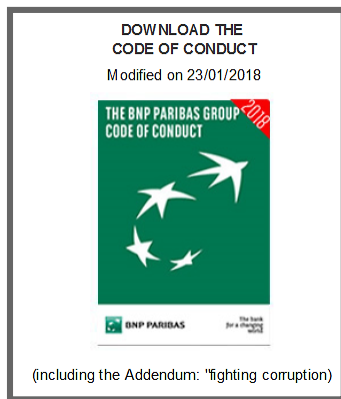
Values

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



Practices

- Employee training
- Processes for employees to raise concerns, notably whistleblowing procedure
- Incentive to be exemplary but also sanctions (clawbacks,...)



- BNP Paribas complies with the law relating to transparency, anti-corruption and the modernisation of the economy (Sapin 2), with the UK Bribery Act, the U.S. Foreign Corrupt Practices Act and the UK Modern Slavery Act
- All employees have the duty and the responsibility to support the Group in its commitment and to comply with the framework to prevent and fight corruption and influence peddling
- Adaptations in the Business lines (CIB Conduct Program, ..)
- At end of 2019, **95.4%** of Group employees were trained on ethical or conduct issues
- A Code of Conduct on Fighting Corruption, integrated into the Group Code of Conduct in 2018, provides definitions as well as examples to illustrate prohibited behaviours. In case of violation of this Code, employees face disciplinary measures.

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



BNP Paribas Corporate Purpose

And how social & environmental impacts are taken into account*

Principles which the Company adopts and for the respect of which it intends to allocate the necessary means within the fulfillment of its activity*

The Board of Directors, together with the Executive Committee, is willing to enshrine the Bank's commitment in the every day management of the Company

The Code of Conduct

- As soon as its very first release in March 2016, as well as on the occasion of its updated version in January 2018
- Has included in the introductory presentation a statement on the Mission and Values of BNP Paribas
 - Defining its corporate purpose and the principles that the Group defends
 - and thus aiming to guide and inspire the daily behaviors of the employees

Objectives reaffirmed in the “Engagement Manifesto”, on the occasion of the creation, in mid-2017, of the Corporate Engagement Function.

Financing the economy and advising clients in an ethical manner by supporting them in their projects, their investments and the management of their savings.



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

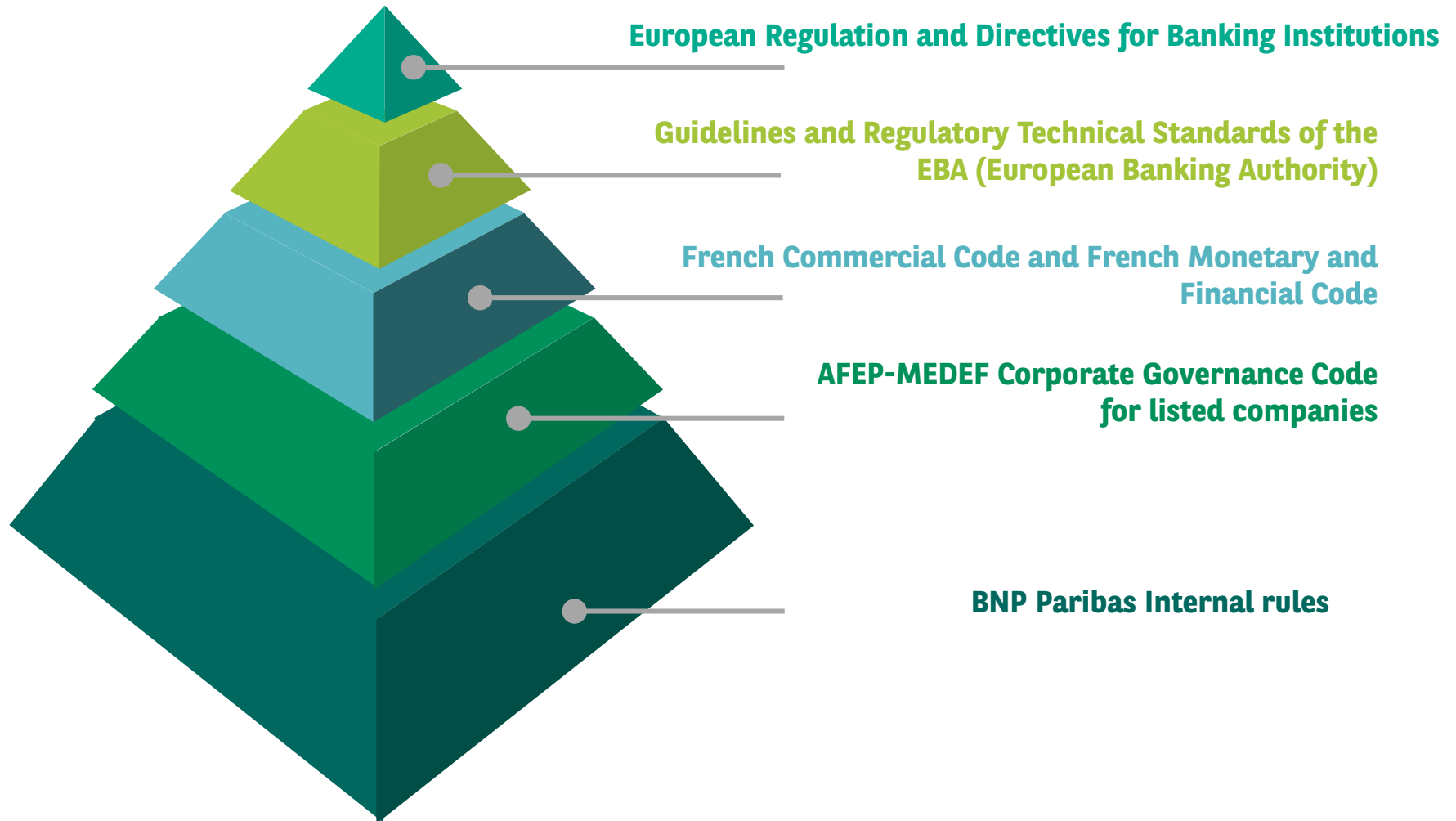
- Separation of the functions of Chairman and CEO since 2003
- No member of the Executive Committee sitting on any of the Board Committees since 1997
- Selection of Directors:
 - A forward looking “Fit & Proper” process
 - Diversity and complementarity of the personal characteristics as well as of the 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

A New Paradigm for Corporate Governance

- **Attention is turning towards Board effectiveness and accountability, moreover:**
 - Encompassing new domains like non financial risk factors (reputation, ...)
 - Among which CSR issues
 - Scrutinized by far more other stakeholders than shareholders:
 - Staff, Customers, the general public, society as a whole
 - But whose opinion nevertheless impacts the Company's value for shareholders ...
- **These various stakeholders are increasingly assessing**
 - Board composition, Directors' qualifications,
 - The effectiveness of the Board's decisions and their links to financial performance
- **New core duties and responsibilities of the Board are thus:**
 - Oversight of business strategy but also long-term sustainability
 - Succession planning (Board of Directors as well as ExCo) and more generally talent management
 - Risk oversight (including cyber security)
 - Maintaining proper tone-at-the-top, corporate culture, ethics and reputation
 - Reviewing policies on responsible social behavior (CSR)
 - Including the incentive structure



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
 - Assessment of the suitability of Directors and Effective Directors
 - Guidelines by the EBA on internal governance and the « fit and proper » of Directors and Corporate Officers

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 ≤ 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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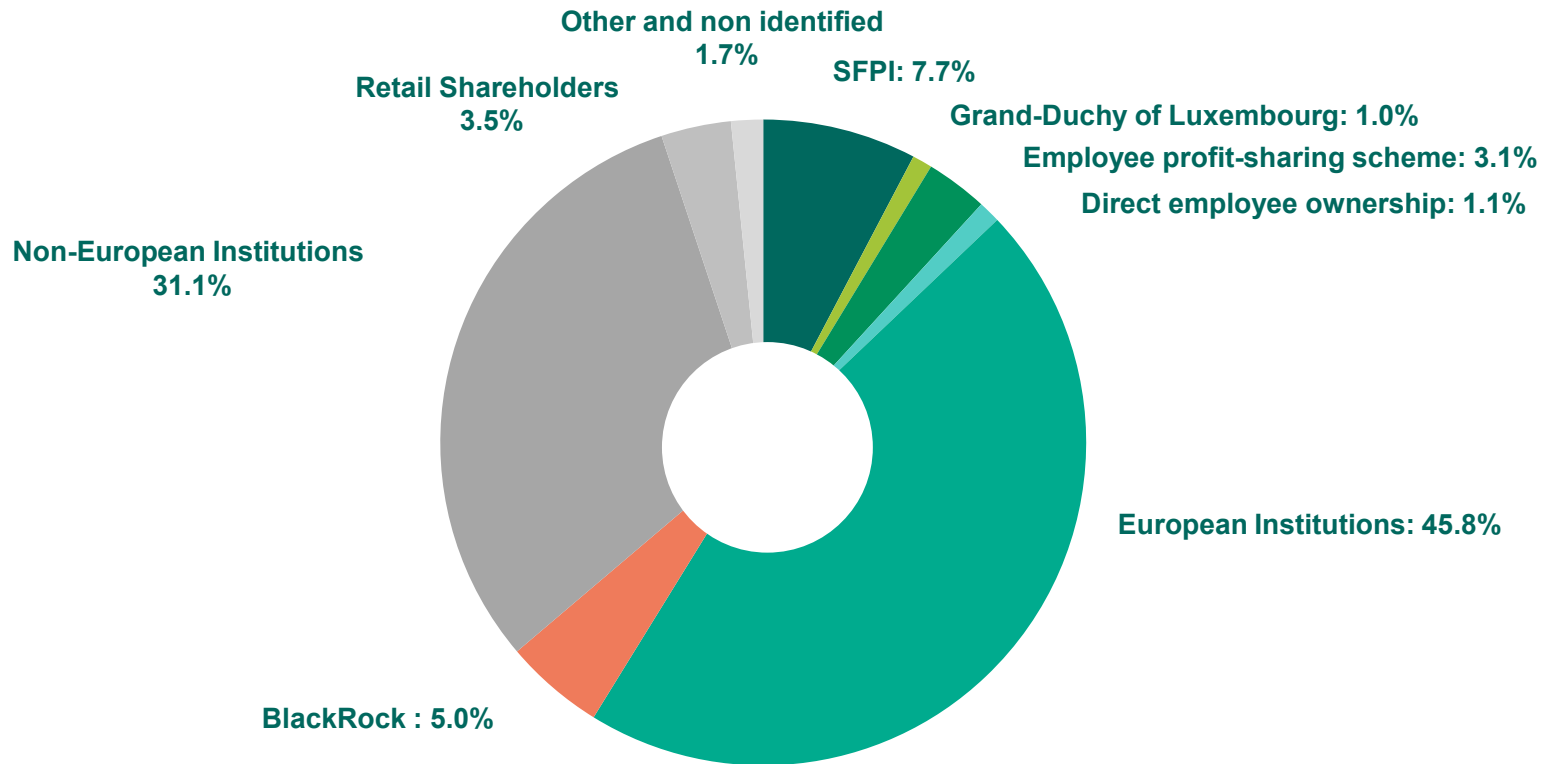
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Appendix

Share Ownership Structure

At 31 December 2019 (as % of capital)



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



Composition of the Board of Directors after the 19 May 2020 AGM - Independence

The independence of Directors is ultimately demonstrated through their decisions

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



12 Directors

Appointed by the
General Meeting

- **For 3-year terms**
- **5 nationalities**
- **10 “independent”** Directors,**
 - ✓ i.e. more than 80% of the Directors elected by shareholders
- **5 ladies**
 - ✓ i.e. more than 40% of Directors elected by 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 Compensation 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**
- **Very high attendance rate at Board meetings: 96%*****
- **Very high attendance rate at Committee meetings: 98%*****

**Pursuant to “PACTE” law, modification of the BNPP’s bylaws
in order to appoint, at the 2021 AGM, a Director representing employee shareholders**

(*) As assessed by the Board; (**) Within the meaning of the Afep-Medef Code; (***) In 2019



Composition of the Board of Directors after the 19 May 2020 AGM - 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



Composition of the Board of Directors after the 19 May 2020 AGM - 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	Pierre-André de Chalendar	Monique Cohen	Wouter De Ploey	Hugues Epailard

AREAS OF EXPERTISE						
<ul style="list-style-type: none"> • Bank / Finance • Risk Management • Regulation Monitoring • International 	<ul style="list-style-type: none"> • Bank / Finance • Business Operations • International 	<ul style="list-style-type: none"> • Industry • International • Transformation 	<ul style="list-style-type: none"> • Industry • International • CSR 	<ul style="list-style-type: none"> • Bank / Finance • Business Operations • CSR 	<ul style="list-style-type: none"> • Bank / Finance • Digital • Transformation 	<ul style="list-style-type: none"> • Staff Representative

DIRECTORS						
Rajna Gibson-Brandon	Marion Guillou	Denis Kessler	Daniela Schwarzer	Michel Tilmant	Sandrine Verrier	Fields Wicker-Miurin

AREAS OF EXPERTISE						
<ul style="list-style-type: none"> • Financial Markets • Risk Management • Regulation Monitoring • CSR 	<ul style="list-style-type: none"> • Risk Management • Regulation Monitoring • CSR • Technology 	<ul style="list-style-type: none"> • Insurance • Business Operations • Risk Management • Regulation Monitoring 	<ul style="list-style-type: none"> • Money Markets • Geopolitics • International 	<ul style="list-style-type: none"> • Bank / Finance • Risk Management • Regulation Monitoring • International 	<ul style="list-style-type: none"> • Staff Representative 	<ul style="list-style-type: none"> • Bank / Finance • Financial Markets • International

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



Re-Elections of Directors (1/2)



M. Jean LEMIERRE

- Chairman of BNP Paribas since 1 December 2014
- Doesn't sit on any Committee of the BNP Paribas Board

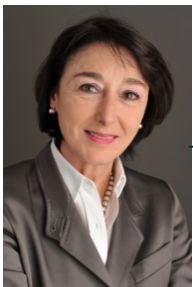
Areas of expertise:
Bank/Finance, Risk Management, Regulation monitoring, International



M. Jacques ASCHENBROICH

- Chairman and CEO of Valeo
- Member of the Financial Statements Committee
- Independent within the meaning of the Afep-Medef Code*

Areas of expertise:
Industry, International, Transformation



Ms. Monique COHEN

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

Areas of expertise:
Bank/Finance, Business Operations, CSR

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



Re-Elections of Directors (2/2)



Ms Daniela SCHWARZER

- German
- Director of the DGAP think tank (German Council on Foreign Relations)
- 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,
International



Ms. Fields WICKER-MIURIN

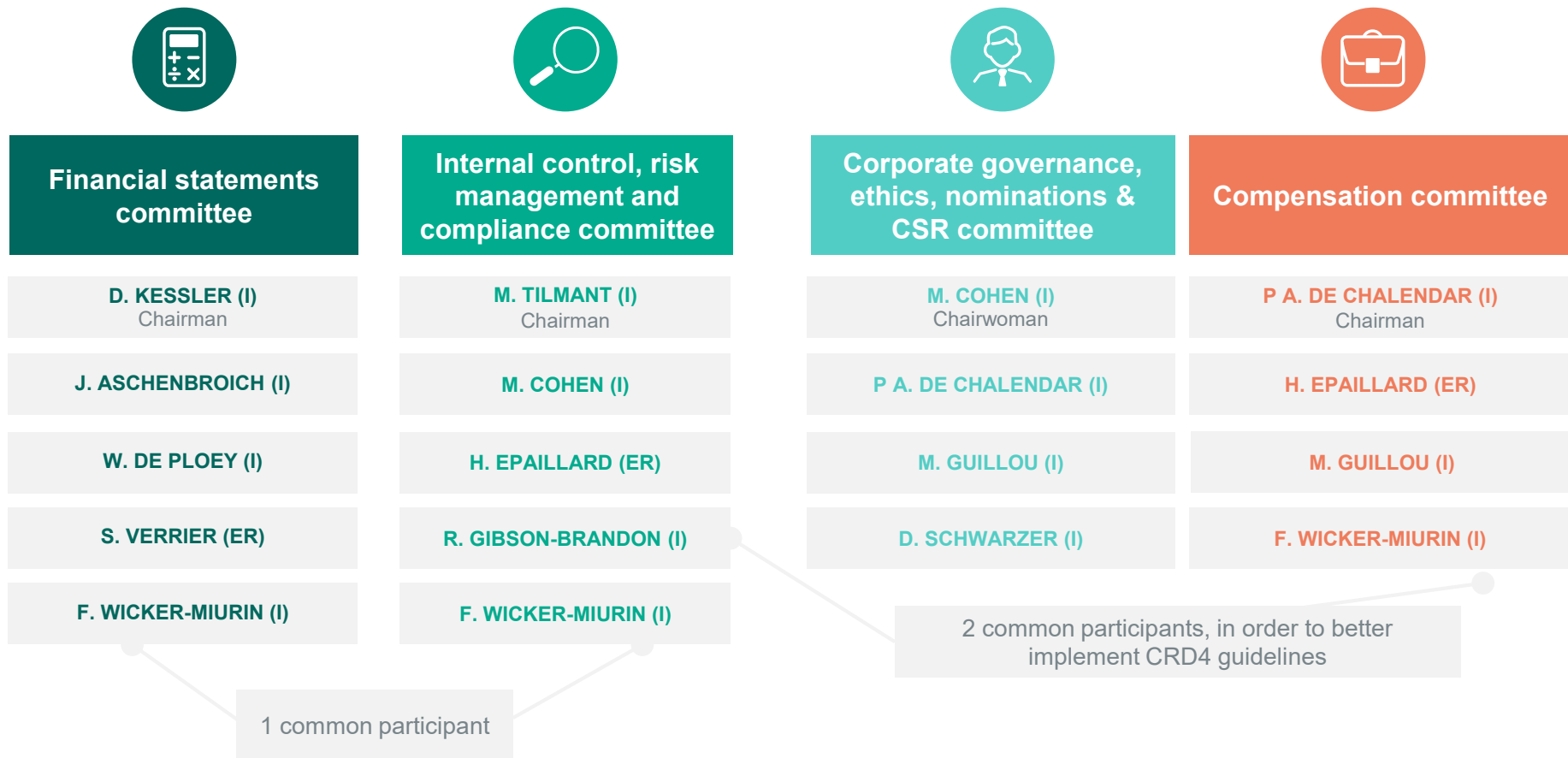
- British, American
- Director of companies
- Member of the Financial Statements Committee, of the Remuneration Committee and of the ICRMCC^(**)
- Independent within the meaning of the Afep-Medef Code*

Areas of expertise:
Bank/Finance, Financial Markets,
International

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



Composition of the Committees of the Board after the 19 May 2020 AGM*



*Subject to the autorisation of the AGM on the proposed nominations.
(I): Independent Director, in accordance with the guidelines of the Board and of the Afep-Medef Code. (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's financial skills are reinforced by his position as CEO of SCOR, a major international reinsurance company
- Internal Control, Risk Management and Compliance Committee: most members with specific expertise in financial matters and risk management, either through their training or experience
 - Chairman with international experience in banking management
 - Another member has been a member of the College of the French Financial Market Authority
 - 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

The ICRMCC* analyzed and proposed to the Board the Risk Appetite Statement of the Group, which addresses all 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**

** Internal Control, Risk Management and Compliance Committee*



The Governance, Ethics, Nominations and CSR Committee :

Focus on Board Evaluation

●— Assessment of the Board of Directors :

- By an external firm every three years (last time in 2018, on the account of 2017)
- “Internally” every year in the meantime

●— 2019 assessment: internally conducted, on the account of 2018 - Main outcomes

- Satisfaction with the functioning of the Board
- Optimal articulation between the Chairman and the CEO
- Professionalism, transparency of debates and trust within the Board

●— Implementation of the action plan following the 2018 assessment

- Continued formalization of the procedures linked to succession planning for corporate officers
- Ongoing discussion on succession processes for key managers
- Deepening the understanding, through presentations performed by business executives, of activities and regional issues
- Better balance between business related matters, and compliance and regulatory ones

●— Assessment on the account of 2020 to be performed externally, as decided in 2014





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Fixed Compensation paid in 2019

Stability of the fixed compensation over the last 4 years*

J. LEMIERRE	950,000 €
J-L. BONNAFE	1,562,000 €
PH. BORDENAVE	1,000,000 €

* Since the beginning of his chairmanship (1st December 2014) for Jean Lemierre

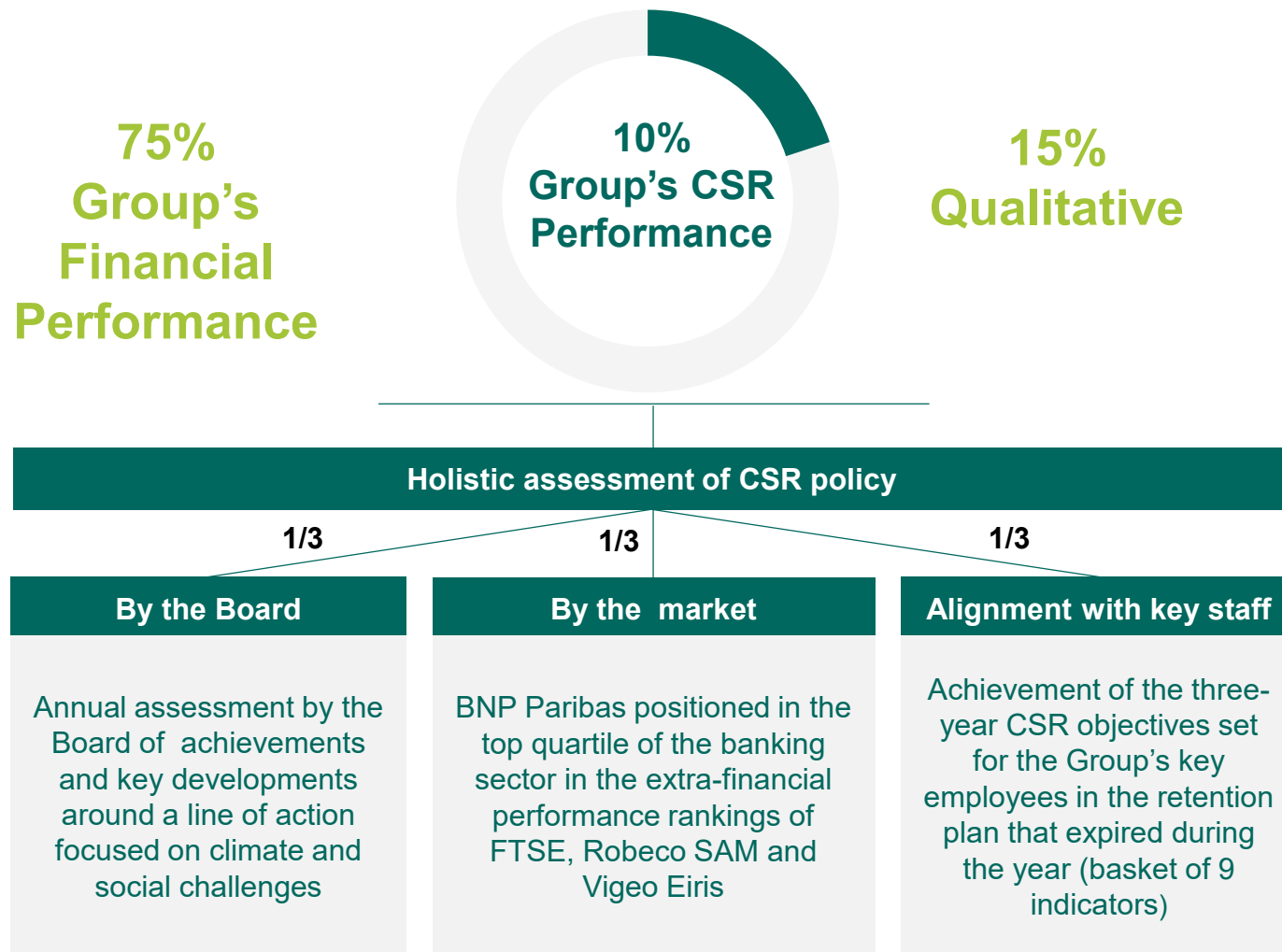


Rules for Determining the Annual Variable Remuneration for 2019 (1/2)

- **The target variable compensation (as a % of fixed remuneration) is set at:**
 - 100% for Jean-Laurent Bonnafé and Philippe Bordenave
 - 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 behaviour**
- **60% of the variable compensation awarded is deferred over 5 years**
- **Half of the non-deferred portion is paid in May 2020, subject to the approval by the AGM**
 - the other half being postponed for 1 year from the date of the award (until March 2021) and indexed to the share price
- **The deferred amounts will be:**
 - Spread in fifths, from 2021 to 2026
 - 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 2019 will be made in March 2026
 - 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 2019 (2/2)



Rules for Determining the Annual Variable Remunerations and Their Assessment for 2019

CRITERIA	% of TVR ⁽¹⁾		EXECUTIVE CORPORATE OFFICERS
	Weight	Result	
Criteria related to the Group's financial performance	37.5%	40.64%	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%	37.53%	% 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>
Criteria related to the Group's CSR performance	10.0%	10.0%	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>
Qualitative criteria	15.0%	15.0%	Implementation of the strategic orientations, including the transformation 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>

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

* Target Variable Remuneration



Qualitative Criteria and Their Assessment for 2019

- **The Board of Directors considers essential to carry out a qualitative evaluation, in particular since the strengthening in 2014 of its duties regarding monitoring and oversight, following the transposition of CRD4**
 - Beyond the strategy of the Bank that it has to approve, the Board must form an opinion on the performances of Corporate Officers in terms of foresight, decision-making, leadership skills and example setting
- **Qualitative criteria considered as implemented**
 - Jean-Laurent Bonnafé: among others
 - the decisive role played in the management of the bank within the frame of the 2017- 2020 strategic plan,
 - his engagement vis-à-vis key customers,
 - the continuing of processes automation and of the digitizing of the customer journeys,
 - his personal commitment on subjects related to the transformation of the Bank's information systems and his involvement in the resolution of IT incidents,
 - his role in the transfer of prime brokerage activities from Deutsche Bank,
 - his commitment to make the bank a recognized leader for its CSR strategy (the bank was named the best bank in the world for its corporate responsibility 2019 (Euromoney awards for excellence));
 - Philippe Bordenave: among others
 - strong business outcomes and robust balance-sheet management within the frame of the 2017-2020 Plan, particularly in its dimensions such as cost containment and deployment of technological innovation,
 - his involvement in the resolution of IT incidents and in the improvement and transformation of the Bank's information systems,
 - his role in concluding the agreement to transfer the prime brokerage activities from Deutsche Bank and in carrying out this transfer,
 - concrete implementation of the Group's CSR policy commitments, and his personal involvement in the reviews carried out by the SSM (Single Supervisory Mechanism, ECB) teams

**Compensation should not entirely be formula based
Qualitative factors are essential to achieve sustainability**



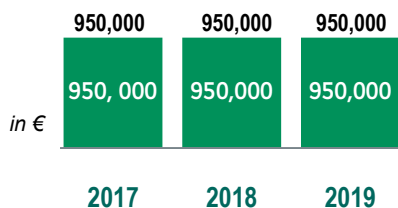
Annual Variable Compensation Awarded in Respect of 2019

	Variable Compensation set by the Board	Reminder of Target Variable Remuneration	« Award / target » ratio	Reminder of Cap to Annual Variable Remuneration
J-L. BONNAFÉ	1,611,515 €	1,562,000 €	103.2%	1,874,400 €
PH. BORDENAVE	1,031,700 €	1,000,000 €	103.2%	1,200,000 €

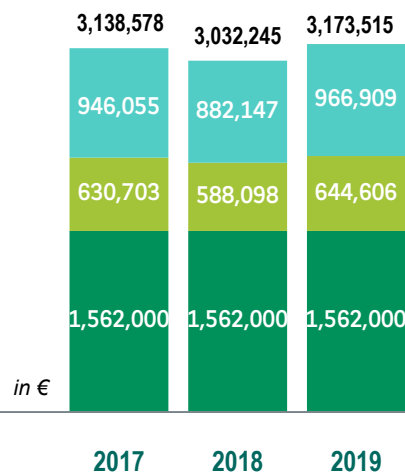


Remuneration* awarded to Corporate Officers

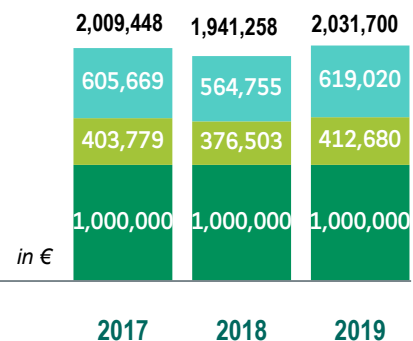
● **Jean Lemierre**
Chairman of the Board



● **J-L Bonnafé**
Director and Chief Executive Officer



● **Ph. Bordenave**
Chief Operating Officer



■ Fixed ■ Annual Variable non deferred** ■ Annual Variable deferred**

2003	2019	GROSS REMUNERATION	2007	2019
100	217	GROUPE NET INCOME	100	104
100	107	TOTAL REMUNERATION	100	75
100	75	VARIABLE REMUNERATION	100	47

* LTIP not included; ** o/w 50% indexed to the evolution of the BNP Paribas share price



Rules of the Conditional Five-Year Long-Term Incentive Plan (LTIP) for Corporate Officers in Respect of FY 2019

- *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 2019, 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 2020, it was thus valued at **39.56%** of the target annual variable compensation granted in respect of 2019
- 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 Awarded in Respect of 2019 to Corporate Officers

	LTIP awarded by the Board	Valuation at Fair Value of the Amount Awarded ⁽¹⁾
J-L. BONNAFÉ	1,562,000 €	617,927 €
PH. BORDENAVE	1,000,000 €	395,600 €

● Performance-linked payment after a five-year period

Determined on the basis of the target annual variable compensation in respect of FY2019

⁽¹⁾ Fair Value of 39.56% of the amount awarded, as calculated by an independent expert

Total Compensation in Respect of 2019 and Comparison With 2018

	2018	FIXED	ANNUAL VARIABLE	LTIP (at fair value ⁽¹⁾)	TOTAL
	2019				
J. LEMIERRE		950,000 €			950,000 €
		950,000 €			950,000 €
J-L. BONNAFÉ		1,562,000 €	1,470,245 €	282,644 €	3,314,889 €
		1,562,000 €	1,611,515 €	617,927 €	3,791,442 €
Ph. BORDENAVE		1,000,000 €	941,258 €	180,950 €	2,122,208 €
		1,000,000 €	1,031,700 €	395,600 €	2,427,300 €

More than 50% of the compensation indexed to the share price

⁽¹⁾ Fair Value of the amount awarded, as calculated by an independent expert: 18.10% for FY2018 and 39.56% for FY 2019

Focus on Compensation Multiples

	2015	2016	2017	2018	2019
Chairman of the Board					
Ratio / average employee compensation	12	12	12	12	12
<i>Evolution N/N-1</i>		0%	0%	0%	0%
Ratio / median employee compensation	18	19	19	19	17
<i>Evolution N/N-1</i>		6%	0%	0%	-11%
Director and Chief Executive Officer					
Ratio / average employee compensation	43	49	44	41	44
<i>Evolution N/N-1</i>		14%	-10%	-7%	7%
Ratio / median employee compensation	66	75	68	62	66
<i>Evolution N/N-1</i>		14%	-9%	-9%	6%
Chief Operating Officer					
Ratio / average employee compensation	27	31	28	26	28
<i>Evolution N/N-1</i>		15%	-10%	-7%	8%
Ratio / median employee compensation	42	48	43	39	42
<i>Evolution N/N-1</i>		14%	-10%	-9%	8%



Total Compensation Paid in 2019 and Comparison With 2018

	2018	2019	FIXED	ANNUAL VARIABLE	LTIP	TOTAL
J. LEMIERRE	950,000 €	950,000 €				950,000 €
	950,000 €	950,000 €				950,000 €
J-L. BONNAFÉ	1,562,000 €	1,562,000 €	1,511,228 €	2,217,600 €	5,290,828 €	
	1,562,000 €	1,184,433 €	0 €	2,746,433 €		
Ph. BORDENAVE	1,000,000 €	1,000,000 €	914,819 €	1,135,200 €	3,050,019 €	
	1,000,000 €	758,670 €	0 €	1,758,670 €		

A decrease of total compensation paid of:

- 48.1% for the CEO
- 42.3% for the COO



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 2019

- **953 M€ were awarded to 1,476 persons on the account of 2019**
 - For 2018, 874 M€ and 1,431 employees
 - For 2017, 915 M€ and 1,422 employees
- **473 M€ have been allocated as fixed compensation**
- **480 M€ have been awarded as variable pay**
 - 40% to 60% deferred**
 - Half in cash and half in cash indexed to the BNP Paribas share price, after a 6 month lockup period**
 - In 8 instalments from 2020 to 2023**
 - Deferred part locked in by thirds over the three years following the year of the award, subject to financial performance and behavioural conditions to be met every year**
 - If these conditions are not achieved for a FY, the corresponding deferred annual fraction is lost (“malus”)
 - In case of an inappropriate behaviour leading to dismissal: malus and possibly clawback

** Material Risk Takers; **Except for Corporate Officers*



Variable Remuneration paid to “Group MRT*” in 2019

- **822 M€ were paid to 1,476 persons****
 - 468 M€ as fixed compensation
 - 354 M€ as variable compensation
 - in connection with variable remuneration awarded for FY2015 to FY2018
- **In 2018, 844 M€ and 1,431 employees****
- **In 2017, 932 M€ and 1,422 employees****

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



Variable Remuneration of Executive Corporate Officers and of “Group MRT*”: Impact of the Health Crisis (1/2)

- **Specific assessment by the Compensation Committee and the Board of Directors**
- **The « Material Risk Takers » (MRT)**
 - **Remuneration awarded in 2020 on the account of FY2019**; according to the applicable rules:
 - Non-deferred part
 - ✓ March 2020 : ≈1/4 only of the total variable remuneration awarded has already been paid
 - ✓ September 2020 : payment for 2019 and prior years
 - *due to the drop in the share price, decrease of approximately 25% compared to the amount allocated***
 - Deferred part: over 3 ans, o/w half indexed to the share price
 - **Remuneration to be awarded on the account of FY2020**
 - Will reflect the results of the year, according to the mechanisms described each year in the "Report on Remuneration of MRT*" on the BNPP website

* Material Risk Takers ; ** Based on the share price as at 31 March 2020 (27.5€)

Variable Remuneration of Executive Corporate Officers and of “Group MRT*”: Impact of the Health Crisis (2/2)

Executive Corporate Officers

- **Remuneration awarded for 2019**
 - Large deferred portion (≈ 80%)
 - Indexing « by design » to the share price for 75% of the total variable remuneration
 - ✓ *25% decrease in fair value of amounts allocated***
- **Remuneration to be awarded on the account of FY2020**
 - Assessed for 3/4 by criteria linked to the Group’s financial results

- The Board of Directors strictly applies the recommendations of the EBA which provide that variable compensation has to be impacted in the event of a crisis
- The Board as well as the Compensation Committee have reviewed the impact of the health crisis, and concluded that the desirable moderation had been applied

* Material Risk Takers ; **The share price has decreased from 46.7€ to 27,5€ between February 4 and March 31, 2020



BNP PARIBAS

The BNP Paribas Fundamentals
Corporate Governance within BNP Paribas
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
- Philippe Bordenave should benefit upon his retirement and depending on his 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 Clause 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 updated on June 2018, 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**
- **Philippe Bordenave, Corporate Officer since 1 December 2011, received no allocation since then**
- **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^(*) = 30,826
 - 80,000 shares for Jean-Laurent Bonnafé: holding^(*) = 94,153⁽¹⁾
 - 30,000 shares for Philippe Bordenave: holding^(*) = 76,574

() At 31/12/2019; (1) Including 25,228 BNP Paribas shares held under the Company Savings Plan*



BNP PARIBAS CORPORATE GOVERNANCE

Patrice MENARD

Advisor to the Group Chief Operating Officer
Head of Key Shareholders Relations

JUNE 2020



BNP PARIBAS

The bank for a changing world