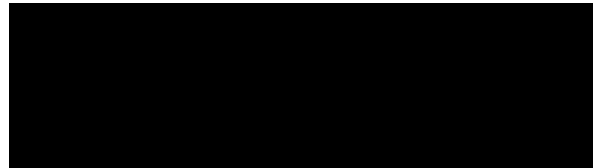


Compensation Trends and Financial Performance

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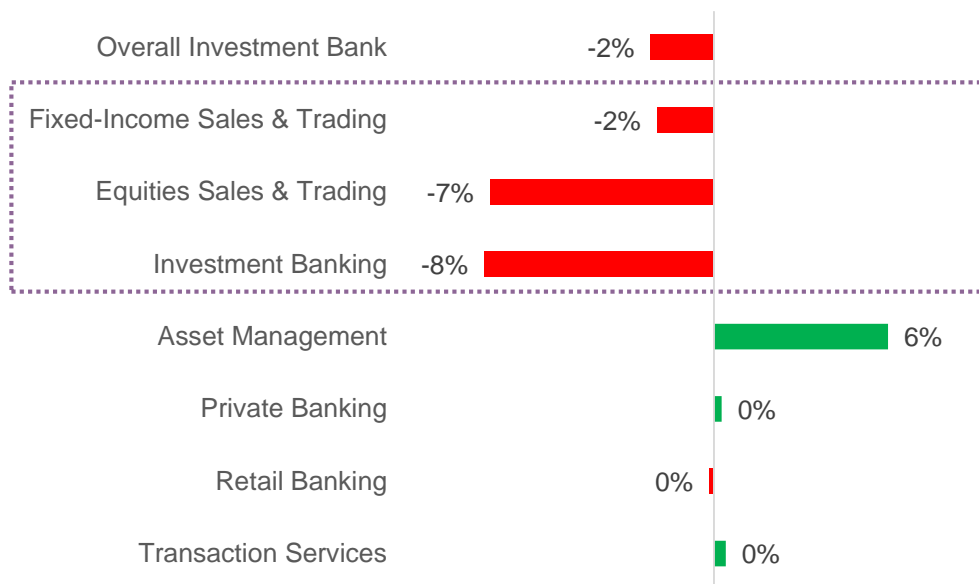


Financial Performance - European Banks Full Year 2019 Results

By Business Segment

- 2019 overall investment bank segment performance decreased against 2018
 - Fixed-Income Sales & Trading ended slightly down for the year due to improved Q4 performance
 - Equities Sales & Trading revenues remained weak against a very strong 2018
 - Investment Banking revenues decreased due to weakness in Fixed-Income and Equity Underwriting, while Advisory was near flat
- Flat performance outside of the investment bank, with the exception of Asset Management
 - Asset Management performance positive due to strong asset performance but continued pressure on fees
 - Retail and Private Banking businesses continue to face revenue headwind due to low interest rate environment in Europe
 - Transaction Services flat after strong performance in 2018

FY 2019 vs. FY 2018 Median Revenue Trend by Business Segment



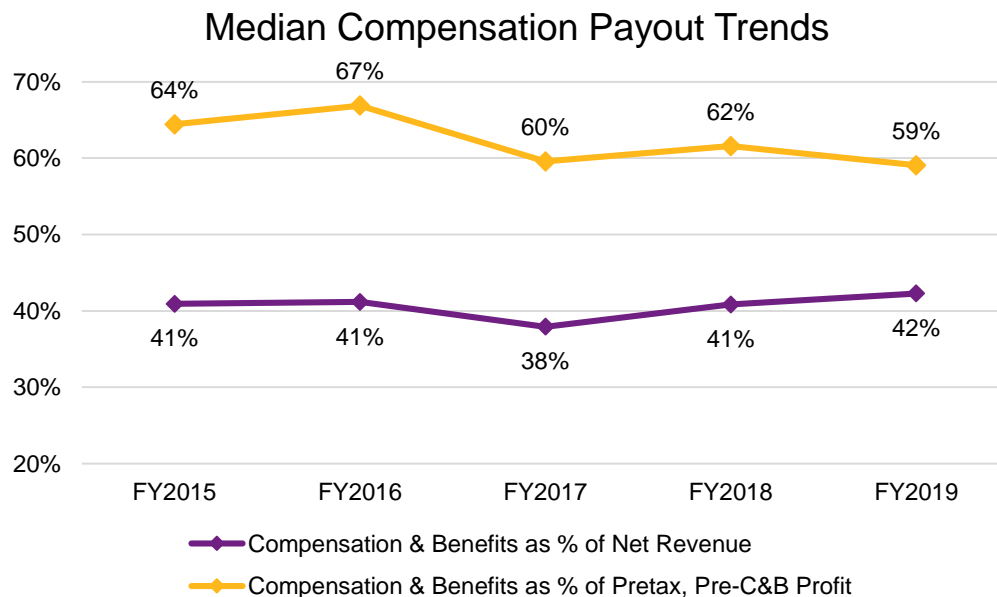
Peer Group Includes: Barclays, BBVA, BNP Paribas, Commerzbank, Credit Agricole, Credit Suisse, Deutsche Bank, HSBC, ING, Lloyds, Natixis, RBS, Santander, Société Générale, Standard Chartered, UBS

Data based on WTW analysis of publicly available results

Financial Performance - European Banks Full Year 2019 Results





Compensation Payout Ratios

- Median compensation payout ratios in relation to Net Revenue has remained broadly flat in recent years
 - However, there was a variation in payout ratios among individual firms, with the % payout as a % of pre-tax, pre-C&B profit increasing at 9 firms vs 2018



Early Perspectives on 2019 Year-End Pay Trends

- Below represents our expectations on changes in total compensation for performance year 2019, based on second-half expectations and conversations with firms.

Segment/Division	Median Total Compensation Trend	Comments
Investment Bank		<ul style="list-style-type: none"> Wide range of performance between American and European firms; Focus on realizing operational leverage
<ul style="list-style-type: none"> Fixed-Income S&T 		<ul style="list-style-type: none"> Performance improved in Q4 resulting in slightly negative total revenue trend Trend influenced by portfolio with declines in macro products and mixed performance across spread products
<ul style="list-style-type: none"> Equities S&T 		<ul style="list-style-type: none"> Off a very strong 2018, pay levels likely to revert back to 2017 levels Decline in Derivatives and Prime revenues combined with repricing of Cash Equities (technological progress)
<ul style="list-style-type: none"> Investment Banking 		<ul style="list-style-type: none"> Firm headquarters location and geographic region impacting performance Advisory performance wide ranging (flat at median), while Underwriting significantly negative at almost all firms (down 10%)

Key
(Approximate
TC Trends):



> -5%



-3 - 5%



-2% to +2%



+3 - +5%







> +5%

Trends presented on a Global basis

Business Segment Trends exclude Group Centre/Corporate Staff from overall trend

Early Perspectives on 2019 Year-End Pay Trends

- Below represents our expectations on changes in total compensation for performance year 2019, based on second-half expectations and conversations with firms.

Segment/Division	Median Total Compensation Trend	Comments
Asset Management		<ul style="list-style-type: none"> Continued flows into passive products in developed markets Global markets performed well in 2019, however significant variation in incentive funding based on product mix expected
Private Banking		<ul style="list-style-type: none"> Overall market has slowed coming off a strong 2018 in UK and US Fee-based revenue expected to continue to weaken as an increase in market volatility has driven investors to increase their cash positions Compensation trend for Relationship Managers expected to be flat, while Investment Experts expected to be down
Retail Banking		<ul style="list-style-type: none"> Bifurcated trend between non-Europe and Europe-HQ banks driven by negative interest rate environment in Europe Business Banking continues to perform
Corporate Functions		<ul style="list-style-type: none"> Trend in Corporate functions heavily influenced by pay mix; incentives flat, combined with prior salary increases, generates a positive trend Focus expected on hot areas within Technology (cybersecurity, cloud computing, machine learning and data mining), Audit, HR and Risk

*Trends presented on a Global basis
Business Segment Trends exclude Group Centre/Corporate Staff from overall trend*