

**BNP PARIBAS**

The bank for a changing world

165(d) RESOLUTION PLAN

JULY 1, 2013

## PUBLIC SECTION

This document contains forward-looking statements. BNPP may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in press releases and in other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about BNPP's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and BNPP undertakes no obligation to update publicly any of them in light of new information or future events.



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### Introduction

BNP Paribas ("BNPP (SA)," and together with its subsidiaries and affiliates, "BNPP") is a foreign bank holding company with operations in the United States ("US") and more than \$50 billion in total consolidated assets. Therefore, BNPP is deemed to be a "covered company" in accordance with the rule requiring the preparation and submission of a resolution plan for systemically important financial institutions ("165(d) Rule"). The 165(d) Rule was issued by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Corporation ("FDIC") to implement Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").

As required by regulation, BNPP's US Resolution Plan ("RP") is provided in two parts:

1. BNPP's 165(d) Resolution Plan ("165(d) RP") has been developed in accordance with the requirements of Section 165(d) of the Dodd-Frank Act. The Public Section of the 165(d) RP is provided in Section I.A; and
2. BNPP's subsidiary, Bank of the West ("BOW"), is an insured depository institution ("IDI") regulated by the FDIC. BOW has developed an IDI Resolution Plan ("IDI RP") in accordance with the FDIC's rule requiring the preparation and submission of a resolution plan for IDIs ("IDI Rule" and, together with the 165(d) Rule, the "Rules"). An IDI RP is required for IDIs with \$50 billion or more in total assets. The Public Section of the IDI RP is provided in Section I.B.

The FDIC and the FRB have each, by rule and through the supervisory process, prescribed the assumptions, required approach, and scope for these resolution plans, and have required that certain information be included in a Public Section of the resolution plans. BNPP (SA), on behalf of itself and its subsidiaries, submits this Public Section in compliance with those Rules and related guidance. The 165(d) and the IDI RP together comprise a plan by which BNPP believes it would achieve a rapid and orderly resolution of its US operations in a manner that would avoid serious adverse effects on financial stability in the US. In addition, the IDI RP would enable the FDIC, as receiver, to resolve BOW in a manner that ensures that depositors receive access to their insured deposits within one business day of BOW's failure, maximizes the net present value return from the sale or disposition of its assets, and minimizes the amount of any loss realized by BOW's creditors in the bank.

### Overview of BNP Paribas

BNPP is one of the world's largest global banking organizations, is headquartered in Paris, and has significant global activity managed from London. BNPP has three primary operating divisions: Retail Banking, Corporate & Investment Banking ("CIB"), and Investment Solutions ("IS").

### *Retail Banking*

Within Retail Banking, BNPP has four domestic markets: France, Italy, Belgium, and Luxembourg. Additionally, BNPP has significant retail operations in the US and Turkey, and also in Poland and Ukraine. In addition to traditional retail banking products, Retail Banking also includes: Arval (vehicle fleet contract hire), BNPP Leasing Solutions (leasing solutions ranging from equipment leasing to long-term rental and asset management contracts), BNPP Personal Investors (online savings and brokerage), and Personal Finance (consumer loans). Additional activities include Wealth Management, Cash Management and factoring. BNPP's International Retail Banking presence consists essentially of the Europe-Mediterranean region and BancWest Corporation ("BancWest," the bank holding company of BOW and First Hawaiian Bank ("FHB"), BNPP's US IDIs).



### *Corporate and Investment Banking*

CIB conducts investment banking operations globally, including in Paris, London, Brussels, New York, Hong Kong, Tokyo, and Singapore. CIB provides clients with corporate banking, advisory, and capital markets services through the Corporate Banking, Corporate Finance, Global Equities and Commodity Derivatives ("GECD"), and Fixed Income ("FI") divisions.

Corporate Banking comprises financing services for corporate clients, from transaction banking to specialized financing solutions, including traditional lending arrangements, structured financing, cash management, and international trade finance. In addition, Corporate Banking activities have recently been expanded with a line of products dedicated to the gathering of corporate deposits.

Corporate Finance offers advisory services for mergers and acquisitions ("M&A") and primary equity capital market transactions. BNPP's M&A teams advise both buyers and targets and also offer advice on a range of activities, including other strategic financial issues and privatizations. Primary capital markets services include initial public offerings, equity issues, secondary issue placements, and convertible/exchangeable bond issues.

The GECD business offers equity, commodity, index, and fund derivatives, as well as financing solutions and an integrated equity brokerage platform.

FI provides credit, currency, and interest rate products and offers a range of services extending from origination to sales and trading, including structuring, syndication, research, and electronic platforms. BNPP's global FI network has built a large and diversified institutional client base of asset managers, insurance companies, banks, corporates, governments, and supranational organizations.

### *Investment Solutions*

IS offers a range of high value-added products and services around the world, designed to meet the requirements of individual, corporate, and institutional investors. IS is comprised of the following five primary groups, some of which only conduct activities outside the US:

- BNPP Cardif provides savings solutions and creditor insurance to individuals and families, and to their property;
- BNPP Securities Services serves a clientele of asset managers, financial institutions, and corporations;
- BNPP Wealth Management serves a clientele of affluent or wealthy individuals, shareholder families, and entrepreneurs;
- BNPP Investment Partners provides clients with asset management expertise; and
- BNPP Real Estate covers every stage of the property cycle.

### Overview of BNPP's US Presence

BNPP's US operations other than retail banking are headquartered in New York, with locations across the US, including Chicago; Houston; Miami; Boston; Jersey City and Iselin, New Jersey; McLean, Virginia; Reading and King of Prussia, Pennsylvania; and San Francisco and Los Angeles, California. BNPP (SA)'s subsidiary, BancWest, owns two IDIs—BOW and FHB—and other miscellaneous subsidiaries and serves individuals and mid-market corporates in the western US and Hawaii. BNPP employs (including through BancWest, its subsidiaries and other BNPP subsidiaries) approximately 15,000 people within the US.

**Section A: 165(d) Resolution Plan**

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**I.A.1. Overview of Resolution Plan**

BNPP (SA) is a *société anonyme* incorporated in France and is a bank holding company under the US Bank Holding Company Act of 1956, as amended. In addition, BNPP (SA) directly engages in US banking activities through its US branches, agencies, and representative offices. BNPP (SA) also engages in a range of financial activities through various US non-bank subsidiaries. In April 2001, BNPP (SA) became a financial holding company in accordance with the Gramm-Leach-Bliley Act. In December 2012, BNPP (SA) registered with the Commodity Futures Trading Commission ("CFTC") as a swap dealer under the Commodity Exchange Act.

BNPP's 165(d) RP provides the FRB and the FDIC with a plan for the rapid and orderly resolution of BNPP's US operations in the event of material financial distress or failure of its four material entities in the US, as they are defined and identified below in Section I.A.2 ("MEs"). The 165(d) RP provides information required in the 165(d) Rule with respect to BNPP's US operations, including its subsidiaries and banking branches, and its critical operations ("COs") and core business lines ("CBLs") that are conducted in whole or material part in the US. These operations are conducted through its three operating divisions, CIB, IS, and Retail Banking, noted above.

In addition, the IDI RP provides the FDIC with a plan that would enable the FDIC, as receiver, to resolve BOW in a manner that ensures that depositors receive access to their insured deposits within one business day of the bank's failure, maximizes the net present value return from the sale or disposition of its assets, and minimizes the amount of any loss realized by the creditors in the bank.

The 165(d) RP is filed with the FRB and the FDIC. BOW's IDI RP is separately filed with the FDIC and is also included as part of the 165(d) RP filing.

The RP is intended to serve also as the US Operations Chapter of BNPP's Recovery and Resolution Plan (the "Group RRP"), and will therefore also be filed, subject to appropriate regulatory approval, with the *Autorité de Contrôle Prudentiel* ("ACP") as part of the Group RRP. Since 2011, BNPP has been subject to requirements by the ACP in France and guidelines of the G-20's Financial Stability Board to annually submit a Group Recovery and Resolution Plan.

BNPP is working in consultation with its regulators to address any specific requirements in the different jurisdictions and satisfy their key goals for planning a rapid and orderly resolution.

The RP was prepared as part of a global effort to address resolution planning in multiple jurisdictions through a consistent approach while being responsive to each individual jurisdiction's resolution planning requirements. The requirements of national regulators relating to recovery and resolution planning often differ from those under the Rules. In particular, the RP is focused on planning for the resolution of BNPP's US operations. Existing plans and plans being formulated in other jurisdictions also contain strategies for the recovery or resolution of BNPP according to the rules and laws in those specific jurisdictions. Accordingly, the definitions used for, and approach taken in, the RP may differ from those used in similar plans filed by BNPP with non-US regulators. Further, the CBLs identified in the RP are for consideration only with respect to the RP and may not necessarily be considered CBLs in other jurisdictions.

**I.A.2. Material Entities**Definition

The 165(d) Rule defines *Material Entity* as "a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line."



### Identification of Material Entities

BNPP has identified four MEs:

➤ **BNP Paribas Securities Corp.**

BNP Paribas Securities Corp. ("Sec Corp") is a registered broker-dealer with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act and is a registered futures commission merchant ("FCM") with the CFTC under the Commodity Exchange Act. The firm is a wholly owned subsidiary of BNP Paribas North America, Inc. ("BNPP NA") and an indirect subsidiary of BNPP (SA).

➤ **BNP Paribas New York Branch**

The BNP Paribas New York branch ("BNPP NY Branch") is a legal and operational extension of BNPP (SA), and thus, is not a separate legal entity. BNPP (SA) currently operates two state-licensed branch offices in New York City that are consolidated for reporting purposes. The BNPP NY Branch primarily conducts banking activities for the Corporate Banking operating division, offering short-, medium- and long-term financing solutions to satisfy corporate and institutional clients' needs for structured products.

➤ **Bank of the West**

BOW is a regional retail bank headquartered in San Francisco, California. BOW conducts operations in 19 Western states and has representative offices in New York, Chicago, Tokyo, and Taipei. BOW offers a range of retail banking products and services to individuals, small to mid-size businesses, and large corporate clients. BOW is a wholly owned subsidiary of BancWest, which in turn is a direct subsidiary of BNPP (SA).

➤ **BNP Paribas RCC, Inc.**

BNP Paribas RCC, Inc. ("BNPP RCC") is a wholly-owned subsidiary of BNPP NA, and an indirect wholly owned subsidiary of BNPP (SA). This shared services entity conducts back office operations, IT, and other operational support for BNPP's US operations (excluding retail banking).

### **I.A.3. Description of Core Business Lines**

#### Definition

The 165(d) Rule defines *Core Business Lines* as "those business lines of the covered company, including associated operations, services, functions and support that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value."

#### Identification of Core Business Lines

BNPP has identified US Retail Banking and US Government Securities Trading ("GST") as CBLs based on the criteria of the 165(d) Rule:

➤ **US Retail Banking**

BNPP conducts its US Retail Banking business through BOW and FHB. BOW and FHB offer a range of retail banking products and services to individuals, small to mid-size businesses, and large corporate clients.

➤ **US Government Securities Trading**

GST, conducted by Sec Corp, provides BNPP with strategic access to US origination and distribution of US Treasury and Government Sponsored Entity ("GSE")-backed securities. GST is comprised of Sec Corp's Primary Dealer, GSE, and repo activities.



### I.A.4. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources

The following summary financial information for BNPP was prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union, as of and for the year ended December 31, 2012. This information is taken from the audited consolidated financial statements included in BNPP's Annual Registration Document, the French-language version of which was filed with the *Autorité des marchés financiers* on March 8, 2013.

#### I.A.4.a. Balance Sheet

The following table sets forth the consolidated balance sheet of BNPP, as of December 31, 2012.

*Note these tables were prepared in accordance with IFRS, rather than US Generally Accepted Accounting Principles.*

Balance Sheet	(in EUR millions)
<b>Assets</b>	
Cash and amounts due from central banks	103,190
Financial instruments at fair value through profit or loss	
Trading securities	143,465
Loans and repurchase agreements	146,899
Instruments designated at fair value through profit or loss	62,800
Derivative financial instruments	410,635
Derivatives used for hedging purposes	14,267
Available-for-sale financial assets	192,506
Loans and receivables due from credit institutions	40,406
Loans and receivables due from customers	630,520
Remeasurement adjustment on interest-rate risk hedged portfolios	5,836
Held-to-maturity financial assets	10,284
Current and deferred tax assets	8,661
Accrued income and other assets	99,359
Investments in associates	7,040
Investment property	927
Property, plant, and equipment	17,319
Intangible assets	2,585
Goodwill	10,591
<b>Total Assets</b>	<b>1,907,290</b>
<b>Liabilities and Equity</b>	
<b>Liabilities</b>	
Due to central banks	1,532
Financial instruments at fair value through profit or loss	
Trading securities	52,432
Borrowings and repurchase agreements	203,063
Instruments designated at fair value through profit or loss	43,530
Derivative financial instruments	404,598
Derivatives used for hedging purposes	17,286





Balance Sheet	(in EUR millions)
Due to credit institutions	111,735
Due to customers	539,513
Debt securities	173,198
Remeasurement adjustment on interest-rate risk hedged portfolios	2,067
Current and deferred tax liabilities	3,046
Accrued expenses and other liabilities	86,691
Technical reserves of insurance companies	147,992
Provisions for contingencies and charges	10,962
Subordinated debt	15,223
<b>Total Liabilities</b>	<b>1,812,868</b>
<b>Consolidated Equity</b>	
Share capital, additional paid-in capital, and retained earnings	76,102
Net income for the period attributable to shareholders	6,553
<b>Total Capital, Retained Earnings and Net Income for the Period Attributable to Shareholders</b>	<b>82,655</b>
Change in assets and liabilities recognized directly in equity	3,231
<b>Shareholders' Equity</b>	<b>85,886</b>
Retained earnings and net income for the period attributable to minority interests	8,124
Changes in assets and liabilities recognized directly in equity	412
Total minority interests	8,536
<b>Total Consolidated Equity</b>	<b>94,422</b>
<b>Total Liabilities and Equity</b>	<b>1,907,290</b>

Source: BNPP Annual Registration Document

#### I.A.4.b. Major Funding Sources

At year-end 2012, equity, customer deposits, and medium- and long-term resources represented a surplus of EUR 69 billion compared to the funding needs of client activity and tangible and intangible assets. Stable resources amount to 110% of the funding needs of customer activity, including tangible and intangible assets. BNPP's liquid and asset reserves immediately available totaled EUR 221 billion, which equates to 119% of short-term cash needs.

BNPP's 2013 medium- and long-term funding program amounts to EUR 30 billion; as of the end of May 2013, EUR 23 billion had already been raised since the beginning of 2013. Medium- to long-term funding sources depend on conditions in the debt markets (trends in spreads required by the market) and are diversified by type of investor, geographical area, and currency. Funding sources are diversified through the various distribution networks, entities, currencies, and collateralized or non-collateralized financing programs.

BNPP's Central Asset Liability Management Treasury is responsible for managing liquidity reserves, which comprise assets that can be easily liquidated in the event of a liquidity event. The liquidity reserve comprises deposits with central banks, available securities and loans eligible for central bank refinancing, and available securities that can be financed through repurchase agreements or immediately sold on the market.



Liquidity stress tests are performed regularly on short maturities, based on market factors and/or factors specific to BNPP. The availability of sufficient liquidity reserves to cope with an unexpected surge in liquidity needs is regularly measured at the group and entity levels.

#### **I.A.4.c. Capital**

Under the European Union regulation transposed into French law by Regulation 91-05, BNPP's capital adequacy ratio must be at least 8% at all times, including a Tier 1 ratio of at least 4%. Under US capital adequacy regulations, as a financial holding company BNPP is required to have a Total Capital ratio of at least 10% and a Tier 1 ratio of at least 6%.

BNPP's ratios of capital to risk-weighted assets, as of December 31, 2012, were 15.6% for Total Capital and 13.6% for Tier 1. BNPP's solvency ratio was 9.9% (pro forma fully loaded CRD 4 Common Equity Tier 1 ratio).

These capital and solvency ratios were achieved through completion of the asset reduction plan announced in fall of 2011 combined with strong earnings retention.

#### **I.A.5. Derivative and Hedging Activities**

BNPP is a global player in the derivatives markets. BNPP offers foreign exchange, credit, interest rates, equity, commodity index, and fund derivatives to a base of individual, corporate, and institutional clients.

BNPP actively trades in derivatives, for market-making, positioning, and arbitrage purposes. BNPP contracts various types of derivatives, including swaps, forwards, futures, and options, as well as certain derivatives that can be embedded in structured instruments. These derivatives can be standard contracts transacted through regulated exchanges or privately negotiated (over-the-counter derivatives).<sup>1</sup>

Derivatives are traded in various portfolios, which can include instruments in addition to derivatives. Risks (e.g., market risk or credit risk) are managed at the portfolio or aggregated portfolio level.

The majority of derivative financial instruments held for trading are related to transactions initiated for market-making and arbitraging purposes. Transactions include trades in "ordinary" instruments such as credit default swaps and structured transactions with complex risk profiles tailored to meet the needs of BNPP's customers. The net position is subject to limits in all cases. Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which BNPP has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS. This applies in particular to credit derivative transactions, which are primarily contracted to protect BNPP's loan book.

Hedging relationships initiated by BNPP mainly consist of interest rate or currency hedges using derivative financial instruments (e.g., swaps, options, and forwards). Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument, identifies the nature of the hedged risk, and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge. Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (e.g., securities, debt issues, loans and borrowings) and for portfolios

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<sup>1</sup> During 2012 and 2013, BNPP implemented applicable provisions of Title VII of the Dodd-Frank Act, including those regarding clearing of derivatives transactions.



of financial instruments (in particular, demand deposits and fixed rate loans). Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on expected foreign currency revenues.

Forward financial instruments are purchased on various markets for use as specific or general hedges of assets and liabilities, or for transaction purposes. BNPP's commitments related to these instruments are recognized off-balance sheet at nominal value. The accounting treatment of these instruments depends on the corresponding investment strategy.

Derivatives embedded in hybrid financial instruments are separated from the value of the host contract and accounted for separately as a derivative, if the hybrid instrument is not recorded as a financial asset or liability at fair value through profit or loss and if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

### I.A.6. Memberships in Material Payment, Clearing, and Settlement Systems

BNPP uses a wide array of memberships in Financial Market Utilities ("FMUs"), including payment systems, clearinghouses, securities depositories, and central counterparties. The next table enumerates material FMU memberships used by Sec Corp, the BNPP NY Branch, BNPP RCC, and BOW:

FMU	Functionality	BNPP member
ACH	Payments	BNPP NY Branch, BOW
ACI Money Transfer System	Payments	BOW
Chicago Mercantile Exchange	Settlement and Clearing	Sec Corp
CHIPS	Payments	BNPP NY Branch
Depository Trust and Clearing Corporation	Settlement and Clearing	Sec Corp, BNPP NY Branch
FedWire	Payments	BNPP NY Branch, BOW
Government Securities Clearing Corporation	Settlement and Clearing	Sec Corp
ICE Clear Credit	Settlement and Clearing	Sec Corp
Fixed Income Clearing Corporation / FICC Portfolio Clearing	Settlement and Clearing	Sec Corp
LCH.Clearnet	Settlement and Clearing	Sec Corp
Mortgage Backed Securities Clearing Corporation	Settlement and Clearing	Sec Corp



FMU	Functionality	BNPP member
National Securities Clearing Corporation	Settlement and Clearing	Sec Corp
New York Portfolio Clearing	Settlement and Clearing	Sec Corp
Options Clearing Corporation	Settlement and Clearing	Sec Corp
SWIFT Alliance	Payments	Sec Corp, BNPP NY Branch, BOW

### I.A.7. Description of Foreign Operations

BNPP is a leading European provider of financial services on a worldwide scale. BNPP employs nearly 190,000 people and operates in 78 countries. Business activities are organized principally by the operating divisions of Retail Banking, CIB, and IS, and secondarily by region. Globally, Retail Banking is the largest operating division in terms of assets and revenues. Control functions are organized at group and regional levels.

The regions include Europe, North America, South America, Asia-Pacific, Africa, and the Middle East. European operations had 145,300 employees as of December 31, 2012. In Europe, BNPP has four primary domestic markets: Belgium, France, Italy, and Luxembourg. CIB has a large presence in Europe, the Americas, and Asia-Pacific.

The following table enumerates BNPP's consolidated revenues by geographic area for the year 2012. The geographic split of segment results is based on the region in which they are recognized for accounting purposes and does not necessarily reflect the counterparty's nationality or the location of operations.

Revenues by Geographic Area	(in EUR millions)
Domestic Markets	22,998
France	12,593
Belgium	4,586
Italy	4,687
Luxembourg	1,132
Other European countries	7,305
Africa and Mediterranean	1,659
Americas	5,043
Asia and Pacific	2,067
<b>TOTAL</b>	<b>39,072</b>

*Source: BNPP Annual Registration Document***I.A.8. Material Supervisory Authorities**

As BNPP (SA) is a bank holding company, the FRB has general regulatory oversight over BNPP (SA) and all the BNPP US entities, including over BNPP RCC. The following table identifies the primary supervisory authorities with specific regulatory oversight over BNPP (SA) and the MEs:

BNPP Entity	Primary Supervisory Agency
BNPP (SA)	ACP
BNPP NY Branch	New York State Department of Financial Services ("NYSDFS")
Sec Corp	SEC
	CFTC
BOW	FDIC
	California Department of Financial Institutions
BNPP RCC	None

**I.A.9. Principal Officers**

The table below identifies the members of the BNPP (SA) Board of Directors, as of June 30, 2013:

BNPP (SA) Board of Directors	
Name	Role / Title
Baudouin Prot	Chairman of the BNP Paribas Board of Directors
Michel Pebereau	Honorary Chairman of BNP Paribas
Jean-Laurent Bonnafé	Chief Executive Officer and Director of BNP Paribas
Pierre André de Chalendar	Non-Executive Director
Denis Kessler	Non-Executive Director
Christophe de Margerie	Non-Executive Director
Jean-François Lepetit	Non-Executive Director
Thierry Mouchard	Non-Executive Director (elected by BNPP (SA) employees)
Laurence Parisot	Non-Executive Director
Nicole Misson	Non-Executive Director (elected by BNPP (SA) executives)
Hélène Ploix	Non-Executive Director
Marion Guillou	Non-Executive Director
Michel Tilmant	Non-Executive Director
Emiel Van Broekhoven	Non-Executive Director
Daniela Weber-Rey	Non-Executive Director
Fields Wicker-Miurin	Non-Executive Director
Philippe Bordenave	Chief Operating Officer and Director
Georges Chodron de Courcel	Chief Operating Officer and Director
François Villeroy de Galhau	Chief Operating Officer and Director



The table below identifies the members of the BNPP (SA) Executive Committee, as of June 30, 2013:

BNPP Executive Committee	
Name	Role / Title
Jean-Laurent Bonnafé	Chief Executive Officer and Director
Francois Villeroy de Galhau	Chief Operating Officer
Georges Chodron de Courcel	Chief Operating Officer
Philippe Bordenave	Chief Operating Officer
Alain Papiasse	Deputy Chief Operating Officer and Head of CIB
Jacques d'Estais	Deputy Chief Operating Officer and Head of IS, Personal Finance, International Retail Banking
Jean Clamon	Managing Director and Head of Compliance and Internal Control
Marie-Claire Capobianco	Head of French Retail Banking
Stefaan Decraene	Head of International Retail Banking
Fabio Gallia	Head of Italy and Chief Executive Officer and Director of BNL
Yann Gerardin	Head of GECD
Maxime Jadot	Head of BNP Paribas Fortis
Frederic Janbon	Head of FI
Michel Konczaty	Head of Group Risk Management
Thierry Laborde	Head of BNPP Personal Finance
Yves Martrenchar	Head of Group Human Resources
Eric Lombard	Head of BNPP Cardif
Eric Raynaud	Head of Asia-Pacific Region



### **I.A.10. Resolution Planning Corporate Governance Structure and Related Processes**

BNPP's US operations have leveraged the existing governance framework of BNPP's Group RRP. The BNPP (SA) Board of Directors is the ultimate owner of the Group RRP, including the RP. The BNPP (SA) Board of Directors is responsible for overseeing the implementation of the Group RRP, which includes the documentation of supporting processes, methods, and roles.

The US RP Steering Committee is responsible for overseeing the development, resourcing, maintenance, and filing of the 165(d) RP. The US RP Steering Committee approves the scope, resolution assumptions and other methodology decisions, and monitors project status. The US RP Steering Committee focuses primarily on the 165(d) RP, and includes a BOW representative.

The US RP Steering Committee is chaired by the Chief Operating Officer of the North America Region (CIB/IS). Members belong to a number of functions (such as Legal, Finance, and Operations) and businesses in order to provide coordination and consistency, and additional members were added in response to project requirements.

To ensure completeness of the content and alignment to the guidance provided by the regulators, the US RP Steering Committee retained external legal counsel and specialty resolution consultants to review and provide technical analysis.

The RP teams for BNPP's US operations received oversight and guidance from the BNPP RRP team on matters relating to the structure, content, and process. The BNPP RRP team also is BNPP's main liaison to BNPP's Crisis Management Group, which, under the leadership of the ACP, includes representatives from the FRB, the FDIC, the NYSDFS, and the California Department of Financial Institutions.

The BNPP (SA) Board of Directors delegated authority to the BNPP (SA) CEO to approve the RP before the US filing deadline.

Prior to being approved by the BNPP (SA) CEO, the 165(d) RP was approved by:

- USA Risk Oversight Committee;
- the CEO of the North America Region (CIB/IS) under delegated authority from the Paribas North America, Inc. Board of Directors;
- US RP Steering Committee; and
- relevant accountable executives within each of the business units and central functions.

In addition, the IDI RP was approved by the BOW Board of Directors and the BOW Executive Management Committee.

### **I.A.11. Description of Material Management Information Systems**

#### **I.A.11.a. Definition**

Management information systems ("MIS") at BNPP are software applications that aggregate, or break-out, financial and transaction data. Front office applications feed systems for operations, regulatory compliance programs, and independent risk management. The operational systems in turn feed the accounting applications. For purposes of this 165(d) RP, MIS excludes hardware, software platforms, and FMUs (the latter are described in Section I.A.6).





### **I.A.11.b. Capabilities**

BNPP's MIS capabilities enable users to aggregate data locally or globally at the level of product or operational process, business line or function, or legal entity. Automated processing is prevalent, as encouraged by the Federal Reserve Banks. MIS development is performed by a mix of in-house developers, vendors, and in-house partnerships with vendors.

MIS is used for credit and market risk management, banking and trading transaction recordkeeping, business-level and legal entity financial reporting, regulatory reporting (including trade reporting), middle office processing, clearing and settlement, collateral management, client and referential data, treasury and liquidity analysis, compliance monitoring, and legal document maintenance.

Internal users belong to BNPP's local and global business units and functions. External users are clients and regulators.

### **I.A.11.c. Governance**

**Policies** – Global and local Information Technology & Operations divisions support MIS, except in the Group Risk Management division, which supports the MIS applications that Group Risk Management uses. Global and local policies ensure infrastructure is protected against unauthorized internal access or external attack. Capacity is planned and monitored to handle changes in data volume.

**Business Continuity Management** – BNPP's US operations maintain a Business Continuity Management program for critical IT and other processes of business lines and functions. A database contains written plans for each division, and these plans are tested at least semi-annually. Disaster Recovery involves back-up and testing for data recovery. Local off-site capabilities are maintained continuously for critical IT and operational processes. Similar global and regional programs cover non-US applications and processes upon which there is US reliance.

Separate databases contain Recovery Time Objectives and other security ratings for applications.

## **I.A.12. High-level Description of Resolution Strategy**

Consistent with the requirements provided in the 165(d) Rule, BNPP has prepared a strategic analysis consisting of resolution strategies for its MEs, CBL, and COs in the event of the failure of BNPP (SA) and its MEs.

The strategic analysis has been developed under the assumptions required by the US regulators and assumes that BNPP (SA), Sec Corp, the BNPP NY Branch, and BNPP RCC experience a 30-day period of financial distress prior to the point of entering resolution. The strategic analysis associated with BNPP's US non-retail banking operations focuses on an orderly wind-down that minimizes any market disruptions. This strategy also addresses how the US operations of BNPP may undergo an orderly resolution without recourse to any assistance from US taxpayers. In addition, BNPP has prepared an alternative strategy, under assumptions that consider the resolution planning developments currently ongoing in BNPP's home jurisdiction, France, and in the rest of Europe.

The RP provides a detailed analysis of how BNPP's material operations in the US could be resolved in a rapid and orderly manner that would not create serious adverse effects on US financial stability and that would otherwise meet the requirements of the Rules. BNPP's resolution strategy is premised on the assumptions outlined below. The strategy to resolve BNPP's operations in the US is organized around the resolution of the MEs—BOW, Sec Corp, BNPP RCC, and the BNPP NY Branch. The resolution of the CBLs and COs would occur through the MEs in which they operate. By providing for the orderly wind-down



of the designated COs, the strategy is intended to minimize adverse effects on US financial stability. The MEs would be resolved as follows:

- BOW would be resolved under the FDIA by the FDIC, following its appointment as receiver, through an immediate whole bank purchase and assumption ("P&A") transaction transferring its operations to another bank or a transfer to a bridge bank and a subsequent sale of the operations to another bank through a whole bank P&A transaction.
- The BNPP NY Branch would be seized by the Superintendent of the NYSDFS, who would then commence liquidation.
- Sec Corp would be wound down after the initiation of a Securities Investor Protection Act proceeding by a trustee appointed by Securities Investor Protection Corporation (the "SIPC Trustee"). The SIPC Trustee would transfer customer accounts to a solvent broker-dealer and transfer Sec Corp's FCM customer accounts to a solvent FCM. The SIPC Trustee would then liquidate the remainder of Sec Corp's broker-dealer business and FCM business.
- BNPP RCC would be resolved under Chapter 11 of the US Bankruptcy Code. BNPP RCC is a dedicated service company that provides services to the other MEs. Services are likely to continue to be provided by BNPP RCC to the other MEs in insolvency on a cost-plus basis under insolvency resilient inter-affiliate service agreements subject to BNPP RCC continuing to be paid for such services by the relevant ME (or their successors).



<b>Section B: IDI Resolution Plan</b>
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**I.B.1. Introduction**

This Public Section provides an overview of the overall resolution strategy for Bank of the West ("BOW"), a state nonmember bank headquartered in San Francisco, California.

The Federal Deposit Insurance Corporation (the "FDIC") adopted a final rule (the "IDI Rule") in January 2012 requiring insured depository institutions with \$50 billion or more in total assets to submit periodically to the FDIC a contingent plan for the resolution of that institution in the event of its failure (the "IDI RP"). The IDI Rule requires a covered insured depository institution ("CIDI") to submit an IDI RP that should enable the FDIC, as receiver, to resolve the institution under Sections 11 and 13 of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. 1821 and 1823, in a manner that ensures that depositors receive access to their insured deposits within one business day of the institution's failure (two business days if the failure occurs on a day other than Friday), maximizes the net present value return from the sale or disposition of its assets and minimizes the amount of any loss to be realized by the institution's creditors. The IDI RP should also describe how the strategies for the separation of the CIDI and its subsidiaries from its parent company's organization and sale or disposition of deposit franchise, core business lines and major assets can be demonstrated to be the least costly to the Deposit Insurance Fund of all possible methods for resolving the CIDI. The IDI RP submitted by each CIDI is intended to help the FDIC evaluate potential loss severity and to enable the FDIC to perform its resolution functions most efficiently. Each IDI RP is intended to convey to the FDIC a comprehensive understanding of the organization, operation and business practices of the CIDI and to provide the FDIC with essential information concerning the CIDI's structure, operations, business practices, financial responsibilities, and risk exposures.

The IDI RP submitted by BOW is intended to form part of the resolution plan submitted by BNP Paribas ("BNPP (SA)," and together with its subsidiaries and affiliates, "BNPP"), the French banking holding company which is the ultimate parent of Bank of the West, and will therefore, subject to appropriate regulatory approval, be submitted to the ACP. Since 2011, BNPP has been subject to requirements by the ACP in France and guidelines of the G-20's Financial Stability Board to annually submit a Group Recovery and Resolution Plan. BNPP (SA) is submitting a resolution plan pursuant to Section 165(d) of the Dodd-Frank Act which mandates that each covered company periodically submit to the FRB, the Financial Stability Oversight Council, and the FDIC the plan of such company for its rapid and orderly resolution under the Bankruptcy Code in the event of its material financial distress or failure.

**I.B.2. Executive Summary**

BOW is a regional bank headquartered in San Francisco, CA with operations in 19 Western states and representative offices in New York, Chicago, Taipei, and Tokyo. BOW is a wholly-owned subsidiary of BancWest Corporation ("BancWest"), which in turn is a subsidiary of BNPP (SA), a European leader in global banking and financial services.

**I.B.3. Material Entities**

The Bank has no material entities, as its core business lines and critical services are conducted almost entirely within the Bank.



### **I.B.4. Core Lines of Business**

BOW has four core lines of business: the Regional Banking Group ("RBG"), the Commercial Banking Group ("CBG"), the National Finance Group ("NFG"), and the Wealth Management Group ("WMG").<sup>1</sup>

#### **➤ The Regional Banking Group**

RBG supports BOW's personal and small business customers in BOW's 19-state footprint through BOW's network of over 600 branches and small business centers. RBG employs a relationship-driven model, whereby BOW provides a wide range of lending and deposit products to consumers and small- and medium-sized businesses with a focus on high quality, personalized service, and relationship management. RBG seeks to match its services to its customers' needs and for BOW to participate as a valued member of the local communities in which BOW is located.

#### **➤ The Commercial Banking Group**

CBG offers credit and deposit solutions to middle and large market commercial clients. CBG has specialized expertise in agribusiness, equipment finance, commercial real estate, government and public sector banking, and religious institution finance. CBG bankers operate in cities throughout BOW's 19-state retail footprint and in BOW's representative offices in New York City and Chicago. CBG also offers its commercial customers a range of capital markets, cash management, foreign exchange, and global trade products and services, as well as manufacturer leasing programs, lease portfolio servicing, and back-office processing.

#### **➤ The National Finance Group**

NFG has two lending functions (direct and indirect), two servicing platforms, and a group of insurance agencies. NFG's direct lending channel offers mortgage loans, home equity loans and lines, secured and unsecured personal loans and lines, and credit card financing to consumers. NFG's indirect lending channel purchases automobile, recreational vehicle, and marine loan contracts from dealerships across the United States. NFG offers individual and business insurance products through BancWest Insurance Agency.

#### **➤ The Wealth Management Group**

WMG focuses on expanding banking relationships with high net worth customers already within BOW's franchise. WMG provides banking and investment solutions tailored to mass affluent and high net worth customers, offering deposit, credit, trust services, and investment solutions. WMG also houses BancWest Investment Services ("BWIS"), a registered broker-dealer which offers retail brokerage investments mostly to mass-market retail BOW customers.

Additional information related to BOW's business is contained in the Bank of the West Annual Report, available at [www.bankofthewest.com](http://www.bankofthewest.com).

### **I.B.5. Consolidated Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources**

#### **I.B.5.a Consolidated Financial Information**

The table below provides a consolidated balance sheet for BOW as of December 31, 2012.

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<sup>1</sup> "Core business lines" are defined as "those business lines of the CIDI, including associated operations, services, functions and support that, in the view of the CIDI, upon failure would result in a material loss of revenue, profit or franchise value." 12 CFR Part 360.



# BNP PARIBAS

## Recovery and Resolution Plan

### BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands)	Year Ended December 31,	
	2012	2011
<b>Interest income</b>		
Loans	\$1,840,031	\$1,891,344
Lease financing	127,638	134,069
Securities available for sale	174,421	188,237
Other	10,398	5,797
Total interest income	2,152,488	2,219,447
<b>Interest expense</b>		
Deposits	151,030	156,459
Short-term borrowings	221	637
Long-term debt	100,765	154,108
Total interest expense	252,016	311,204
Net interest income	1,900,472	1,908,243
Provision for credit losses	169,462	319,865
Net interest income after provision for credit losses	1,731,010	1,588,378
<b>Noninterest income</b>		
Service charges on deposit accounts	151,381	153,698
Credit and debit card fees	78,718	109,503
Loan fees	38,471	33,049
Brokerage service fees	29,655	41,105
Other service charges and fees	68,910	65,191
Gain on loans and leases sales	81,562	28,289
Net gains on debt securities available for sale <sup>(1)</sup>	54,102	34,099
Gain (loss) on credit guarantee derivative	38,257	(6,351)
Net gains on customer accommodation derivatives	28,366	15,603
Income from bank-owned life insurance	25,645	23,318
Trust and investment services income	19,279	18,684
Write-downs of other real estate owned assets, net	(17,087)	(34,174)
Other	7,854	32,646
Total noninterest income	605,113	514,660
<b>Noninterest expense</b>		
Salaries and employee benefits	830,325	764,103
Occupancy	139,619	131,606
Outside services	136,203	124,201
Equipment	57,537	56,328
FDIC assessments	42,042	61,886
Advertising and marketing	41,401	38,618
Intangible amortization	37,152	51,455
Collection and repossession	36,672	47,320
Other	143,605	132,478
Total noninterest expense	1,464,556	1,407,995
Income before income taxes and noncontrolling interest	871,567	695,043
Income tax expense	314,359	251,936
Net income before noncontrolling interest	557,208	443,107
Net income attributable to noncontrolling interest	2,005	1,096
<b>Net income attributable to Bank of the West</b>	<b>\$ 555,203</b>	<b>\$ 442,011</b>

(1) Includes other-than-temporary impairment (OTTI) losses of \$0.5 million and \$1.9 million recognized in earnings for the years ended December 31, 2012 and 2011, respectively.



### BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<u>(dollars in thousands)</u>	<u>2012</u>	<u>2011</u>
Net income attributable to Bank of the West	\$ 555,203	\$ 442,011
Other comprehensive income, before tax		
Net change in pension and other benefits adjustment	3,939	(44,536)
Net change in unrealized gains on securities available for sale	84,532	284,124
Net change in unrealized gains on cash flow derivative hedges	17,248	8,290
Other comprehensive income, before tax	105,719	247,878
Income tax expense related to other comprehensive income	(42,922)	(100,217)
Other comprehensive income, net of tax	62,797	147,661
Comprehensive income attributable to Bank of the West	618,000	589,672
Comprehensive income attributable to noncontrolling interest	2,005	1,096
Total comprehensive income	\$ 620,005	\$ 590,768



# BNP PARIBAS

## Recovery and Resolution Plan

### BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	December 31,	
(Dollars in thousands, except per share amounts)	2012	2011
<b>Assets</b>		
Cash and due from banks	\$ 1,054,216	\$ 763,987
Interest-bearing deposits in other banks	1,599,849	2,832,249
Trading assets	6,498	6,000
Securities available for sale	8,164,040	7,717,655
Loans held for sale	261,101	244,509
Loans and leases:		
Loans and leases	44,991,531	43,427,394
Less allowance for loan and lease losses	710,703	870,188
Net loans and leases	44,280,828	42,557,206
Premises and equipment, net	440,930	451,035
Other real estate owned and repossessed personal property	44,906	156,049
Interest receivable	172,025	167,562
Bank-owned life insurance	1,315,039	1,301,847
Identifiable intangible assets	170,753	170,447
Goodwill	4,201,513	4,201,513
Other assets	1,631,661	1,838,245
<b>Total assets<sup>(1)</sup></b>	<b>\$ 63,343,359</b>	<b>\$ 62,408,304</b>
<b>Liabilities and Equity</b>		
Deposits:		
Interest-bearing	\$ 32,838,841	\$ 32,261,182
Noninterest-bearing	14,268,596	11,734,014
Total deposits	47,107,437	43,995,196
Short-term borrowings	328,190	353,620
Long-term debt	2,974,800	5,676,868
Liability for pension benefits	221,906	202,057
Other liabilities	1,057,241	968,105
Total liabilities <sup>(2)</sup>	51,689,574	51,195,846
Equity:		
Common stock, par value \$0.001 per share in 2012 and 2011		
Authorized — 20,000,000 shares		
Issued and outstanding — 5,548,359 shares at		
December 31, 2012 and 2011	6	6
Additional paid-in capital	9,733,396	9,730,732
Retained earnings	1,850,090	1,469,882
Accumulated other comprehensive income (loss)	52,133	(10,664)
Total Bank of the West stockholder's equity	11,635,625	11,189,956
Noncontrolling interest	18,160	22,502
Total equity	11,653,785	11,212,458
<b>Total liabilities and equity</b>	<b>\$ 63,343,359</b>	<b>\$ 62,408,304</b>

(1) Consolidated assets at December 31, 2012 and 2011 include \$261.7 million and \$229.6 million of total assets of certain variable interest entities ("VIEs") that can only be used to settle the liabilities of those VIEs.

(2) Consolidated liabilities at December 31, 2012 and 2011 include \$34.3 million and \$55.0 million of total liabilities of certain VIEs for which the VIE creditors do not have recourse to Bank of the West.



### I.B.5.b. Capital

BOW seeks to:

- maintain capital at a level appropriate to support BOW's businesses, risk appetite, growth, and strategic initiatives;
- maintain BOW's capital at a level that exceeds the level qualifying BOW as a "well capitalized" financial institution under US banking regulatory standards; and
- balance capital adequacy with capital efficiency to support management of BOW in a safe and sound manner.

BOW conducts a semi-annual assessment of capital adequacy to assess the sufficiency of BOW's capital relative to defined risks under base case and stress case scenarios. BOW's current semi-annual capital adequacy assessment is comprised of benchmarking, capital forecasting, and stress testing within the context of BOW's Risk Appetite Framework as well as internally developed calculations of risk-based capital. BOW's independent model governance processes cover models used in BOW's capital adequacy assessment.

BOW currently calculates regulatory risk-weighted assets and risk-based capital in accordance with Basel I rules. The capital metrics in the following chart are measured using a Basel I basis.

Capital Metric	US Regulatory Minima <sup>2</sup>		BOW Actual as of 12/31/2012
	Adequately Capitalized	Well Capitalized	
Tier 1 Risk-Based Capital Ratio	4 %	6 %	14.69%
Total Risk-Based Capital Ratio <sup>3</sup>	8 %	10 %	15.95%
Tier 1 Leverage Ratio <sup>4</sup>	4 %	5 %	12.46%

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<sup>2</sup> "Adequately Capitalized" and "Well Capitalized" per current US regulatory definitions. 12 CFR §325.103

<sup>3</sup> Total Risk-Based Capital Ratio = Total Risk-Based Capital / Risk Weighted Assets.

<sup>4</sup> Leverage Ratio = Tier 1 Capital / Total Assets.





### **I.B.5.c. Major Funding Sources**

BOW is self-funding in that it has sufficient deposits to meet its funding needs. BOW does also access other sources of funds, which may include at any time and depending on the conditions on the market, federal funds, Eurodollars, wholesale CDs, market-linked CDs, affiliate funding, Federal Home Loan Bank ("FHLB") advances, Federal Agricultural Mortgage Company funding, the Federal Reserve Discount window, repurchase agreements, asset securitization, and sales of unencumbered liquid securities.

### **I.B.6. Description of Derivative Activities and Hedging Activities**

BOW engages in interest rate, foreign exchange, and hedging activities. BOW conducts capital markets trading, derivatives, and hedging activities to provide BOW customers with access to investment products and interest rate risk management tools in conjunction with loan products. BOW enters into foreign currency transactions with approved customers, with BOW taking the position opposite that of the customer. BOW then enters into offsetting trades with third party market participants to hedge the positions created by the customer transactions. BOW's Treasury engages in derivatives transactions to hedge its internal interest rate risk and to hedge fluctuations in the value of Market-Linked Certificates of Deposit ("MLCDs") reference securities. While BOW maintains an investment portfolio for collateral, liquidity and balance sheet management purposes, it does not conduct proprietary trading.

BOW's derivatives are subject to credit risk associated with counterparties to the derivative contracts. BOW measures that credit risk based on its assessment of the probability of counterparty default and includes that within the fair value of the derivative. BOW manages counterparty credit risk by utilizing master netting and Collateral Support Annex (CSA) agreements which allow BOW to call for immediate, full collateral coverage when credit-rating thresholds are triggered by counterparties. At December 31, 2012, the aggregate fair value of all derivatives under CSAs were in a net liability position of \$311 million to which BOW posted \$180 million of investment securities as collateral and \$124 million of restricted cash.

BOW has fair value hedges which primarily consist of interest rate swaps designed to hedge the change in fair value corresponding to interest rate changes of underlying fixed-rate debt. BOW records changes in the fair value of derivatives designated as fair value hedges, and changes in the fair value of the hedged items, in noninterest income.

BOW's cash flow hedges are interest rate swaps that hedge the forecasted cash flows of underlying variable-rate debt and variable-rate loans. Changes in the fair values of derivatives designated as cash flow hedges, to the extent effective, are recorded in other comprehensive income until income from the cash flows of the hedged items is realized. Any ineffectiveness which may arise during the hedging relationship is recognized in earnings in the period in which it arises. If a derivative designated as a cash flow hedge is terminated or deemed overall ineffective, the gain or loss in other comprehensive income is amortized to earnings over the period the forecasted hedged transactions impact earnings. If a hedged forecasted transaction is probable of not occurring, hedge accounting is ceased and any gain or loss included in other comprehensive income (loss) is reported in earnings immediately.

BOW has free standing derivative instruments which include derivative transactions entered into for which hedge accounting treatment does not apply. These derivatives include interest rate swaps, interest rate collars, market linked equity swaps, and options and forward commitments to fund and sell residential mortgage loans. BOW acts as a seller and buyer of interest rate derivatives and foreign exchange contracts to accommodate customers. To mitigate the market and liquidity risk associated with those derivatives, BOW enters into similar offsetting positions.

At December 31, 2012 BOW had \$1.2 billion of derivatives designated as fair value hedges, \$1.7 billion designated as cash flow hedges, and \$13.3 billion designated as free standing derivatives.



### **I.B.7. List of Memberships in Material Payment, Clearing, and Settlement Systems**

BOW is a member or client of the payment, clearing and settlement systems or entities listed below, none of which is managed, owned or operated by BOW. BOW itself is the member or client, and BOW's Operations and Systems Group manages these systems or relationships for BOW's core lines of business.

#### Checks

BOW accepts checks from its customers through the branch network, relationship managers and via remote deposit capture devices. BOW balances and distributes these checks to collection entities that facilitate payment, including through:

- The Federal Reserve System; and
- Small Value Payments Company (Part of the Clearing House) and other institutions.

#### Wires

BOW receives and sends wire transfer transactions through the Federal Reserve's FedWire network. The Federal Reserve processes and settles wire transfers in a real-time processing environment. BOW uses an industry-standard vendor platform to format and send outgoing wire transfers, and to receive and post incoming wire transfers for settlement to customer accounts. Customers may initiate wire transfer instructions through the branch network or through the DirectWire call-center service. Some customers may also initiate wire transfers through BOW's WebDirect application (which is a vendor platform). International wire transfers may use the Society for Worldwide Interbank Financial Telecommunication network to initiate payment instructions.

#### Automated Clearing House

BOW receives and sends Automated Clearing House ("ACH") transactions through the Federal Reserve's FedACH system. BOW functions as both a Receiving Depository Financial Institution and as an Originating Depository Financial Institution, as defined in the NACHA Operating Rules, to facilitate ACH transaction processing for customers. Transactions are received from, and originated to, the Federal Reserve System for settlement among other financial institutions, originators, and receivers. BOW is a member of WesPay, a regional payments association which is a direct member of NACHA.

#### Cash

BOW provides currency, as well as processes deposits, for some commercial customers. BOW uses a number of vendors to provide this service.

### **I.B.8. Description of Foreign Operations**

BOW has limited foreign operations, consisting of two representative offices and one overseas branch used for taking Eurodollar and foreign currency deposits.

### **I.B.9. Identities of Material Supervisory Authorities**

BOW is a California banking corporation with a banking license granted by the CDFI. BOW is a state nonmember bank subject to regulation, supervision and examination by the FDIC and the CDFI. BOW is also supervised by the Consumer Financial Protection Bureau for certain consumer protection purposes and complies with regulations issued by the Commodity Futures Trading Commission for certain commercial banking purposes. BOW is a member of the FHLB System and is required to maintain an investment in the capital stock of the FHLB. BOW maintains insurance on its customer deposit accounts with the FDIC, which requires quarterly assessments of deposit insurance premiums.



BWIS, a wholly-owned subsidiary of BOW, is a registered broker/dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. BancWest Insurance Agency, also a wholly-owned subsidiary of BOW, is licensed to do business (or is exempt from licensing requirements) in 49 states.

### I.B.10. Identities of Principal Officers

The table below identifies members of BOW's Executive Management Committee.

Officer	Officer
<b>J. Michael Shepherd</b> Chairman and Chief Executive Officer	<b>Maura Markus</b> President and Chief Operating Officer
<b>Thibault Fulconis</b> Vice Chairman Commercial Banking and Consumer Finance Group	<b>John Bahnken</b> Senior Executive Vice President, WMG
<b>Michael Bracco</b> Senior Executive Vice President, Chief Administrative Officer	<b>Duke Dayal</b> Senior Executive Vice President, Chief Financial Officer
<b>Donald Duggan</b> Senior Executive Vice President, Banking Services	<b>Kirsten Garen</b> Executive Vice President, Chief Information Officer
<b>Scott Germer</b> Senior Executive Vice President, Risk Manager	<b>Andy Harmening</b> Senior Executive Vice President, RBG
<b>Gilles Karpowicz</b> Executive Vice President, Director of Audit and Inspection	<b>Russ Playford</b> Senior Executive Vice President, Chief Risk Officer
<b>Jean Marc Torre</b> Senior Executive Vice President, CBG	<b>Vanessa Washington</b> Senior Executive Vice President, General Counsel & Secretary
<b>Paul Wible</b> Senior Executive Vice President, NFG	

### I.B.11. Description of the Corporate Governance Structure and Processes Related to Resolution Planning

BOW has established a governance framework designed to ensure that resolution planning receives appropriate attention by BOW personnel. The resolution planning process is shared jointly between the Risk



Management and Finance functions of BOW, and the Chief Risk Officer and the Chief Financial Officer are the senior executives responsible for the plan. BOW created an internal core project team to focus on preparation of the IDI RP, which included senior managers from the Risk Management and Finance functions and included representatives from BOW's risk management, legal and project management functions. BOW retained an outside consultant with relevant expertise and experience to work alongside the internal team in initiating the information gathering and preparing the initial draft of the IDI RP.

In addition to the core project team, BOW identified key personnel from BOW's business units and support areas to be "quarterbacks" in the IDI RP preparation process. The twelve quarterbacks were responsible for gathering and developing information from their respective areas for inclusion in the IDI RP.

BOW also coordinated with representatives of its parent, BNPP (SA), for inclusion of BOW's IDI RP in the BNPP US operations resolution plan.

#### Subsequent Annual Plans

Responsibility for the preparation of subsequent annual plans will remain shared between the Risk Management and Finance functions of BOW. BOW anticipates following a similar process in preparing a resolution plan annually or upon the occurrence of a material event, such as:

- a material change in the legal structure or ownership of BOW;
- an acquisition, divestiture, or shift in business strategy which would have a material impact on BOW's financial condition; or
- a shift in BOW's operations which would have a material impact on BOW's annual non-interest expense.

### **I.B.12. Description of Material Management Information Systems**

BOW utilizes MIS for risk management, accounting, financial, and regulatory reporting, as well as internal management reporting and analysis. Key MIS and applications are inventoried internally at BOW, which inventory includes a detailed description of each system or application, along with BOW internal owner, the type of implementation and the use and function.

Systems and applications at BOW are essential to smooth and effective operations and are managed through a Business Continuity Approach. BOW maintains a Business Continuity Management Plan which is administered in accordance with current regulatory guidance and corporate practices. The Business Continuity Management Plan is designed to:

- allow BOW to continue to serve customers and financial market participants;
- minimize financial loss to BOW; and
- mitigate the negative effects of disruptions on BOW's strategic plans, reputation, operations, liquidity, credit quality, market position, and ability to comply with applicable laws and regulations.

In accordance with Federal Financial Institutions Examination Council guidance and applicable laws and regulations, BOW also maintains a Business Continuity Program, which includes Business Continuity Plans, including assistance for the business units in developing continuity plans and identifying office space to be used in the event of a disaster; Technical Disaster Recovery Plans, including assistance for Information Technology in developing recovery plans for the technology needed to support priority businesses and critical infrastructure; and Contingency Exercises, including exercises of the recovery plans to train management and staff and to find areas for improvement.

### **I.B.13. Description, at a High Level, of the CIDI's Resolution Strategy**

The sale of BOW as a whole is the resolution strategy most likely to be effected by the FDIC. Whole bank resolution will likely provide the "least cost resolution" of BOW for the FDIC, allow BOW to continue daily



business operations during the transition period, and provide time for prospective BOW purchasers to evaluate and submit informed bids.

BOW should be a desirable target for purchase due to its attractive deposit mix, presence in high-growth Western markets (*e.g.*, California, Colorado), its expertise in specific niche banking areas, such as agriculture, religious institutions, and certain areas of consumer finance.

Selling BOW as a whole should preserve franchise value and minimize disruption to the local community, as BOW would be able to provide uninterrupted service to its customers, *e.g.*, continuing to accept deposits and make loans to its regular customers. During a transition period, BOW would anticipate undertaking efforts to restructure nonperforming assets to increase their value and monitor performing assets to maintain their value. In addition, BOW management would strive to retain key employees, although employee retention in an uncertain resolution environment will likely present a challenge.