2018 Resolution Plan - Public Section

This Bank of the West Resolution Plan has been prepared in response to the final rule promulgated by the Federal Deposit Insurance Corporation (FDIC) requiring insured depository institutions with $50 BN or more in total assets to submit periodically to the FDIC a contingent plan for the resolution of such institution in the event of its failure (12 CFR Part 360). This Bank of the West Resolution Plan is also intended to form part of the 2018 BNP Paribas US Resolution Plan, and is expected to be filed, subject to appropriate regulatory approval, with the Board of Governors of the Federal Reserve System (FRB) as part of the BNPP US Resolution Plan in accordance with the requirements of Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (165(d) Rule). Since 2013, BNPP Paribas has been subject to requirements by the FRB to submit annually a Resolution Plan for BNPP Paribas operations in the US.

Table of Contents

Table of Figures

1. Introduction

This Public Section provides an overview of the overall resolution strategy for Bank of the West (BOW, or the Bank), a state non-member bank headquartered in San Francisco, California. BOW is 100% owned by BancWest Holding Inc. (BWHI), which is 100% owned by BancWest Corporation (BancWest or BWC), which is in turn 100% owned by BNP Paribas USA, Inc., which is the Intermediate Holding Company (IHC) of BNP Paribas SA (BNPP SA) (BNPP SA, together with its subsidiaries, collectively referred to as BNPP, BNPP Group or the Group), the French banking holding company that is a European leader in global banking and financial services and the ultimate parent of BOW.

To ensure that depositors receive prompt access to their insured deposits in the event of the failure of an insured depository institution (IDI) and to enable the Federal Deposit Insurance Corporation (FDIC) to perform its resolution functions most efficiently, the FDIC adopted a rule in January 2012 (IDI Rule) under which each IDI with $50 BN or more in total assets is deemed a covered insured depository institution (CIDI) and must periodically submit a resolution plan (IDI RP) to the FDIC.

The IDI Rule requires the 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 (FDIA) (listed at 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 BNPP SA, and will therefore, subject to appropriate regulatory approval, be submitted to the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French banking regulator and home regulator of BNPP SA. Since 2011, BNPP SA has been subject to requirements by the ACPR in France and guidelines of the G-20's Financial Stability Board to annually submit a Group Recovery and Resolution Plan. BNPP USA 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 applicable insolvency regimes in the event of its material financial distress or failure. These insolvency regimes include receivership under the FDIA, reorganization or liquidation under the U.S. Bankruptcy Code (Bankruptcy Code), and liquidation under the Securities Investor Protection Act of 1970 (SIPA) under the authority of a trustee appointed by the Securities Investor Protection Corporation (SIPC).

Resolution plans submitted by Group entities, including BOW's IDI RP, are not binding on the FDIC, a bankruptcy court or any other relevant resolution authority in the unlikely event of the failure of that member of the Group. Also it should be emphasized that the failure scenario and associated assumptions described herein are hypothetical and do not necessarily reflect an event or events to which the Bank is or may become subject.

2. Material Entities

BOW is a California banking corporation with a banking license granted by the California Department of Business Oversight (CDBO). The Bank is a state non-member bank whose primary Federal regulator is the FDIC and whose home state regulator is the CDBO.

Bank of the West is a regional financial services company headquartered in San Francisco with $89.8 BN total assets as of December 31, 2017. With community bank roots dating back more than 140 years, BOW operates a network of retail, wealth and commercial and business banking branches and offices in 23 states.

The Bank is the CIDI under the IDI Rule. It has no subsidiaries that are themselves Material Entities, as the Bank's Core Business Lines and critical services are conducted almost entirely within the Bank.

3. Core Business Lines

The Bank has five major lines of business (its Core Business Lines) as described below:

- **Retail Banking Group (RBG)** supports a large base of personal and small business customers in the 19-state retail footprint through the Bank's network of 538 branches. RBG employs a relationship-driven model, whereby a wide range of lending and deposit products are provided to consumers, as well as to small and medium-sized businesses. RBG's aim is to position itself as a member of the local communities in its footprint.
- **Commercial Banking Group (CBG)** offers a full range of credit and deposit solutions to middle and large market commercial and corporate clients with its specialized expertise in agribusiness, equipment finance, commercial real estate, government and public sector banking, and religious institution finance. CBG bankers operate in cities throughout the Bank's nineteen state retail footprint and in the Bank's representative offices in Cleveland, Chicago, Atlanta and Dallas and a commercial branch in New York. CBG also offers its commercial customers 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, syndications, and asset-based lending. Capital markets transactions are also performed by CBG at the request of the Bank's clients.
- **Personal Financial Division (PFD)** is responsible for the origination and servicing of the Bank's consumer loans and lines using both direct and indirect origination channels, and three servicing platforms. It includes automobile, RV and marine loan contracts purchased from dealerships across the United States. PFD is also responsible for the direct origination of non-real estate secured and unsecured personal loans and lines. PFD support units are also responsible for the servicing of all consumer loans and lines including payment processing, collections and other aspects of the loan from the funding through final repayment.
- **Wealth Management Group (WMG)** focuses on expanding banking relationships with retail, mass affluent, high net worth and ultra-high net worth customers already within the Bank's franchise area, while also seeking new client relationships sourced externally. WMG has two business divisions: the Private Client Services Division (PCS) and the Retirement & Investment Division (R&I), known by its trade name, BancWest Investment Services (BWIS). PCS provides banking and investment solutions tailored to its customers, offering deposit, credit, trust services, and investment products. PCS also houses Fiduciary Solutions, the fiduciary arm of WMG. R&I offers brokerage investment services to all segments of the Bank's customer base with traditional products and services. BOW's investment services subsidiary, BWIS, is a registered broker-dealer and investment advisory firm.
- **Small Medium Enterprises (SME)** group is committed to helping small and mid-size business owners achieve their financial goals. This group of business banking experts have the local knowledge and industry-leading experience to provide solutions that are tailored to customers' unique needs, both locally and globally. Focused on prospects and clients with sales revenues of $1 MM to $25 MM and up to $50 MM in select rural markets, SME is able to serve the unique and often complex needs of their clients, including managing cash flow, planning for growth and preparing for retirement. In addition to the natural synergies that exist within the SME group, the team also has strong working relationships with the RBG, WMG and other groups across the Bank. SME also offers international banking and trade finance solutions through parent company BNPP SA's global network and also has a PAC Rim division.

In addition to the five core business lines other groups provide support and services critical to daily bank operations. Treasury, Finance, Banking Services, Legal, Human Resources and Information Technology (IT) are the most significant of these material business unit service providers.

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

4.1. Consolidated Financial Information

The following audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Further information may be found in the accompanying notes as included in the 2017 BOW Annual Report.

Figure 4.1: Bank of the West and Subsidiaries Consolidated Statements of Comprehensive Income

BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	For the year ended December 31,	
(dollars in thousands)	2017	2016
Net income attributable to Bank of the West	**$ 437,616**	$ 586,976
Other comprehensive income (loss), before tax		
Net change in pension and other benefits adjustment	**2,909**	14,391
Net change in unrealized gains (losses) on securities available for sale	**(29,851)**	(135,075)
Net change in unrealized gains (losses) on cash flow derivative hedges	**(81,152)**	(93,888)
Other comprehensive income (loss), before tax	**(108,094)**	(214,572)
Income tax (expense) benefit related to other comprehensive income	**43,886**	87,117
Other comprehensive income (loss), net of tax	**(64,208)**	(127,455)
Comprehensive income attributable to Bank of the West and subsidiaries	**373,408**	459,521
Comprehensive income attributable to noncontrolling interest	**2,493**	2,104
Total comprehensive income	**$ 375,901**	$ 461,625

Figure 4.2: Bank of the West and Subsidiaries Consolidated Statements of Income

BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME	For the year ended December 31,	
(dollars in thousands)	2017	2016
Interest income		
Loans and lease financing	**$ 2,343,487**	$ 2,129,076
Securities available for sale	**266,584**	233,079
Other	**81,641**	38,069
Total interest income	**2,691,712**	2,400,224
Interest expense		
Deposits	**303,558**	169,411
Short-term borrowings and long-term debt	**93,201**	60,389
Total interest expense	**396,759**	229,800
Net interest income	**2,294,953**	2,170,424
Provision for credit losses	**134,909**	127,336
Net interest income after provision for credit losses	**2,160,044**	2,043,088
Noninterest income		
Service charges on deposit accounts	**140,943**	137,962

BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME	For the year ended December 31,	
(dollars in thousands)	**2017**	**2016**
Credit and debit card fees	**106,172**	99,382
Loan fees	**60,146**	62,165
Other service charges and fees	**42,675**	40,540
Brokerage income	**35,057**	33,163
Net gains on sales of loans and leases	**34,644**	51,070
Bank-owned life insurance	**30,363**	27,771
Trust and investment services income	**24,615**	22,185
Net gains on customer accommodation derivatives	**24,416**	32,632
Net gains on debt securities available for sale	**7,981**	31,362
Gain on sale of other investments	**0**	39,813
Other	**1,360**	17,990
Total non-interest income	**508,372**	596,035
Noninterest expense		
Salaries and employee benefits	**1,077,506**	999,196
Contracted services and professional fees	**153,668**	203,675
Occupancy	**136,878**	138,300
Equipment	**88,784**	77,300
Regulatory assessment and fees	**67,581**	53,959
Intangible amortization	**61,742**	56,085
Advertising and marketing	**47,428**	46,971
Collection and repossession	**11,619**	12,986
Other	**129,708**	125,763
Total noninterest expense	**1,774,914**	1,714,235
Income before income taxes and non-controlling interest	**893,502**	924,888
Income tax expense	**453,393**	335,808
Net income before non-controlling interest	**440,109**	589,080
Net income attributable to non-controlling interest	**2,493**	2,104
Net income attributable to Bank of the West	**$ 437,616**	$ 586,976

Figure 4.3: Bank of the West and Subsidiaries Consolidated Balance Sheets

BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS	As of December 31,	
(dollars in thousands, except per share amounts)	**2017**	**2016**
Assets		
Cash and due from banks	**$ 905,859**	$ 825,867
Interest-bearing deposits in other banks	**7,954,272**	4,056,414
Trading assets	**7,229**	6,742
Securities available for sale	**12,376,287**	12,024,168

BANK OF THE WEST AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS	As of December 31,	
(dollars in thousands, except per share amounts)	2017	2016
Securities held to maturity	**34,459**	41,198
Loans held for sale	**77,621**	76,026
Loans and leases:		
Loans and leases	**61,031,359**	59,174,641
Less allowance for loan and lease losses	**620,834**	599,955
Net loans and leases	**60,410,525**	58,574,686
Premises and equipment, net	**344,455**	365,513
Other real estate owned and repossessed personal property	**21,155**	38,587
Interest receivable	**204,314**	182,469
Bank-owned life insurance	**1,393,029**	1,375,475
Identifiable intangible assets	**226,525**	237,167
Goodwill	**4,190,141**	4,190,141
Other assets	**1,619,796**	1,735,591
Total assets	**$ 89,765,667**	$ 83,730,044
Liabilities and equity		
Deposits:		
Interest-bearing	**$ 52,357,086**	$ 45,434,258
Noninterest-bearing	**17,306,592**	16,843,207
Total deposits	**69,663,678**	62,277,465
Short-term borrowings	**1,955,531**	7,160,341
Long-term debt	**4,898,793**	969,504
Liability for pension benefits	**172,343**	169,589
Other liabilities	**930,254**	979,024
Total liabilities	**77,620,599**	71,555,923
Equity:		
Common stock, par value $0.001 per share:		
Authorized — 20,000,000 shares		
Issued and outstanding — 5,548,359 shares as of December 31, 2017 and 2016	**6**	6
Additional paid-in capital	**9,732,148**	9,732,201
Retained earnings	**2,756,935**	2,654,864
Accumulated other comprehensive loss	**(363,787)**	(235,124)
Total Bank of the West stockholder's equity	**12,125,302**	12,151,947
Non-controlling interest	**19,766**	22,174
Total equity	**12,145,068**	12,174,121
Total liabilities and equity	**$ 89,765,667**	$ 83,730,044

4.2. Capital

The Bank's capital structure is governed by the BOW Capital Policy, which describes the primary capital management objectives as follows:

- To maintain capital at a level appropriate to support the Bank's businesses, risk appetite, growth, and strategic initiatives;

- To maintain the Bank’s capital at a level that meets or exceeds the level that BOW has defined as their internal post stress goals;
- To balance capital adequacy with capital efficiency to support management of the Bank in a safe and sound manner;
- To meet its obligations to creditors and to counterparties, as they come due; and
- To continue to serve as a financial intermediary.

The Bank conducts a semi-annual assessment of capital adequacy to assess the sufficiency of the Bank’s capital relative to defined risks under base case and stress case scenarios. The Bank’s current semi-annual capital adequacy process is comprised of benchmarking, balance sheet and income projections, capital forecasting, and stress testing performed through internally developed models and tools used to calculate impacts to capital. The Bank’s independent governance process covers the models which are used in the Bank’s capital adequacy determination process.

As of December 31, 2014, as described in the Bank's previous Resolution Plan (filed in December 2015), the Bank then calculated regulatory risk-weighted assets and risk-based capital in accordance with Basel I rules. As of March 31, 2015, the Bank began reporting regulatory risk-weighted assets and capital in accordance with Basel III rules (standardized approach) as required by Sections 171 and 939A of the Dodd Frank Act and related regulations. The capital metrics in Figure 4.4 below are measured using a Basel III (standardized approach) basis.

Figure 4.4: Capital Metrics Measured Using Basel III (Standardized Approach)

Capital Metric	US Regulatory Minimum	BOW Actual as of 12/31/17
CET 1	4.5 %	12.1%
Tier 1 Capital Ratio	6.0 %	12.1%
Total Capital Ratio	8.0 %	13.1%
Leverage Ratio	4.0 %	9.8%

4.3. Funding Sources

The Bank's core customer deposits have historically provided a sizable source of relatively stable and low-cost funding. In addition to deposits, the Bank accesses other sources of funding which may include, depending on the conditions in the market, Fed Funds purchases (from other Federal Reserve member institutions), Eurodollars, wholesale CDs, market-linked CDs (MLCDs), affiliate funding, Federal Home Loan Bank advances, repurchase agreements, asset securitizations, and sales of unencumbered liquid securities. The Bank would also have access to the Federal Reserve Discount Window, but does not rely on this as a source of normal funding.

5. Derivative and Hedging Activities

The Bank primarily uses derivatives to manage exposure to market risk, including interest rate risk and foreign currency risk, and to assist customers with their risk management objectives.

The Bank's Capital Markets Division activities provide Bank customers with access to fixed income investment products, interest rate risk management products, and foreign currency products. In typical transactions of this type, the Bank enters into transactions with approved customers, with the Bank taking the position opposite to that of the customer. The Bank then enters into offsetting trades with third party market participants to hedge the positions created by the customer transactions.

The Bank's Treasury Department engages in derivatives transactions to hedge its internal interest rate risk and to hedge on a back-to-back basis the exposure on the interest payments on MLCDs.

While the Bank maintains an investment portfolio for collateral, liquidity and balance sheet management purposes, it does not conduct proprietary trading.

The Bank designates certain derivatives as hedging instruments in a qualifying hedge accounting relationship (either as a fair value hedge or a cash flow hedge). BOW's remaining derivative instruments consist of derivative transactions that do not qualify for hedge accounting and derivatives held for customer accommodation.

The Bank 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. The Bank 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.

The Bank'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 (OCI) 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.

As of December 31, 2017, the Bank had $10.3 BN of derivatives designated as cash flow hedges and a fair value of negative $149.1 MM.

The Bank'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 the Bank to call for immediate, full collateral coverage when credit-rating thresholds are triggered by counterparties. As of December 31, 2017 and 2016, the aggregate fair value of all derivatives under CSAs were in a net liability position of $105 MM (as of 12/31/17) and $139 MM (as of 12/31/16) to which the Bank posted $87 MM (as of 12/31/17) and $141 MM (as of 12/31/16) of investment securities as collateral, and $3 MM (as of 12/31/17) and $11 MM (as of 12/31/16) of restricted cash, respectively.

6. Membership in Material Payment, Clearing and Settlement Systems

6.1. Introduction

BOW is a member or client of the payment, clearing and settlement systems or financial market utility (FMU) entities listed below, none of which is managed, owned or operated by BOW. BOW itself is the member or client, and BOW's Banking Services Group manages these relationships for the Core Business Lines of BOW.

Figure 6.1 below summarizes the types of systems described in this section.

Figure 6.1: Description of Payment, Clearing and Settlement Systems Types

Categories	Systems Descriptions
Payment	Payment systems facilitate the transfer of money from one bank to another, typically on a real-time and gross basis. They include payment systems that are comprised of instruments, procedures and rules for the transfer of funds between or among participants; the systems include the participants and the entity operating the arrangement.
Clearing	Clearing systems facilitate the clearing of securities and derivatives transactions. Clearing FMU Providers act as central counterparties (each a "CCP"), facilitating the netting of transactions between clearing members.
Settlement	Settlement systems facilitate the settlement process for securities transactions. Settlement systems enable securities to be transferred and settled by book entry according to a set of predetermined, multilateral rules.

6.2. Payment Systems

Checks

The Bank accepts checks from its customers though the branch, mobile and ATM networks and via remote deposit capture devices. The Bank balances and distributes these checks to collection entities that facilitate payment, including the following list.

Checks Systems include:

- Federal Reserve System (Check Services platform)
- The Small Value Payment Company (affiliated with The Clearing House)
- Endpoint Exchange (FIS)

Wires

The Bank 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). For international wire transfers, the Bank uses the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network to initiate payment instructions.

Wires Systems include:

- Federal Reserve System (FedWire platform)
- SWIFT network

Automated Clearing House

The Bank receives and sends Automated Clearing House (ACH) transactions through the Federal Reserve's FedACH system. The Bank 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.

ACH Systems include:

- Federal Reserve System (FedACH system)

Cash

The Bank provides currency, as well as processes deposits, for some commercial customers. The Bank uses a number of vendors to provide this service, including Wells Fargo, Union Bank, Loomis, Brinks, Rochester, and the Federal Reserve System.

6.3. Clearing Systems

Indirectly, through BNP Paribas Securities Corp, the Bank uses CME to clear derivatives transactions. Transactions are submitted for clearing by CME through the Bank's account with BNP Paribas Securities Corp, which is a clearing member of CME.

The Bank does not use any clearing FMU or similar platform for any of its foreign exchange transactions. Instead, the Bank settles directly with its customers and interbank counterparties for these transactions.

6.4. Settlement Systems

The Bank accesses settlement systems indirectly through certain vendors that are direct members. These primarily consist of The Depository Trust Company and its affiliates and subsidiaries. Also the Bank uses Fedwire Securities Services for settlement and custody of Fed-eligible securities (e.g., U.S. Treasuries and Agency securities).

7. Description of Foreign Operations

BOW has limited foreign operations, consisting of two representative offices (Tokyo and Taipei). The Bank provides U.S. based credit and deposit services, including cash management, foreign exchange and trade finance, for many Asian-American businesses in both the United States and Asia. BOW had a branch in Cayman Islands which was closed in 2016.

8. Material Supervisory Authorities

BOW is a California banking corporation with a banking license granted by the CDBO. BOW is a state nonmember bank subject to regulation, supervision and examination by the FDIC and the CDBO. BOW maintains insurance on its customer deposit accounts with the FDIC, which requires quarterly assessments of deposit insurance premiums.

BOW is also supervised by the Consumer Financial Protection Bureau (CFPB) 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 Federal Home Loan Bank System and is required to maintain an investment in the capital stock of the Federal Home Loan Bank.

BWIS, a wholly-owned subsidiary of BOW, is a broker/dealer registered with and regulated by the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and the SIPC.

9. Principal Officers

The table below identifies members of BOW's Enterprise Risk Committee as 05/30/2018.

Figure 9.1: Bank of the West Enterprise Risk Committee

Officer	Position
Nandita Bakhshi	Chief Executive Officer and President
Thibault Fulconis	Vice Chairman and Chief Operating Officer
Ryan Bailey	Executive Vice President, Retail Banking Group
Pierre Ramadier	Senior Executive Vice President, WMG
Xavier Antiglio	Executive Vice President, Chief Financial Officer
Donald Duggan	Senior Executive Vice President, Banking Services; Chief Diversity Officer
Raj Gopal	Senior Executive Vice President, Chief Risk Officer
Jean Marc Torre	Senior Executive Vice President, CBG
Vanessa Washington	Senior Executive Vice President, General Counsel & Corporate Secretary
Sheri Paulo	Executive Vice President, Chief Human Resources Officer
Karin Lockovitch	Executive Vice President, Chief Compliance Officer
Emma Pertat	Senior Executive Vice President, General Auditor
Ben Stuart	Executive Vice President, Chief Marketing and Communications Officer
Jacob Sorenson	Executive Vice President, Chief Information Officer
Dan Cozine	Managing Director, Corporate & Commercial Banking

10. Resolution Planning Corporate Governance

The Bank has established a process for developing the Resolution Plan in compliance with the requirements set forth in the Dodd-Frank Act and a governance process to oversee the development and approval of the final RP. Building on experience from previous RPs submitted and on additional guidance received from the FDIC, there are significant improvements in this year's RP, both in process and content.

The senior executive ultimately responsible for the Plan is the Bank's Chief Risk Officer (CRO). The Bank assembled a core team of experienced professionals charged with developing and enhancing the Plan in accordance with all applicable guidance. The core team is supplemented by numerous subject matter experts throughout the Bank. The process for completing this year's IDI RP was enhanced compared to prior years.

Key elements of the IDI RP leveraged, where appropriate, existing processes and products that were already subject to their own governance and validations, such as DFAST, liquidity stress testing, contingency funding planning, etc. The Bank's core team also participate in and contribute to BNPP USA's processes related to the preparation of its Resolution Plan pursuant to Section 165(d). These efforts are designed to improve the quality and consistency of the Resolution Plan approach, methodology and governance across all BNPP Material Entities, including the Bank and its IDI RP.

Regarding BOW's IDI RP approval governance, after review and approval by the CRO, the IDI RP was reviewed and approved by the Bank's Enterprise Risk Committee. Final approval was obtained from the Bank's Board Risk Committee of the Bank's Board of Directors.

11. Material Management Information Systems

BOW utilizes several management information systems (MIS) for risk management, accounting, financial, and regulatory reporting, as well as internal management reporting and analysis. The Bank's management uses a number of key reports that are generated by or derive from the management information systems and applications to monitor, measure, and manage the Bank's businesses.

Key MIS and applications are inventoried internally at BOW. The 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, the Bank's Board Risk Committee and the Bank's Executive Management Committee have approved, and continue to oversee compliance with, the Bank's Business Continuity Management Program Policy. The Business Continuity Management Program Policy, includes:

- assistance for Business Continuity Plans, to aid business units in developing continuity plans and identifying office space to be used in the event of a disaster;
- assistance with Technical Disaster Recovery Plans, to aid 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.

12. Summary of Resolution Strategies

The Bank has developed resolution strategies, including its preferred resolution strategy, under the assumption that a series of idiosyncratic events has caused the failure of the Bank. The financial modeling is based on the Bank's balance sheet as of December 31, 2014, and assumes that the Bank is operating under normal conditions as of that date. The Bank then experiences hypothetical idiosyncratic loss events under economic conditions consistent with the severely adverse, adverse and baseline scenarios developed by the FRB for the Bank's 2015 DFAST submission. As required under the FDIC guidance for the 2015 IDI RPs, these events lead to an insolvency-based ground for an FDIC receivership under the FDIA and the failure of the Bank. As per FDIC guidance these strategies have not been updated and have been included by reference to the 2018 Resolution Plan.

Neither the preferred resolution strategy described below nor the Resolution Plan itself is binding on the FDIC as receiver, a bankruptcy court, or any other resolution authority. In the event of an actual resolution of the Bank, the strategy implemented and approach taken by the Bank, the FDIC as receiver or any other resolution authority could differ, possibly materially, from the strategies the Bank has described. The proposed failure scenario and assumptions described in this Public Summary and in the Resolution Plan are hypothetical and do not necessarily reflect an event or events to which the Bank is or may become subject.

The Bank has selected a single, preferred resolution strategy that it believes is the most effective method of resolving the Bank in the unlikely event of its failure (Preferred Strategy). The Preferred Strategy is based on an FDIC receivership process under the FDIA. In the event of an actual failure of the Bank, the FDIC would evaluate a number of options for resolving the Bank with the goal of maximizing value for the receivership, incurring the least cost to the FDIC's deposit insurance fund, ensuring access for the Bank's customers to their insured deposits within one or two business days (depending on the timing of the Bank's failure), and limiting contagion effects and the loss of franchise value that might be caused by a drawn-out resolution process.

The RP focuses on the Preferred Strategy and provides detail on specific actions that the Bank and the FDIC would take, beginning with the occurrence of a series of unrelated idiosyncratic events that first cause material financial loss to BOW and then cause its failure, through the point in time when the remaining bank operations are returned to private ownership at the end of the receivership.

Each of the resolution strategies presented in the IDI RP, including the Preferred Strategy, contemplates actions consistent with the rights accorded to the FDIC as receiver under the FDIA and does not rely on a systemic-risk exception determination by the FDIC under the FDIA. A central component of the Preferred Strategy is the FDIC's power under the FDIA to form a "bridge bank" in connection with the failure of a bank. This bridge bank capability allows the FDIC as receiver to provide, maintain and operate some or all of the business of the failed bank during the time between its failure and the time when the FDIC can implement a resolution strategy and return the bank to private ownership. The establishment of a bridge bank can stabilize a bank and continue its day-to-day operations, giving the FDIC time to determine an appropriate resolution strategy. In the IDI RP, the Preferred Strategy contemplates the FDIC exercising its rights as receiver in the establishment of a bridge bank for BOW and the transfer to the bridge bank of the vast majority of the failed BOW's assets and certain of its liabilities.

After the establishment by the FDIC of a bridge bank for the failed BOW, the Preferred Strategy contemplates the divestiture of certain loan portfolios and business units that the Bank believes would be desirable to third-party prospective purchasers on a stand-alone basis. This divestiture would be used to generate liquidity and recovery proceeds for the receivership and to reduce the size of the bridge bank's balance sheet to facilitate its eventual sale and resolution. The 2018 Resolution Plan has been enhanced to include regulatory guidance.

After this divestiture, the FDIC as receiver would prepare the remaining bridge bank for sale to another financial institution. These remaining assets and business units, though affected by the failure, should be a desirable target for purchase given the Bank's attractive deposit mix, presence in high-growth Western markets (e.g., California, Colorado); its expertise in specific niche banking areas (*e.g.,* agriculture and religious institutions); and its strong credit culture. The Preferred Strategy contemplates that the remaining bank at the point of its sale and the end of resolution to be approximately 45% the size (as measured by total assets) of BOW at December 31, 2014, and would be expected to have similar Core Business Lines (except for that portion of the business sold in the first loan and business divestiture).

To satisfy the FDIC December 2014 Guidance Section I.C requirement that says “CIDI Resolution Plans must provide a fully developed discussion and analysis of a range of realistic resolution strategies,” the IDI RP considers multiple strategies. It analyzes the Preferred Strategy, sale or divestitures of multiple lines of businesses, liquidation, a sale to multiple acquirers with an IPO, and a whole bank sale. In addition, the IDI RP identifies financial institutions that could be potential acquirers of all or part of the Bank and evaluates the viability of those acquirers, taking into consideration factors that could affect regulatory approval of an acquisition.

Under a hypothetical liquidation resolution strategy, BOW would rely on the receivership mechanism only. Bank operations (i.e., operating the branch network, etc.) would cease. The receiver would pay off insured depositors rather than transfer their deposit accounts to a bridge bank or acquiring institution. Following the pay-off of insured depositors, the receiver would sell or otherwise liquidate the remaining assets.

A hypothetical sale to multiple acquirers with an IPO is similar to the Preferred Strategy in that it also includes the divestiture of certain loan portfolios and business units that BOW believes would be desirable to third-party prospective purchasers on a stand-alone basis. However, in this strategy, instead of selling the remaining bank to an acquirer, the FDIC exits via an Initial Public Offering (IPO). In the case of a strategic private sale of the remaining bank under the Preferred Strategy, the acquirer would need to provide any regulatory common equity capital required against Risk-Weighted Assets, and similarly, this recapitalization of regulatory common equity capital is also required in the course of becoming a regulated, stand-alone bank. Given the expected difficulty of going public in market conditions envisioned by the severely adverse economic scenario, it is assumed an IPO could not be successfully launched shortly after BOW’s hypothetical failure and would not likely be the least cost strategy.

In the whole bank sale strategy, the FDIC would transfer certain assets and liabilities from the receivership to a bridge bank in a purchase and assumption transaction. The establishment of a bridge bank is expected to stabilize the institution and to create conditions most favorable for retention of the Bank’s franchise value. Potential strategic acquirers for the whole Bank would include large regional and super-regional banks within some or all of the Bank’s nineteen-state footprint and large foreign banks looking to expand into or across the US.

13. Conclusion

The IDI RP provides for the resolution of the Bank in a rapid and orderly way in the event of material distress or failure. The resolution options proposed, including the Preferred Strategy, are designed to ensure that key components of the Bank's business would be able to continue during the period immediately following failure, and that depositor customers would have prompt access to their insured deposits, minimizing customer and broader economic impact. Overall, the Bank believes that it has developed an effective and feasible resolution plan.