

## Allied Irish Banks, p.l.c., New York Branch 2018 – Tailored Resolution Plan

### *Executive summary*

**(1) Describe the key elements of the covered company's strategic plan for rapid and orderly resolution in the event of material financial distress at or failure of the covered company.**

Allied Irish Banks, p.l.c. (AIB) is submitting this plan as part of the third group of filers, generally those subject to the rule with less than \$100 billion in total U.S. non-bank assets. AIB is currently 71.2% owned by the Irish Government and has been designated as one of Ireland's two pillar banks.

AIB does not maintain any non-bank material entities or core business lines in the U.S. The only active presence AIB currently has in the U.S. is its New York branch (hereinafter AIB NY), which is licensed by the New York State Department of Financial Services (NYSDFS) and represents approximately 1% of AIB's global balance sheet. As such, AIB NY is not an operation whose discontinuance or disorderly wind-down would have a material impact on or pose a threat to the financial stability of the U.S.

As a result of the recent worldwide financial crisis and pursuant to Ireland's EU/ECB/IMF Troika bail-out program, AIB was directed to identify and de-leverage non-core assets from its balance sheet. As part of this process, the Not-for-Profit credit business in AIB NY was deemed to be non-core and the branch has consequently engaged in an active reduction of its NY assets resulting in the orderly reduction of the branch's business to its current levels:

- Balance Sheet decreased by 97%
- Loans decreased by 85%
- Securities issued or guaranteed by U.S. government agencies decreased by 99%
- Letters of Credit decreased by 98%

Throughout this process, AIB actively engaged both with customers and leading banks in the Not-for-Profit arena to achieve an orderly exit from this business. In the context of a material financial distress / failure scenario, AIB would further accelerate this ongoing process.

AIB NY is not actively engaged in proprietary derivative trading. The branch currently has 9 interest rate swap customers, down from 123 customers at year-end 2008, all of which represent customers managing interest rate exposures and all these positions have been closed. The branch has not added any new interest rate swaps in recent years. In the context of a material financial distress / failure scenario, AIB would revisit and further progress this already established process.

AIB NY does not actively engage in proprietary foreign exchange trading. The branch's Customer Treasury Services unit continues to service a core foreign exchange customer base, which currently comprises less than 30 active customers engaged in spot and forward foreign exchange transactions.

AIB has rebuilt its portfolio of U.S. government agency securities to approximately \$625m.

Funding for AIB NY's business is provided primarily from its Head Office at Bankcentre, Ballsbridge, Dublin 4, Ireland ("Head Office"). The branch does not have any customer deposits with a greater than 3-month maturity profile.

In the event of material financial stress / failure, as a NYSDFS licensed bank, AIB NY would be subject to Article 13 of New York Banking Law. Article 13 provides for two different ways of liquidating a NY State-licensed branch of a foreign bank, voluntarily and involuntarily:

If the bank is closed at Head Office, then the DFS superintendent would have no choice but to take possession of the branch and liquidate it under the involuntary liquidation provisions of Article 13. The DFS would close and liquidate the branch with a DFS examiner in charge – retaining a small number of employees to assist with the process. DFS could also hire a third party liquidator to operate under the DFS examiner in charge, but that would generally only be done for an unusually complex liquidation.

If the bank's head office remains open, the DFS could require all funds to be moved from asset maintenance into the asset pledge account and require DFS approval to remove any funds. If it appears that the branch has enough funds to satisfy all its liabilities (except to head office) DFS could order the branch to voluntarily liquidate under the close supervision of the DFS. The DFS has procedures on how branch of a foreign bank can liquidate voluntarily.

Allied Irish Banks, p.l.c. maintains its head office at Bankcentre, Ballsbridge, Dublin 4, Ireland. It is incorporated in Dublin, Ireland; and licensed by the Central Bank of Ireland.

The Executive Leadership Team of Allied Irish Banks, p.l.c. comprises:

Bernard Byrne*	Chief Executive Officer
Tomás O'Midheach	Deputy CEO & Chief Operating Officer
Mark Bourke*	Chief Financial Officer
Donal Galvin	Deputy Chief Financial Officer
Robert Mulhall	Managing Director, Consumer
Colin Hunt	Managing Director, Business
Brendan O'Connor	Managing Director, AIB U.K.
Tom Kinsella	Managing Director, Homes
Deirdre Hannigan	Chief Risk Officer
Triona Ferriter	Chief People Officer
Jim O'Keefe	Chief Customer & Strategic Affairs Officer

\* Mr. Byrne and Mr. Bourke have informed the AIB Board of their intention to step down from their roles as CEO and CFO respectively in 2019. Succession planning is underway in respect of both roles.

AIB's New York Branch is located at 1345, Avenue of the Americas, New York, NY 10105, and is licensed by the New York State Department of Financial Services. Its principal officers are:

Alan Brady	General Manager
Norbert Galligan	Senior Vice President, Corporate Banking
Kevin Mitchell	Senior Vice President, Compliance & Regulatory Affairs
Gerry Finn	Senior Vice President, Credit
Gerry Loughman	Vice President, Wholesale Treasury
Ross O'Kelly	Vice President, I.T.
Yanina Krubitski	Vice President, H.R.

This resolution plan is being filed by Allied Irish Banks, p.l.c., New York branch. The branch has established a number of governance committees which meet regularly, comprising senior management of the branch and representatives from Group Compliance and Group Risk in Dublin. In addition, in order to discharge the requirements of Reg. YY of Dodd Frank, the Group Board Risk Committee receives quarterly reports from the Chief Risk Officer on the overall risk management profile within NY Branch. Material changes to the current business profile of the branch will be noted at such meetings prompting modifications to the resolution plan of the branch where appropriate. Amended plans will be submitted to the board of Allied Irish Banks, p.l.c. for approval.

The only active presence AIB currently has in the U.S. is its New York branch. Management information systems/processes for the branch are part of the bank's core operating systems. The primary systems for credit and treasury products capture the customer/deal information at inception and are updated on an ongoing basis to provide current information at all times. Relevant treasury products are marked to market daily with output provided to management. Monthly branch management meetings are held to discuss current branch performance and developments.

(2) Describe material changes to the covered company's resolution plan from the company's most recently filed resolution plan (including any notices following a material event or updates to the resolution plan). *If this is the first resolution plan the covered company is filing, an answer of "not applicable" is acceptable.*

**Not applicable:**

This response is being submitted pursuant to the Informational Requirement Exemption issued by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation on June 10, 2016, as there have been no material changes to the most recently filed plan.

(3) Describe any actions taken by the covered company since filing of the previous resolution plan to improve the effectiveness of the covered company's resolution plan or remediate or otherwise mitigate any material weaknesses or impediments to effective and timely execution of the resolution plan. *If this is the first resolution plan the covered company is filing, an answer of "not applicable" is acceptable.*

**Not applicable:**

This response is being submitted pursuant to the Informational Requirement Exemption issued by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation on June 10, 2016, as there have not been any actions taken since filing of the previous resolution plan to improve the effectiveness of the covered company's resolution plan or remediate or otherwise mitigate any material weaknesses or impediments to effective and timely execution of the resolution plan.