

**Bank of Ireland  
US Branch  
Resolution Plan**

**Public Version**

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# 1. Introduction

The Governor and Company of the Bank of Ireland ('Bank of Ireland', and together with its subsidiaries and affiliates, 'Bank of Ireland Group' or the 'Group') is required to prepare a resolution plan pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ('DFA') and rules issued by the Federal Deposit Insurance Corporation ('FDIC') and the Board of Governors of the Federal Reserve System ('FRB') (collectively herein the 'Agencies').

In accordance with such requirements, the US Branch Resolution Plan ('Resolution Plan') describes how Bank of Ireland's US operations could be resolved within a reasonable period of time, without reliance on extraordinary government support and in a manner that substantially mitigates the risk that the failure of Bank of Ireland Group would have serious adverse effects on financial stability in the United States.

The US Branch is based in Stamford, Connecticut, with Representative Offices in Manhattan, New York and Chicago, Illinois.

## 2. Name of material entities

Bank of Ireland meets the definition of a Covered Company as defined under FRB Regulation QQ, and the US Branch is considered to be a Material Entity, for the purposes of the Resolution Plan.

## 3. Core operations / Critical business lines

Bank of Ireland does not have any Core Operations or Critical Business Lines in the US as defined in FRB Regulation QQ.

## 4. Consolidated financial information

### Bank of Ireland Overview

The Governor and Company of the Bank of Ireland was established as a chartered corporation by an Act of the Irish Parliament of 1781 / 2 and by a Royal Charter of King George III in 1783. The Bank of Ireland Group has total assets of \$182 billion at 31 December 2013. The address of the principal executive offices is 40 Mespil Road, Dublin 4, Ireland.

The Group provides a broad range of banking and other financial services. All of these services are provided by the Group in Ireland, with selected services being offered in the UK and Internationally. The Group has a network of retail branches in Ireland and a financial services relationship and joint venture with the UK Post Office in the UK, engaged in the provision of consumer financial services. Corporate Banking and Global Markets conduct the Group's international business with offices in Dublin, London and the US, as well as branches in Paris and Frankfurt.

Subsidiaries of the Group include BOI UK (which comprises the financial services relationship with the UK Post Offices, its branch business in Northern Ireland, certain assets from its former intermediary sourced mortgage business, and other parts of its UK business banking operations), New Ireland Assurance Company ('NIAC'), a life assurance and pensions company in Ireland and Bank of Ireland Mortgage Bank.

### Bank of Ireland Group Structure

The Group business operating model is arranged on the basis of front, middle and back offices, with customer facing business units, specialist support in centralised centres of expertise and operational support in shared service centres. The Group has five reportable operating segments which reflect the internal financial and management reporting structure and are organized as follows:

### **Retail Ireland** (which includes Bank of Ireland Life)

Retail Ireland incorporates the Group's branch network and Direct Channels (mobile, online and phone), Mortgage Business, Consumer Banking and Wealth Management (Bank of Ireland Life (BIL), NIAC and Private Banking activities in the Republic of Ireland and is built on a broad distribution platform and a comprehensive suite of retail and business products and services.

### **Retail UK**

The Retail UK Division incorporates the exclusive financial services relationship and foreign exchange joint venture with the UK Post Office, the UK residential mortgage business, the Group's branch network in Northern Ireland and the Group's business banking business in Great Britain Northern Ireland. The Retail UK division includes the activities of BOI UK, the Group's wholly owned UK licensed banking subsidiary.

### **Corporate & Treasury**

The Corporate & Treasury Division comprises Corporate Banking ('CB'), Global Markets ('GM') and IBI Corporate Finance.

CB provides banking services to large corporates, financial institutions and multinational corporations. The range of lending products provided includes overdrafts and short term loan facilities, term loans, project finance and structured finance. CB also includes the Group's Leveraged Acquisition Finance ('LAF') business.

GM transacts in a range of market instruments on behalf of both the Group itself and its customers. The activities include transactions in inter-bank deposits and loans, foreign exchanges spot and forward contracts, options, financial futures, bonds, swaps, forward rate agreements and equity tracker products.

IBI Corporate Finance advises publicly-quoted, private and semi-state companies across a variety of complex domestic and international transactions.

### **Group Centre**

The Group's central functions establish and oversee policies, processes and delivery platforms. These functions comprise Group Manufacturing, Group Finance, Group Credit & Market Risk, Group Governance Risk and Group Human Resources.

The table below highlights key financial metrics of the Bank of Ireland Group, analyzed by the four core operating segments (and Group Centre which includes the support functions).

<b>December 31, 2013 (USD million)</b>						
	<i>Total</i>	<i>Retail Ireland</i>	<i>BOI Life</i>	<i>Retail UK</i>	<i>Corporate &amp; Treasury</i>	<i>Group Centre</i>
Loans and advances to customers	112,295	51,457	-	47,047	13,791	-
Customer deposits	103,212	49,648	-	37,015	16,549	-
Net interest income	2,957	1,222	66	818	851	-
Underlying profit or loss before tax	(785)	(961)	148	(211)	672	(432)
Staff numbers at period end	11,255	4,592	936	1,422	580	3,725

The US Branch is part of Bank of Ireland's Corporate & Treasury Division.

## 5. Description of derivative activities and hedging activities

The US Branch enters into derivative transactions for customer related hedging activities, US Branch balance sheet risk management transactions and trading purposes. The derivatives instruments are predominantly swaps, futures, options and forward contracts.

The US Branch is a pricing provider for customer related activities in a number of derivative products. Bank of Ireland's client driven focus allows for customers to take, transfer, modify or reduce current or expected risks. Bank of Ireland's risk positions arising from customer trades may be hedged immediately in the market or held over a period of time, depending on general market conditions.

The US Branch uses derivatives for hedging purposes in the management of its own asset and liability portfolios and structural positions. This enables the US Branch to optimize the overall cost to Bank of Ireland of accessing debt capital markets and to mitigate the market risk which would otherwise arise from structural imbalances in the maturity and other profiles of its assets and liabilities. The US Branch did not have any structural hedges in place, as at December 31, 2013.

## 6. Material payment, clearing and settlement systems

The US Branch uses payment, clearing and settlement systems to conduct financial transactions and facilitate the clearing and settlement of customer security, derivative and cash transactions with counterparties and customers. These systems are known as Financial Market Utilities ('FMU'). The following is a list of payment, clearing and settlement systems that the US Branch is a member of, and uses to effect the transactions of the US Branch.

FMU	Type
CLS Bank	Payment Processing & Cash Settlement
Fedwire Funds Service ('Fedwire Funds') / Fedwire Security Service ('Fedwire Securities')	Payment Processing & Cash Settlement / Clearing & Depositories
The Depository Trust & Clearing Corporation ('DTCC')	Clearing & Depositories
The Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Interbank Financial Telecommunication
HSBC	Future Transactions Settlement

## 7. Foreign operations

Bank of Ireland's main operations outside of Ireland are in the UK. BOI UK plc. is the Group's licensed banking subsidiary in the UK. It comprises a the financial services relationship with the UK Post Offices, its branch business in Northern Ireland, certain assets from its former intermediary sourced mortgage business, and other parts of its UK business banking operations.

In addition to the above, the Group is involved in LAF activities in the US, UK and Europe, and deposits and treasury services in the UK and US.

The US Branch does not have any foreign operations.

## 8. Material supervisory authorities

Bank of Ireland is a financial holding company primarily supervised and regulated by the Federal Reserve Bank of New York under the Bank Holding Company Act of 1956. The US Branch is additionally subject to regulation and examination by the Connecticut Department of Banking ('CDB'). The Representative Office in Chicago is licensed by the Illinois Department of Financial & Professional Regulation, Department of Banking and supervised by the Federal Reserve Bank of Chicago. The Representative Office in New York is licensed by the New York Department of Financial Services and supervised by the Federal Reserve Bank of New York.

Offshore, the regulatory agency with authority over Bank of Ireland is the Central Bank of Ireland.

## 9. Principal officers of the US Branch

The principal officers of BOI US Branch and their current titles are set forth below:

Name	Title
Tony Dunne	US Country Manager, Chief Operating Officer and Chief Financial Officer
Frank Cahill	Head of US Leveraged Acquisition Finance
Darsh Mariyappa	Head of Global Markets US
Jon Karnofsky	Head of Regulatory Compliance US

## 10. Corporate governance structure

The US Branch Resolution Plan is developed, considered and approved within the Group's risk governance framework.

In May 2013, the Bank Recovery & Resolution (BRR) Steering Committee was formed and is responsible for the approval of the overarching strategy on Recovery and Resolution in the Group.

The information within the US Branch Resolution Plan has been compiled using data from published corporate documents and regulatory filings, as well as through a series of workshops involving a cross-functional team of subject matter experts from the Group, who were identified by the US Country Manager. The cross-functional team was responsible for developing and challenging the outputs for the US Branch Resolution Plan.

As part of the approval of the 2013 Resolution Plan, the Court delegated that Group Risk Policy Committee ('GRPC') could approve subsequent annual resolution plans, subject to the absence of material changes. In accordance with this, the US Branch Resolution Plan was approved by the GRPC on December 5, 2014.

Within the US Branch, the US Branch Steering Committee, which is responsible for overseeing the operations and support of the Group's Corporate Banking and Global Markets activities in the US, recommended the US Branch Resolution Plan for approval to GRPC on December 4, 2014.

## **11. Management Information Systems ('MIS')**

The US Branch relies on Bank of Ireland's global technology and MIS to generate management reports, conduct business activities (including but not limited to trading management, loan and deposit origination, portfolio management), accounting and financing (including but not limited to operation and regulatory reporting), risk and compliance management (including but not limited to transaction monitoring and customer analytics) and general office support.

Bank of Ireland's global technology has a common set of reporting solutions and is managed through a global production support and infrastructure model. Specifically, Bank of Ireland relies on internally developed and third-party systems. Bank of Ireland maintains a governance framework with documented policies, standards and procedures to ensure the systems producing MIS are accurate, reliable and timely.

All of the key information technology systems used by the US Branch are owned, managed and hosted by Bank of Ireland Group.

Bank of Ireland's MIS provides reporting capabilities that allow for the generation and distribution of key internal reports used by senior management to monitor the financial health, risks and operations of the US Branch. The US Branch's material MIS include systems for deal capture and settlement, P&L calculation, market risk monitoring, liquidity risk monitoring, general ledger reporting and regulatory reporting. Bank of Ireland's MIS also support the capability to collect, maintain and report the information and data underlying this Resolution Plan.

## **12. The US Branch resolution strategy**

The Resolution Plan incorporates all FRB/FDIC assumptions set forth in FRB Regulation QQ, including that the failure of the Covered Company is an idiosyncratic event and not the result of a worldwide financial crisis.

In the Group's resolution scenario, it is assumed that the US Branch, which is licensed by the CDB, a member of the FRB, and jointly regulated, by the CDB and Federal Reserve Bank of New York ('FRBNY'), would be resolved under Connecticut State Banking law. The Resolution Plan assumes that the CDB would nominate a receiver ('CDB receiver') for the US Branch and to seek sufficient powers to liquidate assets and pay US Branch creditors.

The Resolution Plan describes the steps that the CDB receiver would take to dispose of these assets, and the timeframe for wind-down. The liquid nature of these assets means that the Resolution Plan assumes that the CDB receiver will be able to satisfy US Branch creditor obligations and to meet the operational funding requirements of the US Branch during its wind-down period as part of an orderly resolution process.