



July 26, 2019

Mr. Jean-Yves Fillion  
BNP Paribas  
787 Seventh Avenue  
New York, New York 10019

Ms. Nandita Bakhshi  
Chief Executive Officer  
180 Montgomery St., 25th Floor  
San Francisco, California 94104

Dear Mr. Fillion and Ms. Bakhshi:

The Board of Governors of the Federal Reserve System (Board) and the Federal Deposit Insurance Corporation (FDIC) (together, the Agencies) have reviewed the resolution plan submission (2018 Plan) that BNP Paribas (Covered Company) submitted in December 2018, as required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>1</sup> and the jointly issued Resolution Plan Rule.<sup>2</sup> The Agencies did not identify shortcomings or deficiencies in the Covered Company's 2018 Plan as a result of this review.

In April 2019, the Agencies invited comment on a proposal (Proposal) to modify the Resolution Plan Rule that would, among other things, adjust the scope of application, submission timeframe, and plan content requirements.<sup>3</sup> Until the Agencies finalize the Proposal in a final

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<sup>1</sup> 12 U.S.C. § 5365(d).

<sup>2</sup> 12 CFR Part 243 (Board) and 12 CFR Part 381 (FDIC).

<sup>3</sup> Resolution Plans Required, 84 FR 21600 (May 14, 2019), <https://www.federalregister.gov/documents/2019/05/14/2019-08478/resolution-plans-required>.

rule (Final Rule), the current Resolution Plan Rule continues to apply to the Covered Company, including any provisions relating to the next resolution plan submission date.

Accordingly, the Agencies have jointly determined that the Covered Company's next resolution plan submission will be due on July 1, 2021, or such other date that may be specified when the Agencies adopt the Final Rule. The Covered Company should refer to the Final Rule for the content requirements of its subsequent resolution plan submission.

The Covered Company's U.S. repurchase agreement activity is [REDACTED] booked to the parent's balance sheet, but this activity has operational interconnections with the U.S. broker-dealer affiliate -- BNPP Securities Corporation (BNPPSC). This operational dependency may complicate resolution proceedings as it appears that [REDACTED]

[REDACTED]. Though the Covered Company stated that the unavailability of BNPPSC would not have "a material impact on BNPP's operational readiness" to assume all of BNPPSC's activities related to outstanding repurchase agreements, it is not apparent how the parent can assume these activities. The Covered Company's next resolution plan submission should provide a description and analysis of how the Covered Company would assume all activities (including daily operations, oversight, and risk management) to manage the Covered Company's U.S. repurchase agreement activity and describe how these activities would remain uninterrupted in the event of the bankruptcy of BNPP USA and the failure of BNPP's U.S. operations.

If you have any questions about the information communicated in this letter, please contact Catherine Tilford, Assistant Director, Federal Reserve Board, at 202-452-5240 or

catherine.a.tilford@frb.gov, or Robert Connors, Associate Director, FDIC, at 202-898-3834 or  
rconnors@fdic.gov.

Sincerely,



Michael S. Gibson  
Director  
Division of Supervision and Regulation  
Board of Governors  
of the Federal Reserve System



Ricardo R. Delfin  
Director  
Division of Complex Institution Supervision  
and Resolution  
Federal Deposit Insurance Corporation