



**CITIC Group Corporation**  
**2014 Tailored U.S. Resolution Plan**  
**(Public Section)**

## Table of Contents

Executive Summary .....	1
(1) The names of material entities .....	1
(2) A description of core business lines .....	2
(3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources .....	2
(4) A description of derivative activities and hedging activities .....	5
(5) A list of memberships in material payment, clearing and settlement systems.....	6
(6) A description of foreign operations .....	6
(7) The identities of material supervisory authorities.....	10
(8) The identities of the principal officers .....	11
(9) A description of the corporate governance structure and processes related to resolution planning .....	11
(10) A description of material management information systems.....	13
(11) A description, at a high level, of the covered company's resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines .....	13

## ***Executive Summary***

This tailored U.S. resolution plan (the “Tailored U.S. Resolution Plan” or the “2014 Tailored U.S. Resolution Plan”) of CITIC Group Corporation (“CITIC Group”) is being filed pursuant to implementing regulations (the “Final Rule”) issued by the Board of Governors of the Federal Reserve System (“FRB”) (12 CFR Part 243) and the Federal Deposit Insurance Corporation (“FDIC”) (12 CFR Part 381) under Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

Section 165(d) of the Dodd-Frank Act and the Final Rule specify that any foreign bank or company that is treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 (the “IBA”) (12 USC §§ 3101 *et seq.*) and has \$50 billion or more in global total consolidated assets is a “Covered Company” for purposes of Section 165(d) of the Dodd-Frank Act and the Final Rule. A foreign-based Covered Company is required to periodically submit to the FRB and the FDIC a plan for such company’s rapid and orderly resolution of its U.S. operations in the event of material financial distress at or failure of the Covered Company.

CITIC Group is organized under the laws of the People’s Republic of China (“PRC”). Because China CITIC Bank International Limited (“CNCBI”), a Hong Kong-based indirect banking subsidiary of CITIC Group, maintains two uninsured federal branches in the United States, CITIC Group is treated as a bank holding company under Section 8(a) of the IBA. The global total consolidated assets of CITIC Group, including its U.S. operations, exceeded \$50 billion as of December 31, 2013. As a result, CITIC Group is a foreign-based “Covered Company” and is required to file a U.S. resolution plan under Section 165(d) of the Dodd-Frank Act and the Final Rule.

Under the Final Rule, a foreign-based Covered Company that (i) has less than \$100 billion in total U.S. nonbank assets and (ii) has 85 percent or more of its U.S. total consolidated assets comprised of the company’s U.S. insured depository institution operations and U.S. insured or uninsured branches and agencies may submit a tailored resolution plan, upon written notice of its intent and eligibility to submit a tailored resolution plan to and non-objection from the FRB and the FDIC. CITIC Group meets the criteria outlined above and submits this Tailored U.S. Resolution Plan to satisfy Section 165(d) of the Dodd-Frank Act and the Final Rule.

The 2014 Tailored Resolution Plan is CITIC Group’s second annual submission under the Final Rule. CITIC Group submitted its initial tailored resolution plan (the “2013 Tailored U.S. Resolution Plan”) on December 30, 2013. The Public Section of the 2013 Tailored U.S. Resolution Plan can be accessed on the FRB website ([www.federalreserve.gov](http://www.federalreserve.gov)) and the FDIC website ([www.fdic.gov](http://www.fdic.gov)).

### ***(1) The names of material entities***

“Material Entity” is defined in the Final Rule as “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.” CITIC Group has determined that it does not have any U.S. Material Entities for purposes of this Tailored U.S. Resolution Plan.

## (2) A description of core business lines

“Core Business Lines” are defined in the Final Rule 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” to the Covered Company. Based on both quantitative analysis and qualitative analysis, CITIC Group has determined that it has no Core Business Lines in the United States.

## (3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources

### Consolidated Balance Sheet

The consolidated balance sheet of CITIC Group, as of December 31, 2013, is presented below.<sup>1</sup>

Table A.1: CITIC Group Consolidated Balance Sheet as of December 31, 2013

<b>CITIC Group Consolidated Balance Sheet</b>		
<i>RMB in thousands</i>	<b>At 31 December 2013</b>	<b>At 31 December 2012 (Restated)</b>
<b>Assets</b>		
Cash and deposits .....	721,331,092	750,803,246
Placements with banks and non-bank financial institutions .....	122,293,046	151,774,132
Trading financial assets .....	12,922,281	14,544,006
Derivative financial assets .....	7,835,803	4,558,834
Bills and receivables .....	96,620,949	89,629,451
Inventories .....	135,113,963	124,494,829
Financial assets held under resale agreements .....	287,247,417	69,082,079
Loans and advances to customers .....	1,904,850,205	1,635,560,311
Available-for-sale financial assets .....	214,552,643	225,673,870
Held-to-maturity investments .....	155,093,409	134,763,185
Investment classified as receivables .....	300,158,113	56,435,301
Long-term equity investments .....	72,334,003	71,237,092
Investment properties .....	23,281,381	24,747,960
Fixed assets .....	96,311,406	87,965,513
Construction in progress .....	53,329,927	52,195,309
Intangible assets .....	50,495,485	39,178,535
Goodwill .....	11,373,991	4,569,180
Deferred tax assets .....	14,017,540	11,069,286
Other assets .....	20,514,811	17,289,586
<b>Total assets .....</b>	<b>4,299,677,465</b>	<b>3,565,571,705</b>
<b>Liabilities</b>		
Placements from banks and non-bank financial institutions .....	41,372,356	17,164,732
Derivative financial liabilities .....	9,069,793	7,628,905
Bills and payables .....	188,698,507	161,438,163

<sup>1</sup> Unless otherwise noted, all financial information of CITIC Group provided in this Tailored U.S. Resolution Plan refers to the year ended December 31, 2013, or to the values as of that date, as the context requires, and has been prepared in accordance with the requirements of “Accounting Standards Business Enterprises — Basic Standard” and 38 Specific Standards issued by the Ministry of Finance of the PRC on February 15, 2006 and the applicable guidance, bulletins and other relevant accounting regulations subsequently issued thereof.

Any discrepancies included in this Tailored U.S. Resolution Plan between totals and the sums of the amounts listed are due to rounding.

**CITIC Group Consolidated Balance Sheet**

<i>RMB in thousands</i>	At 31 December 2013	At 31 December 2012 (Restated)
Financial assets sold under repurchase agreements .....	7,949,220	11,031,621
Deposits from banks and non-bank financial institutions and customers ...	3,187,421,184	2,600,589,392
Employee benefits payable .....	15,511,482	15,104,978
Taxes payable .....	10,775,141	11,267,859
Loans .....	225,419,477	201,770,064
Debts securities issued.....	167,093,448	140,529,251
Provisions .....	5,796,425	5,579,177
Deferred tax liabilities .....	5,796,923	6,598,255
Other liabilities .....	6,824,402	6,381,885
<b><i>Total liabilities</i></b> .....	<b>3,871,701,358</b>	<b>3,185,084,282</b>
<b>Shareholders' equity</b>		
Paid-in capital.....	183,970,409	183,702,630
Capital reserve/Reserve .....	22,071,573	21,865,787
Surplus reserve .....	55,058	29,753
General reserve.....	15,504,186	9,207,846
Retained earnings .....	51,895,700	20,646,187
Translation differences of financial statements denominated in foreign currency .....	(1,587,156)	(40,005)
<b><i>Total equity attributable to shareholders of the Company</i></b>	<b>271,909,770</b>	<b>235,412,198</b>
Minority interests .....	156,066,337	145,075,225
<b><i>Total shareholders' equity</i></b> .....	<b>427,976,107</b>	<b>380,487,423</b>
<b><i>Total liabilities and shareholders' equity</i></b> .....	<b>4,299,677,465</b>	<b>3,565,571,705</b>

Source: CITIC Group 2013 Annual Report

### **Capital**

As of December 31, 2013, the total shareholders' equity was RMB 428.0 billion (\$70.7 billion), including paid-in capital of RMB 184.0 billion (\$30.4 billion).<sup>2</sup>

CITIC Group is not subject to any regulatory capital requirements.

### **Major Funding Sources**

CITIC Group's major funding sources include deposits as well as long-term and short-term borrowings.

### **Deposits**

As of December 31, 2013, the total deposits from banks and non-bank financial institutions and customers were RMB 3.1874 trillion (\$526.5 billion). The table below presents deposits by sources.

<sup>2</sup> All currency conversions are calculated using the closing exchange rate of 6.0543 RMB/USD on December 31, 2013 (source: www.Bloomberg.com).

Table A.2: CITIC Group — Deposits as of December 31, 2013

<b>CITIC Group — Deposits</b>		
<i>RMB in thousands</i>	<b>At 31 December 2013</b>	<b>At 31 December 2012 (Restated)</b>
<b>Demand deposits</b>		
Corporate customers .....	917,576,393	828,791,666
Personal customers .....	127,429,613	102,119,971
<i>Subtotal</i> .....	<b>1,045,006,006</b>	<b>930,911,637</b>
<b>Time and call deposits</b>		
Corporate customers .....	1,190,860,592	983,527,070
Personal customers .....	387,311,028	310,310,909
<i>Subtotal</i> .....	<b>1,578,171,620</b>	<b>1,293,837,979</b>
Deposits from banks and non-bank financial institutions .....	557,900,952	369,403,317
Outward remittance and remittance payable .....	6,342,606	6,436,459
<b>Total</b> .....	<b>3,187,421,184</b>	<b>2,600,589,392</b>

Source: CITIC Group 2013 Annual Report.

Deposits from customers identified in the table above include pledged deposits for:

Table A.3: CITIC Group — Pledged Deposits from Customers as of December 31, 2013

<b>CITIC Group — Pledged Deposits from Customers</b>		
<i>RMB in thousands</i>	<b>At 31 December 2013</b>	<b>At 31 December 2012</b>
Bank acceptance .....	302,968,632	309,525,781
Letters of credit .....	35,882,498	32,012,062
Guarantees .....	22,017,848	14,516,178
Others .....	85,265,120	54,337,238
<b>Total</b> .....	<b>446,134,098</b>	<b>410,391,259</b>

Source: CITIC Group 2013 Annual Report.

## Loans

As of December 31, 2013, CITIC Group had total loans of RMB 225.4 billion (\$37.2 billion), with approximately 39.7% due within one year, 47.6% due after one year but within five years and 12.6% due after five years. The table below presents these loans by loan type.

Table A.4: CITIC Group — Loans as of December 31, 2013

<b>CITIC Group — Loans</b>		
<i>RMB in thousands</i>	<b>At 31 December 2013</b>	<b>At 31 December 2012</b>
<b>Bank Loans</b>		
Unsecured loans .....	117,081,267	123,567,917
Loans pledged with assets .....	35,994,093	36,157,850
Guaranteed loans .....	21,739,701	15,365,751
<i>Subtotal</i> .....	<b>174,815,061</b>	<b>175,091,518</b>
<b>Other loans</b>		
Unsecured loans .....	44,422,108	20,524,752
Loans pledged with assets .....	3,302,715	2,094,209
Guaranteed loans .....	2,879,593	4,059,585
<i>Subtotal</i> .....	<b>50,604,416</b>	<b>26,678,546</b>
<b>Total</b> .....	<b>225,419,477</b>	<b>201,770,064</b>

Source: CITIC Group 2013 Annual Report

**Debts securities issued**

As of December 31, 2013, CITIC Group had issued debts securities of RMB 167.1 billion (\$27.6 billion), with approximately 17.3% due within one year, 27.3% due after one year but within five years and 55.4% due after five years. The table below presents each type of debts securities issued.

Table A.5: CITIC Group — Debts Securities Issued as of December 31, 2013

<b>CITIC Group — Debts securities issued</b>		
<i>RMB in thousands</i>	<b>At 31 December 2013</b>	<b>At 31 December 2012</b>
Corporate bonds issued.....	60,323,147	54,218,320
Notes issued.....	29,678,738	29,416,723
Subordinated debts issued .....	45,279,432	43,901,395
Certificate of deposits issued .....	12,717,736	11,592,799
Debt securities issued .....	15,903,658	907,917
Convertible bonds issued.....	222,757	492,097
Certificates of interbank deposit issued	2,967,980	—
<b>Total</b> .....	<b>167,093,448</b>	<b>140,529,251</b>

Source: CITIC Group 2013 Annual Report

**(4) A description of derivative activities and hedging activities**

CITIC Group uses derivatives, including forward and swap contracts performed in foreign currency market and interest rate market, to hedge its exposure on foreign exchange and interest rate risks. CITIC Group adopts hedge accounting for derivatives designated as hedging instruments if the hedge is effective. Other derivatives are accounted for as trading financial assets or financial liabilities. Derivatives are recognized at fair value upon initial recognition. The positive fair value is recognized as assets while the negative fair value is recognized as liabilities. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss.

When derivatives are embedded into non-derivative instruments (the “host contract”), the embedded derivatives are separated from the host contract and accounted for as a derivative when (i) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (iii) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit or loss.

The table below presents the notional amount and the positive and negative fair values of CITIC Group’s derivative instruments outstanding as of December 31, 2013 and 2012.

Table A.6: CITIC Group — Derivative Financial Instruments as of December 31, 2013

<b>CITIC Group — Derivative Financial Instruments</b>						
<i>RMB in thousands</i>	<b>At 31 December 2013</b>			<b>At 31 December 2012</b>		
	<b>Notional Amount</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Notional Amount</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Hedging instruments</b>						
Interest rate derivatives.....	21,004,796	213,346	1,962,648	32,318,623	470,148	3,814,572
Currency derivatives.....	1,008,620	29,075	69,166	963,327	149,590	—
Other derivatives .....	39,805	1,442	82,183	188,898	93,467	158,990
<b>Non-hedging instruments</b>						
Interest rate derivatives.....	202,329,857	1,362,245	1,398,425	219,836,728	951,500	1,138,267
Currency derivatives.....	900,216,467	6,229,695	5,555,795	552,103,930	2,894,082	2,502,182
Other derivatives .....	63,254,777	—	1,576	21,583,782	47	14,894
<b>Total.....</b>	<b>1,187,854,322</b>	<b>7,835,803</b>	<b>9,069,793</b>	<b>826,995,288</b>	<b>4,558,834</b>	<b>7,628,905</b>

Source: CITIC Group 2013 Annual Report

## ***(5) A list of memberships in material payment, clearing and settlement systems***

CITIC Group is a foreign-based Covered Company permitted to file a tailored resolution plan under the Final Rule. Pursuant to the requirements as set forth for foreign-based Covered Companies under Section 4(a)(2)(i) of the Final Rule and the requirements as set forth for tailored resolution plans under Section 4(a)(3)(ii) of the Final Rule, CITIC Group is required to provide information on its material payment, clearing, and settlement systems, as specified in Section 4(e)(12) of the Final Rule, only with respect to its nonbanking material entities that are domiciled in the United States and nonbanking material operations that are conducted in whole or material part in the United States.

Because CITIC Group does not have any nonbanking material entities that are domiciled in the United States or nonbanking material operations that are conducted in whole or material part in the United States, CITIC Group is not required to provide any information on memberships in material payment, clearing, and settlement systems in this Tailored U.S. Resolution Plan.

## ***(6) A description of foreign operations***

Headquartered in Beijing, CITIC Group is one of the largest Chinese conglomerate companies with both financial services and non-financial businesses. It was founded in 1979 upon the approval of the State Council of the PRC (the “State Council”). On behalf of the State Council, the Ministry of

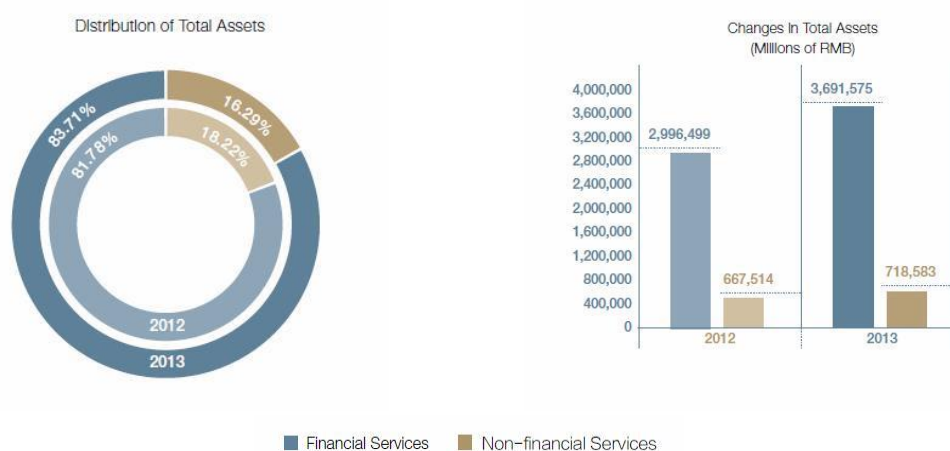


Finance of PRC took the responsibilities of investor and is the sole shareholder of CITIC Group. As of December 31, 2013, the total consolidated assets of CITIC Group were RMB 4.2997 trillion (\$710.2 billion). The operating income for the year ended December 31, 2013 was RMB 375.1 billion (\$62.0 billion). The principal activities of CITIC Group and its subsidiaries are financial services, real estate and infrastructure, engineering contracting, resources and energy, manufacturing and other services.

Exhibits A.1, A.2 and A.3 provide financial information of CITIC Group as of December 31, 2013 and December 31, 2012 by business category (*i.e.*, financial services versus non-financial services).

The following charts below present distribution of and changes in total assets, respectively, by CITIC Group's business categories.

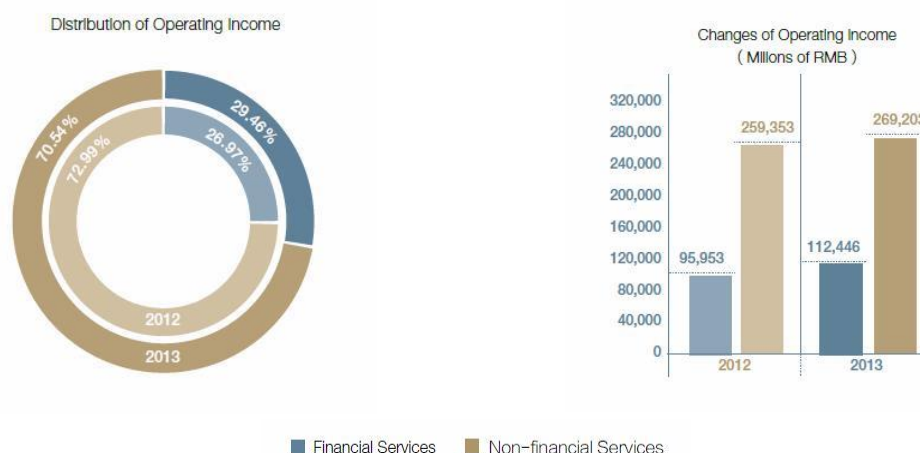
Exhibit A.1: CITIC Group — Total Assets 2013 vs. 2012



Source: CITIC Group 2013 Annual Report

The following charts present distribution of and changes in operating income, respectively, by CITIC Group's business categories.

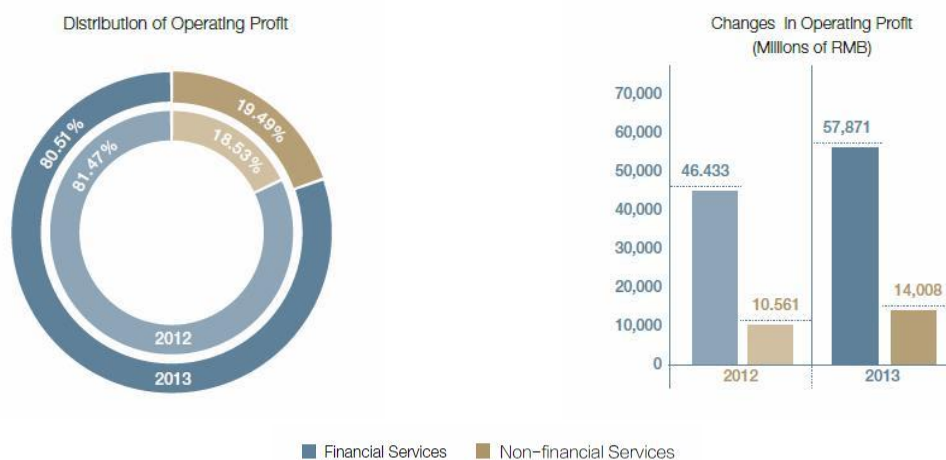
Exhibit A.2: CITIC Group — Operating Income 2013 vs. 2012



Source: CITIC Group 2013 Annual Report

The following charts present distribution of and changes in operating profit, respectively, by CITIC Group's business categories.

Exhibit A.3: CITIC Group — Operating Profit 2013 vs. 2012



Source: CITIC Group 2013 Annual Report

Exhibit A.4 presents growth in total assets, equity attributable to shareholders of CITIC Group, operating income and operating profit of CITIC Group from 2009 to 2013.

Exhibit A.4: CITIC Group — Growth from 2009 to 2013



Source: CITIC Group 2013 Annual Report

## Financial Services

As of the end of 2013, the total assets of CITIC Group's financial services were RMB 3.6916 trillion (\$609.7 billion).

- **Banking business.** CITIC Group conducts its banking business through its indirectly majority-owned subsidiary, China CITIC Bank Corporation Limited ("CNCB"), and CNCB's indirectly majority-owned subsidiary, CNCBI. Founded in 1987, CNCB had 1,073 outlets in mainland China and over 40 outlets outside of mainland China at the end of 2013. As of December 31, 2013, the total assets of CNCB were RMB 3.6412 trillion (\$601.4 billion). CNCBI is a Hong Kong-based full-service commercial bank that offers a broad spectrum of financial services, including wealth management, personal banking, wholesale banking as well as global markets and treasury solutions. CNCBI's footprint in Greater China includes 35 branches in Hong Kong, one branch in Macau, and one branch in Shanghai. In addition, CNCBI has overseas branches in New York, Los Angeles, and Singapore.
- **Securities business.** CITIC Group conducts its securities business through CITIC Securities Company Limited ("CITIC Securities").<sup>3</sup> CITIC Limited's principal businesses include investment banking, brokerage, asset management, and investment advisory services to retail, corporate and institutional clients in China and globally.
- **Trust business.** CITIC Group conducts its trust business through CITIC Trust Co., Ltd. ("CITIC Trust"). As of December 31, 2013, the assets under management of CITIC Trust totaled RMB 729.7 billion (\$120.5 billion).
- **Insurance business.** CITIC Group conducts its insurance business through CITIC Prudential Life Insurance Co., Ltd. ("CITIC Prudential"). As of the end of 2013, CITIC Prudential's business activities covered 55 cities in the PRC.
- **Other financial services.** CITIC Group's other financial services include, among others, e-commerce platform "ecitic"; micro-pawn, finance lease and factoring businesses; and funds and asset management businesses.

## Non-financial Businesses

As of the end of 2013, the total assets of CITIC Group's non-financial businesses were RMB 718.6 billion (\$118.7 billion).

- **Real estate and infrastructure.** CITIC Group conducts its real estate business mainly through CITIC Real Estate Co., Ltd. and CITIC Limited (formerly known as CITIC Pacific Limited). In addition, CITIC Group's infrastructure business comprises motorway, port and undersea tunnel projects. As of the end of 2013, the total assets of real estate and infrastructure businesses were RMB 211.8 billion (\$35.0 billion).

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<sup>3</sup> As of December 31, 2013, CITIC Group owned 20.88% of the voting stock and equity of CITIC Securities. CITIC Group does not include CITIC Securities' financial position, financial performance and cash flows in its consolidated financial statements.

- **Engineering contracting.** CITIC Group has developed its engineering contracting business in PRC and 14 other countries worldwide. As of the end of 2013, the total assets of the engineering contracting business were RMB 38.2 billion (\$6.3 billion).
- **Energy and resources.** CITIC Group’s energy and resources businesses span a wide range of sectors, including oil, coal mining, iron ore, manganese minerals, electrolytic aluminum and iron alloy. As of the end of 2013, the total assets of the energy and resources business were RMB 168.5 billion (\$27.8 billion).
- **Manufacturing.** CITIC Group’s manufacturing business includes heavy equipment, special steel and auto parts. As of the end of 2013, the total assets of the manufacturing business were RMB 85.6 billion (\$14.1 billion).
- **Other businesses.** CITIC Group has other businesses in information technology, such as cable TV, satellite transponder leasing and information services, and in publishing, general aviation, logistics, tourism and health care. As of the end of 2013, the total assets of these businesses were RMB 85.8 billion (\$14.2 billion).

### **Material Changes to CITIC Group’s Operations**

On August 25, 2014, CITIC Limited, Hong Kong, China (formerly known as CITIC Pacific Limited, Hong Kong, China, and hereinafter referred to as “CITIC Limited”) completed an acquisition (the “CITIC Limited Acquisition”) from CITIC Group and Beijing CITIC Enterprise Management Co., Ltd., Beijing, China, a wholly owned subsidiary of CITIC Group, of 100% of the total issued share capital of CITIC Corporation Limited, Beijing, China (formerly known as CITIC Limited, Beijing, China, and hereinafter referred to as “CITIC Corp Limited”). Prior to the CITIC Limited Acquisition, CITIC Limited, a company listed on the Hong Kong Stock Exchange, was a 57.51% owned subsidiary of CITIC Group, and CITIC Limited’s primary business at the time included special steel manufacturing, iron ore mining and property development, and its other businesses included energy and civil infrastructure. Upon the completion of the CITIC Limited Acquisition, CITIC Limited became a 77.90% owned subsidiary of CITIC Group and CITIC Corp Limited became a wholly owned subsidiary of CITIC Limited. Through CITIC Corp Limited, CITIC Limited now conducts businesses in financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in China and overseas. CITIC Limited is listed on the Hong Kong Stock Exchange and is one of the largest companies in the Hang Seng Index.

### ***(7) The identities of material supervisory authorities***

The following table identifies the home country authorities that regulate CITIC Group.

Table A.7: Home Country Authorities of CITIC Group

<b>Home Country Authorities of CITIC Group</b>	
<b>Agency</b>	<b>Country/Region</b>
Ministry of Finance of PRC	PRC
China Banking Regulatory Commission	PRC
People’s Bank of China	PRC
China Securities Regulatory Commission	PRC
Hong Kong Monetary Authority	Hong Kong Special Administrative Region of PRC

For informational purposes only, the following table identifies the primary authorities who have the responsibility for ensuring the safety and soundness of the two uninsured federal branches of CNCBI.

Table A.8: Primary Authorities of CNCBI’s U.S. branches

Primary Authorities of CNCBI — U.S. branches	
Entity	Agency
CNCBI — U.S. branches	Office of the Comptroller of the Currency
	Board of Governors of the Federal Reserve System

## ***(8) The identities of the principal officers***

The table below presents the name, title and certain biographical information for our board of directors and senior management.

Table A.9: CITIC Group Board of Directors and Senior Management

CITIC Group Board of Directors and Senior Management		
Name	Title	Information
Chang, Zhenming	Chairman	Chairman of CITIC Group since December 2011
Wang, Jiong	Vice Chairman & President	Vice Chairman and President of CITIC Group since May 2013
Dou, Jianzhong	Executive Director	Executive Director of CITIC Group since December 2011
Yang, Jinming	Non-executive Director	Non-executive Director of CITIC Group since December 2011
Yu, Zhensheng	Non-executive Director	Non-executive Director of CITIC Group since December 2011
Cao, Pu	Non-executive Director	Non-executive Director of CITIC Group since July 2012
Liu, Yeqiao	Non-executive Director	Non-executive Director of CITIC Group since September 2014
Liu, Zhiqiang	Employee Director	Employee Director of CITIC Group since December 2011

Source: CITIC Group Management, December 2014

## ***(9) A description of the corporate governance structure and processes related to resolution planning***

In order to provide timely, credible and complete responses to supervisory resolution planning initiatives designed to enable authorities to resolve financial institutions in an orderly manner, CITIC Group established corporate governance related to resolution planning which is integrated into its existing governance structure. In addition to the board of directors of CITIC Group (the “Board of Directors”), CITIC Group has established three governance and operative bodies for resolution planning, namely the Global Resolution Planning Steering Committee (the “Global Steering Committee”), the U.S. Resolution Planning Steering Committee (the “U.S. Steering Committee”) and the Office of U.S. Resolution Planning (the “RP Office”). The Global Steering Committee and U.S. Steering Committees are responsible for overseeing the development, maintenance, implementation and filing of CITIC Group’s Tailored U.S. Resolution Plan. The RP Office is responsible for establishing a comprehensive governance and management process to execute the creation and maintenance of CITIC Group’s Tailored U.S. Resolution Plan.

This Tailored U.S. Resolution Plan was approved by the Board of Directors on December 23, 2014.

## **Board of Directors of CITIC Group**

The Board of Directors, together with the Global Steering Committee, a sub-committee of the Board of Directors of CITIC Group, is ultimately responsible for evaluating and approving the U.S. Tailored Resolution Plan.

## **Global Resolution Planning Steering Committee**

The Global Steering Committee, a committee composed of senior leaderships at CITIC Group level, has primary responsibility for oversight of the U.S. resolution planning.

The Global Steering Committee's key responsibilities include:

- establishing project governance and the oversight framework for resolution planning required by regulators in all jurisdictions where CITIC Group operates;
- approving the project charter and project plan milestones;
- monitoring and reviewing resolution planning status/progress;
- making significant strategic decisions, including scope and approach;
- determining project scope, ensuring that scope aligns with the agreed business requirements of key stakeholder groups, and resolving any prioritization or resource allocation issues as necessary;
- providing formal approval of project plans and *ex ante* plans, if any;
- communicating progress and/or issues to executive management and the Board of Directors as appropriate;
- accepting final drafts of resolution plans and recommending submission to the Board of Directors for approval; and
- approving business-as-usual maintenance and/or update procedures proposed by the RP Office.

## **U.S. Resolution Planning Steering Committee**

The U.S. Steering Committee is a management subcommittee of the Global Steering Committee, having primary responsibility for oversight of CITIC Group's resolution planning in the United States. Its responsibilities are analogous to the Global Steering Committee's responsibilities, but with a focus on this Tailored U.S. Resolution Plan.

## **Office of U.S. Resolution Planning**

The RP Office provides day-to-day project management and functional leadership for oversight, development, maintenance, implementation, filing and compliance of this Tailored U.S. Resolution Plan, as well as updating, as part of business-as-usual processes.

The RP Office's key responsibilities include:

- recommending a project management and reporting framework;
- providing periodic reporting to the Global Steering Committee and the U.S. Steering Committee and other oversight groups;
- working with key business and support functions to determine CITIC Group's resolution planning strategies;

- monitoring the progress of working groups and identifying areas of synergy or divergence;
- drafting resolution plans for review and approval by senior management and the Board of Directors;
- supporting primary liaisons with U.S. and foreign regulators regarding resolution planning matters; and
- identifying necessary *ex ante* action as part of resolution planning development processes and monitoring progress in completing these actions in accordance with established timelines.

The RP Office is also responsible for any ancillary activities related to resolution planning, which may include responding to related regulatory requests.

### ***(10) A description of material management information systems***

CITIC Group is a foreign-based Covered Company permitted to file a tailored resolution plan under the Final Rule. Pursuant to the requirements as set forth for foreign-based Covered Companies under Section 4(a)(2)(i) of the Final Rule and the requirements as set forth for tailored resolution plans under Section 4(a)(3)(ii) of the Final Rule, CITIC Group is required to provide information on its material management information systems, as specified in Section 4(f) of the Final Rule, only with respect to its nonbanking material entities that are domiciled in the United States and nonbanking material operations that are conducted in whole or material part in the United States.

Because CITIC Group does not have any nonbanking material entities that are domiciled in the United States or nonbanking material operations that are conducted in whole or material part in the United States, CITIC Group is not required to provide any description of its material management information systems in this Tailored U.S. Resolution Plan.

### ***(11) A description, at a high level, of the covered company's resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines***

CITIC Group is a foreign-based Covered Company permitted to file a tailored resolution plan under the Final Rule. Pursuant to the requirements as set forth for foreign-based Covered Companies under Section 4(a)(2)(i) of the Final Rule and the requirements as set forth for tailored resolution plans under Section 4(a)(3)(ii) of the Final Rule, CITIC Group is required to provide a description of resolution strategy, as specified in Section 4(c) of the Final Rule, only with respect to its nonbanking material entities that are domiciled in the United States and nonbanking material operations that are conducted in whole or material part in the United States.

Because CITIC Group does not have any nonbanking material entities that are domiciled in the United States or nonbanking material operations that are conducted in whole or material part in the United States, CITIC Group is not required to provide any description of resolution strategy in this Tailored U.S. Resolution Plan.

Notwithstanding the foregoing and for informational purposes only, CITIC Group expects that, in the event of material financial distress at or failure of CITIC Group, its nonbanking U.S. entities or substantially all of their assets will be sold as a going concern or, if not sold, will be resolved under

the appropriate resolution regime applicable to each entity consistent with the fiduciary duties of the board of directors of such entity and other applicable laws and/or rules (*e.g.*, a proceeding or a jointly-administered proceeding, if one or more nonbanking U.S. entities of CITIC Group enter into such proceeding, under Chapter 11 of the U.S. Bankruptcy Code (11 USC §§ 101 *et seq.*)). CITIC Group expects the resolution of the uninsured federal branches of CNCBI to be governed by the International Banking Act of 1978 (12 USC §§ 3101 *et seq.*) in conjunction with the receivership provisions of the National Banking Act (12 USC §§ 191 *et seq.*).