



**INDUSTRIAL AND COMMERCIAL BANK OF CHINA**

**U.S. Resolution Plan**

Public Section

December 2018

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## PUBLIC SECTION

### Overview

Industrial and Commercial Bank of China Limited (“ICBC”)<sup>1</sup> is a commercial bank incorporated in the People’s Republic of China. Through its head office, branches and subsidiaries, ICBC provided a full range of banking services to customers in 45 countries and regions as of the end of 2017.

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>2</sup> (the “Dodd-Frank Act”) requires a foreign bank that is a U.S. bank holding company and that has \$50 billion or more in total consolidated assets, as determined based on the foreign bank’s most recent annual report, to develop a resolution plan, commonly known as a “living will.” The resolution plan should describe, hypothetically, the foreign bank’s strategy for rapid and orderly resolution of its operations in the United States in the event of material financial distress or failure. In November 2011, the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) and the Federal Deposit Insurance Corporation (the “FDIC”) jointly adopted a rule<sup>3</sup> (the “Joint Rule”) that implements the resolution plan requirement under the Dodd-Frank Act. ICBC is a “covered company” under the Joint Rule. In December 2013, ICBC submitted the initial resolution plan pursuant to Section 165(d) of the Dodd-Frank Act and the Joint Rule, and ICBC most recently submitted its updated resolution plan in December 2015.<sup>4</sup> This resolution plan constitutes ICBC’s 2018 submission.

This submission is the public portion of the 2018 U.S. resolution plan of ICBC. It describes ICBC’s U.S. business entities, their lines of business, and ICBC’s strategies to resolve them in hypothetical material financial distress or failure in ways that protect the financial stability of the United States. ICBC believes a rapid and orderly resolution of ICBC’s U.S. operations in such circumstance is achievable because, as in the previous years, ICBC engages only in traditional banking and securities activities in the United States, and has done so only in a limited way.

Unless otherwise specified, amounts, percentages, and other numerical information in this resolution plan are estimates. ICBC prepared this plan solely to comply with the Joint Rule and Section 165(d) of Dodd-Frank Act. By its nature, this plan performs analysis based on hypothetical events that are highly unlikely to occur. This plan, therefore, does not, and should not in any way be interpreted to, imply ICBC’s assessment or prediction of its or any of its affiliates’ business conditions.

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<sup>1</sup> “ICBC” refers to Industrial and Commercial Bank of China Limited either with or without its consolidated subsidiaries, as context may require.

<sup>2</sup> 12 U.S.C. § 5365(d)(1).

<sup>3</sup> 76 Fed. Reg. 67323 (Nov. 1, 2011).

<sup>4</sup> Please see ICBC’s 2013 U.S. resolution plan, available at <http://www.federalreserve.gov/bankinforeg/resolution-plans/indl-comm-bk-of-china-3g-20131231.pdf>, and ICBC’s 2015 U.S. resolution plan, available at <https://www.federalreserve.gov/bankinforeg/resolution-plans/indl-comm-bk-of-china-3g-20151231.pdf>.



## **The Names of Material Entities**

The Joint Rule requires ICBC to identify its material entities in the United States — those ICBC entities that either carry out ICBC’s core business lines or perform certain critical operations. In the United States, ICBC maintains a branch, a subsidiary bank, and a company that primarily offers settlement and financing services for fixed-income securities. The failure of these entities and their business lines would not result in a material loss of revenue or profit to ICBC. Similarly, these entities do not perform any critical operations that would, upon distress or failure, threaten the financial stability of the United States. For purposes of this resolution plan, however, ICBC considers all three entities as material entities because they collectively constitute, and are significant to, ICBC’s U.S. operations. Below is a description of each entity.

### *Industrial and Commercial Bank of China Limited New York Branch*

Industrial and Commercial Bank of China Limited, New York Branch (“ICBC NYBR”) is a branch licensed by the New York State Banking Department, a predecessor to the New York State Department of Financial Services (“NYDFS”). ICBC NYBR engages in wholesale deposit-taking, lending, and other banking services primarily for business clients. The branch also serves as a U.S. dollar clearing center for ICBC and its subsidiary institutions outside the United States.<sup>5</sup> The FDIC does not insure deposits at ICBC NYBR. As a branch, ICBC NYBR is a legal and operational extension of ICBC and is not a separate legal entity.

### *Industrial and Commercial Bank of China (USA), National Association*

Industrial and Commercial Bank of China (USA), National Association (“ICBC USA”) is a national bank chartered by the Office of the Comptroller of the Currency (the “OCC”). It provides retail and commercial banking services such as deposit-taking, lending, remittances, and settlement. Deposits at ICBC USA are insured by the FDIC. ICBC USA operates three branches in New York City, five branches in the greater Los Angeles area, five branches in the greater San Francisco area, and deposit and loan production offices in Seattle, Washington and Houston, Texas. ICBC acquired 80 percent of the shares of common stock of The Bank of East Asia (U.S.A.) National Association in July 2012 from East Asia Holding Company, Inc. (“EAHC”), the U.S. intermediate bank holding company under The Bank of East Asia, Limited (“BEA”), a commercial bank organized under Hong Kong law, and then renamed the acquired bank as “Industrial and Commercial Bank of China (USA), National Association” in November 2012. BEA continues to hold the other 20 percent of the shares of common stock of ICBC USA through EAHC. ICBC USA understands that EAHC and BEA continue to be treated as bank holding companies in connection with their ownership stake in ICBC USA.

### *Industrial and Commercial Bank of China Financial Services LLC*

Industrial and Commercial Bank of China Financial Services LLC (“ICBC FS”) is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and with securities regulators of the states of Alabama, California, Connecticut, Delaware, Florida, Illinois, Missouri, Nebraska, New Jersey, New York, Virginia, and Wisconsin. ICBC FS is also a

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<sup>5</sup> ICBC’s “subsidiary institutions” refer generally to ICBC’s branches, subsidiaries (both bank and nonbank), offices, and other affiliates.

member of twelve self-regulatory organizations: the Financial Industry Regulatory Authority (“FINRA”), Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Chicago Stock Exchange, Investors’ Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., NASDAQ BX, Inc., NASDAQ PHLX, Inc., NASDAQ Stock Market, and the New York Stock Exchange. Based in New York City, ICBC FS offers primarily fixed-income securities clearing, settlement and financing services to institutional clients. ICBC FS is a wholly-owned subsidiary of ICBC.

### **A Description of Core Business Lines**

The Joint Rule requires ICBC to identify its core business lines in the United States. Core business lines are those business lines of a covered company that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value. As noted above, the failure of the material entities and their business lines would not result in a material loss of revenue or profit to ICBC. However, for purposes of resolution planning, ICBC considers the following its core business lines in the United States:

*Wholesale Banking* — ICBC NYBR provides wholesale banking services mostly to business clients with operations in the United States. These services include deposit-taking (for example, through issuing certificates of deposit), lending (including trade finance and the issuance of letters of credit), U.S. dollar clearing and remittances and Treasury business.

*Commercial Banking* — ICBC USA provides traditional commercial banking services such as small and medium-size business and retail deposit-taking, lending (including trade finance and the issuance of letters of credit), remittances, and settlement to both individual and business clients.

*Securities Clearing and Financing* — ICBC FS provides primarily fixed-income and equity securities clearing and financing services to institutional clients. As a clearing broker, ICBC FS maintains securities accounts for its clients and provides securities clearing and settlement services. On the financing side, ICBC FS finances a client’s need for funds or specific securities by running a matched book of repurchase agreements (“Repos”) and reverse Repos, as well as a matched securities lending book. Almost all collateral underlying ICBC FS’s Repos and reverse Repos is composed of U.S. Treasury and Agency securities. On the securities lending side, almost all collateral underlying the transactions is composed of U.S. equities. ICBC FS does not trade securities on a proprietary basis.

### **Consolidated or Segment Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources**

ICBC’s summary financial information and capital ratios as of the end of 2017 and 2016 are set forth in the tables below. The information was prepared in accordance with the International Financial Reporting Standards (“IFRS”).



Table 1 — ICBC Consolidated Balance Sheets<sup>6</sup>

	In ¥ million	
	Dec. 31, 2017	Dec. 31, 2016
<b>ASSETS</b>		
Cash and balances with central banks	3,613,872	3,350,788
Due from banks and other financial institutions	847,611	797,473
Financial assets held for trading	87,337	189,331
Financial assets designated at fair value through profit or loss	353,601	285,144
Derivative financial assets	89,013	94,452
Reverse repurchase agreements	986,631	755,627
Loans and advances to customers	13,892,966	12,767,334
Financial investments	5,315,766	5,006,699
Investments in associates and joint ventures	32,441	30,077
Property and equipment	247,744	246,209
Deferred income tax assets	48,392	28,398
Other assets	571,669	585,733
<b>TOTAL ASSETS</b>	<b>26,087,043</b>	<b>24,137,265</b>
<b>LIABILITIES</b>		
Due to central banks	456	545
Financial liabilities designated at fair value through profit or loss	425,948	366,752
Derivative financial liabilities	78,556	89,960
Due to banks and other financial institutions	1,706,549	2,016,799
Repurchase agreements	1,046,338	589,306
Certificates of deposit	260,274	218,427
Due to customers	19,226,349	17,825,302
Income tax payable	70,644	52,640
Deferred income tax liabilities	433	604
Debt securities issued	526,940	357,937
Other liabilities	603,500	637,830
<b>TOTAL LIABILITIES</b>	<b>23,945,987</b>	<b>22,156,102</b>
<b>EQUITY</b>		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	86,051	86,051
Reserves	587,489	586,630
Retained profits	1,097,544	940,663
	2,127,491	1,969,751
Non-controlling interests	13,565	11,412
<b>TOTAL EQUITY</b>	<b>2,141,056</b>	<b>1,981,163</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,087,043</b>	<b>24,137,265</b>

<sup>6</sup> Please see ICBC's 2017 annual report, available at <http://v.icbc.com.cn/userfiles/Resources/ICBCLTD/download/2018/720180423.pdf>, for additional information.

Table 2 — ICBC Risk-Weighted Assets and Capital Adequacy Ratios<sup>7</sup>

	In ¥ million, except ratios	
	Dec. 31, 2017	Dec. 31, 2016
Risk-weighted assets	15,902,801	14,564,617
Core tier 1 capital adequacy ratio	12.77%	12.87%
Tier 1 capital adequacy ratio	13.27%	13.42%
Capital adequacy ratio	15.14%	14.61%

#### ICBC NYBR

As of December 31, 2017, ICBC NYBR had approximately \$28 billion<sup>8</sup> in total assets, approximately \$11.7 billion of which were placed with the Federal Reserve Bank of New York (the “FRBNY”). As of the same date, ICBC NYBR had approximately \$28 billion in total liabilities, with \$22.5 billion in liabilities to non-related parties (of which \$10.7 billion were deposits and credit balances and \$7.9 billion were other borrowed money) and \$5.5 billion were net amounts due to ICBC NYBR’s related depository institutions, which are primarily non-U.S. affiliates of ICBC.<sup>9</sup>

As a branch, ICBC NYBR is a legal and operational extension of ICBC and not a separately capitalized legal entity. ICBC NYBR therefore does not maintain its own capital.

#### ICBC USA

As of December 31, 2017, ICBC USA had \$2.36 billion in total assets, \$2.04 billion of which were loans and leases. As of the same date, ICBC USA had \$2.02 billion in total liabilities, \$1.99 billion of which were deposits.

ICBC owns 80 percent of the shares of common stock of ICBC USA. As of December 31, 2017, ICBC USA had \$334 million in total equity capital. ICBC USA’s common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and total capital adequacy ratio as of the same date were 13.6 percent, 13.6 percent and 14.2 percent, respectively.<sup>10</sup>

<sup>7</sup> These ratios were calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission (now the China Banking and Insurance Regulatory Commission) in June 2012 (the “Capital Regulation”). See the Decree of the CBRC, No. 1, 2012, available at <http://www.cbrc.gov.cn/EngdocView.do?docID=86EC2D338BB24111B3AC5D7C5C4F1B28>. The Capital Regulation represents the CBRC’s implementation of Basel III and came into effect on January 1, 2013. Commercial banks in China, including ICBC, must achieve full compliance with the Capital Regulation by 2018.

<sup>8</sup> In accordance with FFIEC instructions, ICBC NYBR reports amounts due to/from related depository institutions on a net basis.

<sup>9</sup> For more information, please see ICBC NYBR’s FFIEC 002 — Report of Assets and Liabilities dated December 31, 2017, available at <http://www.ffiec.gov/nicpubweb/nicweb/SearchForm.aspx?pS=2>.

<sup>10</sup> For more information, please see ICBC USA’s FFIEC 041 — Consolidated Reports of Condition and Income dated December 31, 2017, available at <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>.

## *ICBC FS*

As of December 31, 2017, ICBC FS had \$31.9 billion in total assets, approximately \$21 billion of which were U.S. Government and Agency securities purchased under reverse Repos and approximately \$7.3 billion in securities borrowed, consisting of U.S. equities and U.S. Government securities. As of the same date, ICBC FS had \$31.3 billion in liabilities, \$23.9 billion of which were securities sold under Repos and approximately \$4.1 billion of which were securities loaned. ICBC FS faces limited credit risks and market risks because it closely matches its Repos with reverses Repos and also matches its securities borrowings with securities loans.

ICBC FS is a wholly-owned subsidiary of ICBC. As of December 31, 2017, ICBC FS had \$154 million in equity capital and \$400 million in subordinated debt held by ICBC.

ICBC FS is subject to the minimum net capital requirement imposed by the SEC's Uniform Net Capital Rule 15c3-1. Under the "alternative method" elected, ICBC FS must maintain minimum net capital equal to the greater of \$1.5 million or 2% of "aggregate debit items," which are generally ICBC FS's receivables from (or incurred as principal on behalf of) its customers. As of December 31, 2017, ICBC FS had net capital of \$484.4 million, which was about \$472.6 million in excess of the minimum net capital requirement.

## *Funding Sources*

ICBC NYBR is funded primarily by deposits made by ICBC's Head Office (the "Head Office"), wholesale deposits in the form of large-denomination certificates of deposits ("CDs") and client deposits, medium-term notes ("MTNs") and commercial paper ("CP") issued, Fed Funds borrowing and other deposits by ICBC and its non-U.S. affiliates. Typical purchasers of the CDs, MTNs and CP, as well as the lenders of Fed Funds to ICBC NYBR, are other financial institutions or other institutional investors. If needed, ICBC NYBR also has access to committed credit facilities offered by certain unaffiliated banks and liquidity support by ICBC's Head Office. ICBC NYBR can also access contingency funding through the Federal Reserve Bank Discount Window offered by the FRBNY.

ICBC USA is funded primarily by retail deposits. Typical depositors at ICBC USA are individuals and small-to-medium sized companies. If needed, ICBC USA can access contingency funding through a revolving credit facility offered by its shareholders or through the Federal Reserve Bank Discount Window offered by the FRBNY, to which ICBC USA has pledged collateral to support borrowings. ICBC USA has also pledged collateral to the Federal Home Loan Bank of New York to enable it to borrow from that institution if needed.

ICBC FS is funded primarily by selling, or "repoing out," U.S. Government securities and Agency securities under Repos. Typical counterparties in these Repos are other broker-dealers and other financial institutions. ICBC FS has also borrowed from ICBC a total of \$400 million on a subordinated basis under two subordinated borrowing agreements as operating funds. ICBC FS is also funded by certain credit facilities provided by ICBC NYBR. ICBC FS also has a committed line of credit arrangement with ICBC NYBR in the amount of \$250 million, although there were no borrowings outstanding under that facility during 2017 and as of the end of that year.



## **A Description of Derivative Activities and Hedging Activities**

Derivatives are financial instruments that derive their values from other financial items. While derivatives could be purchased and sold for profit, the material entities use derivatives only to mitigate risks.

None of the material entities had any material hedges as of December 31, 2017.

Like other depository institutions, however, ICBC NYBR faces certain risks attributable to market interest rate fluctuations in the ordinary course of business. Consequently, ICBC NYBR may from time to time enter into interest rate swaps in which it exchanges fixed rates generated by its assets for floating rates, thereby effectively converting its fixed-rate assets to floating-rate assets, or in which ICBC NYBR makes the opposite exchange. Similar interest rate risk hedging or mitigating strategies may be used on the liabilities side. ICBC NYBR would record interest rate swaps at fair values estimated as the settlement prices of hypothetical reverse swaps that would cancel the interest rate swaps purchased.

ICBC USA had no interest rate swaps or other derivatives outstanding as of December 31, 2017 and has not entered into any such transactions during 2018. However, ICBC USA could enter into interest rate swaps from time to time in order to hedge the increased cost of funding fixed-rate loans using variable rate deposits during periods of increasing market interest rates.

As a broker-dealer, ICBC FS faces primarily the risks that its counterparties would default on securities transactions. ICBC FS mitigates such risks by entering into a significant volume of its securities transactions with a central counterparty that distributes risks across a large number of market participants, as well as carefully screening its counterparties through its Credit Risk review process. ICBC FS trades Repos and reverse Repos and enters into securities borrowing and lending transactions in the ordinary course of business, and it faces limited market risk because it closely matches its Repos with reverse Repos and also matches its securities borrowings with securities loans. ICBC FS records Repos and reverse Repos as well as securities borrowings and securities loans as collateralized financing transactions at their contracted resale or repurchase amounts. These contracted amounts approximate fair value because of the short-term nature of these transactions and the high liquidity of the underlying collateral.

## A List of Memberships in Material Trading, Payment, Clearing and Settlement Systems

Table 3 — Memberships in Material Trading, Payment, Clearing and Settlement Systems

System Names	System Types	Material Entities
Fedwire Funds Service	Payment	ICBC NYBR, ICBC USA
Clearing House Interbank Payments System	Payment	ICBC NYBR
Society for Worldwide Interbank Financial Telecommunication	Communication	ICBC NYBR, ICBC USA
Visa	Payment	ICBC USA
Unionpay International	Payment	ICBC USA
STAR Network	Payment	ICBC USA
The Depository Trust Company	Settlement, Clearing	ICBC FS
Fixed Income Clearing Corporation	Settlement, Clearing	ICBC FS
National Securities Clearing Corporation	Settlement, Clearing	ICBC FS
Options Clearing Corporation	Settlement, Clearing	ICBC FS

## A Description of Foreign Operations

With a presence on six continents and overseas operations in 45 countries and regions at the end of 2017, ICBC provided comprehensive financial services to approximately 6.3 million corporate customers and 567 million individual customers through its network of approximately 16,469 institutions in China, 419 institutions outside China, and 1,545 correspondent banks worldwide.

ICBC provided the following key product lines to its customers as of the end of 2017:

*Corporate Banking* — ICBC provided 6.3 million corporate customers with a full range of banking solutions such as corporate deposit taking, lending (including trade finance and the issuance of letters of credit), settlement and remittances, and investment banking.

*Personal Banking* — ICBC provided 567 million individual customers with comprehensive services such as retail deposit taking, lending, wealth management, private banking, and bank card products.

The table below sets forth ICBC's assets and profits outside China by geographical areas.

Table 4 — ICBC Assets and Profits Outside China

Geographic Areas	In \$ million			
	Assets		Profits before Tax	
	Dec. 31 2017	Dec. 31 2016	2017	2016
Hong Kong and Macau	178,045	159,445	1,850	1,646
Asia-Pacific Region*	84,346	69,935	783	567
Europe	69,933	58,317	273	140
America	66,745	64,723	586	582
Africa Representative Office	--	--	--	--
Eliminations	(44,757)	(49,741)	-	-
<b>Subtotal</b>	<b>354,312</b>	<b>302,679</b>	<b>3,492</b>	<b>2,935</b>
Investment in Standard Bank Group Limited**	4,285	3,771	426	312
<b>Total</b>	<b>358,597</b>	<b>306,450</b>	<b>3,918</b>	<b>3,247</b>

\* Except Hong Kong and Macau.

\*\*A listed commercial bank in the Republic of South Africa.

### The Identities of Material Supervisory Authorities

ICBC's operations are supervised and regulated by authorities in each of the jurisdiction where it conducts businesses. Central banks, bank supervisors, financial services regulators, securities regulators, and self-regulatory organizations are among the authorities that supervise ICBC.

ICBC has material operations only in China. ICBC identifies in the table below the Chinese supervisory authorities that it considers as material.

Table 5 — Material Supervisory Authorities in China

Supervisory Authorities	Scopes of Supervision
China Banking and Insurance Regulatory Commission (the " <u>CBIRC</u> ")	The CBIRC is China's primary bank and insurance supervisor and regulator. It is responsible for the comprehensive consolidated supervision of Chinese banking and organizations as well as the assurance business and insurance activities of banks in China. The CBIRC was established in April 2018 by a merger of the former China Banking Regulatory Commission and the former China Insurance Regulatory Commission.
People's Bank of China (the " <u>PBOC</u> ")	The PBOC is China's central bank and primary supervisor for anti-money laundering matters. It regulates interbank lending and bond markets, and, together with the CBIRC and the CSRC, enforces China's anti-money laundering laws and regulations.
State Administration of Foreign Exchange (" <u>SAFE</u> ")	SAFE regulates Chinese banks' foreign exchange and settlement transactions.
China Securities Regulatory Commission (the " <u>CSRC</u> ")	The CSRC is China's primary securities regulator. It is responsible for the oversight of publicly traded companies and securities markets and the provision of custody services to investment funds.



The material entities in the United States are subject to federal, state, and industry specific supervision and regulations. ICBC identifies in the table below material authorities in the United States that supervise the material entities.

*Table 6 — Material Supervisory Authorities in the United States*

<b>Material Entities</b>	<b>Material Supervisory Authorities<sup>11</sup></b>
ICBC NYBR	Federal Reserve Board, NYDFS
ICBC USA	Federal Reserve Board, OCC, FDIC
ICBC FS	Federal Reserve Board, SEC, FINRA

### **The Identities of the Principal Officers**

The tables below set forth the directors and principal officers of ICBC and of the material entities in the United States.

*Table 7 — Directors and Principal Officers of ICBC*

<b>Names</b>	<b>Titles with ICBC</b>
<i>Executive Directors</i>	
YI Huiman	Chairman of the Board of Directors, Executive Director
GU Shu	President of ICBC, Vice Chairman of the Board of Directors, Executive Director
<i>Non-Executive Directors</i>	
CHENG Fengchao	Non-Executive Director
ZHENG Fuqing	Non-Executive Director
MEI Yingchun	Non-Executive Director
DONG Shi	Non-Executive Director
YE Donghai	Non-Executive Director
<i>Independent Non-Executive Directors</i>	
HONG Yongmiao	Independent Non-Executive Director
Anthony Francis NEOH	Independent Non-Executive Director
YANG Siu Shun	Independent Non-Executive Director
Sheila Colleen BAIR	Independent Non-Executive Director
SHEN Si	Independent Non-Executive Director
Nout WELLINK	Independent Non-Executive Director
<i>Members of the Board of Supervisors<sup>12</sup></i>	
ZHANG Wei	Shareholder Supervisor
HUI Ping	Employee Supervisor
HUANG Li	Employee Supervisor
QU Qiang	External Supervisor
SHEN Bingxi	External Supervisor

<sup>11</sup> The Federal Reserve Board supervises ICBC USA and ICBC FS as part of its consolidated supervision of ICBC's U.S. operations.

<sup>12</sup> Under Chinese corporate law, the board of supervisors is a governing board responsible for the oversight of the fiscal and financial activities of a company, including the selection of the outside auditor, the preparation and approval of the company's audited financial statements, and supervision of the development and implementation of the company's fiscal, risk management and internal control policies.

<b>Names</b>	<b>Titles with ICBC</b>
<i>Principal Officers</i>	
GU Shu	President
WANG Lin	Secretary of the Party Discipline Committee
HU Hao	Senior Executive Vice President
TAN Jiong	Senior Executive Vice President
WANG Bairong	Chief Risk Officer
GUAN Xueqing	Board Secretary

*Table 8 — Principal Officers of ICBC NYBR*

<b>Names</b>	<b>Titles with ICBC NYBR</b>
<i>Senior Management</i>	
XIAO Yuqiang	General Manager
SUN Guoshen	Deputy General Manager
HE Zili	Deputy General Manager
LYU Yu	Deputy General Manager
GUO Xinyue	Deputy General Manager
Frank MORISANO	Chief Risk Officer
Paul NASH	Chief Compliance Officer

*Table 9 — Directors and Principal Officers of ICBC USA*

<b>Names</b>	<b>Titles with ICBC USA</b>
<i>Non-Executive Directors</i>	
XIAO Yuqiang	Chairman of the Board, Non-executive Director
LIN Qingsheng	Non-executive Director
Peter YUEN	Non-executive Director
<i>Executive Directors</i>	
ZHANG Jianyu	Executive Director
David WILLNER	Executive Director
<i>Independent Non-Executive Directors</i>	
Mary Wadsworth DARBY	Independent Non-executive Director
Sara JUDGE	Independent Non-executive Director
Joel EPSTEIN*	Independent Non-executive Director
Karen Elliott HOUSE	Independent Non-executive Director
<i>Senior Management</i>	
ZHANG Jianyu	President and Chief Executive Officer
David WILLNER	Deputy Chief Executive Officer
HE Zili	Deputy Chief Executive Officer
LU Yuan	Deputy Chief Executive Officer
KANG Jiande	Assistant Chief Executive Officer and Head of Market West Coast

\* Mr. Epstein became a member of the Board of Directors of ICBC USA in October 2018

Table 10 — Managers and Principal Officers of ICBC FS

Names	Titles with ICBC FS
<i>Managers</i>	
XIAO Yuqiang	Chairman of the Board of Managers
ZHANG Weiliang	Manager, Board of Managers
<i>Senior Management</i>	
XING Yinghua	Chief Executive Officer and Manager
LU Yi	Executive Managing Director
Donato Peter FERONE	Chief Operating Officer
Frederick Gerard FERRARO	Chief Financial Officer
Alan Brad LEVY	Chief Commercial Officer
Paul MAY	Chief Compliance Officer

### A Description of the Corporate Governance Structure and Processes Related to Resolution Planning

ICBC utilizes its enterprise risk management system to develop and maintain this resolution plan.<sup>13</sup> The system consists of three organizational levels, each responsible for a different phase of the development and maintenance of this resolution plan.

*Board of Directors Level* — ICBC’s Board of Directors is the top-tier governance body of ICBC. It is ultimately responsible for the safety and soundness of ICBC’s daily operations on a global basis. The Board of Directors provides high-level guidance and approves or authorizes a delegate to approve each submission of the resolution plan.

*Head Office Level* — ICBC Head Office’s Risk Management Committee and Risk Management Department work closely with Risk Management Departments of ICBC’s subsidiary institutions, including the material entities. They review the resolution plan and provide comments as needed.

*Material Entity Level* — As part of the “Subsidiary Level” of resolution planning for ICBC’s worldwide subsidiary institutions, the Material Entity Level consists of the senior management and risk management personnel of ICBC’s material entities. The management teams of ICBC’s material entities formulated the specifics of the U.S. resolution strategies in consultation with professionals from business areas, such as trading and banking desks, and support functions, such as information technology and accounting. External and internal counsel were also engaged to develop the legal elements of ICBC’s U.S. resolution strategies.

#### *Development Procedures of ICBC’s 2018 U.S. Resolution Plan*

This plan constitutes ICBC’s submission for 2018 of its U.S. resolution plan. As in the case of ICBC’s most recent resolution plan submission, the plan’s development was coordinated at the Material Entity Level. The Head Office Level provided input and the President of ICBC

<sup>13</sup> Please refer to page 47 of ICBC’s 2017 annual report for more information about the enterprise risk management system.



approved this annual submission as the expressly authorized delegate of ICBC's Board of Directors.

#### *Maintenance Procedures of Subsequent Resolution Plans*

*Regular Maintenance* — ICBC will review and revise its U.S. resolution plan as required by the Federal Reserve Board and the FDIC. Maintenance will begin with a survey of changes at material entities and developments in applicable laws and regulations. The survey will also include the consideration of whether new material entities need to be added to the plan. The Material Entity Level will update this resolution plan based on the survey results, incorporate any comments received from the Head Office Level, and seek approval for submission from the delegate expressly authorized by the Board of Directors Level.

*Special Maintenance* — The material entities will notify the Federal Reserve Board and the FDIC within 45 days of the occurrence of any event that has a material effect on this resolution plan. Concurrently, management teams of the material entities will update this resolution plan accordingly. The Head Office Level will review the update made and, if the update is material, seek approval from the delegate expressly authorized by Board of Directors before submitting the updated resolution plan.

#### **A Description of Material Management Information Systems**

ICBC recognizes information technology as a key area of competitiveness. ICBC has invested significantly annually on system maintenance and innovation. ICBC operates some of the most advanced and dependable information systems among commercial banks in China, and it maintains a large team of IT professionals.

The material entities utilize management information systems to support their daily operations, regulatory reporting, and decision making. ICBC NYBR and ICBC USA utilize systems developed by ICBC as well as third-party vendors. To improve service reliability and consistency, ICBC USA has transitioned from a vendor-supplied core banking system to the proprietary system that ICBC has developed internally. ICBC FS continues to rely on systems used by it before the company was acquired by ICBC.

All material management information systems used by the material entities are capable of generating reports for management and regulators either upon demand or as scheduled. ICBC has also established procedures to facilitate regulatory access to these systems in times of crisis.

The material entities are prepared for the disruption of material management information systems. Data stored are regularly backed up by different means and at different locations, and business continuity plans are in place. Material entities that utilize internal systems are further protected by the multiple layers of redundancy offered by ICBC's state-of-the-art data centers in China.

## **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**

ICBC designs resolution strategies for its U.S. operations under the baseline, adverse and severely adverse scenarios respectively.<sup>14</sup> For purposes of this 2018 resolution plan, however, ICBC has assumed that the material financial distress or failure of the material entities occurs under the severely adverse scenario, as directed by the Federal Reserve Board and the FDIC in the joint letter dated January 29, 2018 to ICBC regarding ICBC’s submission of a “Reduced Plan” as its resolution plan submission for 2018 and for each of the following two dates by which ICBC is required to submit a resolution plan (the “2018 Joint Letter”).<sup>15</sup> The 2018 Joint Letter further states that ICBC’s Reduced Plans are exempt from the requirement to consider baseline or adverse economic conditions.

If material financial distress occurs under the severely adverse scenario, which requires ICBC to assume a severe global recession, the material entities would likely immediately pursue resolution under the applicable liquidation or insolvency regime after determining that parent liquidity support would be unavailable and recoveries unlikely.

The resolution strategies designed by ICBC for the material entities do not anticipate governmental bail-outs.

### **For More Information**

ICBC’s 2017 annual report contains additional information about ICBC’s global operations, financial conditions, management structure, and more. It is available at <http://v.icbc.com.cn/userfiles/Resources/ICBCLTD/download/2018/720180423.pdf>.

ICBC NYBR and ICBC USA periodically submit financial statements to the Federal Financial Institutions Examination Council (the “FFIEC”). These reports are available for ICBC NYBR from the Federal Reserve Board’s National Information Center website at <https://www.ffiec.gov/nicpubweb/nicweb/SearchForm.aspx?pS=2> and for ICBC USA from the FFIEC’s Central Data Repository at <https://cdr.ffiec.gov/public>.

ICBC FS periodically reports its financial and operational results to the SEC. These reports are available from the SEC’s Electronic Data Gathering, Analysis, and Retrieval system at <https://www.sec.gov/edgar/searchedgar/companysearch.html>. Additional information about ICBC FS and certain of its securities professionals are available from FINRA’s BrokerCheck tool at <http://brokercheck.finra.org>.

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<sup>14</sup> See Federal Reserve Board, 2018 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule (Feb. 1, 2018), available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180201a1.pdf>.

<sup>15</sup> Letter from Michael S. Gibson, Federal Reserve Board, and Doreen R. Eberley, FDIC, to Vito Ferrara, ICBC (Jan. 29, 2018), available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180129a11.pdf>.

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Industrial and Commercial Bank of  
China Limited, New York Branch

725 Fifth Avenue  
New York, NY 10022

Industrial and Commercial Bank of  
China (USA) N.A.

1633 Broadway, 28<sup>th</sup> Floor  
New York, NY 10019

Industrial and Commercial Bank  
of China Financial Services, LLC

1633 Broadway, 28<sup>th</sup> Floor  
New York, NY 10019