



**CITIC Group Corporation**  
**2015 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 .....	1
(3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources .....	2
(4) A description of derivative activities and hedging activities .....	4
(5) A list of memberships in material payment, clearing and settlement systems .....	5
(6) A description of foreign operations .....	5
(7) The identities of material supervisory authorities .....	7
(8) The identities of the principal officers.....	8
(9) A description of the corporate governance structure and processes related to resolution planning .....	8
(10) A description of material management information systems .....	10
(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.....	10

## ***Executive Summary***

This U.S. resolution plan (the “2015 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”) 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, 2014. 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.

The 2015 Plan is CITIC Group’s third annual submission under the Final Rule. CITIC Group submitted an initial tailored resolution plan on December 30, 2013 and a second tailored resolution plan (the “2014 Plan”) on December 31, 2014. The Public Section of the 2014 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 2015 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, 2014, is presented below.<sup>1</sup>

Table A.1: CITIC Group Consolidated Balance Sheet as of December 31, 2014

<b>CITIC Group Consolidated Balance Sheet</b>		
<i>RMB in thousands</i>	<b>At 31 December 2014 (Audited)</b>	<b>At 31 December 2013 (Audited; Restated)</b>
<b>Assets</b>		
Cash and deposits.....	711,342,424	721,331,092
Placements with banks and non-bank financial institutions .....	68,180,333	122,293,046
Financial assets at fair value through profit or loss.....	29,780,742	12,922,281
Derivative financial assets .....	8,356,906	7,835,803
Bills and receivables .....	112,512,286	96,620,949
Inventories.....	107,412,001	135,113,963
Financial assets held under resale agreements .....	135,764,779	287,247,417
Loans and advances to customers.....	2,142,602,720	1,904,850,205
Available-for-sale financial assets.....	261,876,307	221,590,622
Held-to-maturity investments .....	179,000,884	155,093,409
Investment classified as receivables .....	658,431,812	300,158,113
Long-term equity investments .....	70,717,728	65,296,024
Investment properties.....	22,897,939	23,281,381
Fixed assets .....	119,103,568	96,311,406
Construction in progress .....	17,446,202	53,329,927
Intangible assets .....	30,941,614	50,495,485
Goodwill.....	10,838,771	11,373,991
Deferred tax assets .....	19,516,064	14,017,540
Other assets .....	26,180,477	20,514,811
<b>Total assets .....</b>	<b><u>4,732,903,557</u></b>	<b><u>4,299,677,465</u></b>
<b>Liabilities</b>		
Borrowing from the Central Bank.....	50,050,000	-
Placements from banks and non-bank financial institutions.....	19,135,535	41,372,356
Derivative financial liabilities.....	10,630,689	9,069,793
Bills and payables .....	167,268,620	188,698,507
Financial assets sold under repurchase agreements .....	41,609,290	7,949,220
Deposits from banks and non-bank financial institutions and customers ..	3,514,130,985	3,187,421,184
Financial liabilities at fair value through profit or loss.....	572,610	-
Employee benefits payable .....	17,320,658	15,511,482
Taxes payable.....	12,113,724	10,775,141
Loans .....	188,160,451	225,419,477
Debentures payable .....	215,460,755	167,093,448
Provisions.....	6,174,037	5,769,425

<sup>1</sup> Unless otherwise noted, all financial information of CITIC Group provided in this 2015 U.S. Resolution Plan refers to the year ended December 31, 2014, 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 2015 U.S. Resolution Plan between totals and the sums of the amounts listed are due to rounding.

<b>CITIC Group Consolidated Balance Sheet</b>		
<i>RMB in thousands</i>	<b>At 31 December 2014 (Audited)</b>	<b>At 31 December 2013 (Audited; Restated)</b>
Deferred tax liabilities .....	6,535,756	5,796,923
Other liabilities.....	16,919,351	6,824,402
<b>Total liabilities.....</b>	<b>4,266,082,461</b>	<b>3,871,701,358</b>
<b>Shareholders' equity</b>		
Paid-in capital .....	184,198,157	183,970,409
Capital reserve.....	28,256,364	25,578,058
Other comprehensive income .....	347,818	(5,093,641)
Surplus reserve .....	5,549,183	55,058
General reserve .....	18,952,754	15,504,186
Retained earnings.....	30,276,748	51,895,700
<b>Total shareholder's equity attributable to shareholders of the Company</b>	<b>267,581,024</b>	<b>271,909,770</b>
Non-controlling interests .....	199,240,072	156,066,337
<b>Total shareholders' equity.....</b>	<b>466,821,096</b>	<b>427,976,107</b>
<b>Total liabilities and shareholders' equity .....</b>	<b>4,732,903,557</b>	<b>4,299,677,465</b>

Source: CITIC Group Management, October 2015

### **Capital**

As of December 31, 2014, the total shareholders' equity was RMB 466.8 billion (\$75.2 billion), including paid-in capital of RMB 184.2 billion (\$29.7 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, 2014, the total deposits from customers at CITIC Group's indirectly majority-owned subsidiary, China CITIC Bank Corporation Limited ("CNCB"), were RMB 2,850 trillion (\$459.3 billion). The table below presents deposits by sources.

Table A.2: CNCB — Deposits as of December 31, 2014

<b>CNCB — Deposits</b>		
<i>RMB in millions</i>	<b>At 31 December 2014</b>	<b>At 31 December 2013 (Restated)</b>
<b>Demand deposits</b>		
Corporate customers .....	963,292	932,551
Personal customers.....	147,658	127,430
<b>Subtotal .....</b>	<b>1,110,950</b>	<b>1,059,981</b>

<sup>2</sup> All currency conversions are calculated using the closing exchange rate of 6.2052 RMB/USD on December 31, 2014 (source: www.Bloomberg.com).

<b>CNCB — Deposits</b>		
<i>RMB in millions</i>	<b>At 31 December 2014</b>	<b>At 31 December 2013 (Restated)</b>
<b>Time and call deposits</b>		
Corporate customers .....	1,365,914	1,198,043
Personal customers.....	366,491	387,311
<i>Subtotal</i> .....	<b>1,732,405</b>	<b>1,585,354</b>
Outward remittance and remittance payable.....	6,219	6,343
<b>Total</b> .....	<b>2,849,574</b>	<b>2,651,678</b>

Source: CNCB 2014 Annual Report

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

Table A.3: CNCB — Pledged Deposits from Customers as of December 31, 2014

<b>CNCB — Pledged Deposits from Customers</b>		
<i>RMB in millions</i>	<b>At 31 December 2014</b>	<b>At 31 December 2013</b>
Bank acceptance.....	268,607	302,969
Letters of credit .....	23,634	35,882
Guarantees.....	15,283	22,018
Others .....	149,327	85,265
<b>Total</b> .....	<b>456,851</b>	<b>446,134</b>

Source: CNCB 2014 Annual Report

## Loans

As of December 31, 2014, CNCB had total loans of RMB 2,188 billion (\$352.6 billion). The table below presents these loans by loan type.

Table A.4: CNCB — Loans as of December 31, 2014

<b>CNCB — Loans</b>		
<i>RMB in millions</i>	<b>At 31 December 2014</b>	<b>At 31 December 2013</b>
Unsecured loans .....	392,960	399,860
Guaranteed loans.....	513,735	499,725
Collateral loans .....	953,053	740,650
Pledge loans .....	260,117	236,171
Subtotal .....	2,119,865	1,876,406
Discounted bills.....	68,043	64,769
<b>Total</b> .....	<b>2,187,908</b>	<b>1,941,175</b>

Source: CNCB 2014 Annual Report

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

CNCB uses derivatives, including forward and swap contracts performed in the foreign currency market and interest rate market, to hedge its exposure on foreign exchange and interest rate risks.

CNCB 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, 2014 and 2013.

Table A.5: CNCB — Derivative Financial Instruments as of December 31, 2014

<b>CNCB — Derivative Financial Instruments</b>						
<i>RMB in millions</i>	<b>At 31 December 2014</b>			<b>At 31 December 2013</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.....	8,128	238	30	8,021	210	59
<b>Non-hedging instruments</b>						
Interest rate derivatives.....	290,833	739	724	199,677	1,294	1,257
Currency derivatives.....	978,918	6,406	6,208	899,683	6,245	5,535
Precious metal derivatives.....	29,762	843	385	---	---	---
Other derivatives.....	21,007	---	---	63,255	---	2
<b>Total.....</b>	<b>1,328,648</b>	<b>8,226</b>	<b>7,347</b>	<b>1,170,636</b>	<b>7,749</b>	<b>6,853</b>

Source: CNCB 2014 Annual Report

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

The FRB and FDIC have not required CITIC Group to provide any information on memberships in material payment, clearing and settlement systems in its 2015 Plan and CITIC Group therefore respectfully submits that this requirement is not applicable.

**(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, 2014, the total consolidated assets of CITIC Group were RMB 4.7329 trillion (\$762.7 billion). The operating income for the year ended December 31, 2014 was RMB 340.9 billion (\$54.9 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.

In 2014, the operating income for the year ended December 31, 2014 was RMB 340.9 billion (\$54.9 billion) compared to RMB 375.1 billion (\$60.5 billion) in 2013. In 2014, the operating profit of CITIC Group was RMB 58.0 billion (\$9.3 billion) compared to RMB 71.3 billion (\$11.5 billion) in 2013.

### **Financial Services**

- **Banking business.** CITIC Group conducts its banking business through its indirectly majority-owned subsidiary, 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, 2014, the total assets of CNCB were RMB 4,139 trillion (\$667 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 34 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 Securities' 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, 2014, the assets under management of CITIC Trust totaled RMB 902 billion (\$145.3 billion).
- **Insurance business.** CITIC Group conducts its insurance business through CITIC Prudential Life Insurance Co., Ltd. ("CITIC Prudential"). As of the end of 2014, CITIC Prudential's business activities covered 59 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**

- **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 2014, the total assets of real estate and infrastructure businesses were HK\$239.9 billion (\$30.9 billion).<sup>4</sup>
- **Engineering contracting.** CITIC Group has developed its engineering contracting business in PRC and other countries worldwide. As of the end of 2014, the total assets of the engineering contracting business were HK\$44 billion (\$5.7 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

<sup>3</sup> As of September 30, 2015, CITIC Group indirectly controlled 15.6% 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.

<sup>4</sup> All currency conversions are calculated using the closing exchange rate of 7.7553 HKD/USD on December 31, 2014 (source: www.Bloomberg.com).



and iron alloy. As of the end of 2014, the total assets of the energy and resources business were HK\$147.9 billion (\$19.1 billion).

- **Manufacturing.** CITIC Group’s manufacturing business includes heavy equipment, special steel and auto parts. As of the end of 2014, the total assets of the manufacturing business were HK\$108.5 billion (\$14.0 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.

**Material Investment in CITIC Limited**

On August 13, 2015, Chia Tai Bright Investment Company (“CT Bright”), a joint venture of CPG Overseas Company Limited and ITOCHU Corporation, finalized a transaction which increased its investment to approximately 20% of the total issued shares of CITIC Limited (the “CT Bright Investment”). CITIC Limited is a company incorporated in Hong Kong with limited liability and is majority owned by CITIC Group. As a result of the CT Bright Investment, CITIC Group’s stake in CITIC Limited fell to approximately 58.13% of the outstanding shares, down from approximately 77.90%.

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

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

Table A.6: 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.7: Primary Authorities of CNCBI’s U.S. branches

<b>Primary Authorities of CNCBI — U.S. branches</b>	
<b>Entity</b>	<b>Agency</b>
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.8: CITIC Group Board of Directors and Senior Management

<b>CITIC Group Board of Directors and Senior Management</b>		
<b>Name</b>	<b>Title</b>	<b>Information</b>
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
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 2015 Plan. The RP Office is responsible for establishing a comprehensive governance and management process to execute the creation and maintenance of CITIC Group’s 2015 Plan.

The preparation of the 2015 Plan commenced with data gathering by the RP Office through various businesses and functions. During the data gathering period, the RP Office liaised with external consultants and legal counsel as well as the representative from each business or function to define, collect and analyze data responsive to the regulatory requirements. The data was used to create background materials covering a broad scope of topics related to resolution planning.

Development of the 2015 Plan was an iterative process involving frequent consultation with all relevant governance bodies including, notably, the Steering Committees. Further, the RP Office communicates with Steering Committees frequently on the development of this Resolution Plan. Ultimately, the Steering Committees were responsible for reviewing drafts of the 2015 Plan and making recommendations to the Board of Directors for approval.

This 2015 Plan was approved by the Board of Directors on December 29, 2015.

### **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 2015 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 2015 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 2015 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***

The FRB and FDIC have not required CITIC Group to provide any description of its material management information systems in its 2015 Plan and CITIC Group therefore respectfully submits that this requirement is not applicable.

***(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***

The FRB and FDIC have not required CITIC Group to provide any description of its resolution strategy in its 2015 Plan and CITIC Group therefore respectfully submits that this requirement is not applicable.

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.*).