



Bank of Communications Co., Ltd.

Tailored Resolution Plan 2015

Public Section

1. Introduction

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires systemically important financial institutions that conduct business in the United States to file resolution plans with U.S. regulators. Section 165(d) has been implemented through regulations of the Board of Governors of the Federal Reserve System (the “Federal Reserve”) and the Federal Deposit Insurance Corporation (the “FDIC”) that require a foreign-based covered company to provide detailed information about its entities and activities in the United States, including the process by which those entities and activities would be resolved in the event of the company’s material distress or failure (the “Regulations”).¹

Pursuant to the Regulations, the Bank of Communications Co., Ltd. (“BoCom” or the “Bank”) has developed a tailored resolution plan (the “U.S. TRP”). The Regulations direct that the U.S. TRP focus on BoCom’s U.S. nonbanking operations. The following discussion provides interested members of the public with an overview of the key elements of BoCom’s U.S. TRP.

2. BoCom and its U.S. Operations

BoCom, the covered company for purposes of this U.S. TRP, is organized under the laws of the People’s Republic of China (the “PRC”) and is the fifth largest bank in China. The top three institution shareholders of BoCom are Ministry of Finance (26.53%), The Hong Kong and Shanghai Banking Corporation Limited (19.03%), and National Council for Social Security Fund (13.88%).

BoCom maintains two U.S. branches: the New York Branch (“BoCom NY”) and the San Francisco Branch (“BoCom SF” and together, the “Branches” or “U.S. operations”). Both are federally-licensed branches, supervised and regulated by the Office of the Comptroller of the Currency (the “OCC”).

Apart from the Branches, BoCom does not maintain other U.S. entities—material or not material.² Also, BoCom does not have any critical operations³ or core business lines⁴ located or conducted in the United States.

3. Core Business Lines

BoCom does not have core business lines as defined by the Regulations located or conducted in the United States. The U.S. operations’ main business lines are commercial lending, USD clearing, trade settlement and financing, security investment and inter-bank placement provided by BoCom NY and BoCom SF.

4. Summary of Assets, Liabilities, Capital and Major Funding Sources

The following provides an overview of the assets, liabilities, capital and funding, and liquidity sources used by BoCom’s U.S. operations. For additional information about BoCom’s assets, liabilities, capital and major

¹ See generally 12 C.F.R. pt. 243.

² The Regulations define “material entity” to mean a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line (12 C.F.R. 243.1(l)).

³ The Regulations define “critical operations” to mean those operations of a covered company, the failure of which would post a threat to the financial stability of the United States (12 C.F.R. 243.1(g)).

⁴ “Core business line” is defined in the Regulations as “...those business lines of the covered company, included 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” (12 C.F.R. 243.1(d)).

funding sources, please refer to BoCom's Annual Report.⁵ A balance sheet of BoCom as of December 31, 2014, is attached as Exhibit A.

(a) Assets

The U.S. operations hold several types of assets, including security and loan portfolios and cash and balance due from related and third party depository institutions.

(b) Liabilities

The major liabilities of the U.S. operations consist of uninsured deposits, federal funds purchased, and borrowings from Head Office and third party banks. These liabilities are mostly short-term in nature, with maturities not exceeding 364 days.

(c) Capital

BoCom monitors and maintains capital on a group-wide basis. A sufficient amount of capital is maintained to support the group's operations. For additional information on BoCom's capital, please refer to the BoCom's Investor Relation's webpage.⁶

In addition, the Branches maintain a capital equivalency deposit with a major U.S. bank.

(d) Funding and Liquidity

Funding and liquidity for the U.S. operations are managed in accordance with BoCom's group-wide policies and procedures. These standards have been incorporated into the U.S. operations' local policies and procedures. The U.S. policies and procedures require the U.S. operations to provide information to BoCom for purposes of reports including those for cash flow, loan growth and liquidity risk analysis.

The U.S. operations are able to draw on a variety of funding sources. In normal market conditions, the Branches are funded mostly through borrowings, either from Head Office or third party banks, and the issuance of CDs.

5. Derivatives and Hedging Activities

The Branches currently do not engage in derivatives activities.

6. Financial Market Utilities

The following table enumerates the memberships in Financial Markets Utilities of BoCom and the Branches used to conduct a material number or value amount of trades or transactions in connection with the U.S. operations:

FMU	Functionality	Member
CHIPS	Payments and Clearing	BoCom NY

⁵ The Annual Report is available at http://www.bankcomm.com/BankCommSite/shtml/zonghang/en/3182/3195/3196/list_1.shtml?channelId=3182

⁶ Available at <http://www.bankcomm.com/BankCommSite/shtml/zonghang/en/3182/3623/list.shtml?channelId=3623>

FMU	Functionality	Member
Depository Trust and Clearing Corporation	Settlement and Clearing	Through JPMorgan Chase and Bank of China for securities settlement; Through BNY Mellon for CD
FedWire	Payments and Clearing	BoCom NY
Government Securities Clearing Corporation	Settlement and Clearing	Through JPMorgan Chase and Bank of China for securities settlement
SWIFT Alliance	Payments and Messaging	BoCom NY BoCom SF

7. Foreign Operations

By the end of 2014, BoCom had 224 domestic branches, comprising 30 provincial branches, 7 branches directly managed by the Head Office and 187 managed by provinces. It has also established 2,785 banking outlets in 230 cities and 165 counties across China. In addition, the Bank has set up 12 overseas institutions and 1 representative office, comprising branches in Hong Kong, New York, San Francisco, Tokyo, Singapore, Seoul, Frankfurt, Sydney, Macau, Ho Chi Minh City, and Taipei, the Bank of Communications (UK) Co., Ltd in London and Toronto Representative Office.

8. Material Supervisory Authorities

Entity	Primary Supervisory Agency
BoCom	CBRC and PBOC
BoCom	Board of Governors of the Federal Reserve System

9. Executives and Management

The U.S. operations are run according to the policies and procedures set by BoCom's Senior Management and management committees. The table below identifies the members of the BoCom Board of Directors, as of December 15, 2015 :

BoCom Board of Directors	
Name	Title
Niu Ximing	Chairman, Executive Director
Peng Chun	Vice Chairman, Executive Director, President
Yu Yali	Executive Director
Hou Weidong	Executive Director
Hu Huating	Non-executive Director
Liu Changshun	Non-executive Director
Wang Taiyin	Non-executive Director
Peter Wong Tung Shun	Non-executive Director
Ma Qiang	Non-executive Director
Zhang Yuxia	Non-executive Director
Li Jian	Independent Non-executive Director
Peter Hugh Nolan	Independent Non-executive Director
Chen Zhiwu	Independent Non-executive Director
Choi Yiu Kwan	Independent Non-executive Director
Yu Yongshun	Independent Non-executive Director
Liu Li	Independent Non-executive Director

The table below identifies the members of the BoCom Senior Management, as of December 15, 2015:

BoCom Senior Management	
Name	Title
Peng Chun	President
Yu Yali	EVP
Shou Meisheng	EVP, Secretary of Discipline Committee
Hou Weidong	EVP & CIO
Yang Dongping	CRO
Shen Rujun	EVP
Wang Jiang	EVP
Du Jianglong	Company Secretary(concurrently Head of Board of Directors Office)
Lv Benxian	Corporate Business Director (concurrently President of Beijing Administrative Office & Head of Corporate Business Department)
Wu Wei	CFO
Ng Siu On	Senior Management Member, BoCom-HSBC Strategic Cooperation Advisor

10. Description of Corporate Governance Structure and Processes Related to Resolution Planning

BoCom has formed at Head Office a Recovery and Resolution Working Group (the “RRPG”), which is responsible for developing and regularly updating the Bank’s group-wide Recovery and Resolution Plan (“RRP”).

BoCom NY has established a U.S. Resolution Committee, which is responsible for the development, maintenance, and periodic updating of the TRP for the U.S. operations. The U.S. Resolution Committee prepares the TRP for the U.S. operations in accordance with applicable laws, regulations, and any regulatory guidance and submits the U.S. TRP annually to the International Banking Department at Head Office.

The International Banking Department at Head Office is responsible for reviewing the U.S. TRP and ensuring that it is integrated into the corporate governance structure of BoCom and does not contain elements which would be contradictory to BoCom’s corporate governance structure or its RRP. The International Department at Head Office is responsible for ensuring that adequate policies and procedures are in place and that the U.S. TRP is reviewed by people responsible for risk management, compliance, IT, and legal, and for submitting the final U.S. TRP to the RRPG.

11. Description of Material Management Information Systems

The Branches maintain several core banking systems in order to maintain core accounting systems, including general ledger and online service, global treasury management , and reporting.

Further, the Branches Senior Management and Head Office are provided on daily, monthly, quarterly or annual basis with key financial reports to monitor the financial health, risks, and the U.S. operations and compare the Branches' performance against BoCom's Strategic Plan for the U.S. operations.

12. Resolution Summary

BoCom provides certain information systems and services to the Branches. The Branches have identified which systems are critical for the U.S. operations, and addressed how the lack of support for those systems could impact the U.S. operations or could be substituted.

Exhibit A

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Financial Position

(All amounts expressed in millions of RMB unless otherwise stated)

Group

	Notes	As at 31 December 2014	As at 31 December 2013
ASSETS			
Cash and balances with central banks	16	938,055	896,556
Due from banks and other financial institutions	17	525,033	566,429
Financial assets at fair value through profit or loss	18	116,358	73,310
Loans and advances to customers	20	3,354,787	3,193,063
Financial investments – loans and receivables	21	211,588	119,726
Financial investments – available-for-sale	21	210,016	221,253
Financial investments – held-to-maturity	21	635,570	670,615
Investment in an associate	39	547	344
Property and equipment	22	69,767	57,179
Deferred income tax assets	29	16,077	17,224
Other assets	23	190,501	145,238
Total assets		6,268,299	5,960,937
LIABILITIES			
Due to banks and other financial institutions	24	1,408,275	1,126,563
Financial liabilities at fair value through profit or loss	25	28,823	28,640
Due to customers	26	4,029,668	4,157,833
Certificates of deposits issued	27	38,601	24,619
Other liabilities	28	151,896	113,435
Current tax liabilities		7,852	6,107
Deferred income tax liabilities	29	32	18
Debt securities issued	31	129,547	82,238
Total liabilities		5,794,694	5,539,453
EQUITY			
Share capital	32	74,263	74,263
Capital surplus	32	113,496	113,383
Other reserves		211,471	164,585
Retained earnings		71,825	67,330
Equity attributable equity holders of the bank		471,055	419,561
Non-controlling interests		2,550	1,923
Total equity		473,605	421,484
Total equity and liabilities		6,268,299	5,960,937

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 March 2015 and signed on its behalf by:

Chairman of Board: Niu Ximing

Vice Governor and Chief Financial Officer: Yu Yali

The accompanying notes form a part of these consolidated financial statements.