



Bank of China Limited

U.S. Resolution Plan

Public Section

December 31, 2018

This document contains forward-looking statements. Statements that are not historical facts, including statements about Bank of China's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. The forward-looking information contained in this document is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes. Forward-looking statements speak only as of the date they are made, and Bank of China undertakes no obligation to update publicly any of them in light of new information or future events.

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INTRODUCTION

The U.S. Resolution Plan of Bank of China Limited (the “Bank”) 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) pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

Section 165(d) and the Final Rule specify that any foreign bank 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) and the Final Rule. A Covered Company is required to periodically submit to the FRB and FDIC a plan for such company’s rapid and orderly resolution of its U.S. operations in the event of material financial distress or failure.

The Bank is organized under the laws of the People’s Republic of China (“PRC”). Because the Bank maintains branch offices in the United States (described below), the Bank is treated as a bank holding company under Section 8(a) of the IBA. The global total consolidated assets of the Bank, including its U.S. operations, exceeded \$50 billion as of December 31, 2017. As a result, the Bank is a Covered Company and is required to file a U.S. Resolution Plan under Section 165(d) and the Final Rule.

As required by the Final Rule, this document constitutes the Public Section of the Bank’s U.S. Resolution Plan.

Overview of the Bank

Bank of China was formally established in February 1912. From 1912 to 1949, the Bank served consecutively as the country’s central bank, international exchange bank and specialized international trade bank. After the founding of PRC, the Bank became responsible for managing China’s foreign exchange operations and provided support to the nation’s foreign trade development and economic infrastructure through its offering of international trade settlement, overseas fund transfer and other non-trade foreign exchange services. In 1994, the Bank transformed from a specialized foreign exchange bank into a state-owned commercial bank, and then incorporated as Bank of China Limited in August 2004. The Bank was listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange in June and July 2006 respectively.

The Bank provides a comprehensive range of financial services to customers across the Chinese mainland as well as 54 other countries and regions. It is one of the largest banking groups in China and is China’s most international and diversified bank. As of December 31, 2017, the largest shareholder of the Bank was Central Huijin Investment Limited, an investment company owned by the Chinese Government. At that time, Central Huijin Investment Limited held 64.02% of the Bank’s equity. The Bank’s core business is commercial banking, including corporate banking, personal banking and financial markets services. As of December 31, 2017, the Bank

had total assets of over \$2.98 trillion. The Bank’s total revenue for 2017 was approximately \$73.98 billion. In 2017 the Bank was again designated as a Global Systemically Important Bank (“G-SIB”) by the Financial Stability Board, becoming the sole financial institution from emerging economies to be designated as a G-SIB for seven consecutive years.

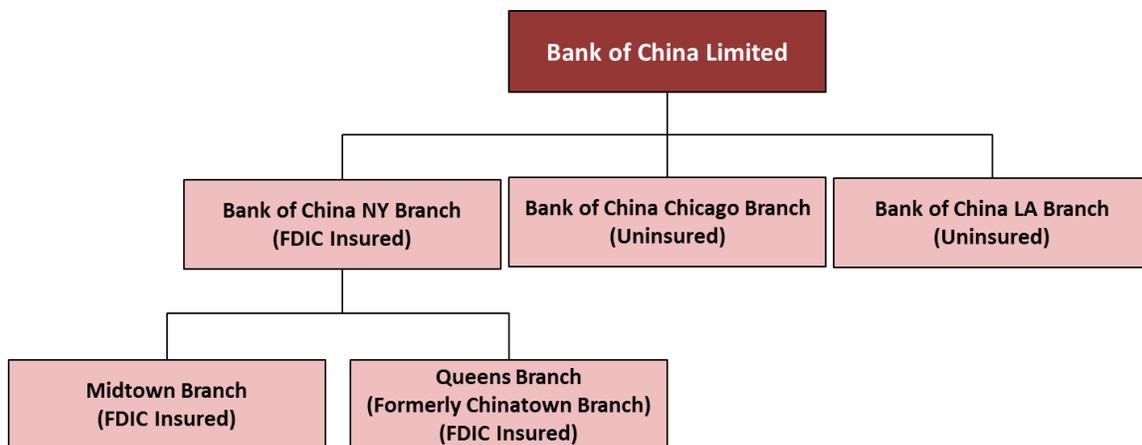
Overview of the Bank’s U.S. Operations

The Bank conducts its banking operations in the United States through four federally licensed branches:

- Bank of China New York Branch (“Midtown Branch”),
- Bank of China Queens Branch (“Queens Branch”),
- Bank of China Chicago Branch (“BOCCH”), and
- Bank of China Los Angeles Branch (“BOCLA”),

The Bank has two branches located in New York, NY: the Midtown branch and the Queens branch. The Midtown Branch and the Queens Branch are two of the few remaining grandfathered FDIC-insured branches of foreign banks. For U.S. Resolution planning purposes, the Midtown Branch and the Queens Branch have been combined and are referred to as “BOCNY,” unless otherwise specified. All four of the Bank’s U.S. branches are licensed by the Office of the Comptroller of the Currency (“OCC”). BOCLA is an uninsured limited federally-licensed branch. As of December 31, 2017 the Bank’s four U.S. branches had total assets of approximately \$60.3 billion.

The U.S. banking operations of the Bank as of December 31, 2017 are depicted below:



Within the Bank’s organization, there are five nonbanking entities domiciled in the United States:

- BoC Aviation (U.S.A.) Corporation (“BOCA USA”)
 - Business: aircraft leasing
 - Total assets as of December 31, 2017: \$1.55 billion

- BoC International (U.S.A.) Incorporated (“BOCI USA”)
 - Business: investment brokerage
 - Total assets as of December 31, 2017: \$3.07 million
- BoCI Commodities & Futures (U.S.A.) LLC (“BOCI CFUS”)
 - Business: commodities and futures brokerage
 - Total assets as of December 31, 2017: \$28.91 million
- BOC International (USA) Holdings Inc. (“BOCI USH”)
 - Business: Holding company for BOCI USA and BOCI CFUS
 - Total assets as of December 31, 2017: \$24.91 million
- 7BP Owner LLC
 - Business: Special purpose vehicle established solely for the purpose of ownership and management of the building located at 1045 Avenue of the Americas, New York, NY 10018
 - Total assets as of December 31, 2017: \$674.09 million

Material Changes since 2015 U.S. Resolution Plan Submission

During the course of 2015 and through November 2018, certain changes to the Bank’s internal organizational structure and to members of the Bank’s senior management occurred. However, none of these changes resulted in any material changes to the Bank’s overall business or organizational structure since the 2015 U.S. Resolution Plan submission.

Overview of the Resolution Plan

The key building blocks of the Bank's U.S. Resolution Plan are the identification of Core Business Lines, Critical Operations, and Material Entities (each as defined in the Final Rule), if any, and the determination of whether any such Core Business Lines, Critical Operations, or Material Entities are within the scope of the requirements of the Final Rule.

1. CORE BUSINESS LINES

Definition

Core Business Lines ("CBLs") are defined in the Final Rule as the business lines of the Covered Company which are conducted in whole or material part in the U.S., and the failure of which would result in a material loss of revenue, profit or franchise value to the Covered Company.

Identification of *Core Business Lines*

For the purpose of this U.S. Resolution Plan, the Bank has identified three Core Business Lines in its U.S. operation – Corporate Banking, Payment Settlement/Clearing Services ("PSCS"), and Treasury Services. Corporate Banking comprises the vast majority of the U.S. operations and includes the following three businesses:

- Corporate Loans,
- Trade Finance, and
- Commodity Business.

2. CRITICAL OPERATIONS

Definition

Critical Operations ("COs") are defined in the Final Rule as those operations of a Covered Company which are conducted in whole or material part in the U.S., including associated services, functions and support, the failure or discontinuance of which, would pose a threat to the stability of the U.S. financial system.

Identification of *Critical Operations*

For the purpose of this U.S. Resolution Plan, under the Final Rule either the Bank or the FRB and the FDIC have the authority to jointly designate an operation of a Covered Company as a CO. The Bank conducted an analysis that resulted in the determination that the Bank does not have a CO. Additionally, the FRB and FDIC have not designated any operations that the Bank conducted in whole or material part in the U.S. as a CO. Thus, for purposes of this U.S. Resolution Plan, the Bank does not have any COs.

3. MATERIAL ENTITIES

Definition

Material Entities (“MEs”) are defined as a subsidiary or foreign office of the Covered Company that is significant to the activities of a Critical Operation or Core Business Line.

Identification of *Material Entity*

For the purpose of this U.S. Resolution Plan, the Bank has identified one Material Entity – BOCNY, which is comprised of the Midtown Branch and the Queens Branch. The Bank has determined that it has no U.S. nonbanking MEs.

4. CONSOLIDATED FINANCIAL INFORMATION REGARDING ASSETS, LIABILITIES, CAPITAL AND MAJOR FUNDING SOURCES

Consolidated Statement of Financial Position

The following table summarizes the consolidated statement of financial position of the Bank as at December 31, 2017, presented in accordance with International Financial Reporting Standards (“IFRS”).

| BOC Limited Consolidated Balance Sheet as of December 31, 2017 | |
|---|-----------------------|
| Assets | (USD Millions) |
| Cash and balances due from banks and other financial institutions | \$85,797 |
| Balance with central banks | \$341,010 |
| Placements with and loans to banks and other financial institutions | \$88,084 |
| Government certificates of indebtedness for bank notes issued | \$19,801 |
| Precious metals | \$26,447 |
| Financial assets at fair value through profit or loss | \$29,639 |
| Derivative financial assets | \$14,529 |
| Loan and Advances to customers, net investment securities, net | \$1,629,463 |
| Investment securities | \$667,612 |
| Investment in associates and joint ventures | \$2,630 |
| Property and equipment | \$31,476 |
| Investment Properties | \$3,219 |
| Deferred income tax assets | \$7,116 |
| Other assets | \$33,309 |
| Total assets | \$2,980,133 |
| Liabilities | |
| Due to banks and other financial institutions | \$218,184 |

| | |
|--|--------------------|
| Due to central banks | \$158,563 |
| Bank notes in circulation | \$19,850 |
| Placements from banks and other financial institutions | \$76,556 |
| Derivative financial liabilities | \$17,007 |
| Due to customers | \$2,090,797 |
| Bonds issued | \$76,408 |
| Other borrowings | \$4,689 |
| Current tax liabilities | \$5,285 |
| Retirement benefit obligations | \$463 |
| Deferred income tax liabilities | \$615 |
| Other liabilities | \$70,354 |
| Total liabilities | \$2,738,771 |
| Equity | |
| Share capital | \$45,066 |
| Capital reserve | \$21,719 |
| Treasury shares | (\$16) |
| Statutory reserves | \$21,636 |
| General and regulatory reserves | \$31,813 |
| Undistributed profits | \$98,977 |
| Other comprehensive income | (\$5,446) |
| Other equity instruments | \$15,265 |
| Non-controlling Interests | \$12,348 |
| Total Equity | \$241,363 |

Source: Bank of China Limited 2017 Annual Report

Capital

The Bank utilizes a centralized model for capital, funding and liquidity management that ensures optimal global efficiency and control. BOCNY provides funding operations to U.S. branches and provides U.S. dollar funding based on business requirements to the Bank's other foreign branches and affiliates. It also manages the liquidity for other U.S. branches.

The China Banking and Insurance Regulatory Commission ("CBIRC") requires each bank or banking group to maintain a ratio of total regulatory capital to its risk-weighted assets at or above the agreed minimum of 8%, and a common equity tier 1 capital ratio of above 5%.

The table below summarizes the capital adequacy ratios and leverage ratio of the Bank as at December 31, 2017. The Bank complied with the externally imposed capital and leverage ratio requirements to which it is subject.

As at 31 December 2017

For the Bank:

| | |
|---|--------|
| Capital adequacy ratio | 14.19% |
| Common equity tier 1 capital adequacy ratio | 11.15% |
| Leverage ratio | 6.98% |

The capital adequacy ratios and leverage ratio above are calculated in accordance with the rules and regulations promulgated by the CBIRC and generally accepted accounting principles of PRC (“CAS”).

Major Funding Sources

BOCNY is self-funded under both normal and stress conditions. It provides funding to and manages liquidity for BOCLA and BOCCH. Additionally, BOCNY, designated as the U.S. dollar funding pool within the Bank’s global operations, and BOCNY arranges U.S. dollar funding for other overseas branches and Head Office on a case-by-case basis. BOCNY is mainly funded by deposits from various third parties in China as well as in the United States.

5. DERIVATIVE ACTIVITIES AND HEDGING ACTIVITIES

BOCNY enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments are mainly interest rate swaps and foreign exchange forwards. BOCNY uses these instruments to reduce its sensitivity to interest rate fluctuations.

6. MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING AND SETTLEMENT SYSTEMS

The Bank’s U.S. banking operations utilize payment, clearing and settlement systems to support a variety of business functions. Some of the material payment, clearing and settlement systems in which the Bank is a member are listed below.

| | |
|--|--|
| Global Payment System (GPS) | Funds transfer and payment processing system |
| SWIFT SAA | Global financial payment and messaging service system by SWIFT |
| Clearing House Interbank Payments System (“CHIPS”) | U.S. dollar clearing house |
| Federal Reserve Wire Network (“FedWIRE”) | U.S. dollar settlement system |

7. FOREIGN OPERATIONS

As China’s most international and diversified bank, the Bank provides a comprehensive range of financial services to customers across the Chinese mainland as well as 54 other countries and regions. The Bank’s core business is commercial banking, including corporate banking, personal banking and financial markets services. BOC International Holdings Limited, a wholly owned subsidiary, is the Bank’s investment banking arm. Bank of China Group Insurance Company Limited and Bank of China Insurance Company Limited, wholly owned subsidiaries, run the Bank’s insurance business. Bank of China Group Investment Limited, a wholly owned subsidiary, undertakes the Bank’s direct investment and investment management business. Bank of China Investment Management Co., Ltd., a controlled subsidiary, operates the Bank’s fund management business. BOC Aviation Pte. Ltd., a wholly owned subsidiary, is in charge of the Bank’s aircraft leasing business.

8. MATERIAL SUPERVISORY AUTHORITIES

Home Country Authorities

| Home Country Authorities for Bank of China Limited | | | |
|---|----------------|---|--|
| Agency | Country/Region | Description | Address |
| China Banking and Insurance Regulatory Commission (“CBIRC”) | China | <ul style="list-style-type: none"> • Formulates supervisory rules and regulations governing the banking institutions; • Authorizes the establishment, changes, termination and business scope of the banking institutions; and • Conducts on-site examination and off-site surveillance of the banking institutions, and take enforcement actions against rule-breaking behaviors | 15A Financial Street Xicheng District Beijing, 100033 China |
| People’s Bank of China (“PBOC”) | China | <ul style="list-style-type: none"> • Formulates and implements monetary policy in accordance with law; • Issues the Renminbi and administers its circulation; • Regulates financial markets, including the inter-bank lending market, the inter-bank bond market, foreign exchange market and gold market; and • Prevents and mitigates systemic financial risks to safeguard financial stability | 32 Cheng Fang Street Xicheng District Beijing, 100800 China |
| China Securities Regulatory Commission (“CSRC”) | China | <ul style="list-style-type: none"> • Authorized by the State Council of China, in accordance with relevant laws and regulations, CBRC, a ministry-level unit directly under the State Council, regulates China’s securities and futures markets with an aim to ensure their | Focus Place 19 Financial Street Xicheng District Beijing, 100033 China |

| | | | |
|---|-----------|--|---|
| | | orderly and legitimate operation | |
| Securities and Futures Commission (“SFC”) | Hong Kong | <ul style="list-style-type: none"> • Sets and enforces market regulations, including investigating breaches of rules and market misconduct and taking appropriate enforcement actions; • Licenses and supervises intermediaries seeking to conduct regulated activities for which the SFC has regulatory responsibility, such as brokers, investment advisers and fund managers; and • Supervises market operators including exchanges, clearing houses and alternative trading platforms, and helps to enhance market infrastructure | 35/F, Cheung Kong Center 2 Queen's Road Central, Hong Kong |

Host Country Authorities

| Primary Authorities for Material Entity and Core Business Line | | |
|--|--|---|
| Material Entity | Core Business Line | Agency |
| BOCNY | Corporate Banking | Office of the Comptroller of the Currency (“OCC”) |
| | Payment Settlement / Clearing Services | Federal Reserve Board (“FRB”) |
| | Treasury Services | Federal Deposit Insurance Corporation (“FDIC”) |

Other than the primary regulatory authorities listed above, the following table identifies other authority in the United States that are responsible for monitoring the following U.S. banking entity of the Bank.

| Other Host Country Authority | |
|---|--------|
| Agency | Entity |
| Consumer Financial Protection Bureau (“CFPB”) | BOCNY |

The Bank’s nonbanking entities, BOCI USA and BOCI CFUS, are also subject to regulation and supervision in the United States. BOCI USA is subject to the regulation and supervision of the U.S. Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”) with respect to its investment brokerage business. The commodities and futures activities of BOCI CFUS are subject to the regulatory oversight of the U.S. Commodity Futures Trading Commission (“CFTC”), National Futures Association (“NFA”), and the CME Group Inc.-owned exchanges (“CME Group”).

9. PRINCIPAL OFFICERS

Directors, Supervisors and Senior Management Members of the Bank

| Bank of China Limited Board of Directors | |
|--|-----------------------------|
| Name | Position |
| CHEN Siqing | Chairman |
| LIU Liange | Vice Chairman and President |
| ZHAO Jie | Non-executive Director |
| LI Jucai | Non-executive Director |
| XIAO Lihong | Non-executive Director |
| WANG Xiaoya | Non-executive Director |
| LIAO Qiang | Non-executive Director |
| LU Zhengfei | Independent Director |
| LEUNG Cheuk Yan | Independent Director |
| WANG Changyun | Independent Director |
| Angela CHAO | Independent Director |

Source: Bank of China Investor Relations, November 2018

| Board of Supervisors | |
|----------------------|--------------------------------------|
| Name | Position |
| WANG Xiquan | Chairman of the Board of Supervisors |
| LIU Wanming | Shareholder Supervisor |
| DENG Zhiying | Employee Supervisor |
| GAO Zhaogang | Employee Supervisor |
| XIANG Xi | Employee Supervisor |
| CHEN Yuhua | External Supervisor |

Source: Bank of China Investor Relations, November 2018

| Bank of China Limited Senior Management | |
|---|---|
| Name | Position |
| LIU Liange | Vice Chairman and President |
| FAN Dazhi | Secretary of Party Discipline Committee |
| LIN Jingzhen | Executive Vice President |
| PAN Yuehan | Chief Risk Office |
| XIAO Wei | Chief Audit Officer |
| LIU Qiuwan | Chief Information Officer |
| SUN Yu | Chief Overseas Business Officer |
| MEI Feiqi | Secretary to the Board of Directors and Company Secretary |

Source: Bank of China Investor Relations, November 2018

10. CORPORATE GOVERNANCE STRUCTURE AND RESOLUTION PLANNING PROCESS

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, the Bank established corporate governance related to resolution planning which is integrated into its existing governance structure.

The preparation of the 2018 165(d) Resolution Plan is coordinated by BOCNY's Market Risk Management Department (MRD). MRD reports into the Bank's U.S. Chief Risk Officer ("US CRO") who has oversight over the risk management of all BOCUSA operations and therefore for the purposes of resolution planning efforts, MRD coordinates with all BOCUSA entities. MRD designs the project management and reporting framework applicable to the 165(d) Resolution Plan. Further, as the Recovery and Resolution Planning ("RRP") leading department, MRD plays a central and critical role coordinating with the RRP working team and senior management ("RRP Working Team"), and facilitating and providing guidance to functional subgroups tasked with plan development. To further assist with coordinate and execution of activities, MRD worked closely with the U.S. Risk Management Coordination Committee ("RMCC"), which is responsible for periodically reviewing the Bank's combined U.S. operations ("CUSO") Risk Management Framework, governance structure and CUSO risk appetite, policies and procedures, process control, and the entity level compliance program of entities within the CUSO. Finally, the U.S. Risk Management Committee ("USRMC"), a sub-committee of the Risk Policy Committee of the Board of Directors of the Bank, is responsible for reviewing and approving the update and submission of all 165(d) Resolution Plans pursuant to delegation by the Board of Directors and the Risk Policy Committee in the charter of the USRMC.

The Bank has established a governance framework at both the Bank level and U.S. operations level to ensure that all aspects of resolution planning receive appropriate attention by the designated Board of Directors. The governance framework establishes the roles and responsibilities of committees for the global and local management of resolution planning.

11. MATERIAL MANAGEMENT INFORMATION SYSTEMS

The Bank's U.S. banking operations utilize management information systems to support a variety of business functions. These systems include applications to conduct business activities across all financial products, as well as generate accounting, financial, operations, regulatory and risk management reports. Systems and applications are essential for effective operations and are managed through a best practices business continuity approach. Some of the systems and applications are directly purchased from other third-party vendors, or have been developed internally and are supplemented with third-party vendors.

12. RESOLUTION STRATEGY

As required by the Final Rule, the Bank has assumed for purposes of this Resolution Plan that:

- An idiosyncratic event causes the failure of one or more major branches and subsidiaries of the Bank, leading to the material financial distress and ultimate failure of the Bank;
- Financial markets are functioning normally; and

- There is no extraordinary government support available to the Bank in the U.S. or China that would affect the U.S. operations of the Bank.

In general, banks in China, including the Bank, are subject to resolution under a combination of general insolvency law and certain special rules in the Commercial Banks Law. The Bank has also been designated by the Financial Stability Board as a globally significant bank, or G-SIB, and is one of the four Chinese banks to be designated by the FSB as a G-SIB. The Bank works directly with PBOC and the CBIRC, its home country regulatory authorities, on an ongoing basis with respect to global recovery and resolution planning requirements. The Ministry of Finance of PRC also has an enhanced role in the Bank's resolution planning process.

In addition, the FDIC and PBOC have entered into a Memorandum of Understanding ("MOU") that is designed to extend their effective international working relationship, including in the area of resolution. The MOU seeks to enhance cooperation in analyzing cross-border financial institution recovery and resolution issues, and planning for potential recovery and resolution scenarios, including appropriate simulations, contingency planning and other work designed to improve preparations to manage troubled institutions with operations in the United States and the PRC.

The Bank is assuming the resolution strategy for its U.S. operations in the event of a material financial distress or failure of the Bank would be to pursue an orderly liquidation of all assets of its U.S. branches and subsidiaries. Given that the substantial majority of the Bank's U.S. operations are conducted in its branches (i.e., BOCNY, BOCLA, and BOCCH), this resolution strategy would primarily involve the OCC appointing the FDIC as receiver of the Bank's federally licensed branches under the IBA and a liquidation of the branches by the FDIC under the Federal Deposit Insurance Act (the "FDI Act") and FDIC regulations.

As a registered broker dealer, BOCI USA is a member of the Securities Investor Protection Corporation ("SIPC") and would be eligible for resolution under the Securities Investor Protection Act ("SIPA") if it holds any customer "property" as defined under SIPA (i.e., funds and securities). Since BOCI USA's customers' transactions settle on a delivery-versus-payment or receive-versus-payment basis, BOCI USA does not hold customer assets in the normal course of business and would not be eligible for resolution under SIPA. Accordingly, BOCI USA would be resolved under either Chapter 7 (Liquidation) or Chapter 11 (Reorganization) of the US Bankruptcy Code, depending on the circumstances at the time. If BOCI USA were to hold customer funds at the time of its entry into resolution, BOCI USA likely would be wound down after the initiation of a SIPA proceeding by a trustee appointed by SIPC.

BOCI CFUS is registered as a futures commission merchant with the CFTC, is a member of the NFA and the CME Group, and its commodity interest and futures activities are subject to the regulatory oversight of the CFTC, the NFA and the CME Group. In the event of BOCI CFUS's resolution, BOCI CFUS would be subject to liquidation proceedings under Subchapter IV of Chapter 7 of the U.S. Bankruptcy Code and Part 190 of the Code of Federal Regulations (17 CFR §§ 190.01-190.10) ("Part 190 of the CFR"). In a liquidation proceeding under Subchapter IV of

Chapter 7 of the U.S. Bankruptcy Code, Part 190 of the CFR operates in conjunction with the U.S. Bankruptcy Code and a trustee overseeing the liquidation of BOCI CFUS would be required to apply the rules set forth in Part 190 of the CFR in respect of each customer's claim for customer funds. As a result, both Part 190 of the C.F.R. and Chapter 7 (Liquidation) of the U.S. Bankruptcy Code would govern a BOCI CFUS resolution.

In the event of BOCA USA's resolution, BOCA USA would either be subject to Chapter 7 (Liquidation) or Chapter 11 (Reorganization) under the U.S. Bankruptcy Code, depending on the circumstances at the time. Similar to BOCA USA, in the event of a resolution of BOCI USH and 7BP Owner LLC, each of BOCI USH and 7BP Owner LLC would either be subject to Chapter 7 (Liquidation) or Chapter 11 (Reorganization) under the U.S. Bankruptcy Code, depending on the circumstances at the time.

However, the Bank recognizes that future developments in the context of ongoing communication and coordination can impact its resolution planning, and that ultimately, the resolution strategy chosen by the relevant resolution authority will be dependent on the facts and circumstances existing at the time of resolution.