



**CITIC Group Corporation**  
**2022 U.S. Resolution Plan**  
**(Public Section)**

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## EXECUTIVE SUMMARY

This public section of the 2022 reduced U.S. resolution plan (the “**2022 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**”) and the Federal Deposit Insurance Corporation (“**FDIC**”) (together, the “**Agencies**”) under Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act.<sup>1</sup>

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 US\$250 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.<sup>2</sup> 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 subsidiaries and operations that are domiciled in the United States under the U.S. Bankruptcy Code in the event of material financial distress at or failure of the Covered Company.<sup>3</sup>

Because China CITIC Bank International Limited (“**CNCBI**”), a Hong Kong-based indirect bank subsidiary of CITIC Group, maintains two uninsured federal branches in the United States, CITIC Group is treated as a bank holding company pursuant to Section 8(a) of the IBA. The global total consolidated assets of CITIC Group, including its U.S. operations, exceeded \$250 billion as of December 31, 2021. As a result, CITIC Group is a foreign-based Covered Company and is required to file a U.S. resolution plan pursuant to the Final Rule.

Under the Final Rule, any Covered Company that is not a globally systemic important bank holding company, nonbank financial company supervised by the FRB, or a Category II or III banking organization is a triennial reduced filer. A triennial reducer filer must submit a reduced resolution plan to the FRB and FDIC every three years, on or before July 1 of the year due. CITIC Group meets the criteria for triennial reduced filers and is therefore filing a reduced resolution plan for 2022.

Under the Final Rule, the public section of a reduced resolution plan must include an executive summary that describes the business of the Covered Company and includes, to the extent material to an understanding of the Covered Company: (1) the names of material entities;

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<sup>1</sup> The Final Rule is codified by the FRB in 12 C.F.R. Part 243 and by the FDIC in 12 C.F.R. Part 381. Citations to the Final Rule in this 2022 Plan are to the regulations as codified by the FRB.

<sup>2</sup> See 12 C.F.R. § 243.2.

<sup>3</sup> See 12 C.F.R. § 243.4.

(2) a description of core business lines; (3) the identities of the principal officers; and (4) a description, at a high level, of the Covered Company’s resolution regimes for its material entities.<sup>4</sup>

As noted above, the resolution plan requirement is designed to require periodic reports on a Covered Company’s rapid and orderly resolution under the U.S. Bankruptcy Code. In the case of a Covered Company incorporated or organized outside the United States, “rapid and orderly resolution” is defined as “a reorganization or liquidation of the subsidiaries and operations of such foreign company that are domiciled in the United States under the U.S. Bankruptcy Code that can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk that the failure of the covered company would have serious adverse effects on financial stability in the United States.”<sup>5</sup> The scope of the 2022 Plan is accordingly limited to CITIC Group’s subsidiaries and operations domiciled in the United States. To provide context, this 2022 Plan may include additional content beyond the resolution plan requirements for informational purposes only.

CITIC Group is a state-owned investment holding company incorporated in the People’s Republic of China (“**PRC**”) with headquarters in Beijing. Established in 1979, CITIC Group is wholly owned by the Ministry of Finance on behalf of the State Council and is controlled by the PRC government. CITIC Group’s holdings are broad and diverse and span many sectors including financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in China and overseas. As of December 31, 2021, the global total consolidated assets of CITIC Group were RMB 8.8 trillion (US\$ 1.4 trillion).<sup>6</sup> The operating income for the year ended December 31, 2021 was RMB 620.0 billion (US\$ 97.3 billion).

### **Comprehensive Financial Services**

- **Banking business.** CITIC Group conducts its banking business through an indirectly majority-owned subsidiary, China CITIC Bank Corporation Limited (“**CNCB**”), a bank with headquarters in Beijing that is organized under the laws of the PRC, and CNCB’s indirectly majority-owned subsidiary, CNCBI. As at the end of 2021, CNCB had 1,415 outlets in 153 medium-sized and large cities in the Chinese mainland, including 37 tier-one branches (directly managed by the Head Office), 126 tier-two branches, and 1,252 subbranches (including 38 community/micro and small sub-branches). As of December

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<sup>4</sup> See 12 C.F.R. § 243.11(c)(3).

<sup>5</sup> 12 C.F.R. § 243.2.

<sup>6</sup> The exchange rate used is 6.3726 RMB to 1 USD, which was the noon buying rate for December 30, 2021 in New York for cable transfers payable in foreign currencies certified by the Federal Reserve Bank of New York: [http://www.federalreserve.gov/releases/h10/hist/dat00\\_ch.htm](http://www.federalreserve.gov/releases/h10/hist/dat00_ch.htm).

31, 2021, the global total consolidated assets of CNCB were RMB 8.043 trillion (US\$ 1.262 trillion). 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. At the end of 2021, CNCBI had 32 outlets and 2 business centers in Hong Kong SAR, Macao SAR, New York, Los Angeles, Singapore and the Chinese mainland. As of December 31, 2021, the global total consolidated assets of CNCBI were HK\$ 417.5 billion (US\$ 53.5 billion).<sup>7</sup>

- **Securities business.** CITIC Group conducts its securities business through CITIC Securities Company Limited (“**CITIC Securities**”).<sup>8</sup> CITIC Securities is a leading securities company in China, covering investment banking, wealth management, asset management, financial markets and equity investment. All respective businesses maintain a leading position in the market.
- **Trust business.** CITIC Group conducts its trust business through CITIC Trust Co., Ltd. (“**CITIC Trust**”). CITIC Trust is a leading national non-bank financial institution under the supervision of the China Banking and Insurance Regulatory Commission. It focuses principally on the trust business, complemented by a proprietary business to better manage its balance sheet, and invests in subsidiaries to diversify its portfolio.
- **Insurance business.** CITIC Group conducts its insurance business through CITIC Prudential Life Insurance Co., Ltd. (“**CITIC Prudential**”). CITIC Prudential is a 50-50 joint venture between CITIC Limited and Prudential Corporation Holdings Limited, which offers life, health and accident insurance and reinsurance services. At the end of 2021, CITIC-Prudential Life operated a total of 23 branches in 99 cities across China.

### **Non-financial Businesses**

- **Advanced Intelligent Manufacturing.** CITIC Group’s advanced intelligent manufacturing segment includes manufacturing of heavy machineries, specialized robotics, aluminum wheels, aluminum casting parts and other products. The advanced intelligent manufacturing segment strives to become a pioneer in the advanced intelligent manufacturing sector, aiming to achieve operational breakthroughs in critical technologies and reinforce CITIC Group’s leading market position. As of the end of 2021, the total

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<sup>7</sup> The exchange rate used is 7.7996 HKD to 1 USD, which was the noon buying rate for December 30, 2021 in New York for cable transfers payable in foreign currencies certified by the Federal Reserve Bank of New York: [http://www.federalreserve.gov/releases/h10/hist/dat00\\_hk.htm](http://www.federalreserve.gov/releases/h10/hist/dat00_hk.htm).

<sup>8</sup> As of March 31, 2022, CITIC Group indirectly controlled 18.45% 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.

assets of the advanced intelligent manufacturing business segment were RMB 60.5 billion (\$9.5 billion).

- **Advanced Materials.** CITIC Group’s advanced materials segment includes exploration, processing and trading of resources and energy products, including crude oil, coal and iron ore, as well as manufacturing of special steels. The advanced materials segment aims to ensure supply chain stability and to build competitive advantages through the development of complete vertical industrial value chains jointly with the businesses of the advanced intelligent manufacturing segment. As of the end of 2021, the total assets of the advanced materials business segment were RMB 226.1 billion (\$35.5 billion).
- **New Consumption.** CITIC Group’s new consumption business segment includes motor and food and consumer products business, telecommunication services, publication services, modern agriculture, and others. The new consumption business segment aims to embrace opportunities created by an increase in domestic digital and lifestyle consumption, setting new trends in the consumer market. As of the end of 2021, the total assets of the new consumption business segment were RMB 73.5 billion (\$11.5 billion).
- **New-Type Urbanization.** CITIC Group’s new-type urbanization segment includes development, sale and holding of properties, contracting and design services, infrastructure services, environmental services and others. CITIC Group’s new-type urbanization segment aims to implement China’s regional development strategies, providing smart-city solutions with integrated capabilities in engineering contracting, urban operations, property development and management. As of the end of 2021, the total assets of the new-type urbanization business segment were RMB 304.6 billion (\$47.8 billion).

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

Under the Final Rule, “**Material Entity**” means a subsidiary or foreign office of the covered company that is significant to the activities of an “Identified Critical Operation”<sup>9</sup> or “Core Business Line,”<sup>10</sup> or is financially or operationally significant to the resolution of the covered company.

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<sup>9</sup> “Identified Critical Operations” are defined in the Final Rule as “the critical operations of the covered company identified by the covered company or jointly identified by the [FRB] and the [FDIC] under §243.3(b)(2).” “Critical Operations” are defined in the Final Rule as “those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which would pose a threat to the financial stability of the United States.” 12 C.F.R. § 243.2.

<sup>10</sup> “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.” 12 C.F.R. § 243.2.

The 2022 Plan is required to include an executive summary that includes the names of Material Entities domiciled in the United States. Because CITIC Group did not identify any Critical Operations or Core Business Lines domiciled in the United States, and has no Identified Critical Operations domiciled in the United States, CITIC Group determined that it did not have any Material Entities for the purposes of this 2022 Plan. As part of CITIC Group’s ongoing resolution planning process, this determination will be subject to ongoing evaluation and updates.

**(2) A description of core business lines**

The 2022 Plan is required to include an executive summary that includes a description of Core Business Lines domiciled in the United States. “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.”<sup>11</sup> Based on both quantitative analysis and qualitative analysis, CITIC Group has determined that it has no Core Business Lines in the United States.

**(3) The identities of the principal officers**

The table below presents the name, title and certain biographical information for CITIC Group’s 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>
Zhu, Hexin	Chairman	Chairman of CITIC Group since June 2020
Xi, Guohua	Vice Chairman & President	Vice Chairman and President of CITIC Group since June 2020
Li, Qingping	Executive Director & Vice President	Executive Director since December 2015; Vice President since December 2017
Liu, Zhengjun	Vice President	Vice President of CITIC Group since October 2018
Xu, Zuo	Vice President	Vice President of CITIC Group since June 2019
Song, Kangle	Non-executive Director	Non-executive Director of CITIC Group since January 2016
Peng, Yanxiang	Non-executive Director	Non-executive Director of CITIC Group since April 2018
Yu, Yang	Non-executive Director	Non-executive Director of CITIC Group since September 2020
Zhang, Lin	Non-executive Director	Non-executive Director of CITIC Group since December 2021
Wang, Bin	Staff-elected Director	Staff-elected Director of CITIC Group since April 2018

<sup>11</sup> 12 C.F.R. § 243.2.

**(4) A description, at a high level, of the covered company's resolution strategy**

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 IBA (12 USC §§ 3101 *et seq.*) in conjunction with the receivership provisions of The National Bank Act (12 USC §§ 191 *et seq.*).