



中国农业银行
AGRICULTURAL BANK OF CHINA

AGRICULTURAL BANK OF CHINA LIMITED

U.S. RESOLUTION PLAN

PUBLIC SECTION

DECEMBER 2016

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2016 Resolution Plan – Public Section

EXECUTIVE SUMMARY

The 2016 U.S. resolution plan (the “**2016 Plan**”) of Agricultural Bank of China Limited (the “**Bank**”) is being filed pursuant to implementing regulations (the “**Resolution Plan Rule**”) issued by the Board of Governors of the Federal Reserve System (the “**Board**”) and the Federal Deposit Insurance Corporation (“**FDIC**”) under Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”).¹ This is the public section of the Bank’s 2016 Plan.

The Resolution Plan Rule states that any foreign bank or company that is treated as a bank holding company pursuant to 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**.”² A Covered Company is required to periodically submit to the Board 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 or failure.³

The Bank is organized under the laws of the People’s Republic of China (“**China**”). Because the Bank maintains an uninsured state-licensed branch in New York, the Bank is treated as a bank holding company pursuant to Section 8(a) of the IBA. The total global consolidated assets of the Bank, including its U.S. operations, exceeded \$50 billion as of December 31, 2015. As a result, the Bank is deemed a Covered Company and is required to file a U.S. resolution plan for 2016.

Overview of the Bank

The Bank was originally formed in 1951 as the Agricultural Cooperative Bank. Starting in the late 1970s, the Bank evolved from a state-owned specialty bank to a wholly state-owned commercial bank and subsequently a state-controlled commercial bank. The Bank was restructured into a joint-stock commercial bank in 2009. In July 2010, the Bank completed its initial public offering and became a listed company on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, respectively.

As one of the major integrated financial services providers in China, the Bank remains committed to building a multi-functional and integrated modern financial service group. Capitalizing on its comprehensive business portfolio, extensive distribution network and advanced IT platform, the Bank provides a full range of corporate, treasury and retail banking products and services. In addition to commercial banking, the Bank’s services include, among other things, investment banking, fund management, financial leasing and life insurance. As of December 31, 2015, the Bank had 23,670 domestic branch outlets and 503,082 employees (and additional contracted employees of 11,288).

¹ The Resolution Plan Rule is codified by the Board in 12 C.F.R. Part 243 and by the FDIC in 12 C.F.R. Part 381. Citations to the Resolution Plan Rule in this 2016 Plan are to the regulations as codified by the Board.

² See 12 C.F.R. §§ 243.2(f)(iii).

³ See 12 C.F.R. § 243.3(a).

The Bank's New York Branch (the "**New York Branch**"), its only office in the United States, is a wholesale banking branch with a product range that includes the following: corporate lending and deposits; trade finance; treasury activities including investments, foreign exchange, issuance of negotiable securities and certificates of deposit, money market activities and basic derivatives activities; and other linked customer products.

The 2016 Plan is the Bank's third annual submission under the Resolution Plan Rule. The Bank submitted an initial tailored resolution plan in 2014 and a second tailored resolution plan in 2015 (the "**2015 Plan**").

I. THE NAMES OF MATERIAL ENTITIES

"Material Entity" is defined in the Resolution Plan 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."⁴ The Bank has determined that it does not have any Material Entities in the United States for purposes of the Resolution Plan.

II. A DESCRIPTION OF CORE BUSINESS LINES

"Core Business Lines" are defined in the Resolution Plan Rule as "those business lines in 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."⁵ Based on both quantitative and qualitative analyses, the Bank has determined that it has no Core Business Lines in the United States for purposes of the Resolution Plan.

III. CONSOLIDATED OR SEGMENT FINANCIAL INFORMATION REGARDING ASSETS, LIABILITIES, CAPITAL AND MAJOR FUNDING SOURCES

The assets, liabilities, capital, and major funding sources of the Bank are set forth in detail in the Bank's 2015 annual report, which is available at: <http://www.abchina.com/en/investor-relations/performance-reports/annual-reports/201604/P020160428673919085868.pdf>.

⁴ 12 C.F.R. § 243.2(l).

⁵ 12 C.F.R. § 243.2(d).

The following table (from the Bank's 2015 Annual Report) sets forth the consolidated balance sheet of the Bank as of December 31, 2015:

Consolidated Statement of Financial Position (Amounts in millions of Renminbi, unless otherwise stated)	As at December 31	
	2015	2014
Assets		
Cash and balances with central banks	2,587,057	2,743,065
Deposits with banks and other financial institutions	697,923	572,805
Precious metals	40,909	20,188
Placements with and loans to banks and other financial institutions	504,252	407,062
Financial assets held for trading	79,782	58,425
Financial assets designated at fair value through profit or loss	359,479	356,235
Derivative financial assets	16,038	7,195
Financial assets held under resale agreements	471,809	509,418
Loans and advances to customers	8,506,675	7,739,996
Available-for-sale financial assets	1,214,542	927,903
Held-to-maturity investments	2,300,824	1,710,950
Debt instruments classified as receivables	557,420	522,117
Investments in associate	273	—
Property and equipment	156,178	154,950
Goodwill	1,381	1,381
Deferred tax assets	81,548	78,640
Other assets	215,303	163,822
Total assets	17,791,393	15,974,152
Liabilities		
Borrowings from central banks	60,599	80,121
Deposits from banks and other financial institutions	1,221,901	831,141
Placements from banks and other financial institutions	315,759	224,923
Financial liabilities held for trading	24,036	25,211
Financial liabilities designated at fair value through profit or loss	406,407	347,282
Derivative financial liabilities	12,192	7,240
Financial assets sold under repurchase agreements	88,804	131,021
Due to customers	13,538,360	12,533,397
Debt securities issued	382,742	325,167
Deferred tax liabilities	111	43
Other liabilities	528,597	435,987
Total liabilities	16,579,508	14,941,533
Equity		
Ordinary shares	324,794	324,794
Preference shares	79,899	39,944
Capital reserve	98,773	98,773
Investment revaluation reserve	22,429	3,118
Surplus reserve	96,748	78,594
General reserve	175,606	156,707
Retained earnings	412,005	329,989
Foreign currency translation reserve	-163	-853
Equity attributable to equity holders of the Bank	1,210,091	1,031,066
Non-controlling interests	1,794	1,553
Total equity	1,211,885	1,032,619
Total equity and liabilities	17,791,393	15,974,152

The following table (from the Bank's 2015 Annual Report) sets forth the capital information for the Bank as of December 31, 2015.

	As at December 31				
	2015	2014	2013	2012	2011
Asset Quality (%)					
Non-performing loan ratio	2.39	1.54	1.22	1.33	1.55
Allowance to non-performing loans	189.43	286.53	367.04	326.14	263.10
Allowance to total loans	4.53	4.42	4.46	4.35	4.08
Capital adequacy (%)					
Common Equity Tier 1 capital adequacy ratio	10.24	9.09	9.25	N/A	N/A
Tier 1 capital adequacy ratio	10.96	9.46	9.25	N/A	N/A
Capital adequacy ratio	13.40	12.82	11.86	12.61	11.94
Risk-weighted assets to total assets ratio	61.75	67.94	62.25	54.48	54.71
Total equity to total assets ratio	6.81	6.46	5.80	5.67	5.56
Data per share (RMB Yuan)					
Net assets per share	3.48	3.05	2.60	2.31	2.00

The New York Branch currently has the following funding sources: support from the Bank's head office ("Head Office"); issuances of negotiable certificates of deposit and commercial paper; borrowing in the interbank money market (foreign as well as local federal funds); customer demand and time deposits; and medium term notes.

IV. A DESCRIPTION OF DERIVATIVE ACTIVITIES AND HEDGING ACTIVITIES

The Bank enters into currency rate, interest rate and precious metals related derivative financial instruments for the purpose of trading, asset and liability management, and business on behalf of customers. The following tables (from the Bank's 2015 Annual Report) set forth the derivative financial assets and liabilities of the Bank as of December 31, 2015.

Derivative Financial Assets and Liabilities (amounts in millions of Renminbi, unless otherwise stated)	December 31, 2015		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives			
Currency forwards and swaps, and cross-currency interest rate swaps	1,307,952	13,737	-11,102
Currency options	22,704	134	-92
Subtotal		13,871	-11,194
Interest rate derivatives			
Interest rate swaps	158,118	920	-961
Precious metal contracts	32,049	1,247	-37
Total derivative financial assets and liabilities		16,038	-12,192

Derivative Financial Assets and Liabilities (amounts in millions of Renminbi, unless otherwise stated)	December 31, 2014		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives			
Currency forwards and swaps, and cross-currency interest rate swaps	828,028	5,746	-6,167
Currency options	33,112	72	-79
Subtotal		5,818	-6,246
Interest rate derivatives			
Interest rate swaps	166,002	795	-936
Precious metal contracts	12,732	561	-58
Others	55	21	--
Total derivative financial assets and liabilities		7,195	-7,240

The credit risk weighted amount for derivative transaction counterparties represents the counterparty credit risk associated with derivative transactions and is calculated in accordance with the “Capital Rules for Commercial Banks (Provisional)” issued by the China Banking Regulatory Commission which was effective January 1, 2013, and is dependent on, among other factors, creditworthiness of customers and maturity characteristics of each type of contract. The following table (from the Bank’s 2015 Annual Report) sets forth the credit risk weighted amount for derivative transaction counterparties as of December 31, 2015.

Derivative Financial Assets and Liabilities (amounts in millions of Renminbi, unless otherwise stated)	As at December 31	
	2015	2014
Credit risk weighted amount for counterparty	19,364	12,576

The New York Branch uses derivatives in support of customer activities, and to hedge its own balance sheet position. Currently, derivatives used by the New York Branch include foreign exchange forwards (“**FX Forwards**”) and foreign exchange swaps, which are used to accommodate customer and hedging trades. The positive fair values of FX Forwards are recognized as assets, while negative fair values are recognized as liabilities. Liquidation accounting is used for these trading book positions, where both realized and unrealized gains and losses are stated through earnings. In May 2015, the New York Branch used interest rate swaps to convert fixed rate Medium Term Notes to a floating rate to help reduce the cost of debt service.

V. A LIST OF MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING AND SETTLEMENT SYSTEMS

The New York Branch is a direct participant in the Fedwire Funds Service (“**Fedwire**”) and the Clearing House Interbank Payments System (“**CHIPS**”). Fedwire is a real-time gross settlement system owned and operated by the Federal Reserve Banks in which participants initiate payment orders that are individually processed and, once funds are transferred, settled in central bank money in real time upon receipt. Through Fedwire, the settlement of funds is immediate, final and irrevocable. CHIPS is the largest private-sector U.S. dollar funds transfer system in the world and is operated by The Clearing House.

The New York Branch is also a member of the Society for Worldwide Interbank Financial Telecommunication (“**SWIFT**”). SWIFT provides a network that enables financial

institutions to send and receive secure, standardized and reliable messages to and from counterparties.

On a limited basis, the New York Branch also uses custodian counterparties to access the Depository Trust Corporation and other depositories or exchanges as needed.

VI. A DESCRIPTION OF FOREIGN OPERATIONS

The New York Branch currently represents the Bank's entire U.S. operations. The New York Branch itself has no foreign operations. The New York Branch cooperates with other overseas branches of the Bank, primarily related to money market activities, lending and trade finance.

The Bank has several other overseas operations. Specifically, the Bank maintains branches in Hong Kong, Singapore, Tokyo, Frankfurt, Seoul, Dubai, Sydney and Luxembourg. In addition, the Bank has a subsidiary bank in each of London, Luxembourg and Moscow. The Bank also operates a joint venture bank in the Republic of Congo as well as representative offices in Hanoi, Vancouver and Taipei.

VII. THE IDENTITIES OF MATERIAL SUPERVISORY AUTHORITIES

The Bank is regulated and supervised by the China Banking Regulatory Commission ("CBRC"). The CBRC is China's primary bank supervisor and regulator. It is responsible for the comprehensive consolidated supervision of Chinese banking organizations.

The Bank is also subject to regulation and supervision by the People's Bank of China ("PBOC"). The PBOC is China's central bank and primary supervisor for anti-money laundering matters. The PBOC administers monetary policy and regulates financial institutions in China to ensure overall financial stability. It also manages payment, clearing and settlement systems of the banking sector.

In addition, the China Securities Regulatory Commission ("CSRC") is the primary securities regulator for the Bank. The CSRC is responsible for the oversight of publicly traded companies and the provision of custody services to investment funds. The State Administration of Foreign Exchange supervises the Bank's foreign exchange and settlement transactions. The China Insurance Regulatory Commission is the Bank's primary insurance regulator, overseeing the assurance business and insurance activities.

The Hong Kong Monetary Authority ("HKMA") is responsible for maintaining monetary and banking stability in Hong Kong. It is responsible for regulating and supervising banking and deposit-taking in Hong Kong. The Bank has a branch operation in Hong Kong and is publicly listed on the Hong Kong Stock Exchange, and is therefore subject to the supervision of the HKMA.

The New York Branch is a state-licensed, uninsured wholesale banking branch. As such, it is subject to the regulation and supervision of the New York State Department of Financial Services ("NYSDFS"). The NYSDFS also subjects the branch to on-site examinations.

The Board and the Federal Reserve Bank of New York (“FRBNY”) are the Bank’s federal supervisors in the United States. The Board and the FRBNY supervise the New York Branch and subject the New York Branch to on-site examinations.

VIII. THE IDENTITIES OF THE PRINCIPAL OFFICERS

The following chart provides the name and titles for the principal officers of the Bank and its New York Branch:

Executive Directors of the Bank	
<i>Name</i>	<i>Title</i>
Zhou Mubing	Chairman, Executive Director
Zhao Huan	Vice Chairman, Executive Director, President
Lou Wenlong	Executive Director, Executive Vice President
Non-Executive Directors of the Bank	
<i>Name</i>	<i>Title</i>
Zhao Chao	Non-executive Director
Zhou Ke	Non-executive Director
Zhang Dinglong	Non-executive Director
Chen Jianbo	Non-executive Director
Hu Xiaohui	Non-executive Director
Xu Jiandong	Non-executive Director
Independent Non-Executive Directors of the Bank	
<i>Name</i>	<i>Title</i>
Wen Tiejun	Independent Non-executive Director
Francis Yuen Tin-fan	Independent Non-executive Director
Xiao Xing	Independent Non-executive Director
Lu Jianping	Independent Non-executive Director
Wang Xinxin	Independent Non-executive Director
Board of Supervisors of the Bank	
<i>Name</i>	<i>Title</i>
Yuan Changqing	Chairman, Supervisor Representing Shareholders
Wang Xingchun	Supervisor Representing Shareholders
Zheng Xin	Supervisor Representing Employees
Xia Taili	Supervisor Representing Employees
Liu Chengxu	Supervisor Representing Employees
Xia Zongyu	Supervisor Representing Employees
Li Wang	External Supervisor
Lv Shuqin	External Supervisor

Senior Management of the Bank	
<i>Name</i>	<i>Title</i>
Zhao Huan	Vice Chairman, Executive Director, President
Gong Chao	Secretary of the Party Discipline Committee
Lou Wenlong	Executive Director, Executive Vice President
Wang Wei	Executive Vice President
Lin Xiaoxuan	Executive Vice President
Guo Ningning	Executive Vice President
Zhang Keqiu	Secretary to the Board of Directors
Principal Officers of the New York Branch	
<i>Name</i>	<i>Title</i>
Fang Min (in transition)/ Yu Ming	General Manager
Zhang Jijun	Deputy General Manager
Zhang Lu	Deputy General Manager
Rosalie Yee	Chief Compliance Officer and Head of Legal and Compliance
Jim Tom	Chief AML Officer and Head of Financial Crimes Compliance
Zhang Jian	Head of Corporate Banking Department
Wang Zhongkun	Head of Treasury Department
He Wei	Head of Operations
Liu Naji	Head of Administration Department
Liang Ming	Acting Head of Finance and Accounting
Li Renhua	Acting Head of Risk Management Department

IX. A DESCRIPTION OF THE CORPORATE GOVERNANCE STRUCTURE AND PROCESSES RELATED TO RESOLUTION PLANNING

The Bank has no nonbanking Material Entities, Core Business Lines or Critical Operations that are domiciled in the United States.

According to the Resolution Plan Rule, the Bank’s Board of Directors (the “**ABC Board**”) may delegate its authority and oversight responsibilities to a specific manager or to a committee.⁶ The ABC Board has delegated its authority to approve the 2016 Plan to senior management in-charge of the International Department at Head Office.

The Bank has created the Local Resolution Planning Team (the “**Planning Team**”) within the New York Branch which is responsible for developing the 2016 Plan. The Planning Team is comprised of the New York Branch’s General Manager, Acting Head of Risk Management, Chief Compliance Officer, and Acting Head of the Finance and Accounting Department. The General Manager has delegated authority to the Acting Head of the Finance and Accounting Department to conduct periodic meetings of the Planning Team for the purpose of discussing resolution planning. The Planning Team also calls on other parties such as the Head of Operations, the Head of Treasury, and the Head of Corporate Banking to provide input into the resolution planning process, as needed.

⁶ See 12 C.F.R. § 243.3(e)(2).

The Bank and the Planning Team will monitor the activities of the Bank throughout the year to determine whether any material events have occurred that require a notice under the relevant regulations.

The Branch is governed by its General Manager and two Deputy General Managers; they are supported by several key committees.

X. A DESCRIPTION OF MATERIAL MANAGEMENT INFORMATION SYSTEMS

The New York Branch utilizes a core banking system that is housed in China which supports the New York Branch on a 24/7 basis. Technology support includes maintenance, daily operations, emergency response, required systems fixes or enhancements, as well as ad-hoc requests. This system is modular in nature, meaning loans, money market, FX, trade finance, and other modules all point to the general ledger for fully integrated data. The system also utilizes multi-currency functionality, which states balances in original and base currency terms.

XI. 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

As stated previously, the Bank does not have any nonbanking Material Entities, Core Business Lines or Critical Operations that are domiciled in the United States or conducted in whole or material part in the United States. The Bank therefore respectfully submits that this requirement is not applicable.

Notwithstanding the foregoing and for informational purposes only, the Bank expects that any resolution of the New York Branch will be conducted by the NYSDFS. Under the New York resolution proceeding, the NYSDFS would marshal and liquidate the assets of the New York Branch in the United States and distribute the proceeds to creditors of the New York Branch.