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中國銀行股份有限公司
BANK OF CHINA LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)
(the "Bank")

(Stock Code: 3988 and 4601 (Preference Shares))

ANNOUNCEMENT
Corporate Social Responsibility Report of
Bank of China Limited for 2016

In accordance with the Chinese mainland and Hong Kong regulatory requirements, the meeting of the Board of Directors of the Bank held on 31 March 2017 considered and approved the *Corporate Social Responsibility Report of Bank of China Limited for 2016*. Set out below is a complete version of the report.

By Order of the Board
Bank of China Limited
GENG Wei

Secretary to the Board of Directors and Company Secretary

Beijing, PRC
31 March 2017

As at the date of this announcement, the directors of the Bank are: Tian Guoli, Chen Siqing, Ren Deqi, Gao Yingxin, Zhang Xiangdong, Zhang Qi*, Liu Xianghui*, Li Jucai*, Nout Wellink#, Lu Zhengfei#, Leung Cheuk Yan#, Wang Changyun# and Angela Chao#.*

* *Non-Executive Directors*

Independent Non-Executive Directors

Corporate Social Responsibility Report of Bank of China Limited for 2016

March 2017

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Message from the Chairman

The past 2016 marked the beginning of the 13th “Five-year Plan” period and another year in which BOC delivered on its commitment with concrete steps. In the face of complicated and severe operating environment, BOC, upholding its strategic goal of “Serving Society, Delivering Excellence”, has worked hard to help create better life for customers, inject positive energy into the nation’s economic transformation and social development, and reward shareholders, employees and the public with outstanding performance for their trust and support.

BOC followed closely the national strategy and dedicated itself wholeheartedly to serve the real economy. In 2016, we took the initiative to serve the strategy of comprehensive and in-depth opening-up, took quicker steps to map our presence and design credit-granting plans along the “Belt and Road”, and became a forerunner in building the “Belt and Road” financial artery. We proactively directed credit input to strategic emerging industries and areas concerning people’s livelihood, and assisted in the supply-side structural reform by optimizing credit resource allocation. Leveraging on financial services, we set up the SME cross-border matchmaking platform and held international exchange and cooperation seminar, hence playing an important role in promoting SME development and deepening international investment and trade cooperation.

BOC highlighted its professionalism and continuously improved the capability of providing global services. In the past year, we consolidated our advantages in international operation and made a historical breakthrough in expanding our overseas presence, which now covers 51 countries and regions worldwide. In the face of turbulent global financial market, we carried out solid protection, assistance and service for the international operation of our customers who were “Going Global”, and provided all-round financial services including settlement, loan, bond issuance and risk management. We were actively building a global RMB payment and clearing network, steadily boosting the acceptance and use of RMB overseas, and constantly enhancing China’s influence in international finance.

BOC always put customers first and upgraded services through innovation. In the past year, we continued to follow the new trend of information technology and accelerated the construction of intelligent outlets, innovation in mobile products and improvement of business procedures, in order to provide better financial services for customers. Answering to the requirement for inclusive financial development, BOC created a range of financial products aimed to benefit people’s livelihood, covering social insurance, medical care, education, farmer assistance and fee payment, hence making people’s lives easier with our considerate services. We also strengthened internal control inspection and education, applied IT and big data to detect and nip risks in the bud, and consequently protected consumer interests.

BOC shouldered more social responsibilities and strove to build a bank satisfactory to employees, shareholders and the public. In the past year, we strengthened our management capability across the board, and improved a number of

mechanisms covering internal risk control, performance management, professional sequence management and internal audit to boost developing momentum. We firmly implemented the central government's decisions and deployments in winning the war against poverty, giving full play to the strengths of BOC, our international partners, customers and employees, and blazing out a sustainable BOC targeted poverty alleviation path. Taking the promotion of green development as its own responsibility, BOC strongly boosted innovation in green financial products and services and issued the first green-asset-backed bond in the world.

In 2017, BOC will unwaveringly press ahead with internationalization and stick to the commitment in serving the people, holding fast to the efforts made in serving SMEs, technology innovation as well as Party building and teambuilding. We will forge ahead through solid progress and make new and greater contributions to fulfilling the Chinese Dream in the pursuit of national rejuvenation at an early date.

Tian Guoli, Chairman of BOC

Message from the President

In 2016, adhering to the development strategy of “Serving Society, Delivering Excellence”, BOC made solid efforts in pushing forward innovative development, business transformation, risk dissolution and Group management and control, comprehensively fulfilling the social responsibilities of a leading state-owned bank actively supporting economic transformation and upgrade, developing inclusive finance, undertaking public-welfare causes, and increasing economic benefits along with social benefits.

BOC earnestly performed its responsibility for serving shareholders and continuously enhanced overall strength. In 2016, BOC coped with a complex and grave external environment and achieved sound operating results. Our year-end total assets, total liabilities, and owners’ equity reached RMB18.15 trillion, RMB16.66 trillion and RMB1.41 trillion respectively, up 7.93%, 7.79% and 8.18% from the end of last year. Our profit for the year reached RMB184.1 billion, up 2.58 % year-on-year and meeting the targets set by the Board of Directors. Our risk control yielding good results, the non-performing loan (NPL) ratio was kept within a rational range. The ratio of allowance for loan impairment losses to NPLs grew by 9.52 percentage points year-on-year to 162.82%, indicating stronger risk resilience against the market trend. Our cost to income ratio was 28.08%, down 0.22 percentage points from last year, showing steadily higher operating efficiency.

BOC earnestly performed its responsibility for serving the real economy and continuously improved financial service efficiency. In 2016, BOC pursued its own development in the context of the nation’s comprehensively deepened reform and expanded opening-up, and accelerated the establishment of the “Belt and Road” financial artery, with accumulative loan commitments worth nearly USD60 billion. Leveraged on its over 600 overseas operations in 51 countries and regions worldwide, BOC steadily pressed ahead with RMB’s internationalization and strongly supported Chinese enterprises to “Go Global”, by serving 58 cross-border M&A projects and providing USD14.8 billion financing throughout the year, the highest in the Asian-Pacific banking industry. BOC took the initiative to serve the nation’s regional development plans, sponsoring 240 projects for the Beijing-Tianjin-Hebei coordinated development with total investment of RMB94.8 billion and maintaining a leading position in innovation level and transaction scale of the Shanghai FTZ business. BOC also actively helped to solve the financing difficulty for SMEs, and the 10 SME cross-border matchmaking activities it held won extensive recognition at home and abroad.

BOC earnestly performed its responsibility for serving the consumers and continuously increased the satisfaction rate and coverage rate of its financial services. In 2016, BOC picked up speed in product and service innovation and channel transformation, and boosted financial service upgrade with science and technology. Online finance developed at a faster pace, with the number of customers and transaction volume increasing by 93% and 60% respectively from last year. We

launched the “BOC E-Credit”, to provide full-process online financing services, and the largely enriched mobile banking functions have given a strong impetus to the increase of transaction volume. We trial-launched smart counters and optimized business procedures to curtail handling time by a large margin. We also launched a series of financial products aimed to benefit people’s livelihood, and linked financial services with social insurance, medical care, education, farmer assistance and bill payment to bring tangible benefits to people’s lives.

BOC earnestly performed its responsibility for serving the society and continuously bettered the effects of public-welfare undertakings. BOC insisted on serving the society, contributing to the society and rewarding the society, and actively supported poverty alleviation, education, science and cultural causes. For the 14th consecutive year we conducted targeted poverty alleviation work in Yongshou, Changwu, Xunyi and Chunhua counties of Xianyang, Shaanxi Province, where 23 projects including safe drinking water, road construction, PV construction and agricultural facilities construction were carried out in 2016, helping 28,000 people to make more income. For the 3rd consecutive year, we supported the “visiting the people, benefiting livelihood and warming hearts” poverty alleviation work in Xinjiang, dispatched work groups to 17 villages in 12 local prefectures; set up special education funds and assisted students in poverty-stricken areas; conducted 100 projects covering infrastructure construction, featured agriculture, medical care, etc. For the 17th consecutive year we undertook the government-sponsored student loans, providing total funding of RMB22 billion for over 1.7 million students in poverty-stricken areas. We sponsored the Tan Kah Kee Science Award for the 13th consecutive year to honor Chinese scientists who achieved original scientific and technological achievements.

In 2017, we will continue to carry on our development strategy of “Serving Society, Delivering Excellence” and push forward reform, better serve the national strategy, economic growth and the public society in the landscape of economic and social development, and present a brilliant performance sheet for the opening of the 19th CPC National Congress!

Chen Siqing, President of BOC

About BOC

Bank of China was officially founded in February 1912 upon approval of Mr. Sun Yat-sen. From 1912 to 1949, the Bank served consecutively as the country's central bank, international exchange bank and specialized international trade bank. With a vision of becoming a major modern and international bank, the Bank rose to a leading position in the Chinese financial industry and developed a good standing in the international financial community, through persistent hard work. 1949 onwards, BOC had been a state-designated specialized foreign exchange and trade bank in a long time, managing the country's foreign exchange operations on a unified basis and conducted international trade settlement, overseas remittance and other non-trade foreign exchange operations, thus vigorously supporting foreign trade development and economic development. Since 1978, the Bank seized the historic opportunity, fully leveraged its strength in foreign exchange business, and became the country's key foreign financing channel. In 1994, the Bank was transformed into a wholly state-owned commercial bank. In August 2004, Bank of China Limited was incorporated. It successfully went public on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange in June and July 2006, respectively, becoming the first Chinese commercial bank to launch an A-Share and H-Share initial public offering and achieve a dual listing in both markets. In 2008, BOC served as the sole banking partner of the Beijing Olympic Games. By 2016, BOC was the only bank in China that has operated consecutively for over 100 years, the only bank in China that has been included in the "World Top 500" enterprises for 28 consecutive years, and the only bank in emerging economies that has been ranked as the G-SIFIs for 6 years in a row.

As China's most internationalized and diversified bank, Bank of China provides a wide range of financial services to customers across the Chinese mainland as well as 51 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, both 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.

Throughout over 100-year history, Bank of China has upheld its historical mission of "promoting social welfare and contributing to a prosperous nation" and the core value of "pursuing excellence". With adoration of the nation in its soul, integrity as its backbone, reform and innovation as its path forward and "people first" as its guiding principle, the Bank has built up an excellent brand image that is widely recognized within the industry and by its customers. Faced with new historic opportunities, the Bank will actively carry out its development strategy of "Serving Society, Delivering Excellence" and make further contributions to achieving the Chinese Dream of great rejuvenation of the Chinese nation.

Key Performance Indicators

Area	Indicator name	2016	2015	2014
Economic	Total assets (RMB million)	18,148,889	16,815,597	15,251,382
	Operating income (RMB million)	485,656	473,912	456,328
	Non-performing loan ratio (%)	1.46	1.43	1.18
	Capital adequacy ratio (%)	14.28	14.06	13.87
	Profit for the year (RMB million)	184,051	179,417	177,198
	Income tax expense (RMB million)	38,361	52,154	54,280
	Capital and reserves attributable to equity holders of the Bank (RMB million)	1,411,682	1,304,946	1,140,859
	Micro and small-sized enterprise loans (RMB million)	1,284,900	1,145,714	1,038,200
	Balance of government-sponsored student loans (RMB million)	3,348	3,749	4,483
Social	Total employees	308,900	310,042	308,128
	Female employees (%)	56.94	56.80	56.87
	Employee satisfaction ratio (%)	80	79	76
	Customer satisfaction ratio (%)	92.6	92.9	92.50
	Donations (RMB million)	61	59	66
	Social contribution per share (RMB)	2.07	2.18	2.19
Environmental	Balance of green credits (RMB million)	467,342	412,315	301,043

1. Total assets, operating income, non-performing loan ratio, capital adequacy ratio, profit for the year, income tax expense, and capital and reserves attributable to equity holders of the Bank were calculated based on the Chinese Accounting Standards 2006 by the Ministry of Finance.
2. SME loan: In 2014 and 2015, the Bank followed the 2014 Guideline on Financial Services for Small and Micro Enterprises (Yinjianfa [2014] No. 7).
3. Government-sponsored student loans: Loans granted to students from poor families in universities and colleges, in payment for their study and living costs at school.
4. Employee satisfaction ratio: BOC began to conduct employee satisfaction surveys at its Head Office and branches in 2003. Since 2006, an employee satisfaction model developed independently by BOC has been used for spot-checking at the Head Office and tier-1 branches.
5. Donations: Refer to donations which the Head Office and branches make to public welfare undertakings in education, health, public affairs and other sectors or to disaster-stricken areas and poor areas through non-profit public welfare organizations or state organs.
6. Social contribution per share: $(\text{Economic performance contribution value} + \text{Social performance contribution value} - \text{Social cost incurred by environmental pollution on the Bank's part}) / \text{Number of shares issued}$, where, Economic performance contribution value = Annual profit + Income tax expense + Total interest on deposits paid to customers + Total employee salaries; Social performance contribution value = Total annual spending on employee benefits and social security + Total annual spending on employee training + Total annual donations; social cost incurred by environmental pollution is equal to pollutant discharge fees plus fines for environmental violations of the year.
7. Balance of green credits: Calculated according to the approach of the CBRC (Yinjianbanfa [2013] No. 185).

I. Implementing National Strategies

Committed to serving the real economy and the country through financial services and aligning its own development goals with the overall reform situation of China, BOC has taken a proactive approach to adapting to the new normal of economic growth. It is striving to create a financial artery for the “Belt and Road” initiative, serve the coordinated development of Beijing, Tianjin and Hebei, organize innovative global SME matchmaking events, support the construction of free trade zones, and shore up the supply side reform to promote the upgrading of industrial structure.

i. Building the “Belt and Road” financial artery

BOC is peaking up the pace of creating a financial artery for the “Belt and Road” initiative, making countries along the “Belt and Road” a strategic focus of its overseas business expansion plan. It has been actively strengthening ties with those countries and promoting trade and financial business cooperation with them. It leverages on its strength in L/G business to serve the “Belt and Road” key international capacity cooperation projects. It is striving to become the preferred bank of “Going Global” enterprises and the major channel bank for the “Belt and Road” cross-border RMB settlement. It is also working to achieve an institution-coverage of over 50% in countries along the “Belt and Road”.

As of the end of 2016, BOC has followed up 420 key projects in countries along the “Belt and Road”, with a total investment of about USD400.0 billion, and within two years, BOC has extended aggregate credit of nearly USD60.0 billion to those countries.

Case: Expanding the service network for the “Belt and Road” initiative

In 2016, BOC set up branches in 19 countries along the “Belt and Road”, including Singapore, Indonesia, the Philippines, Vietnam, Cambodia, Thailand, Malaysia, Laos, Kazakhstan, the United Arab Emirates, Russia, Poland, Hungary, Mongolia, Bahrain, Czech Republic and Myanmar.

Case: Holding the “Belt and Road” International Financial Exchange & Cooperation Seminar

In October 2016, BOC held the “Belt and Road” International Financial Exchange & Cooperation Seminar (Philippines). 29 representatives of the Philippines, including senior officials of central and local governments, members of the upper and lower Houses, and officials of industry associations, participated in the seminar, which includes lectures, visits and other activities centered around issues of the concern of the Philippines introduction of China’s development and discussion of further economic and financial cooperation between the two countries.

Case: Supporting the Dubai Hassyan PPP project

In 2016, BOC issued a total of USD140 million worth of L/G for the first large clean coal-fired power plant project in the Middle East (Dubai Hassyan PPP project), participated by Harbin Electric International Company Limited and the Silk Road Fund. It is a key project under the “Belt and Road” memorandum of understanding signed by the heads of governments of China and Saudi Arabia in early 2016 and also the first investment project made by China Silk Road Fund in the Middle East.

Case: Helping the Asian Infrastructure Investment Bank (AIIB) get its business off the ground

The AIIB is a multilateral financial institution in Asia to support infrastructure development, promote interconnectivity and economic integration in the region and strengthen ties between China and other countries and regions. BOC Beijing Branch is the leading contractor for AIIB’s domestic FX business.

Before the establishment	BOC Beijing Branch, as the only bank with which AIIB Preparation Management Co., Ltd. opened accounts, opened six accounts for the company, including a foreign currency settlement account, a US dollar loan account, an equity capital custody account etc.
In the course of establishment	BOC Beijing Branch helped the customer purchase foreign currency in China, make large-amount advance purchase of foreign currency, open an account for advance payment of equity capital, etc.
After the establishment	BOC Beijing Branch established Wu Ding Hou Street Sub-branch in the office building of AIIB

Case: Setting up Sansha Sub-branch

In January 2016, BOC Hainan Branch completed the construction of Sansha Sub-branch. On January 30, the first group of staff members set foot on Yongxing Island, Sansha City. On February 5, Sansha Sub-branch obtained a financial business operation permit and a business license. On March 10, Sansha Sub-branch opened for business for the first time.

Case: Co-hosting the Maritime Silk Road B2B Meeting

On September 8, 2016, BOC Fujian Branch and Quanzhou Municipal Government held the Maritime Silk Road B2B Meeting, in Xiamen. 80 foreign representatives from Jordan, Australia and, Japan had B2B talks with 100 enterprises in Fujian Province to seek cooperation opportunities. Fujian Branch, as the sole sponsor in the financial sector, built a professional team to provide comprehensive

matchmaking services for domestic and foreign enterprises on site.

Case: Serving the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity

On January 8, 2016, the opening ceremony of the Management Bureau of the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity, together with the project-signing event was held in Chongqing. This is a key demonstration project under the “Belt and Road” initiative, the Yangtze River economic zone development program and the Western Development Strategy. BOC, as one of the major banking partner, signed a strategic cooperation agreement with Chongqing Municipal Government, and related enterprises respectively, and set up a special service group to fully support the implementation of the project. It pledged to offer RMB200 billion fund and supporting services to related companies during the 13th “Five-year Plan” period. BOC Singapore Branch will cultivate a team of high quality financial professionals with extensive experience in related fields and international perspectives.

ii. Supporting Medium, Small and Micro Enterprises

BOC has been making continuous efforts to serve the real economy, improve the quality of financial services provided to small and micro enterprises and explore the “Credit Factory + Cross-border Matchmaking + Investment-Loan Linkage” service model. As part of such effort, BOC and the Ministry of Industry and Information Technology issued the *Five-year Action Plan to Promote the Internationalization of Small and Medium-sized Enterprises*.

Case: Investment-Loan Linkage

In 2016, the CBRC, the Ministry of Science and Technology and the PBOC arranged for the Investment-Loan Linkage pilot program and BOC was the only large state-owned commercial bank among the first batch of approved pilot enterprises. Up to date, BOC has drawn up the pilot scheme and corresponding documents and submitted them to the CBRC, hence putting in place the policy system, organization structure, specialized institutions and personnel training for the scheme. It also signed the investment-loan linkage cooperation agreements with five administrative committees of innovation demonstration parks in Beijing, Tianjin, Shanghai, Hubei, and Shaanxi on December 16, 2016. At the end of December 2016, BOC boasted 56 technology-oriented financial institutions, with total internal and external investment-loan linkage loans amounting to RMB1.08 billion and Group subsidiaries investment reaching RMB290 million.

Leveraging on the diversification strengths of the Group, BOC, in consideration of the characteristics of different growing periods of Shanghai Xingguang Film Limited (“Xingguang”), provided targeted equity investment and credit support via the investment-loan linkage. In 2016, it supported the listing of Xingguang on the

National Equities Exchange and Quotations, and completed the RMB50 million targeted bond re-insurance, among which, RMB12 million is directly invested by BOC International (China) Limited.

Case: Launching cross-border matchmaking services for SMEs

BOC is the first to initiate the BOC Global SME Cross-border Matchmaking Services to establish an interconnection platform for global SMEs. From 2014 onwards, it has held 28 cross-border matchmaking events across the world, attracting more than 20,000 SMEs and achieving more than 5,000 cooperation intentions, hence being highly praised by domestic and foreign peers and customers.

Asia

Sichuan. On October 25, 2014, the 5th Western China International Fair – China-France SME Cooperation and Development Forum was successfully held in Chengdu. Nearly 1,000 people from 400 Chinese enterprises and 200 French enterprises participated in a total of 1,000 B2B talks, involving multiple industries such as high-end manufacturing and information technology.

Hebei. On May 18, 2015, China-CEE SME Cooperation Conference was held in Langfang. A total of 2,200 people from 452 Chinese enterprises and 190 European enterprises participated in the activities, involving multiple industries such as high-end manufacturing and medical care.

Malaysia. In June 2015, the “Belt and Road” Economic Conference & SME Business Matching was held in Kuala Lumpur. 132 local enterprises and 92 Chinese enterprises participated in 350 B2B talks.

Guangxi. On September 18, 2015, the 12th China-ASEAN Expo SME Cross-border Investment and Trade Cooperation Conference was held in Nanning. Nearly 2,000 people from 500 Chinese enterprises and 100 ASEAN enterprises joined the conference, involving multiple industries such as wood processing and halal food.

Beijing. On October 19, 2015, China-Singapore SME Cooperation Conference was held in Beijing. 30 Chinese enterprises and 26 Singaporean enterprises participated in the conference, which involves multiple industries such as medical care and chemical industry.

Anhui. On December 9, 2015, China Anhui SME Cross-border Investment and Trade Cooperation Conference was held in Hefei. Over 100 overseas enterprises from 18 countries and regions and more than 500 Anhui-based enterprises participated in 785 B2B talks, reaching 73.76% cooperation intention.

Shaanxi. On May 13, 2016, the 2016 Silk Road International Expo & the 20th ITFCEW Shaanxi SME Cross-border Investment and Trade Cooperation Conference was held in Xi'an. Over 100 overseas enterprises from 19 countries and

regions including the US and the UK and nearly 500 SMEs in Shaanxi participated in more than 800 B2B talks.

Hebei. On June 17, 2016, China-CEE Enterprise Investment and Trade Cooperation Conference was held in Tangshan. Nearly 200 enterprises from CEE countries and more than 800 enterprises from Hebei participated in the B2B talks.

Hunan. On June 27, 2016, the 2016 Hunan-Africa International Industrial Cooperation Conference & Business Cross-border Networking Event was held in Changsha. 37 government departments and 63 enterprises from 21 African countries and over 300 enterprises from Hunan participated in over 470 matching talks.

Beijing. On September 13, 2016, the China-Peru Capacity Cooperation & Industrial and Commercial Enterprise Cooperation Conference was held in Beijing. 300 people from 50 Chinese enterprises and 25 Peruvian enterprises participated in the conference, which involves multiple industries such as infrastructure, energy and mining.

Shaanxi. On September 21, 2016, the Industrial Cooperation Cross-border Matchmaking Conference for the Four Counties in Northern Xianyang was held in Xianyang, which involves multiple industries such as agricultural products and animal husbandry.

Guangdong. On October 10, 2016, the 13th China International SME Fair & International Industrial Cooperation and Investment Match-making Conference was held in Guangzhou. 352 foreign enterprises from 15 countries and regions such as India and Cote d'Ivoire and 459 SMEs from mainland China participated in B2B talks.

Sichuan. On November 3, 2016, the China-Germany SME Cross-border Investment and Trade Cooperation Conference was held in Chengdu. 75 German enterprises and 303 Chinese enterprises participated in 358 B2B talks, covering multiple industries such as equipment manufacturing.

Guizhou. On November 10, 2016, the Cross-border Investment and Trade Fair, Guizhou Inland Opening-up Pilot Economic Zone, China 2016 was held in Guiyang. Nearly 300 foreign enterprises from 40 countries and regions across the five continents and nearly 1,000 enterprises from Guizhou participated, with the total number of participants reaching 3,000.

Europe

France. On June 6, 2014, BOC and Chambre de commerce et d'industrie de Paris jointly held the BOC Global SME Financing and Investment Service Forum in Paris. 12 Chinese enterprises and 150 French enterprises participated in the event, which covers multiple industries such as engineering installation and chemical industry.

Italy. On June 9, 2014, the China-Italy SME Investment Forum was held in Milan. Nearly 200 people from 12 Chinese enterprises and 150 Italian enterprises participated in the event, which covers multiple industries such as textile and clothes and automobile manufacturing.

Italy. On October 16, 2014, the China-Italy Scientific and Technological Innovation Forum was held in Milan. Nearly 400 people from 15 Chinese enterprises and 300 Italian enterprises participated in the event, which covers multiple industries such as creative industry and information communication.

Germany. On October 17, 2014, the China-Germany SME Forum was held in Frankfurt. 15 Chinese enterprises and 16 German enterprises participated in 30 B2B talks, covering multiple industries such as space technology and smart cities.

Germany. In June 2015, the China-Germany SME Investment and Trade Cooperation Conference was held in Dusseldorf. 157 German SMEs and 56 Chinese SMEs participated in B2B talks and reached 168 cooperation intentions.

France. On June 30, 2015, the China-France SME Investment and Trade Cooperation Conference was held in Paris. More than 400 entrepreneurs in sectors such as high and new technology and bio-technology from China and France participated in the conference.

Netherlands. On July 7, 2015, the China-Netherlands Agricultural SME Cross-border Investment and Trade Cooperation Conference was held in Rotterdam. Nearly 500 people from 80 Chinese enterprises and 200 Dutch enterprises participated in the event, which covers multiple industries such as quality seed cultivation and flower trade.

Italy. In September 2015, the China-Italy SME Investment and Trade Cooperation Conference was held in Milan. 150 Italian SMEs and over 80 Chinese SMEs participated in over 400 B2B talks.

UK. In October 2015, the China-British SME Investment and Trade Cooperation Conference was held in Manchester. Over 200 Chinese and British SMEs participated in nearly 300 B2B matching talks and 18 remote video conferences.

Italy. On October 29, 2015, the Asian and European SME Financing Seminar was held in Italian Ministry of Foreign Affairs. Related institutions from Italian Ministry of Foreign Affairs, China, Indonesia and the Philippines participated in the dialogue on promoting the development of Asian and European countries and addressing difficulty in financing for SMEs.

America

U.S. On February 26, 2015, the China-US International Investment Forum & Investment Cooperation Conference was held in San Francisco. Over 20 Chinese enterprises and 40 US enterprises participated in 60 B2B talks, covering multiple industries such as e-commerce and biomedical.

U.S. In September 2015, the China-US SME Investment and Trade Cooperation Conference was held in New York. Over 100 US SMEs and 70 Chinese SMEs participated in nearly 300 B2B talks.

Oceania

Australia. On May 23, 2016, the China-Australia Pan-Agricultural Industrial and Commercial Enterprise Investment and Trade Cooperation Conference was held in Sydney. More than 250 SMEs from China and Australia participated in nearly 500 B2B matching talks.

New Zealand. On May 26, 2016, the China-New Zealand Pan-Agricultural Industrial and Commercial Enterprise Investment and Trade Cooperation Conference was held in Auckland. 55 Chinese agricultural enterprises and 120 companies from New Zealand participated in B2B matching talks.

Case: “BOC Credit Factory” Granting RMB297.9 Billion Loan

In 2007, BOC designed and developed the “BOC Credit Factory” mode, building up a full range of financial service system covering large-, medium-, small- and micro-sized customers. “BOC Credit Factory” satisfies SMEs’ “short, small, frequent and urgent” fund-seeking requirements and characteristics and improves its service efficiency and quality by adopting the end-to-end and standard assemble-line business operating procedures. Credit-granting procedures reduced from 200 steps to 23, achieving online paperless business processing flow and enhancing customer service efficiency. The authorities involved in approving loans to SMEs reduced from 10 to 4, and the approval time also declined from 2-3 months to 5-7 working days, with the fastest as the completion of approval within one day. Since the launch of the “BOC Credit Factory”, customer satisfaction rate has been maintained above 90% for 9 consecutive years. At the end of 2016, “BOC Credit Factory” kept a credit amount of RMB297.9 billion and customer number of 47,300.

Case: BOC Fullerton Community Bank “Supporting Agriculture and Micro-sized enterprises and Conducting Targeted Poverty Alleviation Program”

BOC Fullerton Community Bank, the county-level financial institution established by BOC and Fullerton Financial Holdings controlled by Singapore’s Temasek Holdings , is committed to providing localized and quality financial products and services to SMEs, micro-sized enterprises, working class and rural customers. By the end of 2016, BOC Fullerton has set up 82 community banks and 77 sub-branches in 12 provinces in China, becoming the largest community banking group with the highest number of institutions and widest range of services. It serves 1,048 thousands customers nationwide, including 75 thousands loan customers, with the per-capital loan amount of RMB250 thousands.

Leveraging on the effective mode of supporting targeted poverty alleviation via financial services, and promoting the “new blood-creating” type of poverty

alleviation efforts

BOC Fullerton Community Bank provides specific financing support to single family registered for poverty, and also rolls out industrialized, batch-making and sustainable business mode through constant study, practice and innovation. By adopting the MTO mode, OEM/ODM mode, agency-management mode, poverty alleviation by projects, poverty alleviation by employment, government guarantee, etc., BOC Fullerton Community Banks in all areas are encouraged to play a bigger role in winning the battle against poverty. At the end of 2016, the number of poverty-registered people in counties where BOC Fullerton Community Banks operate totaled 3,739,700 accounting for 7.48% of the total number in the country. It encouraged 3,606 enterprises to provide job opportunities for people in poverty and set up 2,376 industry- and project-supported poverty alleviation programs, covering industries of agriculture, forestry, husbandry and fishery.

Developing agriculture-related products	Developing agriculture-related products in 8 categories and 53 sub-categories. At the end of 2016, the proportion of loans to agriculture and small- and micro-sized enterprises accounted for 92.52%, among which 45.79% loans are granted to rural families
Filling up service gap	New outlets are mainly set up in middle and western areas, where financial services are empty or weak, e.g., the proportion of middle and western areas is 78%, while that of the national poverty counties is 33%

iii. Supporting the development of free trade zones**Case: Supporting the development of Shanghai as the international financial center**

In Shanghai, BOC has signed a strategic cooperation agreement with Shanghai Stock Exchange, Shanghai Futures Exchange, Shanghai Gold Exchange, Shanghai Clearing House, China Foreign Exchange Trading System & National Interbank Funding Center, Shanghai International Energy Exchange and other major exchanges, respectively, achieving full connection with all major exchanges. It is the only settlement bank for the Shanghai-Hong Kong Stock Connect, settlement bank and the only designated bank of the southbound trading link under Shenzhen-Hong Kong Stock Connect, one of the first clearing banks and Class A settlement member of the Shanghai Gold Exchange. It ranks No.1 in international gold trading. BOC has also been promoting the development of the bulk commodity spot market and derivatives market of the free trade zone, actively supporting the preparation of the listing of crude oil futures.

Case: Helping large companies in free trade zones issue bonds abroad

Tianjin Branch has helped Tianjin-based enterprises successfully issue five bonds abroad, raising RMB13 billion, including an USD800 million bond of Tianjin Binhai New Area Construction & Investment Group Co., Ltd., which is the largest single order of overseas bond issuance in Tianjin, a corporate bond of Tianjin Eco-City Investment and Development Co., Ltd., which was the first RMB bond issued by Tianjin-based companies in Singapore, and an offshore U.S. dollar-denominated bond of Tianjin Infrastructure Construction & Investment (Group) Co., Ltd.

Case: Striving to become the preferred bank for free trade business

Fujian Branch is striving to become the preferred bank for free trade business. It provides financial supports for parallel imports of cars, cross-border e-commerce and other new business formats and has issued USD 141.68 million worth of letters of credit to companies engaging in parallel imports of vehicles. As part of its effort to further financial cooperation between mainland China and Taiwan, it has settled RMB528 million TWD cash exchange. As part of its effort to help enterprises expand business to global markets, it has facilitated two-way cross-border RMB cash pooling for 45 multinational companies and provided centralized foreign exchange management services for 12 multinational companies.

Case: Playing an active role in the development of Guangdong Free Trade Zone

As part of its effort to promote financial cooperation between Guangdong, Hong Kong and Macao, Guangdong Branch has successfully held the Seminar on Guangdong-Hong Kong-Macao Financial Cooperation to Support the Guangdong Free Trade Zone Project, the Conference of BOC Domestic and Foreign Institutions to Support the Guangdong Free Trade Zone Project and the Seminar on Guangdong Free Trade Zone Financial Reform & Financial Institutional Business of BOC Guangdong Branch to further cooperation with Guangdong Free Trade Zone.

iv. Facilitating the upgrading of industrial structure

BOC is committed to implementing the macro-economic requirements of stabilizing economic growth, adjusting economic structure and improving livelihoods of Chinese people, actively supporting the construction of major infrastructure projects, accelerating credit restructuring, supporting the real economy, controlling credit scale in key sectors, supporting strategic emerging industries and modern service industries and promoting the optimization and upgrading of traditional industries.

As of the end of 2016, BOC approves of loans amounting to RMB200 billion to support government procurement in the new urbanization field and over RMB70 billion worth of loans to key construction projects.

Supporting strategic emerging industries and modern service industries	BOC has included energy-saving, eco-friendly, high-end equipment manufacturing, new materials, new-generation information technology and other strategic emerging industries in the category of positive growth industries; industries related to people's livelihood, information consumption, modern logistics, mobile Internet, old-age care, etc. into active growth or selective growth categories.
Adopting a differentiated approach to credit lines extended to industries suffering from excess capacity	It has prioritized the work of addressing the risk of overcapacity, controlling systemic risks, optimizing the credit structure and implementing differentiated guiding policies.
Promoting the upgrading of traditional industries	It is actively supporting industries with excess capacity to "Go Global" and has increased credit support for the M&A and reorganization, integration of capacity, business transformation and capacity conversion, and technological transformation of enterprises with competitive edges.
Strictly controlling the growth rate of credit lines extended to the real estate industry	BOC also supports regional projects that drive economic growth and create a large number of jobs, as well as strong regional leading enterprises with extensive experience. It always exercises credit granting with prudence in regions with large real estate stocks and volatile housing prices and places great emphasis on regional systemic risk prevention.

Case: Supporting the acquisition of Germany's largest waste-to-energy plant

In March 2016, BOC, as an exclusive lender for Beijing Enterprises Holdings Limited's acquisition of 100% equity stake in EEW Group, the largest waste-to-energy plant in Germany, provided EUR1,665 million loan to Beijing Enterprises Holdings. The project is the largest German acquisition initiated by a Chinese enterprise as well as the largest cross-border financing project of China in the field of environmental protection.

Case: Successfully establishing the Xiangjiang New Area Shanty Town Improvement Fund

On March 28, 2016, the Xiangjiang New Area Shanty Town Improvement Fund, a joint project between Hunan Branch and Xiangjiang New Area, got off the ground. BOC will invest in the fund for five consecutive years and provide more than RMB1.6 billion follow-up credit business.

Case: Supporting highway construction

In 2016, Guangdong Dongshan Sub-branch provided another RMB590 million worth of loans to support the construction of Guangzhou-Zhongshan-Jiangmen Highway, additional RMB200 million worth of loans to support the construction of the Renhua-Boluo section of Wuhan-Shenzhen Highway, additional RMB150 million to support the construction of the Longchuan-Huaji section of Shantou-Kunming Highway and additional RMB10 million to the Jiehui (Guangdong) Highway Management Center.

v. Serving the “Beijing, Tianjin and Hebei” coordinated development project

BOC has formulated the *BOC Beijing-Tianjin-Hebei Coordinated Development Program* and the *Program to Further Corporate Financial Integration in Beijing Area*, increased its credit support in the Beijing-Tianjin-Hebei region. It vigorously supports the “Five Districts, Five Zones and Five Chains” projects and industrial restructuring and innovation-driven development in the Beijing-Tianjin-Hebei region. It also actively participates or takes the lead in the establishment of industrial funds, including the Urban Development Fund, Shougang Industrial Development Fund and Beijing Enterprises Water Group Industrial Fund, which have been successfully established.

In 2016, BOC provided RMB94.8 billion to support 240 projects that promote the coordinated development of the Beijing-Tianjin-Hebei region.

Case: Branches in Beijing, Tianjin and Hebei join hands to support the intercity rail project

Beijing Branch, Tianjin Branch and Hebei Branch have been working closely to provide RMB1.92 billion worth of loans to the Beijing-Binhai Intercity Railway Project.

II. Facilitating RMB to “Go Global”

While carrying out China’s development strategies, BOC has accelerated the internationalization of RMB, served the enterprises “Going Global” drive, and supported cross-border personal financial consumption by making full use of its globalized network.

i. Promoting RMB internationalization

BOC promoted the use of RMB in new areas, and assisted overseas sovereign and commercial institutions in issuing “Panda Bonds”; obtained the qualifications of being the exclusive settlement bank for “northbound trading link” (for shares listed on the Shenzhen Stock Exchange), a settlement bank and exclusively designated account opening bank for “southbound trading link under Shenzhen-Hong Kong Stock Connect”; completed direct trading between yuan and South African rand, South Korean won, UAE dirham and other currencies in the interbank foreign exchange market, and provided customers worldwide with a complete set of internationalized RMB products (ranging from settlement and clearing, deposits and loans, capital trading, bond issue and underwriting, custody and cash management) and all-round and premium financial services.

In 2016, BOC completed cross-border RMB clearing and settlements amounting to RMB311.98 trillion and RMB4 trillion respectively, both ranked first continuously among its peers worldwide. Moreover, the Bank also ranked first in terms of the volume and market share of foreign exchange settlements and sales, and trading volume of RMB options. By securing 11 of the 23 RMB clearing banks designated by the PBOC, BOC built an RMB clearing network covering the whole world, and took a lead among its peers in terms of the number of RMB clearing accounts opened for overseas participating banks.

Tips: RMB joining SDR

On October 1, 2016, the International Monetary Fund (IMF) announced the launch of the new Special Drawing Rights (SDR) basket including RMB. The new SDR basket holds five currencies – the US dollar, the euro, the Chinese yuan, the Japanese yen and the British pound. With an initial weight of 10.92%, RMB has hence become the third biggest reserve currency.

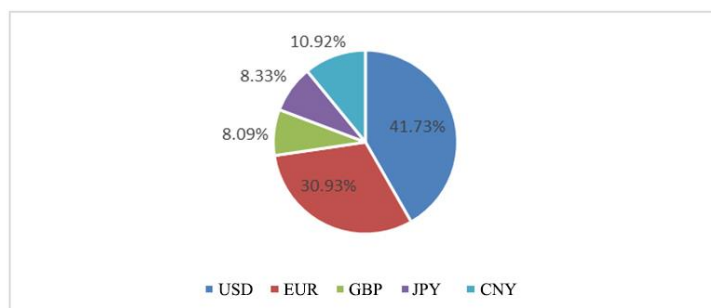


Figure: Weight of the Five Currencies in the SDR Basket (%)

“This reflects the constantly rising position of RMB in the international monetary system, and helps to create a stronger international monetary and financial system.”

——IMF Managing Director Christine Lagarde

Q&A: What are SDR?

Special Drawing Rights (SDR) represent a claim to currency held by IMF member countries for which they may be exchanged, and they are also the supplementary foreign-exchange reserve assets created in 1969 by IMF. SDR are not a currency per se, and can only be exchanged among IMF member countries, which can obtain any one of the currencies in the basket in times of liquidity shortage to maintain balance of payments and supplement their official reserves.

Case: Releasing the *White Paper on RMB Internationalization – RMB Inclusion in the SDR Basket*

On December 21, 2016, BOC released the *White Paper on RMB Internationalization – RMB Inclusion in the SDR Basket*, which was the fourth consecutive survey made by the Bank on engagement of global customers in RMB internationalization, covering around 3,500 domestic and overseas enterprises in 42 countries and regions worldwide. The result of the survey showed, over 90% of respondents believed the inclusion of RMB in the SDR basket would help boost the currency’s global standing.

Case: Launching the Cross-border RMB Index (CRI) and Offshore RMB Index (ORI)

Cross-border RMB Index (CRI)

On September 20, 2013, BOC launched the world debut of the “Cross-border RMB Index (CRI)”, which tracks the currency’s “cross-border circulation”, and reflects its “popularity” in cross-border and overseas circulation. In October 2016, CRI was 248 points, 2.48 times the base value set (100 points) in 2011.

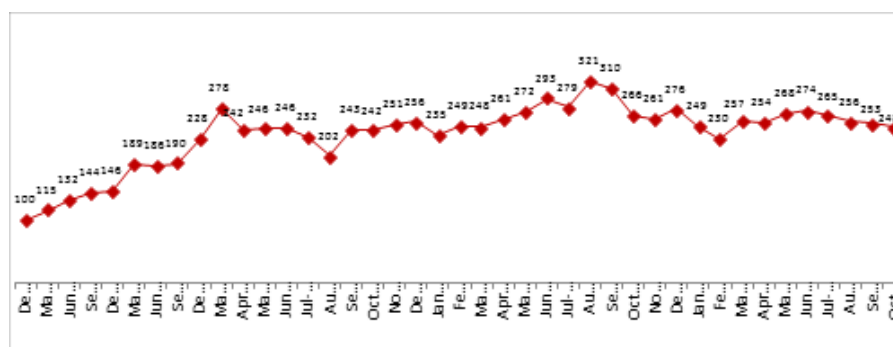


Figure: Cross-border RMB Index of BOC (CRI)

Offshore RMB Index (ORI)

On March 11, 2014, BOC officially launched the “Offshore RMB Index (ORI)”, which tracks the “scale” of RMB abroad. At the end of the third quarter of 2016, ORI stood at 1.29, four times the base value (0.32) set in 2011.

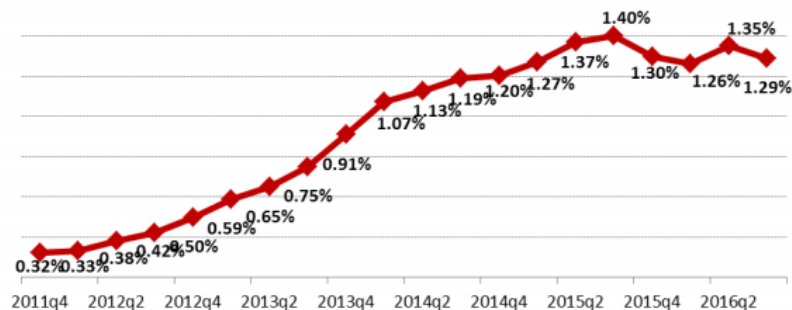


Figure: Offshore RMB Index of BOC (ORI)

Case: Elected as the overall leading bank of the self-regulatory institution in the national forex market

June 24, 2016 witnessed the establishment of the self-regulatory institution in the national forex market in Shanghai and the convening of its first working meeting, during which BOC was elected the overall leading bank of the institution, and BOC President Chen Siqing as the chairman.

The forex market self-regulatory institution is a market self-regulation and coordination institution consisting of members of the interbank forex market. On the condition of complying with relevant exchange rate policies and foreign exchange management regulations of the government, the institution was designed to exercise self-regulatory management of RMB central parity rate quotations and transactions in the interbank market and the OTC market, maintain fair market competition and facilitate the orderly operation and healthy development of the forex market.

Visual Case: On December 12, 2016, BOC completed the first direct trading of RMB against seven other currencies, including the Hungarian forint, Polish zloty, Danish krone, Swedish krona, Norwegian krone, Turkish lira and Mexican peso.



Visual Case: BOC Macau Branch staging a “Seminar on RMB Business in Portuguese-speaking Markets”



ii. Advancing the internationalization strategy

While implementing a new round of high-level opening up strategies of China, BOC pressed ahead with the expansion of overseas business, strengthened its globalized operation capability and enhanced its level of internationalization. Through its 10,000-strong domestic outlets and more than 600 overseas institutions spread in 51 countries and regions worldwide, BOC managed to provide customers with 7*24 multi-currency cross-border financial services across time zones, in different languages and concerning various businesses.

1. Adjusting the map of overseas presence

BOC completed the settlement of the Nanyang Commercial Bank project, and boosted capital utilization efficiency. BOC Aviation went public successfully, which highlighted the advantage of the diversification strategy, effectively enhanced the overall value of the Group, protected and preserved the value of state-owned assets. BOC promoted institution reorganization in ASEAN countries, helping BOCHK acquire BOC (Thai) and BOC (Malaysia), and setting up Brunei Branch, which remarkably enhanced the Group’s regional radiation capacity.

Visual Case: With the opening of Brunei Branch of BOCHK, BOC realized full financial service coverage in all the ten ASEAN countries.



Visual Case: The opening of BOC Tanzania Representative Office allowed the

Bank to realize financial service coverage in 7 African countries.



2. Developing new advantages in Internet competition

BOC implemented the government's "Internet Plus" action plan, with the brand profile of "E-BOC" growing continuously, and customer numbers and transaction volumes of online finance increasing by 93% and 60% year on year respectively. The "BOC Easy-trade Cyber-tariff" service held the largest market share for 10 consecutive years.

Case: BOC Global E-Commerce Promotion in 2016

On April 7, 2016, BOC co-organized the "Embracing the Future – BOC Global E-Commerce Promotion in 2016" with the management committee of Fuzhou in the China (Fujian) Pilot Free Trade Zone. Over 90 representatives from more than 60 cross-border e-commerce enterprises in the province attended the event.

"BOC Global E-Commerce" filled gaps in the cross-border e-commerce payment and settlement area. BOC revealed its cross-border e-commerce financial services solution in Guangdong, organized cross-border e-commerce business exchange meetings in New Zealand, and co-staged the "Launch of the White Paper on China-UK Cross-border E-Commerce" in London with the UK Trade & Investment, while vigorously expanding cross-border e-commerce services in Italy, Malaysia and Macau.

3. Issuing RMB-denominated bonds worldwide

BOC supported the issue of RMB-denominated sovereign bonds (Panda bonds) by the UK Treasury, Hungarian Finance Ministry, New South Wales Government of Australia, French social security fund, and British Columbia Government of Canada. In 2016, BOC was comfortably ranked first among Chinese banks in terms of offshore RMB bonds and overseas bonds underwriting.

Case: Launching the BOC Credits Investing and Financing Environment Difference Index

On March 19, 2015, BOC officially launched the Credits Investing and Financing Environment Difference Index (CIFED), which has become a barometer of domestic and overseas bond markets.

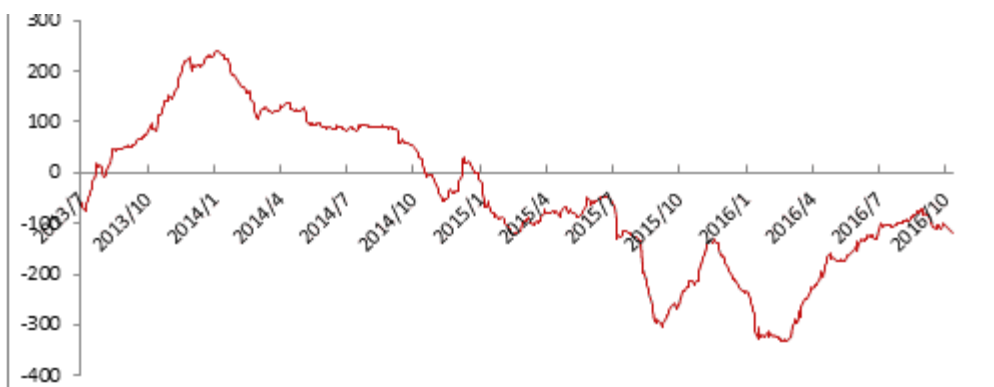


Figure: Credits Investing and Financing Environment Difference Index (CIFED)

Case: Signing a memorandum on Panda bond issue cooperation with the Polish Finance Ministry

On June 20, 2016, BOC entered into a memorandum on Panda bond issue cooperation with the Polish Finance Ministry, pursuant to which, the Bank, as one of the lead underwriters, would assist the ministry in registering and issuing Panda bonds worth RMB3 billion with a term of 3 years. It was the first time that the Polish government had issued RMB-denominated treasury bonds.

Case: Assisting the National Bank of Canada with a Panda bond issue worth RMB3.5 billion

On November 2, 2016, the National Bank of Canada issued RMB3.5 billion Panda bonds in China's interbank bond market, with BOC being the joint lead underwriter, joint bookrunner and clearing bank for domestic capital special accounts. It was also the world's first Panda bond issue by a foreign financial institution. Since 2015, BOC has helped 15 foreign issuers to issue Panda bonds in China's interbank bond market, playing an important role in promoting RMB internationalization and further opening up of China's bond market.

4. Participating in international financial governance

BOC Chairman Tian Guoli acts as President of the Council of the China-Italy Business Forum, member of the International Advisory Committee of the Monetary Authority of Singapore, board director of the Institute of International Finance, director of the International Monetary Conferences, and member of the BRICS Business Council, among others. BOC worked to enhance the influence of China by actively participating in international financial governance.

Case: Signing a joint statement with the United Nations Industrial Development Organization

On November 21, 2016, BOC Chairman Tian Guoli attended the celebration for the 50th anniversary of the United Nations Industrial Development Organization (UNIDO) at the UN headquarters, and signed a joint statement with Li Yong, Director-General of the organization, which signaled that BOC became the first

Chinese commercial bank to carry out cooperation with UNIDO. Both sides would work together to achieve the targets of the *2030 Agenda for Sustainable Development* and *Lima Declaration*, and cooperate in mitigating and adapting to climate change, promoting trade capacity building, and developing green finance.

Case: Participating in the dialogue between BRICS leaders and representatives of BRICS Business Council

On October 16, 2016, President Xi Jinping, Prime Minister Narendra Modi of India, President Jacob Zuma of South Africa, President Michel Temer of Brazil and President Vladimir Putin of Russia attended the dialogue between BRICS leaders and representatives of BRICS Business Council. As a newly-appointed representative of China, BOC Chairman Tian Guoli was also present, communicating and exchanging ideas on trade, economic and financial cooperation and other issues with the representatives of other BRICS countries.

iii. Offering cross-border services to enterprises

BOC provided enterprises with tailor-made financial services solutions, serviced the Chinese enterprises “Going Global” drive and cross-border mergers and acquisitions, and helped them integrate into global industrial chains and boost their global competitiveness.

1. Globally integrated financial solutions

BOC attached great importance to integrating cash management products with globalized development of enterprise groups, provided globally uniform services to “Fortune Global 500”, “Top 500 Enterprises of China”, “Going Global” and “Bringing-in” customers, and realized uniform fund allocation and centralized management at global, regional and localized levels. The Bank consistently carried out products and services innovations based on customer needs and market changes, and promoted trade and investment and refined management.

Case: Global cash management

Backed by its branches spread across the world, advanced core banking system and cash management platform, BOC provided corporate customers with integrated cash management services including project consulting, plan execution and post-loan management, supporting customers to conduct business over the counter and also enabling them to realize self-service via online banking.

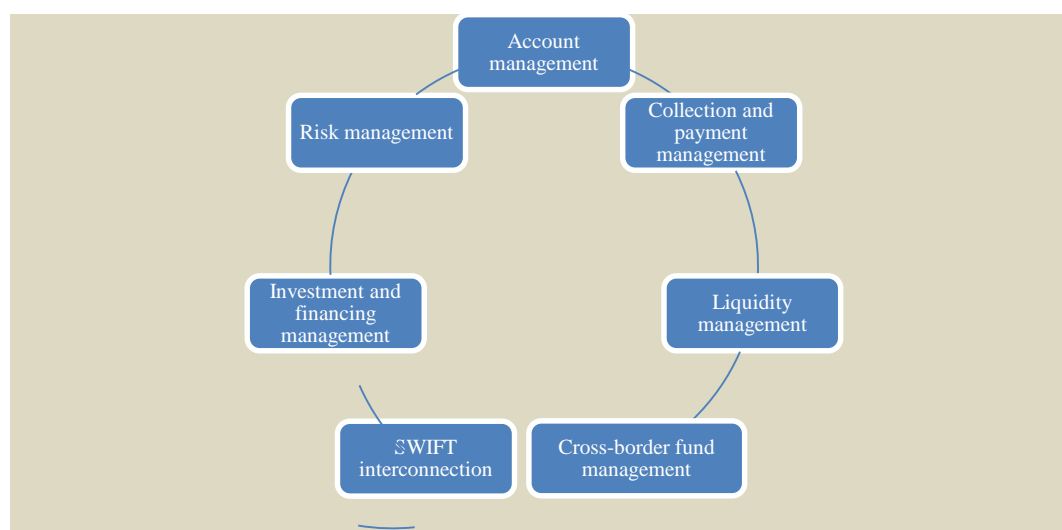


Figure: Integrated Financial Services Solution of BOC Global Cash Management

2. Investment-loan linkage mode

By adopting the “commercial banking + investment banking” model, BOC supported overseas mergers and acquisitions of premium customers, and provided comprehensive financial services such as M&A loans, matchmaking, financial advisory and business consulting. By the end of 2016, the Bank supported 213 M&A projects in total, involving industries such as electronics manufacturing, infrastructure construction and business services; and successfully facilitated the acquisition of EEW by Beijing Enterprises Group Co., Ltd., acquisition of Avolon (an aircraft leasing company from the US) by Bohai Leasing Co., Ltd., and Mindray Medical’s privatization, among other projects.

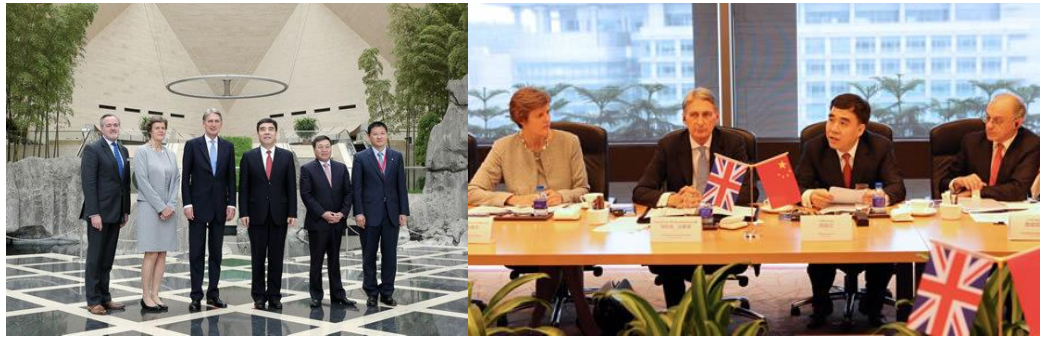
Case: Holding the “UK-China High-Level Financial Services Roundtable”

On July 22, 2016, the “UK-China High-Level Financial Services Roundtable” hosted by the British Embassy and co-organized by BOC was held successfully in the Bank. Britain’s Chancellor Philip Hammond, Mark Bowman, Director General of HM Treasury, British Ambassador to China Dame Barbara Woodward and other

representatives of the British government, senior officials of the People's Bank of China, China Banking Regulatory Commission, State Administration of Foreign Exchange, and major financial institutions of both countries attended the event.

“Bank of China has built a platform of high-end dialogues and exchanges for financial elites from both the UK and China, and facilitated discussions about advancing China-UK free trade and forging closer trade, economic and financial cooperation relationships between the two countries.”

—British Chancellor of Exchequer Philip Hammond



iv. Encouraging personal cross-border consumption

BOC launched one-stop financial services for customers going abroad, and helped them solve difficulties in opening bank cards, exchanging foreign currencies, issuing deposit certificates and shopping overseas by cards (among others), catering for all types of customer requirements, including studying abroad, business trips and work expatriation.

Case: “Global Splendors in One Card”

BOC launched a raft of measures to develop credit card cross-border businesses in terms of products, functions, overseas charging and special offers, and formed a complete cross-border financial services system.

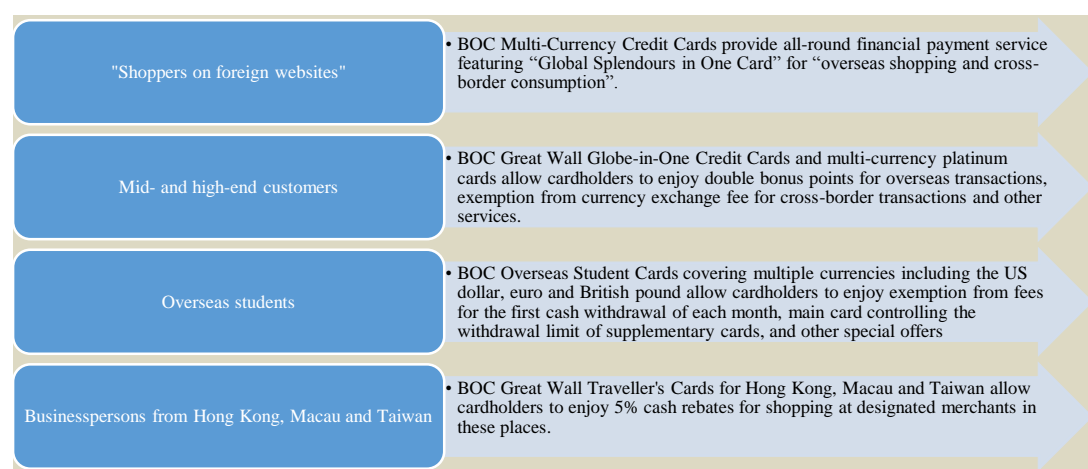


Figure: Cross-border Financial Consumer Service Platform

Case: “Global Tax Rebate”: Cross-border tax rebates to be collected back in

China

In 2016, BOC Guangdong Branch launched tax rebates for personal consumption abroad, solving the problem of waiting too long for cross-border tax rebates. Where consumers spent above KRW30,000 (equivalent to around RMB180) per transaction at merchants under GLOBAL TAX FREE, and had customs authorities affix a tax rebate seal on the tax refund form before leaving South Korea, they could enjoy tax rebate service after returning to China, and tax rebates would be deposited in dollar into the designated accounts of customers.

III. Creating Best Customer Experience

Adhering to the service concept of “Customer First”, the Bank enhanced building of smart channels and optimized financial products and services to safeguard customers’ rights and interests in an all-round way and provide them with more convenient and higher-quality services.

i. Improving service channels

The Bank set up smart flagship stores and smart outlets, optimized procedures, innovated in products and upgraded equipment, providing customers with smart “one-stop” service.

As at the end of 2016, BOC newly set up 5,281 smart outlets, including 34 smart flagship stores, 5,198 smart outlets and 49 small-sized smart outlets.

Case: BOC Builds up smart flagship stores

The smart flagship store of BOC Tianjin Branch has a smart self-service guidance area. After getting a number from the service machine, customers shall fill out the form in detail, and then hand it to the staff who by scanning the form to generate a QR code, will get the customer information and the business type, hence avoiding the overelaborate process as before. Customers can insert their bank card and ID card into a smart VTM to have stamped account journal and certificate of deposit printed. Meanwhile, the flagship store offers various services such as activating online banking, activating SMS notice and issuing cards.

“When I was getting a certificate of deposit for overseas travel before, it took at least half an hour and even longer in peak hours to get a number at reception and queue up. Now, I can handle it by myself in just a few minutes. So easy.”

--- Customer

Case: Mobile banking 3.0

On December 23, 2016, BOC mobile banking was upgraded into version 3.0, enabling customers to experience more convenient, effective and safe mobile financial services anytime and anywhere. By the end of 2016, the number of customers reached 94.3995 million and the transaction volume amounted to RMB6.84 trillion.

Brand-new experience	<ul style="list-style-type: none">● Five channels: Homepage, investment, life, communication, my info● Three columns: Asset management, cross-border finance, consumer finance● Three integrations: Customer, scenario, service● Three optimizations: Smart, convenient, customized
Convenient life	<ul style="list-style-type: none">● Enabling bill payment at home and supporting multiple bill payment items in multiple cities nationwide● Connecting online and offline life scenarios● Enabling payment anytime anywhere, and supporting payment by scanning QR code● Building up a consumer financial zone and launching “BOC

	E-Credit” serial products
Intelligent asset management	<ul style="list-style-type: none"> ● Offering smart asset management services and one-package online investment and wealth management services including financial supermarket, fund collection and asset report
Cross-border finance	<ul style="list-style-type: none"> ● Launching cross-border financial services to meet the outbound financial demand of various customers for study and business etc. and build up one-stop online cross-border services
Smart innovation	<ul style="list-style-type: none"> ● Applying new technologies such as big data, QR code and OCR image recognition to customize mobile banking services in line with customer need ● Offering convenient services such as outlet appointment, online account opening and appointment for commemorative coins to shorten waiting time of customers and improve business handling efficiency of outlets

Visual Case: The first smart flagship outlet of BOC Guangdong Branch opens for business



Visual Case: BOC smart robot shows up at the 13th China-ASEAN Expo



ii. Creating new financial products

The Bank kept enhancing financial innovation in “scenario finance, mobile finance, cross-border finance” to enable customers to fully enjoy the convenience of Internet finance.

BOC finance benefiting people's livelihood

Social security	<ul style="list-style-type: none"> ● Mainly including “Social Security Financial IC Card”, “Evergreen Tree Card” and other social security co-branded cards as well as related services such as “fund payment of endowment insurance, medical insurance, unemployment insurance, industrial injury insurance and maternity insurance”, “deduction of the five insurances”, “inquiry of the five insurances” and “linked loss report of social security and financial accounts”. ● By the end of 2016, the Bank issued 689 Evergreen Tree IC Cards in total and absorbed RMB81.8 billion deposits, with the average deposits per card reaching RMB12,000.
Health	<ul style="list-style-type: none"> ● Organizing around 20 “Chinese Medicine” serial lectures by experts nationwide. ● Improving the “Benefit Health” APP module and newly launching “lectures by famous doctors” and “physical check-up” services on the basis of hospital registration appointment. ● By the end of 2016, the Bank accumulatively issued 330,000 “Great Wall Chinese Medicine” cards.
Education	<ul style="list-style-type: none"> ● BOC launched personal service plans, mainly including such products and services as “national student loans”, “finance for study overseas”, “Campus Card”, “Subsidy Card for Regular Senior High School Students” and “Subsidy Card for Secondary Vocational School Students”.
Bill payment	<ul style="list-style-type: none"> ● BOC covered various daily life-related bill payment items including water, electricity, gas and communication and customers could pay the bills via outlet, online banking, mobile banking and self-service terminals. ● Mobile payment services such as Huawei Pay, Apple Pay and Samsung Pay were launched.
Consumption	<ul style="list-style-type: none"> ● BOC launched “BOC E-Credit” personal online consumption loans and customers could submit loan application via cell phone APP and other online channels. After being approved, the customers could use fund and make repayment online. ● The Bank launched China Eastern Airlines co-branded credit card and Johannesburg “Lucky Card”.
Agricultural assistance	<ul style="list-style-type: none"> ● Cooperating with GXYJ.COM to build the online column to perfect the agricultural assistance financial platform. ● Putting into service the landline POS fixed and current account swap function for agricultural assistance, supporting fixed deposit products with interest rate rise and supporting endowment, medical and other bill payment.

Case: Enriching the “E-BOC” experience

In 2016, BOC took scenario finance as an integral part of the “E-BOC” internet finance plan and constructed a scenario financial eco-system integrating customers,

channels, products, services, media and experience.

BOC E-Campus	<ul style="list-style-type: none"> ● Scenario applications such as financial inquiry via cell phone and campus bill payment were provided for college teachers and students.
BOC Global E-Commerce	<ul style="list-style-type: none"> ● Enabling convenient online payment for cross-border shopping. ● Providing cross-border e-commercial importers and third-party payment companies with one-package services such as online RMB payment, cross-border ledger account and clearing, declaration of balance of international payment and anti-money laundering. ● Supporting convenient customs clearance for enterprises and meeting the customs regulatory demand for cross-border e-commerce.

Case: New experience of innovative e-account

On April 1, 2016, BOC launched products “E-financial Account” and “E-convenient Account”. Customers could directly use BOC online banking, mobile banking and BOC “Make It Easy” online service etc. to help themselves bind the all-functional debit cards with those accounts and rapidly open accounts online.

BOC E-financial Account	Supporting fund transfer with the bound account, consumption payment, handling of deposit products and purchase of investment and wealth management products such as savings bonds (electronic), fund, Yang Lao Bao and insurance.
BOC E-convenient Account	Supporting fund transfer with the bound account and consumption payment.

Case: BOC launches BOC E-Credit

Using Internet and big data technologies, BOC launched the BOC E-Credit, providing whole-process online credit consumer loans.

Loan limit	RMB300,000 at maximum
Term	12 months, within which the loan under limit could be used in recycle.
Purpose	Personal legitimate consumption expenditure such as home decoration, car purchase, education and health
Use	Recycled use during the term and borrowing and repayment can be made any time after the loan is issued. Interest is calculated based on the number of days of actual use on a daily basis.
Repayment	Repayment of the loan and the accrued interest outright at maturity, repayment of interest on a monthly basis and repayment of the loan at maturity
Guarantee	Credit loans with no need of pledge or mortgage guarantee

Visual Case: BOC Hainan Branch issues the “Great Wall Sansha Debit IC Card”



Visual Case: BOC Johannesburg Branch launches South Africa’s first RMB “Lucky Card”



Visual Case: On February 18, 2016, BOC became the first bank to cooperate with Apple Pay



iii. Improving customer experience

BOC improved its business procedures, perfected the service system and established the long-term mechanism for customer service management to constantly improve the customer experience.

Sector	Measures and achievements
Product and service	● Formulating the <i>Mechanism and Procedure of</i>

complaint	<p><i>Handling Customer Complaints.</i></p> <ul style="list-style-type: none"> ● BOC Hainan Branch actively responded to all the customer complaints immediately and carefully listened to customer opinions and suggestions, put them on record and made replies in time. For improvement suggestions proposed by customers, it tried to satisfy them as much as possible. For complaints forwarded by regulators, it conducted self-review in time and actively assisted regulators with on-site or off-site inspection.
Maintaining and safeguarding intellectual property right	<ul style="list-style-type: none"> ● BOC Suzhou Branch innovatively designed methods of pledge of stock rights and pledge of intellectual property rights such as patent, exclusive use of registered trademark and property right in copyright.
Protection of consumer information	<ul style="list-style-type: none"> ● Participating in the “3rd National Network Safety Week” campaign to improve the customers’ awareness of risk prevention. ● BOC Hubei Branch participated in the “National Network Safety Week” activities and offered lectures on safety of customer fund information and use of authentication tools.

Comprehensively improving the service ability

Corporate online banking	<ul style="list-style-type: none"> ● Newly launching deep-processed message service ● Paying attention to intermediary business ● Bettering wealth management service experience ● Consolidating the advantage in international settlement
Personal e-banking	<ul style="list-style-type: none"> ● Optimizing the deposit function ● Launching the function of asset management
Mobile banking	<ul style="list-style-type: none"> ● Newly launching the function of remuneration and welfare inquiry ● Newly launching the opening/closing and inquiry function for overseas transaction and card-free payment transaction of BOC (Malaysia) ● Newly launching the function of debit card activation of BOC (Hungary)
SMS service	Supporting multi-lingual services and providing individual customers with Chinese/English SMS service
Online customer service	<ul style="list-style-type: none"> ● Adding portal website and mobile banking entry ● Adding the question list at the customer end and real-name users can check the chat log
Overseas e-banking	<ul style="list-style-type: none"> ● Assisting the overseas system to integrate the implementation of transformation projects ● Enriching the channel service of overseas e-banking ● Focusing on the need of cross-national group customers and

	<p>“Going Global” customers</p> <ul style="list-style-type: none"> ● Newly launching the international settlement document service on corporate online banking ● Expanding the coverage of overseas online banking
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Case: BOC launches the e-seal system

On May 29, 2016, BOC launched the e-seal system. The e-seal was embedded with a 16-digit business verification code, with which customers could verify the business information on the document at BOC portal website. Also, e-seal changed the previous problems with manual sealing such as inaccurate position and uneven force etc. After put into use, e-seal covered up to 96% businesses and time spent on handling of each business was shortened by 30%, with the customer experience greatly improved. Each business manager could save 0.75 hour daily on average and save 3,476,520 hours yearly.

Case: Heart-warming service at door

A customer had due payment for medical service when he was hospitalized. His family came to BOC Beijing Jiaomen Sub-branch to cash the certificate of deposit opened with BOC Inner Mongolia Chifeng Branch in the customer’s name, but it was not workable because the family member didn’t know the password and the account was opened in a different city. Given the situation, staff member of Jiaomen Sub-branch visited the hospital to provide service at door, contacted Chifeng Branch for verification and managed to assist the customer’s family to open the deposit account and pay the hospital fees.

Case: Helping a customer count coins and exchange to paper money

On December 12, 2016, a customer came to BOC Ningbo Branch Zhenhai Sub-branch with two plastic buckets filled with 0.1-yuan coins for exchange of paper money. The BOC staff members spent three days and counted over 16,000 coins, which were exchanged to more than RMB1,600 in bills



Case: “Green channel” for New Zealand visa

In April 2016, BOC and New Zealand Immigration signed a comprehensive strategic cooperation agreement for close cooperation on tourism, study and investment in New Zealand by BOC’s global mid and high-end individual customers. When applying for New Zealand visa, BOC customers had no need to provide additional financial documents and could be approved as fast as within three days.

Case: 24-hour “iService”

In September 2016, BOCHK launched the 24-hour “iService” visual banking service to handle banking transactions and product applications in a real-time manner. The services covered application for credit card, personal loans, housing mortgage, travel insurance, registered payroll, account-opening for existing customers and comprehensive wealth management.

Case: Supporting G20 Summit

During September 4-5, 2016, the G20 Summit was held in Hangzhou. BOC was the only bank allowed into the main venue. During the summit, BOC Zhejiang Branch set up service guarantee teams and selected backbone employees proficient in business, fluent in foreign language, nice in image and strong in the service awareness to provide financial service on site. It also opened “G20 Windows” at the 116 outlets in Hangzhou and some outlets in the surrounding areas.

**Visual Case: BOC Xiamen Branch organizes training on sign language****Visual Case: BOC Guangdong Hengqin FTA Branch joins hands with the Guangdong Administration for Industry and Commerce to launch e-ID photo bank card**



Visual Case: BOC Shaanxi Branch stays at the first position in Shaanxi Banking Service Etiquette Competition



Visual Case: BOC Liaoning Branch launches the financial service “Caravan”



iv. Safeguarding customers’ rights and interests

1. Popularizing financial knowledge

Answering customers’ inquiries, handing out promotion materials, playing promotion videos, etc., BOC widely conducted financial knowledge promotion campaigns in multiple ways to create a harmonious environment of financial consumption.

Case: Popularization of financial knowledge

In September 2016, BOC Sichuan Branch held the “Month of Financial Knowledge Popularization” and “Financial Knowledge into Families” activities and pushed financial knowledge to over 560,000 person-times via WeChat and SMS. It also printed and handed out 1,701 posters and 168,172 brochures and visited higher

education institutions, major communities and impoverished areas to hold more than 350 on-site activities such as personal credit lectures and financial safety classes.

Case: Financial knowledge into army

On October 13, 2016, BOC Xiamen Branch held the “Financial Knowledge into Military Camp” activity, offering army officers and soldiers financial classes and financial consultation regarding the four basic aspects of “clothing, food, housing and travel”.

Visual Case: BOC Henan Branch organized “Financial Knowledge into Families” activity in 2016



Visual Case: BOC Chongqing Branch organizes promotion activities on financial knowledge



2. Preventing financial risk

BOC made efforts to combat illegal fund-raising and financial frauds in cooperation with multiple departments and conducted anti-counterfeit money campaigns to protect customers' fund and build a healthy financial eco-system. By the end of 2016, it managed to intercept 601 fraud cases and retrieved over RMB57.61 million economic loss for customers.

Case: “Anti-counterfeit money” campaign

In September 2016, BOC Hainan Branch popularized financial knowledge in Haikou South Bus Station. At the promotion booth that was set up, several backbone employees explained how to identify the fake RMB100 bill on site and popularized related laws and regulations such as *Methods of Incentives for Fighting against counterfeit RMB Bills*.

Case: Preventing cross-border online frauds

In June 2016, a Singaporean customer was induced by a cross-border fraud group and remitted SGD25,000 to an account opened in a BOC Beijing sub-branch. Having perceived the abnormality, the customer turned to BOC Singapore Branch for help. The Branch notified related departments immediately, froze the account, retrieved SGD25,000 in time and returned the full amount to the customer.

Case: Police and BOC jointly build a safety net

On June 30, 2016, Mr. Li remitted RMB20,000 Mr. Tan's account at BOC Guangzhou Yuexiu Xianlie Middle Road Sub-branch. After the due inquiry, the teller thought it might be a fraud and immediately called police. Police believed it was a fraud after inquiry and the Sub-branch immediately froze the account of Mr. Tan and retrieved the money. On July 12, Huanghuagang police station presented a honorary banner to the Sub-branch.



Visual Case: BOC Guangxi Beihai Branch conducts anti-counterfeit money campaigns



Visual Case: BOC Inner Mongolia Branch Jungar Banner Sub-branch assists a customer to retrieve capital-loss by fraud



3. Safeguarding customers' rights and interests

Case: Over half-a-century certificate of deposit

In the 1960s, Mr. Liao deposited its savings with BOC Beijing Dongcheng District Sub-branch DongAnMen Office. In 2002, Mr. Liao passes away in Vientiane. On February 25, 2016, with the close collaboration between BOC Beijing Branch and Vientiane Branch, Mr. Liao's family successfully cashed the old certificate of deposit nearly half a century ago in Beijing.

Case: Putting together the "mouse-biting bills"

A total of RMB9,200 cash bills at a customer's home was bit into pieces by mouse. In March 2016, staff members of BOC Sichuan Meishan Branch spent over five hours putting together 59 pieces of "mouse-biting bills" and retrieved RMB3,750.



Case: Recovering damaged RMB

In 2016, BOC Guangdong Branch proactively assumed the task of recovering damaged RMB in Guangzhou, stepped up efforts in recovering small-denomination damaged bills and actively exchanged the damaged bills for customers at door.



IV. Contributing to Society and Caring for Employees

BOC actively performed its social responsibility to serve, contribute to and repay the society, supported the development of sports, education, culture and art and proactively launched poverty alleviation and other campaigns for charity and public interest. Based on the people-centered concept, it also cared for employees.

i. Supporting cultural and education undertakings

As the sponsor bank of national student loans for higher education institutions for 17 consecutive years, BOC accumulatively granted over RMB22 billion student loans and supported over 1.7 million students in poverty-stricken areas. The Bank has donated to the Tan Kah Kee Science Award Foundation for 13 consecutive years. It conducted strategic cooperation with the National Center for the Performing Arts for 8 consecutive years and supported the “Rainbow Bridge” welfare project for 5 consecutive years to support 250 excellent Chinese and American students in poverty-stricken areas to exchange in each other’s country.

Case: “Spring Bud Program”

Since 2013, BOC cooperated with the China Children and Teenagers’ Fund to stage the “Spring Bud Program” through which it organized customers to donate nearly RMB1.05 million and provided assistance to 241 high-school girls in two targeted places of Yunnan and Shaanxi.

Case: BOC supported the 2016 summer internship for college students from Taiwan

In June 2016, BOC initiated the summer internship program for college students from Taiwan again. 60 students from 24 higher education institutions such as the National Taiwan University and the National Cheng Kung University were selected into the program. During July 15-17, the students took lessons in the BOC International Financial Institute in Beijing and paid visits later. Afterwards, they were dispatched to six domestic branches in Shanghai, Jiangsu, Zhejiang, Fujian, Guangdong and Shenzhen respectively for business internship of three weeks. On August 7, the program concluded in success.



The development of economy and technology in the mainland is far beyond my imagination. The experience is so great!

——Lin Yifan from the National Taiwan University

Smart equipment saves both time and efforts and is worth learning by banks in Taiwan.

——Huang Guanxiong from Fu Jen Catholic University

Case: “Heart-warming Summer Camp” in assistance for Xinjiang

On July 17, 2016, BOC organized the “Heart-warming Summer Camp” in an effort to assist Xinjiang. Over 40 Young Pioneers from Turpan City and Kashi Prefecture participated in various visit & learning activities themed “inspiration”, “cultural inheritance” and “march to the future”.



Case: “Future Financier” activities

On August 15, 2016, BOC Jiangxi Branch organized the 4th “Future Financier” activities participated by 20 children of customers. Within the 5-day activities, they learnt about banking knowledge, introduction to art collection and business etiquette. Meanwhile, mock stock trading, cash counting competition and group

sports activities were organized.

Case: “Rainbow Bridge” welfare project

Since 2012, BOC exclusively supported the “Rainbow Bridge” cultural exchange program between Chinese and American students for five consecutive years and a total of 250 students from the two countries visited each other’s country for exchange and study. In 2016, 25 Chinese college students visited the four counties in Xianyang, Shaanxi where BOC had been granted targeted poverty-alleviation support.

ii. Participating in global welfare activities

Poverty eradication and common prosperity are the wish of 1.3 billion Chinese citizens. We sincerely hope that everyone can actively participate in the targeted poverty alleviation activities, no matter where you are and where from, to transmit love, unit forces and jointly help the assisted them to realize their dreams. The kindness and care from the bottom of your heart will ignite the light of hope for those in need. Only by joining hands to make the traditional virtues of giving out a helping hand and embed the core socialist values of kindness and mutual help to everyone’s heart, will those in need be able to share the development achievements and live a happy life.

——BOC “Charity and Poverty Alleviation for 100 Years” initiative on October 10, 2016

Case: Support the “visiting-benefiting-warming” campaign in Xinjiang for 3 consecutive years

Since 2014, to carry out the meeting spirit of the second Xinjiang Central Work Conference, and support the “visiting the people, benefiting livelihood and warming hearts” campaign in Xinjiang Uygur Autonomous Region, BOC has selected 149 local employees and sent them in 52 working groups to the south and north Xinjiang villages. During the three years, the working groups have completed 103 projects and invested RMB500 million in 17 villages. BOC has set up special education scholarship, helped 300 college students in poverty-stricken areas to finish their studies and donated 4600 study-assisting electronics for high school and primary school students.

“Visiting the people with sincere care, benefiting people’s livelihood in a practical way and warming people’s hearts in great earnest.” After three year’s hard work, BOC has accomplished a batch of key constructions and projects concerning people’s livelihoods, helped local residents increase income and further developed the rural areas, as a result, the working teams have delivered remarkable results, and are highly praised by party committee, government and the people in the autonomous region.



Case: Targeted poverty alleviation for Guangshan County, Xinyang

BOC Henan Branch pioneered the “Guangshan poverty alleviation financial mode”, taking Guangshan Poverty Alleviation Development and Investment Co., Ltd as credit entity, to be responsible for selecting qualified agricultural cooperatives as poverty alleviation target and granting loans accordingly. Guangshan Bureau of Finance earmarked risk compensation funds and Henan Agricultural Credit Guarantee Company and Xinyang Caijin Guarantee Company offered guarantee to reduce financing cost and risk. The RMB100 million poverty alleviation loans in the first round were granted to 20 specialized cooperatives to support local featured industries such as tea-oil tree, tea, rice, nursery stock and cultivation and lift more than 5,600 people in 39 villages from 21 towns out of poverty.



Actively participating in disaster relief

On February 6, 2016, the south of Taiwan was hit by an earthquake of magnitude 6.7, causing 116 people dead, over 550 people injured and many buildings collapsed in several areas including Tainan. BOC Taipei Branch donated NTD3.26 million to the victimized areas.

On April 14, Kumamoto, Japan was hit by an earthquake of magnitude 7, the highest scale in the observed history in Kyushu area, causing multiple people dead and over 3,000 people injured. BOC Tokyo Branch immediately donated JPY500,000 to the victimized area.

On August 24, central mountain area in Italy was hit by an earthquake of magnitude 6.2. BOC Milan Branch donated EUR100,000 to the victimized area to support

post-disaster reconstruction.

On September 15, Typhoon Meranti hit Xiamen, causing material losses. BOC Xiamen Branch took the lead to organize its outlets to re-open for service and donated RMB700,000 to seriously damaged areas in Xiamen University and Huaqiao University.

Visual Case: Banking Department of BOC Guangdong Branch sets aside a special area for sanitation workers to get some water



iii. Caring for employees' health and development

Always putting people first, BOC regarded employees as its most valuable treasure, listened to their appeal and safeguarded their legitimate rights and interests. The Bank established the training system, clarified the promotion channels and organized various activities to support employees.

Indicator	2016	2015	2014
Total employees	308,900	310,042	308,128
Newly recruited employees	11,088 (3.59%) ¹	10,218 (3.3%)	10,112 (3.28%)
Female employees	175,882 (56.94%)	176,104 (56.80%)	175,232 (56.87%)
Employees of ethnic minorities	12,766 (4.13%)	12,755 (4.11%)	12,633 (4.10%)

¹ The percentage refers to the proportion of entire employees

Overseas employees	22,509 (7.27%)	24,983 (8.06%)	22,589 (7.33%)
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1. Safeguarding employees' labor rights and interests

Strictly complying with the *Labor Law*, BOC adhered to the principles of openness, equality and anti-discrimination to actively recruit local employees and safeguard employees' remuneration and welfare.

Recruitment and diversified management for employees	<p>BOC adhered to information openness on recruitment, wide absorption of talent from domestic and overseas market and equality of opportunities.</p> <p>It respected local recruitment habits and custom and made no discriminatory arrangement or use of discriminatory language.</p> <p>It observed the standard of social fairness and moral requirements and forbade any discriminatory arrangement in working condition or remuneration and welfare.</p>
Remuneration and welfare	<p>Following the principles of “post determines remuneration, ability determines level of position and performance determines bonus”, BOC didn't allocate remuneration according to nationality, sex, religion or cultural background.</p> <p>It implemented social insurance and housing accumulation fund and paid various social insurance fees and housing fund in time. The corporate annuity system was established.</p>
Working hours and leave	BOC strictly implemented national and local policy requirements on holiday and leave management and working hours. 8-hour arrangement on working days was strictly practiced for employees in compliance with the standard working hour system.
Avoiding underage labor and forced labor	Newly recruited employees must reach the minimum legal age of employment. Labor contract provides that no forced labor standard that violates laws and regulations or other contents excluding employee's legal rights shall be agreed upon.
Safeguarding employee's health and safety	BOC complied and handed out the <i>Safety Manual</i> , popularized knowledge on security and fire control, anti-terrorist and anti-violence and prevention of telecom fraud.

2. Enhancing employee training

In line with the process of “setting standard (establishing standards on professional qualification), opening courses (developing courses for professional qualification) and offering certification (organizing assessment certification)”, BOC conducted trainings on professional qualifications to constantly improve the post skills of employees. It

encouraged employees to work and start up at the grass-roots level and in remote areas and dispatched some to central and western provinces and less-developed ones such as Gansu, Qinghai and Chongqing for exchange. The Bank also encouraged overseas institutions to introduce local excellent talent, stepped up training for foreign employees and organized training on corporate culture in depth.

Indicator	2016	2015	2014
Input into employee training (RMB10,000)	53,091	52,797.2	55,406.6
Number of employee training projects (session)	68,122	111,904	76,099
Trained employees (person-time)	2,725,361	2,741,209	2,553,405

Case: Bank profile education for employees overseas

From August to September 2016, BOC organized two sessions of bank profile trainings for outstanding employees overseas, which was participated by 78 local employees in 35 overseas institutions and 6 overseas subsidiaries. The training was focused on the history of BOC, corporate culture and core values, development strategy of BOC and current status and prospect of overseas institutions.

Case: Echelon career development

BOC Hubei Branch implemented the “Dragon” serial cultivation program in five steps of “evaluation and selection, centralized study, task practice, tutor guidance, dynamic adjustment” to cultivate a continuous and stable team of middle-level talent reserve. Meanwhile, it practiced the “Eagle” serial cultivation program to foster mid and grassroots-level management and senior professional talent reserve.

3. Clarifying promotion channels for employees

BOC established the three position sequences of business management, professional ability and skill operation to expand the career development channels for employees. Professional and technical personnel are the main force of business development. Focused on the building of the professional sequence, the Bank enhanced building of talent teams by unblocking development channels, simplifying promotion procedures, strengthening qualification access and intensifying contribution assessment to stimulate professional talent to grow and develop.

4. Conducting caring and support activities for employees

BOC held the “employee care and support work” video-conference throughout the Bank, organized “employee care and support classes”, visited and cared for employees and labor models in difficulties and granted subsidy to employees in need during the New Year and the Spring Festival period in the efforts to care for personal

life of employees and care for female employees.

Indicator	2016	2015	2014
Disaster subsidy (RMB10,000)	70	49.7	226.2
Life support fund (RMB10,000)	835.09	1,864.4	1,572.69
Number of employees in need that were helped (person-time)	7,400	8,466	7,966

Case: Promoting employees' children voluntary service

The “Joining Hands for Public Interest” care program of employees' children radiated 450 families in 21 branches and departments and was participated by 1,145 person-times in total. BOC organized female employees to conduct “Love Bonding Million Families” welfare activities and organized more than 200 woven products, which were donated to Aksu Prefecture in Xinjiang Uygur Autonomous Region.

Case: “Love Room for Mommy”

BOC Shanghai Branch built up 15 “Love Rooms for Mommy”, providing a clean and comfortable place for female employees in pregnancy preparation, pregnancy and lactation period. The act was warmly welcome by the female employees.



Visual Case: BOC Henan Branch organizes Women's Day activity



iv. Perfecting supply chain management

BOC strictly followed the *Methods of Procurement Management*, *Methods of Procurement Review and Management* and *Methods of Supplier Management* and paid continuous attention to performance of suppliers in environmental protection and social governance. In the access conditions for suppliers, it was explicitly required that suppliers shall “have no major rule-violation record in business activities, no rule-violation behaviors in environmental protection” and shall “have in place sound business reputation and complete financial accounting systems”.

Indicator	2016
Number of suppliers identified according to procurement standard	8,037
Paper saved by online review(pieces)	92,300
Case: “Electronic” review In 2016, the Head Office Procurement Review Committee realized online review, with all the review materials being submitted in the electronic way and committee members voting electronically. The item alone saved 92,300 sheets of paper (around 0.37 ton) throughout the year.	

Feature: BOC's Targeted Poverty Alleviation and Philanthropy

Culture

Actively carrying out the development strategy of “Serving Society, Delivering Excellence”, fully leveraging on its internationalized and diversified platform strength, BOC has made solid progress in the cause of targeted poverty alleviation. For 14 consecutive years, BOC has been making a continuous effort to fight poverty in Yongshou County, Changwu County, Xunyi County and Chunhua County of Xianyang, Shaanxi Province (hereinafter referred to as the “Four Counties”). It gives full play to the four strengths, which include itself, customers, employees and international community, implemented the “ten first batches” policy, pooled together all kinds of resources, mobilized social power and worked hard to develop a sustainable, replicable poverty alleviation roadmap that has “BOC” written all over it. In 2016, BOC invested RMB72 million to fight poverty in the “Four Counties”, provided RMB250 million worth of bill discount business to companies in the “Four Counties”, carried out 23 projects concerning safe drinking water, traffic and transportation, photovoltaic, agricultural facilities, and helped 28,000 people living under the poverty line increase income (registered people in poverty-stricken areas) and funded 2,053 students in poor areas.

i. Poverty alleviation by implementing financial projects

As a main player in China's banking market, BOC uses its own internationalized and diversified business platform to effectively align its financial resources to the needs of the “Four Counties” and to integrate financial instruments and poverty alleviation measures to drive the development of the “Four Counties”.

Setting up a batch of credit funds	BOC has issued special loans to support development projects of the “Four Counties” increased its credit support for SMEs, and established a green channel to accelerate the loan application process for relevant projects in the “Four Counties”.
Implementing a batch of financial policies	BOC has conducted in-depth research into poverty alleviation policies of the central government and national financial policies and leveraged this advantage in an efficient way to better help the “Four Counties”.
Establishing a batch of village banks	BOC has established the first village bank in each of the “Four Counties” to explore and promote new service models such as service stations that provide special help to farmers. These branches join hands with third-party merchants to offer secure, cheap and convenient modern payment services to residents in villages and towns of the “Four Counties”.

ii. Poverty alleviation by getting everybody involved

Leveraging on the strength of individual employees, BOC has been helping farmers

maintain and increase income by helping them expand distribution channels. It has sent two groups of officials (10 officials in total) to the “Four Counties” and “village-stationed first secretary” to take charge of the poverty alleviation work. It has also run a special training program that has 40-50 participants in Xianyang and designed an exchange program to invite local officials to BOC in an attempt to improve their capability to use financial means to promote economic growth.

Training a batch of local officials	BOC has leveraged its training institutions and personnel to help groom a group of officials to have the knowledge of modern financial concepts, methods and tools in Xianyang
Sending another batch of leaders to conduct poverty alleviation work	In addition to poverty alleviation leaders already dispatched, BOC has sent another group of officials to support the work of poverty alleviation through financial measures in Xianyang
Helping selling a batch of high quality products	It has used “BOC Public Welfare” platform and other online and offline channels to leverage on the purchasing power of its employees and corporate clients to help farmers in the “Four Counties” sell high quality agricultural products.

Case Study: Developing the “BOC Public Welfare”, a targeted poverty alleviation platform

BOC has developed the “BOC Public Welfare”, a targeted poverty alleviation platform. The supply side of the platform is 124,000 poverty-stricken population in the “Four Counties” and the demand side is 300,000 employees of BOC. By establishing and improving the “three systems and one mechanism” (i.e., the poverty alleviation assistant system, the quota system, the procurement and supply system and the giving back mechanism), BOC has effectively created a platform to help farmers in poverty-stricken areas to sell their agricultural products to urban residents.

iii. Poverty alleviation by serving as a platform to bring together various resources

BOC has been leveraging on its clients’ resources, especially those with competitive advantages in technology, marketing and products, to join the fight against poverty. It recommends the introduction of the production line of primary products at the front end of the supply chain in the “Four Counties”, establishment of raw material supply bases, in cooperation with industrial development to solve product sale problems.

Helping the “Four Counties” attract a batch	Through cross-regional, cross-border business matching, BOC has introduced a number of companies to invest in the “Four Counties” and encouraged them to support local poverty alleviation projects.
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of investors	
Making good use of a batch of charity funds	BOC has established the BOC Charity Fund and a special poverty alleviation fund for the “Four Counties” and encouraged other domestic funds to support poverty alleviation projects in the “Four Counties”
Providing a batch of job opportunities	BOC has set aside a number of jobs and encouraged large corporate clients to expand business scale and create more jobs for working-age population in the “Four Counties”.

Case Study: Organizing cross-border matchmaking and discussion on targeted poverty alleviation

The Cross-border Matchmaking and Discussion on Targeted Poverty Alleviation in the “Four Counties”, co-sponsored by BOC and the government of Shaanxi Province, was held in September 2016, on which more than 100 domestic and foreign industry leaders and 80 enterprises in Xianyang held 285 talks, with over 100 pairs of companies signing agreements or reaching preliminary cooperation intentions on site. The apple tree nursery training base and potato processing base projects of Haking Agricultural Equipment, a Netherland-based company, has gotten off the ground Xunyi County.

Case Study: Matching investors with capital hungry projects

With the help of BOC, Shuanghui Group has invested in a pig farming project in the “Four Counties”. It implements a standardized system that covers everything from project planning, farm construction, application of technology, provision of pig feed, provision of piglets, repurchase and vaccination to sewage treatment and provides a quick-start guide to all farmers to help them increase income as soon as possible. The Group purchases pigs according to the agreed terms and prices, which greatly reduces the risk of price fluctuations, stabilize farmers’ income. Local governments provide subsidies and banks provide loans to participating farmers.

Case Study: Supporting the “Spring Buds” Project and giving a helping hand to female students from poor families

On October 13, 2016, BOC invited its private banking clients to the “Four Counties” to launch the fundraising activity, which helped to pay the living expenses of 21 high school girls at Changwu High School for three years.

iv. Poverty alleviation by seeking international help

BOC also strives to enlist the support of the international community, attract foreign investment and help companies in Xianyang to expand business to global markets. It refers foreign clients and charity funds to local businesses and charity projects.

BOCHK has joined hands with the Ng Teng Fong Charitable Foundation, the Fok Ying Tung Foundation and other Hong Kong-based institutions to set up a HKD20 million scholarship fund for the “Four Counties”, which will use the earnings to provide schooling assistance.

Introducing a batch of international charity funds	BOC leveraged on its advantages and introduced international charity funds in the “Four Counties”.
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Case Study: Joining hands with NBA China to support charitable causes

On September 11, 2016, BOC and NBA China helped to establish a standard outdoor basketball court in each of the “Four Counties”, so that more young people can enjoy the fun brought by basketball.

2016 Targeted Poverty Alleviation Work in the “Four Counties”

Indicator	Amount and status
I. Overall situation	
In which: 1. Funds (RMB 10,000)	7046.79
2. Materials (RMB 10,000)	189.85
3. People lifted out of poverty (Person)	1377
II. Item investment	
Industrial poverty alleviation types	<input checked="" type="checkbox"/> Agriculture and forestry industry <input type="checkbox"/> Tourism <input checked="" type="checkbox"/> E-commerce <input type="checkbox"/> Assets earnings <input type="checkbox"/> Science and technology <input type="checkbox"/> Others
Industrial poverty alleviation projects (Number)	11
People lifted out of poverty (Person)	1377
People helped to find jobs(Person)	43
Students assisted in poverty-stricken areas (Person)	2053
Disabled people assisted in poverty-stricken areas (Person)	100

After BOC came up with the “ten first-batch” initiatives, poverty alleviation work in the “Four Counties” has entered into a new stage. The entire city shall remember this kindness, forge ahead, take poverty alleviation as political responsibility, get down to work in a solid manner and pay back the great support granted by BOC and the earnest expectation of the public.

——Yue Liang, Secretary of the Municipal Party Committee in Xianyang, Shaanxi

V. Adhering to the Green Development Concept

i. Enhancing innovation in green finance

Focused on customers' need, BOC stepped up efforts of innovation in green financial products and services, kept exploring green bond market and conducted related international exchange and cooperation. By the end of 2016, the Bank acted as underwriter for 12 green bonds, comprising a total amount of RMB15.6 billion, the largest in the industry.

Case: China Green Covered Bond issued in London

On 3 November 2016, the London Branch successfully issued USD500 million green covered bonds in the international market. The bonds, listed on the London Stock Exchange, were the first covered bonds ever issued by a Chinese bank. The bond fully reflected the two themes of “green” and “cross-border”, setting a new model for the entire Chinese banking industry in the international capital market.



Case: Issue Green bond

On 5 July 2016, the Bank successfully issued green bonds totalling USD3 billion equivalent, denominated in USD, EUR and RMB, in the international market. The bonds, covering three tenors and five tranches, were issued through the Luxembourg Branch and New York Branch simultaneously and listed on the Luxembourg Stock Exchange and Hong Kong Stock Exchange respectively.

Case: Assisting Chinese institutions to issue overseas green bond

In 2016, BOC, as the global coordinator, successfully assisted Zhejiang Geely Holding Group to fulfill the issuance of USD400 million overseas bonds at a nominal interest rate of 2.75% for a term of five years. This became the first overseas green bond issued by Chinese institutions in 2016. BOC London branch provided standby letters of credit guarantee and Moody's rated it A1 for international rating. The issuance was oversubscribed by nearly six times by 90 institutional investor accounts globally.

Case: Supporting New Development Bank to issue green bond

On July 18, 2016, BOC, as the lead underwriter and bookrunner, assisted New Development Bank to successfully issue RMB3 billion green financial bonds in China's inter-bank bond market for a term of five years at a nominal annual interest rate of 3.07%. The subscription rate was 3.1. This was the first time for international development institutions to issue RMB green financial bond in China's inter-bank bond market and also the debut made by New Development Bank initiated by BRICS in the capital market.

Case: Study on green finance

In 2016, BOC Macau Branch conducted study on the *Suggestions on the Establishment of Green Property Right System in Macao*. The study result was submitted to Macao SAR Government. At present, the SAR Government is considering how to include related suggestions into “featured finance” industrial policies.

ii. Implementing green credit policies

BOC earnestly implemented green credit policies and played the leverage role to support energy-saving and environmental protection sectors such as clean energy, circular economy and environmental improvement, erecting the bridge between economy and environment.

Indicator	2016	2015	2014
Balance of green credit (RMB100 million)	4,673	4,123	3,010

Green credit sectors	Measures and achievements
Ecological protection	<ul style="list-style-type: none">● Supporting with credit projects in eco-environmental protection, comprehensive utilization of waste resource, incineration of domestic waste for power generation and sewage disposal.● Adopting the “One Veto” system for projects and enterprises failing to reach national environmental standards.
Clean energy	<ul style="list-style-type: none">● Enlarging credit support for green projects such as new energy power generation, green PV power generation and hydropower stations.● Supporting construction of photoelectric buildings.
Energy saving and emission reduction	<ul style="list-style-type: none">● Constantly optimizing “stock” loans and strictly controlling credit input to industries with high pollution, high energy consumption and over-capacity.● Assisting sustainable development of energy-saving and emission-reduction enterprises.
Circular economy	<ul style="list-style-type: none">● Supporting the supply chain development of environmental protection equipment and water purifiers.● Tightening environmental risk management and clarifying whole-process evaluation and risk monitoring for environmental-friendly projects.

Case: Supporting sewage disposal

In 2016, BOC Hubei Branch Xiaogan Sub-branch granted RMB50 million project financing loans to Hanchuan Silver Spring Environmental Technologies Co., Ltd. for construction of a local sewage project. After the project is put into operation, the city’s sewage disposal capacity will be expanded to 100,000 cubic meters per day.

Case: Supporting development of clean energy

In 2016, BOC Sichuan Branch ratified RMB13.7 billion credit in total for Ya-lung River Jinping two-cascade hydropower station project. So far, the balance of credit is RMB9.145 billion.

Case: Supporting green economy

By September 2016, BOC Tianjin Branch had provided the payment service of RMB4.5 billion relocation compensation for Hebei No.35 Middle School district, Jixian County reserve forest project, Jixian Yuqiao reservoir renovation project, Jinghai Tzu-ya River renovation project and Baodi Zhongguancun Technology New Town.

Case: Supporting incineration of domestic waste for power generation

In 2016, BOC Ningbo Branch participated in Yinzhou District Government's syndicated loans for a domestic waste incineration project for power generation to support local government in addressing the issue of domestic waste.

Case: Supporting the production chain of environmental equipment

Jiangsu WELLE Environmental Co., Ltd. was engaged in design, manufacturing, sales and research & development of environmental protection equipment. In 2016, BOC Jiangsu Branch Changzhou Sub-branch ratified RMB178 million credit for the company, increased by RMB58 million on a yearly basis.

iii. Organizing green public-welfare activities

Actively practicing the “green and environmental-friendly” concept, BOC organized green and environmental protection activities among its employees, using actions to popularize the green concept to families.

Case: Assisting to build up Sansha “eco-bank”

Hainan Sansha has the topographic feature of sandstone floor drain with natural coral reef, has little soil, which does not retain water, features single plants and suffers a fragile eco-environment. On April 21, 2016, BOC Hainan Branch donated RMB1 million to Sansha to assist the city to build up a green “eco-bank”.

**Case: Launching the public health campaign**

During the Spring Festival and Lantern Festival of 2016, BOC Guangdong Branch Chaozhou Sub-branch launched outdoor environmental and health improvement activities, such as assigning task for cleaning road sections and removing sanitary dead-corners, wastes, weeds, ponds and pasted paper ads along Chaozhou Avenue.



Case: Organizing the waste sorting – green account voluntary activity

In August 2016, BOC International Shanghai Fuping Road Banking Department joint hands with BOC Shanghai Branch Wanli Sub-branch to launch the waste sorting and green account activity. Fuping Road Banking Department set up a volunteer team to make banners and display boards, hand out brochures, garbage bags and fridge magnets and open bank accounts. It also organized the “Waste Sorting First for Low-carbon Families” promotion activity.

Visual Case: BOC Guangdong Branch Foshan Sub-branch organizes “Building a Forest City, a Beautiful Home” tree planting activity



Visual Case: BOC Shanxi Branch launches the “Greeting Spring, Embracing Green” tree planting activity



Visual Case: BOC Shenzhen Branch organizes a 10km race public welfare activity



Visual Case: BOC Hong Kong launches “Earth Hour” eco-friendly campaign



iv. Holding fast to green operation

Practicing the green concept in every node of its operation activities, BOC advocated green office and low-carbon environmental protection, put into place a series of regulations and systems and promoted green culture, striving to realize the organic integration among economic, social and environmental benefits.

Indicator¹	2016	2015	2014
Water consumption at office (ton)	200,808	179,714	172,322
Power consumption at office (kWh)	32,184,600	31,982,760	31,540,560
Video conference held (time)	1,374	1,356	1,153

Environmental protection sector²	Total amount
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1. The data are drawn from BOC Head Office.
2. The data on the discharge of hazardous wastes, non-hazardous wastes and greenhouse gases are drawn from institutions of BOC Head Office in Beijing; data on office gasoline consumption show the total gasoline consumed by vehicles owned by BOC Head Office

Harmful waste discharge (ton)	0.72
Harmless waste discharge (ton)	0.36
Greenhouse gas emission (ton)	74,851
Oil consumption (liters)	91,810

Environmental protection sector	Measures and achievements
Reducing waste gas, green-house gas emissions as well as water and soil pollutions	<ul style="list-style-type: none"> ● Regularly monitoring equipment of the Head Office building for discharge of smoke and water, noise reduction and kitchen fume purification, hiring third-party institutions for test every year and drafting emergency plans. Discharge of smoke and water and noise of the Head Office building were kept within the acceptable scope. ● According to related regulations of Beijing, BOC filled up the 2015 carbon emission report and hired the third-party institution to verify its carbon emission and submit the verification report. It purchased 20,311 tons of carbon emission quota at Beijing carbon trading market at an average price of RMB41.60/t. The cost was RMB844,937.6 and the transaction fee was RMB6,337.04, totaling RMB851,274.64.
Disposing harmful and harmless wastes	<ul style="list-style-type: none"> ● Collecting and sorting wastes, consigning the third party to dispose kitchen waste and harmful and hazardous waste, recycling waste paper, used batteries, waste lighting products and waste furniture.
Improving the energy efficiency use	<ul style="list-style-type: none"> ● Adjusting electric tracing pipelines within the Head Office building, saving nearly 500kWh electricity every day in summer and totally RMB60,000 electricity fee and municipal heating fee every year. ● Replacing old lamps with 126 LED energy-saving lamps and saving 7,884kWh electricity throughout the year. ● Adding two and three-stage water or electricity meters and counting their water, electricity and gas consumption. Water consumption for catering per person-time was decreased from 0.024 cubic meters in 2005 to 0.012 cubic meters in 2016. ● Formulating the <i>Methods of Administration for Saving Electricity</i>.
Improving the water efficiency use	<ul style="list-style-type: none"> ● Turning off hot water and heating system in bathrooms of the office building from May to October ● Setting monthly water use indicator of office buildings and conducting self-check and assessment regularly. ● Strictly implementing the <i>Regulation on Saving Energy</i> and

	<p><i>Standard on Evaluation of Green Architecture</i> of Beijing.</p> <ul style="list-style-type: none"> ● Formulating the <i>Methods of Administration for Energy</i> and <i>Methods of Administration for Saving Water</i>. ● Establishing water use standards, control targets and post-evaluation mechanism according to related regulations in Beijing.
Impact of business activities on the environment and natural resources and management actions taken	<ul style="list-style-type: none"> ● Implementing the <i>Energy-saving Management Measures</i> and the <i>Green Building Evaluation Rules</i> of Beijing. ● Taking architecture energy saving as the important basis for self-building, purchasing and renting office space. ● Prioritizing energy saving in the whole process of project initiation, design, bid invitation, construction and use of office buildings. ● Actively advocating green procurement, explicitly requiring no “violation on environmental protection” in the basic conditions of supplier access and proposing the environmental qualification requirement of “passing the ISO14001 environmental management system certification”.

VI. Corporate Governance

i. Improving Corporate Governance

The Bank convened 2 shareholders' meetings and 11 meetings of the Board of Directors, and amended its Articles of Association. The Bank vigorously supported the performance of duties by directors, and completed the procedure of personnel changes of 11 directors and senior management members, completed the corporate governance approval formalities for 5 proposed directors, and organized 11 training courses for directors.

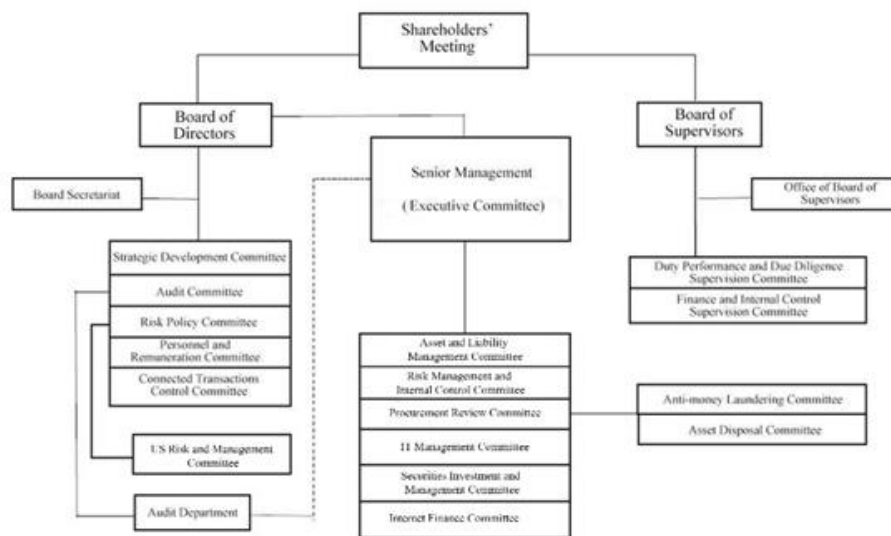


Figure: Corporate governance framework

Shareholders' Meeting	The Bank convened 2 shareholders' meetings, which reviewed 18 proposals and heard 3 special reports.
Board of Directors	The Board of Directors convened 6 regular meetings, 2 extraordinary meetings and 3 written proposal meetings, considering 66 agenda items and making 60 resolutions.
Board of Supervisors	The Board of Supervisors conducted annual interview on performance of duties with 12 directors and senior management members respectively, and attended 2 shareholders' meetings.
Case: Institution Reform Liaoning and Shandong are core areas in the Bohai Rim region and the front line area for opening up to the outside world. Accelerating cooperation and development in this region is the major step to implement the key national strategies and regional development strategies such as the "Belt and Road" initiative, Beijing-Tianjin-Hebei Coordinated Development, etc. At the beginning of 2016, BOC actively responded to the national strategies, further increased its financial investment in Liaoning and Shandong, relocated two tier-one branches: Liaoning Branch and Shandong Branch to Shenyang and Jinan and set up new tier-one branches in Dalian and Qingdao. This move helps the Bank to better serve the real economy and provide quality and	

efficient service to customers. After relocating the two tier-1 branches, e.g., Liaoning Branch and Shandong Branch, to Shenyang and Ji'nan, BOC has been able to fully upgrade its business authorization, marketing service and product R&D in the two provinces, and provide customers with more timely and efficient financial services. Dalian Branch and Qingdao Branch will focus more on the local financial center establishment, hence improving the input concentration of financial resources, efficiency of management and targeted level of products.

ii. Protecting Shareholders' Rights and Interests

The Bank attaches importance to the protection of shareholders' interests, creates value for all shareholders by steady profit growth and directly repays shareholders with a high proportion of cash dividends. It guarantees minority shareholders enjoy shareholders' rights equally. It receives minority shareholders' visits and calls in earnest, and ensures that shareholders are properly informed and able to participate and vote. It ensures that shareholders from both the Chinese mainland and Hong Kong are treated equally and able to attend in person the shareholders' meeting, and directly communicate with directors, supervisors and senior management members.

In 2016, the Bank distributed a cash dividend of RMB51.518 billion to all holders of ordinary shares. 4,435 shareholders attended the 2015 Annual General Meeting held in Beijing and Hong Kong.

iii. Regulating Information Disclosure

The Bank amended the *Administrative Measures for Information Disclosure of Bank of China Limited* and the *Administrative Measures for Regular Reporting of Bank of China Limited*, formulated the *Administrative Measures for Suspension and Exemption of Information Disclosure of Bank of China Limited*, reviewed and amended disclosure procedures in time, reinforced the principal responsibility system and the messenger working mechanism for information disclosure, and provided internal training and prompt of obligations in relation to information disclosure; it prepared and disclosed regular reports and various extraordinary reports, improved the pertinence, effectiveness and transparency of information disclosure, and protected investors' right to know; it organized the demonstration and disclosure of major projects, and provided investors with timely, sufficient and effective information.

In 2016, the Bank, Shanghai Stock Exchange and Hong Kong Stock Exchange published more than 320 information disclosure documents in total, and were widely recognized by the market in terms of information disclosure.

iv. Intensifying Risk Management

The Bank continued to improve risk management framework and comprehensive risk management mechanism, revised its risk management report and enhanced team building and management. In 2016, nearly 3,000 institutions of BOC were audited

and inspected, concerning main business lines and all high-risk fields.

In 2016, the Bank held 5 Risk Policy Committee meetings, 5 US Risk and Management Committee meetings, 6 Risk Management and Internal Control Committee meetings, 5 Asset Disposal Committee meetings, and 6 Securities Investment and Management Committee meetings. The Board of Directors assessed and determined BOC's risks concerning environment, society and governance, and made sure that BOC set up reasonable and efficient environment, society and governance management and internal monitoring system. Meanwhile the Management made active communication and reporting to the Board of Directors so as to ensure the follow-up implementation of various meeting proposals.

Improvement of Major Risk Governance Platforms	The Bank revised the procedural rules for the Risk Policy Committee and the charters for the Risk Control Committee and the Securities Investment and Management Committee, formulated the Charters for the US Risk and Management Committee, and changed the US Risk Committee to the US Risk and Management Committee to better compliance.
Improvement of Comprehensive Risk Management Mechanism	The Bank developed a rectification plan in accordance with the <i>Guidelines for Comprehensive Risk Management of Banking Institutions</i> , established the risk officer information reporting mechanism and wrote the <i>Analysis Report on Risks in New Products</i> for the first time.
Improvement of Group Risk Reporting	The Bank revised the <i>Administrative Measures for Comprehensive Risk Reporting</i> , clarifying the specific procedures for risk report preparation and requirements on verification of data accuracy.
Reinforcement of Team Building and Management	The Bank established the indicators on the system and mechanism of three lines of defense, and revised the <i>Administrative Measures for Persons in Charge of Risk Management of Domestic and Overseas Institutions of Bank of China</i> , implementing coordinated management of persons in charge of risk management of domestic and overseas institutions for the first time.

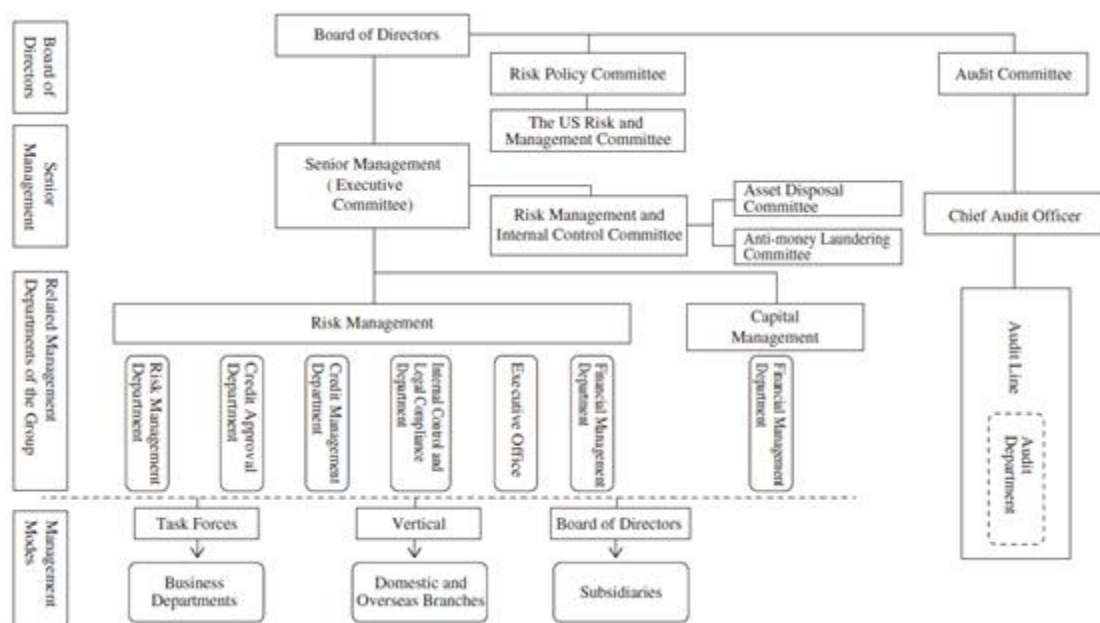


Figure: Risk management framework

Table: Anti-money laundering and anti-corruption measures

Anti-money Laundering	<p>Following the <i>Anti-money Laundering Law of the People's Republic of China</i>, the Bank developed the <i>Guidelines for Personal Banking Anti-money Laundering</i>, completed the identification and centralization of lists of anti-money laundering sanction, and carried out special anti-money laundering governance throughout the whole bank.</p> <p>More than 99% of large-value transactions were reported in time, leading the industry. The Bank established Beijing and Guangdong identification centers to realize the centralized identification of lists of anti-money laundering associated with domestic and overseas remittance.</p>
Prevention of Bribery and Extortion	<p>The Bank enhanced supervision, promoted the integrity and self-discipline of Party members and cadres, strengthened supervision of complaint letters and visits and review of clean governance, and conducted the supervision of probity practice of overseas institutions.</p>
Cases	<p>Pursuant to the <i>Procedures for Case Investigation and Handling of Bank of China Limited</i>, each institution or department prepared case briefing based on the important clues on illegalities submitted by each institution or department, and submit it to the inspection department. Each inspection department reviewed the preliminarily verified case materials. Through preliminary verification, general problems were handed over to the functional</p>

	departments for investigation and handling according to the violations of regulations; as for violations of laws, the Bank should investigate the legal responsibility and place the cases on file according to the specified authority limit and procedures.
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v. Enhancing Investor Relations Management

The Bank strengthened market communication and active promotion, and continued to publicize its differentiated competitive advantages in the “Belt & Road” initiative, RMB internationalization and business diversification. It held the 2015 annual results announcement, 2016 interim results announcement and roadshow of senior management, to actively introduce BOC’s development strategy and business progress to the investors from Chinese mainland, Hong Kong, Europe, North America and other countries and regions; it perfected the content of the investor relations page on its website, and timely and comprehensively responded to investors’ questions by various communication channels, including investor hotline, email and the e-interaction online platform run by SSE; it strengthened multi-level and pertinent communications with external rating agencies on BOC’s risk management progress and other hotspot issues of the market.

In 2016, the Bank answered more than 440 enquires on its telephone hotline, replied to about 300 investors’ questions received in its IR e-mail inbox and the e-interaction online platform run by SSE. S&P upgraded BOC’s credit rating and preference share rating to bbb+ and bb respectively. Moody’s, Fitch and other major rating agencies keep BOC’s ratings. The Bank won the Quam IR Awards 2015-Hong Kong Index Constituents (Hang Seng Index) Category.

VII. Social Responsibility Management

i. Social Responsibility Concepts of BOC

Development strategy	Serving Society, Delivering Excellence
Historic mission	Creating Social Benefits, Contributing to National Prosperity
Core values	Pursuing Excellence
Corporate culture	Integrity, Performance, Responsibility Innovation and Harmony

ii. Social Responsibility Management Practice

Organizing BOC Charity Fund Gather benevolence and kindness all around the global, and form a strong poverty-alleviation power, thus helping those who are in difficulty and bringing hopes into their lives and giving them a chance to achieve dreams.

Strengthening the construction of communication channels of social responsibilities BOC has released the CSR reports for nine consecutive years, forming a set of complete and standardized report disclosure procedures, which enabled stakeholders to develop more understanding and recognition of BOC. WeChat and other new media forms were used to provide social responsibility trainings and enable the exchange of experience on a real-time basis, which helped enhance the management level of social responsibilities.

Building a leadership team for poverty-alleviation work With Chairman and President as team leaders for the targeted poverty-alleviation work, more business departments and subsidiary companies shall be included as team members, hence clarifying the division of work and responsibility, and further strengthening the organizing and guiding of the poverty-alleviation work.

Formulating relevant poverty-alleviation measures The Bank has formulated the *Administrative Measures for Targeted Poverty Alleviation of Bank of China*, the *Poverty Alleviation Work Plan during the “13th Five Year Plan” Period of Bank of China* and the *2016 Financial Poverty Alleviation Work Plan of Bank of China*. The Bank has clarified the principle of “leveraging on strengths to achieve quality poverty alleviation, finding out priorities to achieve targeted poverty alleviation, conducting different poverty alleviation programs in line with different local conditions, and making overall arrangement to ensure the commercially sustainable path”, and determined the task objective of “increasing credit input, improving inclusive finance capacity and expanding service channel and network. All branches and subsidiaries have all carried out relevant work and formulated relevant work plans according to their own conditions.

Carrying out poverty-alleviation practice

BOC' poverty alleviation not only comes from its self-consciousness for shouldering historical missions and social responsibilities, but also an important measure to seek new business growth points, and promote cooperation relations with key customers. In the future, BOC will continue to deepen poverty alleviation work through financial services and ensure the completion of poverty alleviation task assigned by the Central Government.

Clarifying poverty alleviation principles	<ul style="list-style-type: none"> ➤ Accurately positioning and having BOC features ➤ Complying with local conditions and having local features ➤ Seizing opportunities and looking for business breakthroughs
Increasing poverty alleviation credit support	<ul style="list-style-type: none"> ➤ Supporting quality poverty alleviation infrastructure projects ➤ Supporting industrial poverty alleviation ➤ Distributing personal poverty alleviation credit
Strengthening poverty alleviation efforts made by village banks	<ul style="list-style-type: none"> ➤ Leveraging on advantages of BOC Fullerton Community Banks ➤ Creating new cooperation modes between domestic and foreign institutions and BOC Fullerton Community Banks
Creating new financial poverty alleviation modes	<ul style="list-style-type: none"> ➤ Playing the strength of the whole Bank and building poverty alleviation match-making service platform ➤ Creating new credit products and modes ➤ Sharing resources with peers to achieve complementary results
Improving inclusive finance capacity	<ul style="list-style-type: none"> ➤ Extending service network and improving coverage rate of online and offline channels ➤ Improving financial products and designing targeted products for people in poor areas ➤ Popularizing financial knowledge and strengthening education of financial consumption

iii. Involvement of Stakeholders

Stakeholder	Expectation	Response
Country	Implement national macroeconomic policies Promote transformation of economic growth mode	Support the implementation of a series of national strategies, e.g. RMB internationalization, “Belt and Road”, integration of the Beijing-Tianjin-Hebei region and construction of free trade zones, bolster the transformation & upgrading of industrial structure and the development of micro, small and medium-sized enterprises and push forward supply-side reform
Regulatory authorities	Stick to legal compliance and maintain financial stability	Strictly abide by laws and regulations, improve the comprehensive risk management system, propel legal compliance of G-SIFIs, strengthen internal control and fraud case prevention mechanism, and prevent financial crimes
Shareholders	Keep creating value for shareholders Exercise the right to know and decide	Advocate prudential operation, improve corporate governance, protect rights and interests of investors, strengthen investor relations management and disclose information in a compliant manner
Customers	Protect the rights and interests of consumers Improve inclusiveness of financial services Enhance service quality	Protect the safety of customer information and their assets, organize educational activities on financial knowledge, promote the development of E-finance and diversify service channels and products
Employees	Protect the legal interests and rights of employees Promote career development	Enhance democratic management of employees, help balance their work and life, optimize the training system and improve the remuneration & incentive plan
Society	Give back to communities	Support education

Stakeholder	Expectation	Response
	Fulfill responsibilities as a global corporate citizen	Launch community-building-by-all activities Conduct targeted poverty alleviation Improve supply chain management
Environment	Advocate green credit and protect environment Promote sustainable development	Explore and conduct green finance Specify and implement green credit policy Insist on green office work and green purchasing

iv. Awards and Honors

International	
Presented/Ranked by	Award/Honor
FORTUNE	35th in Top 500 Enterprises
The Banker	4th in Top 1000 World Banks 6th in Top 500 Global Bank Brands
Forbes	6th in Global 2000 Enterprises
Hurun Research Institute	8th among the Top 200 Brands in China
WPP Group	11th among the Top 100 Most Valuable Global Brands
Global Finance	Best Renminbi Service Bank
Euromoney	Best Cash Management Bank in Asia
The Asian Banker	3rd among the Top 20 Offshore RMB Bond Issuers 2016 Best Mobile Banking Project in China
League of American Communications Professionals	Gold Award for Annual Report

Domestic	
Presented/Ranked by	Award/Honor
China Banking Association	Most Socially Responsible Financial Institution
China News Service	Most Socially Responsible Enterprise
Southern Weekend	Outstanding Contribution Award in Social

	Responsibilities
Sina.com.cn	Outstanding Bank in Social Responsibility
The Beijing News	2016 Most Socially Responsible Enterprise
Eastmoney.com	Best Socially Responsible Bank
China Next Generation Education Fund	Social Responsibility Practice Award
Dongshiju.com	Best Board of Directors
China FX Trading Center	Best Market-making Institution
World Brand Lab	China's 500 Most Valuable Brands
ChinaHR.com	Best Employer in Banking Industry in the Opinion of Chinese University Students

Outlook

BOC will closely follow the national strategies, speed up to implement the development strategy of “Serving Society, Delivering Excellence” and integrate its own development into the overall national plan of deepening reforms and widening opening-up to the outside. It will proactively adapt to the new normal of economic development, accurately grasp the new trend of social development and actively respond to the new requirements of environmental change, so as to promote the sustained and steady economic, environmental and social development.

In 2017, BOC will plan for the new pattern of development. In line with the 2030 Agenda for Sustainable Development of UN and the *China's National Plan on Implementation of the 2030 Agenda for Sustainable Development*, BOC will substantially perform its social responsibilities, ensure sound top-level design in economic growth, poverty alleviation and harmonious society, step up support, create new financial services and perfect channel building, hence creating commercial value amid the promotion for sustainable development.

In 2017, BOC will cultivate new advantages of development. In the face of the new trend of RMB internationalization and the new pattern of Chinese enterprises “Going Global”, BOC will put into full effect its competitive advantage in internationalization, promote RMB internationalization, accelerate building of the “Belt and Road” financial artery and continue to pay equal attention to cross-border linked business and overseas business, so as to consolidate the foundation of overseas development. Meanwhile, it will race to seize the opportunity of Internet finance and enhance innovation in technology and business modes to accelerate its own development while serving the national strategies.

In 2017, BOC will foster new engines of development. In accordance with the profound changes with the economic situation both at home and abroad and the new requirements of global social responsibility, BOC will perfect its social responsibility management system, continuously improve the relationship with stakeholders, create sustainable modes for charity and cultivate brand of social responsibility with BOC characteristics, so as to improve its brand value while actively performing its social responsibility.

About the Report

The Board of Directors and all the directors of the Company hereby guarantee that the report does not contain any false presentation, misleading statement or material omissions and shall assume individual and joint liability for the authenticity, truthfulness and completeness of the contents hereof.

Coverage

Organization: focusing on Bank of China (“BOC”), the report covers the Head Office, domestic branches, overseas branches, subsidiaries, representative offices and affiliates.

Time: from January 1 to December 31, 2016, with some exceptions.

Reporting cycle: annual report. The 2015 CSR Report was released on March, 2016.

Preparation basis

This report is prepared in accordance with the Opinions of China Banking Regulatory Commission on Strengthening the Corporate Social Responsibility of Banking Institutions, the Guidelines of China Banking Association on the Corporate Social Responsibility of Banking Institutions of China, the Guidelines of Shanghai Stock Exchange on Environmental Information Disclosure of Listed Companies and the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited as well as the Guidance of International Organization for Standardization on Social Responsibility (ISO26000), the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI4.0) and the AccountAbility1000 Assurance Standard (2008).

Data basis

The financial data contained in the report is based on the financial reports of 2016 audited by Ernst & Young Hua Ming LLP. Other data is based on the reports of 2016 and the reports of previous years as well. The monetary amount mentioned herein is denominated in Renminbi unless otherwise specified.

Assurance Approach of the Report

Ernst & Young Hua Ming LLP assumes the liability for qualified assurance services on selected key data disclosed in the report and issues an independent assurance report.

Disclosure format

The report will be issued in printed and electronic formats. The electronic version is available at the website of BOC (<http://www.boc.cn>).

Report assurance



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安永华明(2017)专字第 60100080_A05 号

Social Responsibility Report Independent Assurance Report

To the Board of Directors of Bank of China Limited:

We have been engaged by the Board of Directors of Bank of China Limited ("Bank of China") to perform a limited assurance engagement on the selected key data in the Corporate Social Responsibility Report of Bank of China for 2016 ("the Social Responsibility Report").

We have also been engaged to gain an understanding of Bank of China's application of the AA1000 AccountAbility Principles Standard (AA1000APS (2008)) of inclusivity, materiality and responsiveness ("the AccountAbility Principles") with respect to stakeholder dialogue.

I. The Board of Directors' responsibilities

The Board of Directors of Bank of China are responsible for the preparation and presentation of the selected key data in accordance with the note to the table of key data of the Social Responsibility Report (the "basis of reporting"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected key data; and making estimates that are reasonable in the circumstances.

In addition, the Board of Directors take responsibility for Bank of China's adherence to the AccountAbility Principles.

II. Practitioner's responsibilities

Our responsibility is to express a conclusion on the selected key data in the Social Responsibility Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected key data in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected key data as at 31 December 2016 and for the year then ended in the Social Responsibility Report is not prepared in all material respects in accordance with the basis of reporting.

III. Work performed

The selected key data of Bank of China in the Social Responsibility Report of Bank of China for 2016 that is covered by this report is as follows:

- Total assets
- Operating income
- Non-performing loan ratio

- Capital adequacy ratio
- Profit for the year
- Income tax expense
- Capital and reserves attributable to equity holders of the Bank
- Total employees
- Employee satisfaction ratio
- Input into employee training
- Trained employees
- Balance of government-sponsored student loans
- Donations
- Balance of green credits
- Water consumption at office
- Power consumption at office
- Oil consumption
- Video conference held

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected key data prepared in accordance with the basis of reporting.

IV. Approach, limitation and scope of work

Our work was performed at the Head Office of Bank of China, which includes:

- 1) Interviews with management and personnel in the departments involved in providing

information for inclusion in the Social Responsibility Report in relation to the selected key data;

2) Analytical procedures

3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;

4) Recalculation

5) and Other procedures deemed necessary

Our work was limited to the selected key data as of 31 December 2016 and for the year then ended in the Social Responsibility Report. We have not performed any procedures over other data included in the Social Responsibility Report for 2016, nor have we performed any procedures on other data or data for 2015 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of Bank of China's internal controls.

V. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected key data as at 31 December 2016 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting.

VI. Supplementary observations

We have also gained an understanding of Bank of China's application of the AccountAbility Principles with respect to stakeholder dialogue by making inquiries and holding interviews with management representing the different functions in Bank of China in respect of Bank of China's application of the principles of inclusivity, materiality and responsiveness in the preparation of the Social Sustainability Report. Our work was



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restricted to gaining an understanding of Bank of China's application of the AccountAbility principles and hence we do not express any assurance opinion as to whether Bank of China has adhered to the AccountAbility Principles.

We have the following observations:

Inclusiveness

Bank of China identified key stakeholders and understood their needs and concerns. Bank of China also considered stakeholders' expectations and their impact while developing corporate strategy, action plan and business policy as well as daily operation. We suggested that Bank of China should further establish and improve corporate social responsibility management system; strengthen stakeholder identification process; develop and implement an appropriate, effective, comprehensive and objective stakeholder engagement strategies, plans and methods; and provide various channels for stakeholders to participate in the decision of Bank of China's long-term sustainability performance improvement.

Materiality

For the information disclosed in the Social Responsibility Report, Bank of China considered factors of stakeholders' needs and concerns, financial performance, industry characteristics, policy requirements and social impact, etc. Bank of China qualitatively and quantitatively disclosed key issues and key performance in the Social Responsibility Report. We suggest that Bank of China may consider to make relevant policies and guidelines, and to develop standards and procedures for guiding the management and staff to identify, evaluate, report and prioritize the key issues which are relevant to the social responsibility report and is important to the stakeholders.

Responsiveness

Bank of China developed relevant policies, objectives and action plans in accordance with its business characteristics. Bank of China improved its governance structure, management systems and processes, established various communication channels, strengthened the communication with stakeholders, and responded to the main needs of stakeholders. We suggest that Bank of China should further clarify and improve the responsibilities and processes responding to stakeholders for timely and appropriately implementing the pre-committed responses.

Ernst & Young Hua Ming LLP

Ernst & Young Hua Ming LLP
Beijing, PRC
March 24, 2017

Benchmarking

i. G4 Benchmarking

Type	No.	Indication content	Adoption
Strategy and analysis	1	Statement of the top decision-makers	✓
	2	Description of major influences, risks and opportunities	✓
Institution overview	3	Institution name	✓
	4	Major brands, products and services	✓
	5	Location of headquarters	✓
	6	How many countries in which the institution operates, has major business or which countries are particularly relevant to the sustainability issues described in the report	✓
	7	Nature of the ownership and the legal form	✓
	8	Markets served by the institution (including regional details, the sectors of service, the type of customers and beneficiaries)	✓
	9	The size of the reporting institution, including the number of employees, the number of locations, net sales or net income, the total market value by debt and equity, and the number of products or services provided	✓
	10	Report the total number of employees based on the employment contract and gender classification; report the total number of regular employees based on the type of employment and gender; report the total labor force based on the classification of the employee and the supervisor, gender, and geography	
	11	Report the proportion of employees who are protected by labor agreements	✓
	12	Describe the institution's supply chain	✓
	13	Indicate all significant changes in the size, structure, ownership or supply chain of the institution during the reporting period	✓
	14	Whether the reporting body develops and how to develop preventive measures or principles	✓
	15	List the economic, environmental and social	✓

Type	No.	Indication content	Adoption
		conventions, principles or other initiatives initiated by the outside world, to which the institution agrees or supports	√
	16	List membership of associations (industry associations) and national / international initiatives, in which the institution has joined	√
	17	List all entities, including the consolidated financial statements of the institution or equivalent documents; whether all entities included in the consolidated financial statements or equivalent documents are included in the report	√
	18	Explain the process of determining the content and content boundaries of the report; explain how the institution implements the reporting principles for determining the content of the report	√
	19	List all the important aspects identified in the process of determining the content of the report	√
	20	For each important aspect, the content boundaries within the institution shall be reported	√
	21	For each important aspect, the boundaries of the content outside the institution shall be reported	√
	22	Specify the impact of restating information of the previous report and reasons of doing so	√
	23	Indicate a significant change in scope and content boundaries compared to the previous reporting period	√
Involvement of stakeholders	24	Provide a list of stakeholder groups of the institution	√
	25	Report basis for identifying and selecting the participation of stakeholders	√
	26	Report the involvement of stakeholders in the institution, including the stakeholders' participation frequency of different stakeholder types and groups. The institution should indicate whether or not certain stakeholders are involved in the preparation of the report	√

Type	No.	Indication content	Adoption
	27	Report the key themes and concerns raised by stakeholders, and the manner in which the institution responds (including report responses); lists stakeholders corresponding to each topic and concern	✓
Report introduction	28	Provide the reporting period (eg, fiscal year or calendar year)	✓
	29	Date of the last report (if any)	✓
	30	Reporting cycle	✓
	31	Query the contact point of the report or report content	✓
	32	The reporting institution selects which of the two alternative criteria	✓
		Report the standard GRI content index for the selected criteria	✓
		If the report uses an external review, the corresponding reference in the external review report shall be indicated	✓
Review	33	Institution's policy and current measures for seeking external review of the report	✓
		If it is not listed in the review report attached to the Sustainability Report, it is necessary to explain the scope and basis of any external review provided	✓
		Describe the relationship between the reporting authority and the verification provider	✓
		Whether or not the institution's top management or senior management member is involved in seeking external review of report	✓
Governance	34	Report the institution's governance structure, including committees of the highest governing body. Identify all committees that are responsible for decision-makings that may have economic, environmental and social impacts	✓
	35	Report power decentralization from top management to senior management members and other employees in relation to economic, environmental and social aspects	✓

Type	No.	Indication content	Adoption
	36	Does the reporting body appoint administrative positions in charge of economic, environmental and social issues, and whether the person in the position reports directly to the highest management	√
	37	Report the consultation on economic, environmental and social issues between stakeholders and top management. If the task of the consultation is entrusted to others, it is necessary to indicate the entrusted person and the feedback process to the top management	√
	38	Report the composition of the highest management body and its committees	√
		Administrative and non-administrative	√
		Independence	√
		The number of other important posts or tasks each member takes, and the nature of the committee	
		Gender	√
		Involvement of stakeholders	√
	39	Report whether the Chairman of the highest management body has an administrative position (if Yes, it is necessary to explain his role in institution management and the reasons for such an arrangement)	
	40	Report the appointment and selection process of the highest management body and its committees, and the criteria for appointing and selecting members of the highest management	
		Whether to consider diversity and, how to consider diversity	
		Whether to consider independence and, how to consider independence	
		Whether to consider, and how to consider the expertise and experience associated with economic, environmental and social issues	
		Whether stakeholders (including shareholders) participate and how to participate	

Type	No.	Indication content	Adoption
	41	Report how the top management ensures that conflicts of interest are avoided and resolved. Whether the report discloses the conflict of interest to interest-related parties	✓
		Members of the cross-over Board of Directors	
		Disclosure of related parties	
	42	Report the role of top management and senior management in developing, approving and updating the institution objectives, values or mission statements, strategies, policies and goals related to economic, environmental and social impacts	✓
	43	Report measures taken to develop and improve the collective awareness of the highest management bodies for economic, environmental and social issues	✓
	44	Report how to assess the top management in the governance of economic, environmental and social issues. Indicate whether such assessments are independent and how often they are evaluated. And whether such assessment is self-assessment	✓
		Report the measures taken by the highest management body for the performance evaluation of economic, environmental and social issues and should at least include changes in membership and institution actions	✓
	45	Report the role the top management plays in identifying and governing economic, environmental and social impacts, risks and opportunities, including the role of top management in the implementation of due diligence	✓
		Whether the report uses stakeholder consultations to support the highest management body to identify and manage economic, environmental and social impacts, risks and opportunities	✓
	46	Report the effectiveness of the highest regulatory body when reviewing the effectiveness of risk	✓

Type	No.	Indication content	Adoption
		management procedures in the economic, environmental and social aspects of the institution	
	47	Report the frequency of highest management for reviewing economic, environmental and social impacts, risks and opportunities	√
	48	Report the sustainability report position of the highest committee or the formal review and approve body to ensure that all important aspects are included	
	50	Report how many key considerations are communicated to the highest governing body and the institutions that normally deal with and address such issues and report on the nature of these key considerations	√
	56	Describe institutional values, principles, standards and codes of conduct, such as codes of conduct and ethical guidelines	√
	57	Disclose institution's internal and external mechanisms for seeking compliance and legal advice, such as help and advice hotline	√
	58	Disclose internal and external reporting mechanisms for unethical or unlawful conduct, such as direct reporting, reporting or hotline	√
Economy	EC1	The direct economic value of the institution's production and distribution	√
	EC2	The financial impact of climate change on institutional activities and other risks and opportunities	√
	EC3	The coverage of the funds required for the pension fixed income plan	
	EC5	The ratio of the minimum wage level of different gender to the minimum wage level of the institution's important operation place	
	EC6	The proportion of local senior management employment at the key operating locations	
	EC7	The development and impact of infrastructure investment and support services	√

Type	No.	Indication content	Adoption
	EC8	Significant indirect economic impact, including the extent of the impact	√
Environment	EN2	Percentage of recyclable materials	√
	EN3	Institutional internal energy consumption	√
	EN4	Energy consumption outside the institution	√
	EN5	Energy intensity	√
	EN6	Reduce energy consumption	√
	EN7	Reduce the energy consumption of products and services	√
	EN8	Describe the total water consumption by source	√
	EN10	Percentage and total amount of recycled and reused water	√
	EN12	Describe the significant impact of institution activities, products and services on biodiversity, and protected areas or other significant biodiversity areas	
	EN15	Direct greenhouse gas (GHG) emissions	√
	EN18	Greenhouse gas (GHG) emission intensity	√
	EN19	Reduce greenhouse gas (GHG) emissions	√
	EN21	Nitrogen oxides, sulfur oxides and other major gas emissions	√
	EN23	The total weight of the waste specified by category and treatment	√
	EN27	Reduce the products and services' impact on environment	√
	EN31	By category, total environmental expenditure and investment	√
Society	LA3	By gender, the rate of returning to work and retaining of work after maternity leave / paternity leave	
	LA4	The shortest notice for significant changes in operations, including whether the notice period is specified in the collective agreement	√
	LA5	Percentage of employee representatives who are able to assist employees in monitoring and evaluating health and safety related projects	√

Type	No.	Indication content	Adoption
		proposed by the Official Labor Safety and Safety Council	√
	LA6	Types of occupational injuries by region and gender. Ratio of occupational injuries, illness, negligence and absenteeism, and the number of deaths associated with work	
	LA8	Health and safety issues in the formal agreement reached with the trade union	√
	LA9	The average number of hours of training per employee per year receives by gender and employee category	
	LA10	Plan to enhance the ability of employees to continue get employed and to assist employees to gain new skills and conduct lifelong learning	√
	LA11	Percentage of employees who receive regular performance and career development assessments, divided by gender and by type	
	LA12	Classified by gender, age group, ethnic minority and other diversified indicators, members of governance institutions and composition of employees	
	LA13	According to the type of staff and the main operating area, the basic salary of men and women and salary ratio	
	LA16	The number of complaints relating to labor practices submitted, accepted and resolved through formal complaints mechanisms	√
	HR1	The total number and percentage of significant investment agreements and contracts with human rights provisions or human rights review	√
	HR2	Total number of hours that employees have received training in the operation of relevant human rights and processes, and the percentage of trainees	√
	HR7	The percentage of trained security personnel in the operation of relevant human rights policies and processes	
	SO1	Ratio of outlets that implement the local	√

Type	No.	Indication content	Adoption
		community participation, impact assessment and development plan	
	SO2	Have a significant practical and potentially negative impact on the local community	√
	SO4	Communication and training on anti - corruption policies and procedures	√
	PR1	Percentage of important categories of products and services for improving health and safety impact assessment	√
	PR5	Customer Satisfaction Survey	√

ii. ESG Benchmarking

Level	Indicator	Relevant Section
Environment		
Level A1: Emissions	General disclosure	5-4
Level A2: Use of resources	General disclosure	5-4
Level A3: Environment and natural resources	General disclosure	5-4
Employment and labor rules		
Level 1: Employment	General disclosure	4-3-1
Level B2: Health and safety	General disclosure	4-3-1
Level B3: Development and training	General disclosure	4-3-2, 4-4-3
Level 4: Labour standards	General disclosure	4-3-1
Operation routines		
Level B5: Supply chain management	General disclosure	4-4
Level B6: Product responsibility	General disclosure	3-4
Level B7: Anti-corruption	General disclosure	Corporate governance-4
Community		
Level B8: Community investment	General disclosure	4-1, 4-2

Feedback

We appreciate your reading the Corporate Social Responsibility Report of Bank of China for 2016. This is the ninth year the Bank has released the social responsibility report. In order to better meet your demands, provide you with more valuable information and enhance social responsibility performance of the Bank, please kindly give us your comments on this report and feed back to us in any of the following contact ways:

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1. What's your overall impression of this report?

☐Excellent ☐Good ☐Acceptable

2. What do you think of the Bank's performance of the social responsibility in implementing China's major development strategies?

☐Excellent ☐Good ☐Acceptable

3. What do you think of the Bank's performance of the social responsibility in enhancing global financial services?

☐Excellent ☐Good ☐Acceptable

4. What do you think of the Bank's performance of the social responsibility in providing quality services?

☐Excellent ☐Good ☐Acceptable

5. What do you think of the Bank's performance of the social responsibility in supporting charity and public interest?

☐Excellent ☐Good ☐Acceptable

6. What do you think of the Bank's performance of the social responsibility in improving supply chain management?

☐Excellent ☐Good ☐Acceptable

7. What do you think of the Bank's performance of the social responsibility in dedicating to green finance and low-carbon operation?

☐Excellent ☐Good ☐Acceptable

8. Do you have any comment or suggestion on the Social Responsibility Report and social responsibility work of the Bank?

Sincerely thank you for your support!