

3 Message from the Chairman¹⁷



2017 marked the 20th anniversary of Hong Kong's return to the motherland and the centenary of BOC's service to Hong Kong. BOCHK endeavours to put the guiding principle of the 19th National Congress of the Communist Party of China into action. Adhering to its mission of supporting Hong Kong's economic development and accelerating its transformation into an internationalised regional bank, BOCHK continued to promote sustainable development and laid a solid foundation for future business growth by serving the community and improving people's well-being. All of this created value for our shareholders, customers, employees and society.

By closely integrating its growth strategy into the national development plan, the Group gave full support to Hong Kong's economic development and facilitated the further development of Hong Kong's status as an international financial centre. In line with the national Belt and Road Initiative

and RMB internationalisation, BOCHK provided comprehensive and diversified financial solutions to mainland enterprises going global as well as to infrastructure investments along the Belt and Road. In 2017, we completed the share transfer of Chiyu Bank and subsequently completed the acquisition of BOC's institutions and businesses in Thailand, Indonesia and Cambodia. We also successfully completed the transfer of BOC's institutions and businesses in the Philippines and Vietnam in early 2018. During the year, BOCHK chaired a committee within BOC with the aim of promoting synergistic development among our operations in Guangdong, Hong Kong and Macao. This will deepen collaboration among our institutions and strengthen our leading position in the area, allowing us to better support the integrated development of Guangdong, Hong Kong and Macao. As the sole clearing bank for Renminbi ("RMB") business in Hong Kong, BOCHK continued to upgrade its infrastructure to enhance product development capabilities and integrated services. In 2017, the total transaction volume processed via the RMB Real Time Gross Settlement system ("RMB RTGS system") exceeded a total value of RMB210 trillion, well ahead of the world's other offshore RMB markets.

Through technological innovation, the Group promoted inclusive finance to provide further support to the real economy. BOCHK has made constant breakthroughs in the application of innovative technologies such as blockchain, biometric authentication and big data, fully supporting Hong Kong's growth as a smart city. During the year, we advanced the development of our smart e-channels and launched a new official BOCHK WeChat account, as well as a mobile application for BOC Life. We recorded satisfactory growth in both the number of customers using e-channels and the number of e-channel transactions. We continued to optimise the BOCHK iService 24-hour video banking service and introduced a WeChat Pay service to enhance customer experience.

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We supported the expansion of the Hong Kong Science and Technology Parks Corporation. BOCHK is the sole banking institution to set up a branch in its park. Capitalising on our banking service network, which is the most extensive in Hong Kong, we provided the general public and SMEs with convenient financial services. The Hong Kong General Chamber of Small and Medium Business granted us the Best SME's Partner Award for the 10th consecutive year.

The Group devoted itself to charity in an effort to improve local people's livelihood and promote social harmony. In 2017, BOCHK donated HK\$200 million to 28 charity programmes covering education, poverty alleviation, youth development, caring for the community and environmental protection, etc. We continued to cooperate with public organisations and charities. We also stepped up our efforts to offer innovative financial services for the community, such as services related to hospitals, care for the elderly, schools and utility bill payment. We developed green finance by incorporating environmental protection into our credit policy, as well as supporting green financing and ecological conservation. BOCHK was selected as a constituent stock of the Hang Seng Corporate Sustainability Index Series for the eighth consecutive year and as a Top 20 constituent stock of the Hong Kong Business Sustainability Index for the third consecutive year, as well as being named a Caring Company by the Hong Kong Council of Social Service for the 15th year in a row.

At the start of 2018, BOC takes on a new role in the history. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, BOC is determined to build a world-class bank in the new era by driving growth through technology and innovation, carrying out a pragmatic transformation, and embracing change in pursuit of excellence.

In order to drive growth through technology and integrate technology into all operational procedures and areas, BOC will accelerate the pace of digital banking development, provide seamless integration of the online and offline customer experience and offer innovative products that cater to diverse scenarios, while at the same time ensuring operational efficiency and

intelligently managing risk. To drive growth through innovation, BOC will keep abreast of market trends and customer demands and promote innovation in technology, products and services, in a bid to become a provider of high-quality financial services, a builder of platform connectivity, a creator of value from data and a pioneer in smart services. In order to carry out a pragmatic transformation, BOC will focus on the needs of the real economy and the demands of high-quality economic development, vigorously promoting digitalisation, business globalisation, service integration, the adoption of an asset-light strategy and the streamlining of its structure. In addition, BOC will improve its financial supply chains to support the growth of the real economy, and build a high-quality development model with strong value-creating capabilities and market competitiveness. In order to embrace change in pursuit of excellence, BOC will further strengthen its risk awareness, strictly adhere to its strategy and demonstrate the courage needed to embrace changes in our thinking, our mechanisms and our organisational structure across the Bank, and thus gather the strength to push through our reform and development.

The new era opens up new opportunities, and our new centenary calls for new initiatives. BOCHK will closely follow the implementation of BOC's new strategy and is dedicated to playing a more active and spirited role in achieving its goal to "Build a Top-class, Full-service and Internationalised Regional Bank". We strongly promote the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, provide support to economic development and the improvement of well-being in Hong Kong, and contribute to the realisation of the Chinese dream of the great rejuvenation of the Chinese Nation.



Chen Siqing
Chairman

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