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Message from the Chief Executive¹⁸



2017 marked the 20th anniversary of the return of Hong Kong to the motherland and the centenary of BOC's service to Hong Kong. Since opening a sub-branch in Hong Kong in 1917, BOC has been on an extraordinary and glorious century-long journey. During the year, we properly implemented the decisions of the Board of Directors, made solid progress in our operation and management and effectively executed our strategies. In 2017, the Group achieved a record high in profit from continuing operations, further expanded its asset size, optimised its income structure and recorded solid performance in its major financial and risk indicators. Profit attributable to equity holders reached HK\$31,070 million, and profit from continuing operations amounted to HK\$28,481 million, up 15.9% from 2016. We were named Bank of the Year in Hong Kong by *The Banker* in the UK for the third consecutive year, and Strongest Bank in Asia Pacific and Hong Kong by *The Asian Banker* for the fourth year in a row.

The market position and influence of BOCHK continued to increase and the reputation of its century-old brand was enhanced.

As a leading commercial banking group with roots firmly planted in Hong Kong for a century, we are fully aware of the Group's responsibilities for contributing to economic development and people's well-being in Hong Kong, strengthening and enhancing Hong Kong as an international financial centre and promoting the sustainable development of society. Aligning with the regional development of the Group, we are committed to fulfilling corporate social responsibility in the region in which we operate. The Group cares about the needs and opinions of stakeholders and undertook a number of CSR initiatives to proactively serve society, earning wide recognition from the community.

We attach great importance to local economic development and serving the needs of customers where we operate. Leveraging the Group's professional strengths, we supported the development of the real economy and provided customers with a full range of high-quality services. Capitalising on the national Belt and Road Initiative, we pushed forward the transformation of BOCHK from a local bank into an internationalised regional bank and enhanced our regional and global service capabilities. We supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area by promoting synergy and deepening cross-border collaboration among BOC's institutions in the area. As the sole clearing bank for RMB business in Hong Kong, we continued to strengthen this competitive edge and improve our core competencies in RMB business to promote the steady development of offshore RMB business in Hong Kong. Adhering to our customer-centric philosophy, we offer convenient banking and financing services to the community at large and promote financial inclusion as advocated by the Hong Kong Monetary Authority ("HKMA"), to assume our responsibilities to the community.

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We emphasise our fulfilment of social responsibility. During the year, we continue to uphold the principle of caring for our community by increasing our resources devoted to community and charitable programmes. A sum of HK\$200 million was donated to 28 charitable programmes in total. Through a number of initiatives, such as supporting governmental activities, cooperating with various charitable organisations and industry associations, and encouraging staff participation in volunteer services, we aim to promote the steady development of local communities to bring positive energy to society and share our achievements in corporate development with the wider community. Among this, we took the opportunity of our centenary celebrations to launch four large-scale charitable donation programmes that delivered great social impact. These included a donation of HK\$100 million to the veterinary science development programme of the City University of Hong Kong to nurture Hong Kong's top-class professionals in veterinary science and prevent the spread of infectious disease; a HK\$50 million donation to the Community Football Development Fund to encourage children and adolescents from grassroots communities to participate in football activities; a HK\$20 million donation, conferred jointly with some of Hong Kong's renowned organisations and kind-hearted individuals, to establish the BOC Xianyang Four-county Education Fund in support of local education; and a MYR5 million donation to the Kuen Cheng High School in Malaysia to fund its construction of a new school building. We supported and encouraged our employees to participate in volunteer services together with their family members and friends. The number of participations in volunteer activities rose by 19% to 14,085 from last year, contributing about 50,000 hours in community service. We have been recognised with the Gold Award for Volunteer Service by the Social Welfare Department for eight consecutive years.

We focus on the development of corporate culture. The Group continues to press ahead with corporate culture development, firmly believing that a sound corporate culture is a crucial cornerstone of its steady development. In 2017, the HKMA issued the Bank Culture Reform circular to further promote bank cultures that make the safety and soundness of banks as well as the interests of customers the top priority. We followed the relevant guidelines to further assess our existing systems, so as to introduce appropriate measures

for enhancement and enrich the Group's corporate culture. We reckon that the Group will only be able to maintain its steady and sustainable growth through continuous efforts to pursue sound culture development and improve its corporate governance as well as its risk management system.

We care about the growth and development of our employees. Employees are our valuable assets and the key to our success. Adhering to our people-centric philosophy, we continually improve our human resources management system, so as to provide our employees with a harmonious, diversified and friendly work environment. This enabled people of calibre from diverse backgrounds to join in with and promote the Group's sustainable development together. In addition, we devote resources to staff development by enhancing the skills and professional knowledge of our staff through a range of training programmes. We also offer competitive remuneration and career development plans conducive to the long-term development of both our staff and the Group.

2018 marks the first year of BOCHK's new centenary journey. With our aim to "Build a Top-class, Full-service and Internationalised Regional Bank", we will uphold our beliefs, strive to tackle problems, drive our growth through technology and innovation, ensure compliance with laws and regulations, embrace our corporate culture and adopt a people-oriented and steadfast management approach in the design and implementation of our diverse business strategies and measures in order to achieve long-term, balanced and sustainable development. Serving the community in which we are rooted, we will continue to support Hong Kong's economic development and the HKSAR Government in governing in accordance with the law. We will also remain devoted to philanthropy, continue to care for the underprivileged, support youth education, promote positive energy and make new contributions to the long-term development, prosperity and stability of Hong Kong.



Gao Yingxin
Vice Chairman & Chief Executive

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