“The year 2012 marked the 100th anniversary of the founding of the Bank. Each employee faithfully inherits and carries forward the Bank’s fine century-old traditions of ‘adoration of the nation, integrity as our paramount principle, constant reform and innovation, and a people first approach’, diligently implements the development strategies of the Bank, and brings to life the principles of ‘streamlining structures, scaling up, managing risks and sharpening competitiveness’. Through its insistence on customer-centric, market-oriented and technology-led progress, the Bank has vigorously promoted innovative, transformative and cross-border development, and achieved excellent business results.”
The year 2012 marked the 100th anniversary of the founding of the Bank. Each employee faithfully inherits and carries forward the Bank’s fine century-old traditions of “adoration of the nation, integrity as our paramount principle, constant reform and innovation, and a people first approach”, diligently implements the development strategies of the Bank, and brings to life the principles of “streamlining structures, scaling up, managing risks and sharpening competitiveness”. Through its insistence on customer-centric, market-oriented and technology-led progress, the Bank has vigorously promoted innovative, transformative and cross-border development, and achieved excellent business results.

In 2012, the Bank realised the objectives of the first stage of its strategic development plan smoothly. Since 2008, the Bank’s strategic development plan has aimed to build “a premium multinational bank with a diversified and integrated cross-border business platform, based on a core business of commercial banking”. By strengthening the management of strategy implementation, the Bank has achieved the objectives set forth in the plan. Its asset and liability scale expanded, business structure further optimised, operation efficiency steadily increased and asset quality constantly improved. Meanwhile, management quality was continuously enhanced, as the result of its progress in asset and liability management, comprehensive risk management, human resources management and cultivation of corporate culture to new heights. The Bank fulfilled its social responsibilities, thus increased its brand influence. The Bank has been listed in the Fortune Global 500 for 24 consecutive years, and became the only bank from an emerging economy being enrolled as a G-SIFI for two consecutive years.

During last year, the Bank continued to strengthen and hone its competitive advantages, adhered to orientation of specialised operations, centralised management and the integrated development of its domestic and overseas business, as well as accelerated its cross-border development and integrated operations. It improved its global service capabilities and achieved rapid development in overseas business. Operating income from its diversified business platform registered stable growth, contributing to an increasingly stronger market presence. In addition, the Bank vigorously developed its cross-border RMB business, leading the market in terms of cross-border RMB settlement volumes. It further improved its global RMB clearing system, with BOCHK, the Macau Branch, the Taipei Branch and Bank of China (Malaysia) Berhad selected as the exclusive local RMB clearing banks. In line with its commitment to technology-led development, the Bank actively promoted the smart-bank construction. With the aim of creating the best customer experience, the Bank strove to provide customers with financial services “anytime, anywhere, any way”.

The structure of the Bank’s Board of Directors was improved, thus further reinforcing the Board’s strength. Mr. CAI Haoyi resigned as Non-executive Director of the Bank due to a job transfer. Mr. Alberto TOGNI retired upon the expiry of his term of office. Mr. Nout WELLINK was newly appointed as an Independent Director of the Bank. On behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to Mr. CAI Haoyi and Mr. Alberto TOGNI for their remarkable contributions to the Bank, and express our warm welcome to Mr. Nout WELLINK as he joins us.

In 2013, the Bank will seize important strategic opportunities. With the scientific development as the theme and accelerating the transformation of development mode as main task, the Bank will unwaveringly carry out its strategic development plan. It will continuously promote innovative, transformative and cross-border development, lead the century-old Bank to stride forward through transformation and to grow stronger through reforms, and accelerate pace of building a premier multinational bank.

At last, I would like to express my heartfelt gratitude to our customers, peers and the public for their constant guidance, to the Board of Directors, the Board of Supervisors and the management for their contribution of wisdom, and to our 300,000 employees across the globe for their diligent work. The solid foundation for the Bank’s new journey rests on their effort and support. I believe that, with our concerted efforts, Bank of China will scale new heights in the journey ahead.

XIAO Gang
Chairman
15 March 2013

---

Mr. XIAO Gang ceased to serve as the Chairman of the Board of Directors as of 17 March 2013. Please refer to the announcement on the resignation of Chairman of the Board of Directors published on 17 March 2013 for details.