

Social Bond / Social Bond Programme

External Review Form

Section 1. Basic Information

Issuer name: Bank of China Macau Branch

Social Bond ISIN or Issuer Social Bond Framework Name, if applicable: Bank of China Limited Sustainability Series Management Statement

Independent External Review provider's name: Ernst & Young Hua Ming LLP

Completion date of this form: 26 February 2020

Publication date of review publication: 26 February 2020. The amount of nominated projects reviewed to be disclosed in an updated report after the settlement of the Social Bonds.

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the SBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- | | |
|---|---|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Based on Ernst & Young's ("EY") procedures performed, as described in the report as of **26 February 2020**, nothing has come to EY's attention that causes EY to believe that the bonds issuance process of the Bank of China Macau Branch's 2020 Social Bonds, so far as the use and management of proceeds, Management's project evaluation and selection and information disclosure and reporting are concerned, in all material respects, does not meet the criteria as set out in the Social Bond Principles 2018's pre-issuance requirement.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

Based on EY's procedures performed, nothing has come to EY's attention that causes EY to believe that the bonds issuance process of the Bank of China Macau Branch's 2020 Social Bonds, so far as the use of proceeds is concerned, in all material respects, does not meet the criteria as set out in the Social Bond Principles 2018's pre-issuance requirement.

Use of proceeds categories as per SBP:

- | | |
|--|--|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Based on EY's procedures performed, nothing has come to EY's attention that causes EY to believe that the bonds issuance process of the Bank of China Macau Branch's 2020 Social Bonds, so far as project evaluation and selection is concerned, in all material respects, does not meet the criteria as set out in the Social Bond Principles 2018's pre-issuance requirement.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
|--|--|

- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Based on EY's procedures performed, nothing has come to EY's attention that causes EY to believe that the bonds issuance process of the Bank of China Macau Branch's 2020 Social Bonds, so far as management of proceeds is concerned, in all material respects, does not meet the criteria as set out in the Social Bond Principles 2018's pre-issuance requirement.

Tracking of proceeds:

- Social Bond proceeds segregated or tracked by the issuer in an appropriate manner
 Disclosure of intended types of temporary investment instruments for unallocated proceeds
 Other (please specify):

Additional disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Based on EY's procedures performed, nothing has come to EY's attention that causes EY to believe that the bonds issuance process of the Bank of China Macau Branch's 2020 Social Bonds, so far as reporting is concerned, in all material respects, does not meet the criteria as set out in the Social Bond Principles 2018's pre-issuance requirement.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Social Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Number of beneficiaries | <input type="checkbox"/> Target populations |
| <input type="checkbox"/> Other ESG indicators <i>(please specify)</i> : | |

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other <i>(please specify)</i> : |
| <input checked="" type="checkbox"/> Reporting reviewed <i>(if yes, please specify which parts of the reporting are subject to external review)</i> : | |

After the Bank of China Macau Branch's 2020 Social Bonds is issued, an attestation report will be issued annually by EY to assure allocation of proceeds; the Social impact disclosure will be reviewed by EY.

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS *(e.g. to review provider methodology or credentials, to issuer's documentation, etc.)*

<http://www.boc.cn/en/investor/ir10/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- | | |
|--|---|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Review provider(s):

Ernst & Young Hua Ming LLP

Date of publication:

26 February 2020

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP

1. **Second Party Opinion:** An institution with social expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.
3. **Certification:** An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Social Bond Scoring/Rating:** An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.