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BANK OF CHINA

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 4619 (Preference Shares))

ANNOUNCEMENT

Corporate Social Responsibility Report of Bank of China Limited for 2019

In accordance with the Chinese mainland and Hong Kong regulatory requirements, the meeting of the Board of Directors of the Bank held on 27 March 2020 considered and approved the *Corporate Social Responsibility Report of Bank of China Limited for 2019*. Set out below is a complete version of the report.

**The Board of Directors of
Bank of China Limited**

Beijing, PRC
27 March 2020

As at the date of this announcement, the directors of the Bank are: Liu Liange, Wang Jiang, Lin Jingzhen, Zhao Jie, Xiao Lihong*, Wang Xiaoya*, Zhang Jiangang*, Wang Changyun#, Angela Chao#, Jiang Guohua# and Martin Cheung Kong Liao#.*

* *Non-executive Directors*

Independent Non-executive Directors

**Corporate Social Responsibility Report of
Bank of China Limited for 2019**

March 2020

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Message from the Chairman

2019 marked the 70th anniversary of the founding of the People's Republic of China and also a crucial year for Bank of China to further the implementation of our development strategy. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, BOC stayed true to its original aspirations and kept its founding mission firmly in mind amid the complicated situation of mounting risks and challenges at home and abroad and fulfilled its responsibility to the country, customers, shareholders, employees, society, and the environment in an endeavor to create more economic value, improve people's lives, and serve social progress.

We actively served the real economy to support high-quality development. We earnestly implemented the coordinated regional development strategies and advanced our business in key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area in an effort to build an integrated regional financial service system. We increased support for key fields and areas of weakness in the national economy, such as infrastructure and technological innovation. The proportion of loans granted to the manufacturing sector was at a high level among China's large banks, and loans for inclusive financing grew rapidly. We advanced innovation in financial services for the Belt and Road Initiative, provided support for the construction of overseas economic and trade cooperation zones, and promoted international capacity and energy cooperation. As the sole strategic partner for the Second China International Import Expo (CIIE), we supported global investment and exhibitor invitation, launched dedicated products, provided high-quality onsite services, and fulfilled all tasks before, during, and after the expo by leveraging our advantages in global and comprehensive operations, thus doing our part in promoting higher level of opening up,

We continuously improved our products and services to better serve our customers. Catering to the needs of economic transformation and social development, we stepped up efforts to serve strategic financial scenarios for cross-border business, education, sports, and silver economy, integrating deeply financial services into the everyday life of our customers. As the official banking partner of Beijing 2022 Winter Olympics following Beijing 2008 Olympics, we utilized our financial expertise to "encourage millions to embrace winter sports". We enabled development through technology and employed new technologies such as artificial intelligence and blockchain to improve the quality and efficiency of financial services. We vigorously promoted the application of mobile banking, which saw a rapid growth in monthly active customers and volume of transactions and was available to more regions outside mainland China. We put a premium on customer protection, set up the Corporate Culture and Customer Protection Committee under the Board of Directors, optimized the customer complaint handling mechanism, promoted financial literacy, and took concrete measures to protect consumer rights and interests.

We did our utmost to serve investors and create value for shareholders. We pushed forward sweeping reform and innovation, carried out organizational structure reforms in such fields as personal banking, research system, data governance, and risk management, and strengthened synergy with overseas institutions and integrated operations and management, further consolidating our foundation and unleashing our vitality. The Group witnessed a steady growth in assets and liabilities and profit after tax and a continued increase in profit per capita and outlet, while the cost-to-income ratio was on the decline. External capital of up to RMB210 billion was replenished in the year, and the capital adequacy ratio improved. On the whole, we maintained steady performance and sound management with good momentum for growth.

We took employee growth to heart and strengthened culture and team building. We actively carried out key talent programs based on the needs of talent growth and career development, improved the professional series arrangements, and developed a diversified incentive system so that every employee can bring into full play their potential. We paid high attention to employees' demands, actively established open and smooth communication channels, and effectively protected the legitimate rights and interests of employees. We accelerated the construction of Bank of China University and made training programs accessible to employees anytime, anywhere to help them continuously improve their comprehensive capabilities. In 2019, BOC was selected the "Best Employer of College Graduates in China's Financial Industry" for the 12th consecutive year.

We actively supported public welfare and contributed to community development. We resolutely implemented the arrangements of the CPC Central Committee to win the critical battle against poverty, provided and raised more than RMB170 million in funds to help those in need, and sent over 1,400 employees dedicated to poverty alleviation who assisted with training for more than 44,000 officials, technical personnel, and residents at the primary level in poverty-stricken areas. In 2019, we helped the four state-level poverty-stricken counties of Yongshou, Chunhua, Xunyi, and Changwu in Xianyang of Shaanxi Province get out of poverty. We provided targeted assistance for 1,034 poverty-stricken villages across the country and helped 447 of them shake off poverty ahead of schedule, directly benefiting more than 380,000 people. We provided strong support for education and granted student loans of over RMB24 billion in total for 20 years in a row, benefiting more than 1.8 million financially challenged students. We comprehensively implemented the concept of green development, accelerated innovation in green financial products, and saw a steady increase in the proportion of green credit.

We went all lengths to help contain the spread of COVID-19. During the novel coronavirus outbreak, we closely followed the instructions of President Xi Jinping and the decisions and deployments of the CPC Central Committee and the State Council, actively performed our responsibility as a large state-owned bank, and coordinated epidemic prevention and control and financial support for the fight against the virus. We donated money and materials to support the frontline, granted emergency loans to enterprises engaging in epidemic prevention and control, lent to small and micro businesses and individually-owned businesses at favorable interest rates, and took multiple measures to support the resumption of work and production. In the face of the global spread of the virus, we made every effort to ensure the business continuity and the safety and health of employees of overseas institutions, and promptly organized domestic institutions to purchase medical supplies to support other countries and regions. All these practical actions demonstrate our commitment to contributing to the building of a community with a shared future for mankind.

The year 2020 is a decisive one for securing a victory in building a moderately prosperous society in all respects and also the concluding year of the 13th Five-Year Plan. In the new year, BOC will stay confident and determined to deepen reform and unleash vitality according to the deployments for the “Year of Strengthening Execution”. We will push forward reform, inspire vitality, improve mechanisms and agile response, and underpin our characteristics and advantages to strive for breakthroughs in key areas. We will forge ahead in building a world-class bank in the new era and better fulfill our responsibility as a large state-owned bank to make greater contributions to building a moderately prosperous society in all respects, delivering on the two centenary goals and realizing the Chinese Dream of national rejuvenation.

Liu Liange, Chairman of Bank of China

Message from the President

Revolving around the strategic goal of building a world-class bank in the new era, Bank of China in 2019 made breakthroughs in key fields by unleashing vitality, making agile responses, and combining our business development with CSR practices. We advanced all aspects of work in a coordinated way, such as serving the real economy, pushing forward reform and innovation, and forestalling and defusing risks, to deliver great economic and social benefits together.

In the year, BOC proactively seized business opportunities, properly met external challenges, implemented the Group's strategies down to earth, and better integrated ourselves into economic and social development. The Group's assets, liabilities, and capital and reserves attributable to equity holders of the Bank reached RMB22.77 trillion, RMB20.79 trillion, and RMB1.85 trillion, an increase of 7.06%, 6.40%, and 14.80% over the end of the previous year, respectively. The operating income and profit for the year grew by 9.17% and 4.91%, hitting the targets of business for the year. We made new breakthroughs in strategic fields, saw a steady growth in the contribution of personal banking to performance, and maintained good momentum in businesses such as financial markets and comprehensive operations. We established new branches in India, Greece, Romania, and Argentina, extending our overseas institutions to 61 countries and regions. We issued the first undated additional tier 1 capital bonds among Chinese commercial banks, and replenished capital through various channels, increasing the capital adequacy ratio by 0.62 percentage points over the end of the previous year. As a result, our ability to support the real economy was further enhanced, underpinning our development potential.

In the year, BOC fulfilled our responsibility as a leading bank to help improve social wellbeing and made new contributions to the harmonious development of the economy and environment based on the needs of high-quality development. We increased support for small and micro businesses and private enterprises. The balance of inclusive financial loans meeting the "two increase and two control" assessment requirements of the CBIRC recorded RMB412.9 billion, an increase of 38% over the previous year; the comprehensive financing costs for loans declined steadily; the loans to private enterprises amounted to RMB1.96 trillion, accounting for 36.78% of corporate loans, up 2.16 percentage points over the previous year. We took active actions to help improve people's lives, released the *Action Plan for Supporting the Development of Silver Economy*, increased support for sports, education, healthcare, and other fields, and achieved rapid development in consumer finance. We adhered to the customer-oriented concept and continuously improved the quality and efficiency of our financial services. We launched mobile banking version 6.0 that further enriched features and optimized user experiences, and vigorously expanded scenarios to build a new smart financial ecosystem. We implemented the green development concept across the board, formulated the *Development Plan for Green Finance of Bank of China*, and strengthened environmental and social risk assessments on credit and investment projects. Our balance of green credit reached RMB737.57 billion, up 16.58% year on year.

In the year, BOC maintained stable and prudent operations defying the complex external situations and continuously reinforced compliance culture and risk management to protect customer interests in an all-round way. We fortified the “three defense lines”, improved the risk management process for new products, and further refined the risk management system. We kept up with changes in financial markets, improved the contingency plans for market risk and liquidity risk, imposed strict prevention and control over risk transmission, and took solid steps to safeguard the bottom line of risk management. We intensified credit risk monitoring and mitigation, steadily improved the quality of credit assets, and saw continued improvements in forward-looking risk indicators. We continuously upgraded compliance management, finetuned relevant systems and processes based on typical cases, and focused on elevating compliance at basic-level outlets. We tightened anti-money laundering and sanctions compliance and advanced system and model building. We actively adapted to the development trends of fintech and established the intelligent risk management system empowered by big data and AI technologies, which successfully blocked suspicious transactions with a total amount of over RMB7.2 billion, effectively protecting the customer assets.

In 2020, BOC will stay committed to our mission and responsibility, earnestly implement the decisions and deployments of the CPC Central Committee and the State Council, stick to the new development philosophy, and continuously improve the quality and efficiency of our services, especially at the basic level. We will further ramp up the implementation of strategies, expand our strategy advantages, and push forward reform and development on all fronts in a steady and sustainable manner. In doing so, we are on pace to break new ground and achieve greater success in the new era.

Wang Jiang, President of Bank of China

Introduction

Bank of China is the Bank with the longest continuous operation among Chinese banks. The Bank was formally established in February 1912 following the approval of Dr. Sun Yat-sen. From 1912 to 1949, the Bank served consecutively as the country's central bank, international exchange bank and specialised international trade bank. Fulfilling its commitment to serving the public and developing China's financial services sector, the Bank rose to a leading position in the Chinese financial industry and developed a good standing in the international financial community, despite many hardships and setbacks. After 1949, drawing on its long history as the state-designated specialised foreign exchange and trade bank, the Bank became responsible for managing China's foreign exchange operations and provided vital support to the nation's foreign trade development and economic infrastructure through its offering of international trade settlement, overseas fund transfer and other non-trade foreign exchange services. During China's reform and opening up period, the Bank seized the historic opportunity presented by the government's strategy of capitalising on foreign funds and advanced technologies to boost economic development, and became the country's key foreign financing channel by building up its competitive advantages in foreign exchange business. In 1994, the Bank was transformed into a wholly state-owned commercial bank. In August 2004, Bank of China Limited was incorporated. The Bank was listed 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. Having served the Beijing 2008 Olympic Games, the Bank became the official banking partner of the Beijing 2022 Winter Olympic and Paralympic Winter Games in 2017, thus making it the only bank in China to serve two Olympic Games. In 2019, Bank of China was again designated as a Global Systemically Important Bank, thus becoming the sole financial institution from an emerging economy to be designated as a Global Systemically Important Bank for nine consecutive years.

As China's most globalised and integrated bank, Bank of China has a well-established global service network with institutions set up across the Chinese mainland as well as in 61 countries and regions. It has established an integrated service platform based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology and other areas, thus providing its customers with a comprehensive range of financial services. In addition, BOCHK and the Macau Branch serve as local note-issuing banks in their respective markets.

Bank of China has upheld the spirit of "pursuing excellence" throughout its history of over one century. 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 recognised within the industry and by its customers. In face of the period of historic opportunities for great achievements, as a large state-owned commercial bank, the Bank will follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, unswervingly implement the new development philosophy, persistently stimulating vitality, making agile response and achieving breakthroughs in key areas, and thus forge ahead with its goal of building BOC into a world-class bank in the new era. It will make an even greater contribution to developing a modernised economy and to the efforts to realise the Chinese Dream of national rejuvenation and the aspirations of the people to live a better life.

Responsibility Performance

Economic Performance

Indicator	2019	2018	2017
Total assets (RMB million)	22,769,744	21,267,275	19,467,424
Operating income (RMB million)	550,010	503,806	483,761
Non-performing loans to total loans (%)	1.37	1.42	1.45
Capital adequacy ratio (%)	15.59	14.97	14.19
Profit for the year (RMB million)	201,891	192,435	184,986
Income tax expense (RMB million)	48,754	37,208	37,917
Capital and reserves attributable to equity holders of the Bank (RMB million)	1,851,701	1,612,980	1,496,016

Social Performance

Indicator	2019	2018	2017
Number of employees	309,384	310,119	311,133
Percentage of female employees (%)	57.28	57.18	57.05
Customer satisfaction ration (%)	91.6	91.7	94.7
Donations (RMB million)	117	87	64
Balance of government-sponsored student loans ¹ (RMB million)	2,365	2,698	2,965
Social contribution per share ² (RMB)	1.86	1.81	1.73

Environmental Performance

Indicator	2019	2018	2017
Balance of green credits (RMB million)	737,570	632,667	538,799

- 1 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.
- 2 Social contribution per share: (Economic performance contribution value + Social performance contribution value – Social cost incurred by environmental pollution on the Bank's part)/Number of shares issued.

Awards and Honors

Comprehensive Award/Honor	
Award/Honor	Presented/Ranked by
4th in Top 1,000 World Banks	<i>The Banker</i>
4th in Top 500 Global Banking Brands	
44th in Global 500	<i>Fortune</i>
8th in Global 2000	<i>Forbes</i>
13th in Hurun Most Valuable Chinese Brands 2019	Hurun Research Institute
7th in Top 50 Valuable Chinese Brands	Interbrand
14th in Top 500 Valuable Chinese Brands	World Brand Lab
Global Systemically Important Bank	Financial Stability Board
First Prize for Banking Technology Development	People's Bank of China
World's Best Bank in the Emerging markets	<i>Euromoney</i>
Best Overall Chinese Bank for Belt and Road Initiative	<i>Asiamoney</i>
Best Belt and Road Bank	<i>Finance Asia</i>
Best Employer in Financial Industry in the Opinion of Chinese University Students	ChinaHR

CSR Award/Honor	
Award/Honor	Presented/Ranked by
Best Social Responsibility Management	China Banking Association
Achievement Award for Supporting the Three Critical Battles	
Achievement Award for Practicing Belt and Road Initiative	
2019 Responsible Enterprise	<i>China Newsweek</i>
Special Award for Corporate Social Responsibility	<i>New Weekly</i>
Outstanding Contribution Institution	China Children and Teenagers' Fund

Strategy and Social Responsibility Management

Strategic Goal

The Bank will follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, persistently enable advancement through technology, drive development through innovation, deliver performance through transformation and enhance strength through reform, in an effort to build BOC into a world-class bank in the new era.

The Bank will realize the strategic goal in three steps.

- By 2020, when China completes building a moderately prosperous society in all respects, the Bank should achieve the goal of “further strengthening the development foundation, further consolidating advantages of featured businesses, further improving management system and mechanism, and further enhancing comprehensive strength”.
- By 2035, when the socialist modernization is basically realized, the Bank should leap forward from a big world-class bank to a strong world-class bank, and complete in all respects the building of a world-class bank in the new era.
- By 2050, we should build BOC into a “financial mainstay” of the strong modern socialist China and to be a banner of global financial industry.

Strategic implications

Enable advancement through technology	The Bank will embed technological elements into all business processes and fields and build a digitalized bank with a premier user experience, an ecosystem of diversified scenarios, online & offline coordination, flexible product innovation, efficient operation management and intelligence risk control in a bid to foster new-finance, develop “a new ecosystem” and build a new BOC.
Drive development through innovation	Keeping a close eye on the market trends and customer needs, we will accelerate innovation in technology, products and business. By adopting innovative and groundbreaking initiatives, we will strive to become a provider of high-quality financial services, a builder of connected platforms, a creator of data-driven value and a pioneer of intelligent services across the globe.
Deliver performance through transformation	Centered on the demands of the real economy and the requirement for high-quality development, we will implement in line with the new development philosophies, focus on the “three critical battles” and support the supply-side structural reform. We will rapidly advance digital technologies, globalized businesses, integrated services, asset-light operations, and streamlined organization, in a bid to effectively prevent financial risks and foster a high-quality development model with great capacity for value creation and market competitiveness.
Enhance strength through reform	The Bank will raise awareness of current and potential challenges we face, maintain our strategic focus, and be more courageous in implementing the reform. We will promote the change of mindset, the transformation of the mechanism and the reform of the organization across the Bank, and thus gather the invincible force to push forward our development.
Uphold the Party leadership	We will strengthen Party leadership and Party building at the Bank, ensure full and strict governance over the Party organizations at the Bank so as to drive full and strict governance over the Bank. We will improve our governance system and enhance our governance capabilities, thus providing strong guarantee and strategic support to our objective of building a world-class bank in the new era.

Strategy implementation

Stimulate vitality, make agile response and achieve breakthroughs in key areas.

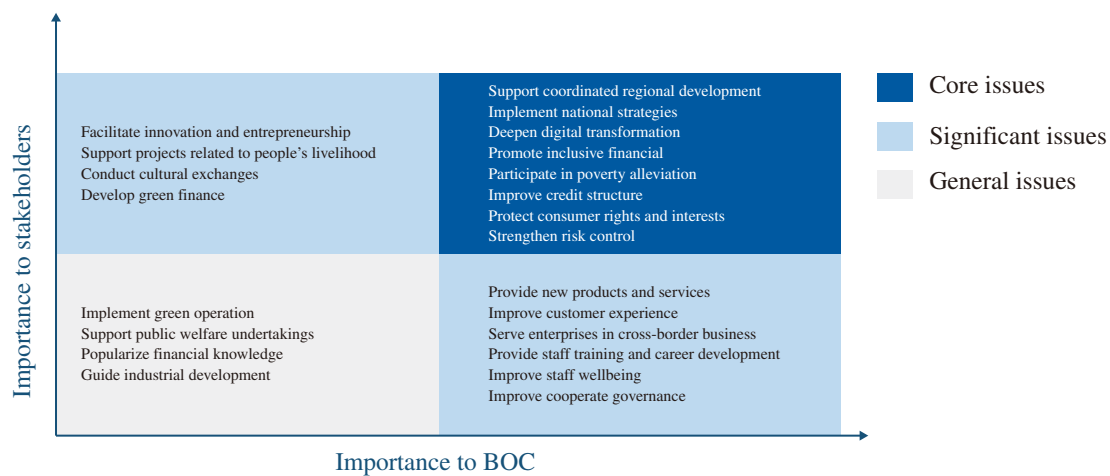
Forge ahead with the goal of building BOC into a world-class bank in the new era.

Values

Responsibility, Integrity, Professionalism, Innovation, Prudence, Performance.

CSR Issues

Guided by the strategic goal of “Build a World-class Bank in the New Era”, and in line with the operation and development strategies of the Group and industrial trend, BOC evaluated elements of the Group’s sustainable development in a systematic and comprehensive manner to set 22 material issues concerning social responsibility. Meanwhile, major information to be disclosed in this report was clarified in addition to the importance ranking of issues made based on evaluation of importance to BOC and stakeholders.



Stakeholder Engagement

Stakeholders	Expectation	Communication channel
Country	<ul style="list-style-type: none"> • Support the real economy • Deepen transformation and reform • Facilitate the Belt and Road Initiative • Participate in poverty alleviation • Promote inclusive finance • Strengthen risk control 	<ul style="list-style-type: none"> • Routine communication and feedback • Project approval and supervision • Major project cooperation
Shareholders	<ul style="list-style-type: none"> • Constantly create value • Operate with honesty and prudence • Strengthen risk control • Improve cooperate governance • Lead industrial development 	<ul style="list-style-type: none"> • Regular report and Interim report • Shareholders' Meeting • Investor survey • Business result presentation
Customers	<ul style="list-style-type: none"> • Provide new products and services • Protect consumer rights and interests • Improve customer experience • Serve enterprises in cross-border business • Facilitate innovation and entrepreneurship 	<ul style="list-style-type: none"> • Daily communication on services • Customer satisfactory survey • Customer complaint handling • 95566 call centre • Web portal, WeChat account, microblog etc.
Employees	<ul style="list-style-type: none"> • Help with personal development of staff • Strengthen staff training • Improve staff wellbeing • Secure staff's rights and interests 	<ul style="list-style-type: none"> • Awards ceremony • Regular training • Corporate culture activity • Web portal, WeChat account, microblog etc.
Communities	<ul style="list-style-type: none"> • Improve people's wellbeing • Support public welfare undertakings • Popularize financial knowledge 	<ul style="list-style-type: none"> • Charitable activity • Field study • Community exchange activity • Media exchange
Environment	<ul style="list-style-type: none"> • Develop green finance • Improve credit structure • Practice green operation 	<ul style="list-style-type: none"> • Project environmental risk assessment • Environmental performance collection and disclosure • Green public welfare activity

1. Serving National Strategies and Economic Development

As China's most globalised and integrated bank, BOC has always been serving state initiatives. It actively integrated into China's economic development and opening up, vigorously supported the supply-side structural reform, participated in breaking new ground in opening up, and supported regional synergic development. The Bank aims to create greater value for high-quality economic development while accelerating its pace of becoming a world-class bank in the new era.

Sustainable Development Goals¹:



Note 1: Sustainable Development Goals (SDGs) were released by the United Nations in 2015 with an aim to jointly address such global issues as extreme poverty, inequality and climate change by 2030. BOC actively helps with the realization of SDGs through business operations and CSR actions.

Feature: Five-pronged service system supporting the Yangtze River Delta integration

BOC takes on the responsibility to serve the Yangtze River Delta integration. In 2019, it released the integrated financial service scheme for the Yangtze River Delta, the first in the financial sector, pledging to extend credit of up to RMB1 trillion to the region to meet the multi-level financial needs of governments, enterprises, financial institutions, and individuals and propel higher-level integrated development of the region.

It is preparing for the establishment of an innovation and R&D base in the Yangtze River Delta to pilot innovative products and achieve integrated innovation. It continuously enriched the online financial portfolio for the region, developed scenario-based financial services based on customer needs, and promoted the unification of service standards that go beyond regional boundaries. It provided comprehensive financial services for institutional and individual customers and achieved integrated marketing. Additionally, it steered more credit towards the region, introduced differentiated credit policies, and improved the quality and efficiency of credit services through integrated risk control.

Five-pronged service system of the integrated financial service scheme for the Yangtze River Delta

Connectivity	Supporting infrastructure construction, participating in regional resource and factor integration, and facilitating mobility through BOC-12306 e-card, one-stop ETC, sensorless parking, and QR code payment in bus and subway.
Tech-empowered service	Enabling intelligent, convenient, and professional one-stop online transactions for corporate customers, facilitating everyday life of individual customers, and providing “commercial banking + investment banking” integrated financial services for the technology innovation sector.
Happiness and wellness	Providing comprehensive services such as pension management, employee incentive plans, and insurance products, promoting high-quality development of the elderly care industry, experimenting with innovative service modes, and developing inclusive finance.
Factor synergy	Leveraging its expertise to participate in the development of the money market, commodity market, and capital market systems and serving market integration and the internationalization of the factor market.
Green finance	Providing strong support for the green funds, green bonds, and other green credit projects.

Promoting integrated development of the Yangtze River Delta through multiple measures

In Zhejiang province, a leader in reform and opening-up, BOC Zhejiang Branch has taken a host of measures to advance multi-faceted integration of transportation, organization, systems, talent, and services in the Yangtze River Delta.

- **Supporting transport connectivity:** It promoted connectivity of infrastructures such as airport clusters and port clusters in the region and supported the rational layout and orderly development of high-speed rail networks, road networks, intercity railway networks, and rail transit networks. In March 2019, it approved additional credit of up to RMB10 billion to Hangzhou Metro Group Co., Ltd; in August 2019, it provided RMB1 billion in syndicated loans for the PPP project of Industry and Urban Integration of Wenzhou High-speed Railway New Town.
- **Allocating more resources:** It established a new operating institution in Jiaxing Jiashan Demonstration Zone, and set up green channels for credit projects for faster business response and capital allocation in the zone; and assigned outstanding employees to the Yangtze River Delta.
- **Providing financing for enterprises:** In 2019, it launched a dedicated wealth management Net Value product of “BOC Strategy — Steady Wealth Creation” which would give priority to investing in private corporate unsecured bonds in such fields as infrastructure and advanced manufacturing in Zhejiang so as to support the development of private enterprises in the Yangtze River Delta.

Feature: Integrating advantages to support the implementation of the Belt and Road Initiative

Giving full play to its own advantages in globalised, integrated operation, BOC has been active in innovation of financial services related to the B&R Initiative, strengthened its communication and cooperation with financial institutions from countries along the Belt and the Road, and provided guarantees for the development of key projects related the B&R with a view to becoming the first choice for Chinese enterprises “Going Global”, foreign enterprises “Bringing In” and local enterprises of these countries and regions along the Belt and the Road. As at the end of 2019, it took part in over 600 major projects related to the B&R Initiative by investing over USD160 billion on a cumulative basis.

Increasing the presence of institutions, and expanding the network of service along the Belt and the Road	As at the end of 2019, BOC had established overseas institutions in 61 countries and regions all over the world, including 25 countries along the Belt and the Road, making it the Chinese bank with the widest business presence both in the world and along the Belt and the Road.
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<p>Enhancing financial services, and advancing the construction of projects along the Belt and the Road</p>	<p>BOC stepped up cooperation with policy banks, international peers, international multilateral organizations, export credit insurance companies and other institutions. With superior resources of all these parties integrated together, it financed a host of major projects including a 950MW CSP+PV solar complex in Dubai, a 300MW Sakaka solar photovoltaic (PV) plant in Saudi Arabia, an industrial park in Abidjan, Ivory Coast, contracted by China Harbor Engineering Company Ltd. (CHEC), Duqm Special Economic Zone sponsored by the Ministry of Finance, Oman.</p>
<p>Assuming due social responsibilities, and giving into full play the role as a bridge</p>	<p>By holding a series of seminars, BOC introduced the B&R Initiative to government officials and corporate executives from different countries, pushed forward international financial exchanges, and improved the policy environment for financing integration. It has successively held eight training sessions on “B&R” international financial exchange and cooperation for Cambodia, Philippines, eight Pacific island countries, four Latin American countries, four Central and Eastern European countries, nine African countries, five Central Asian countries, nine Portuguese-speaking countries and Macao, China.</p>
<p>Serving the strategically important projects between China and Russia</p> <p>BOC (Russia) vigorously supported the cooperative projects carried out by and between China and Russia financially. In 2019, it successively participated in the syndicated loans targeted at Siberian Coal Energy Company, EuroChem Group AG, Uralkali, Metallurgical Investment Group, and UC RUSAL (for sustainable and eco-friendly development). At the same time, the BOC (Russia) actively figured out the needs of Chinese corporate customers which operated in the automobile, oil service, telecommunications and other fields in Russia. Proceeding from actual market conditions, it designed a variety of innovative financing solutions to provide more professional financial services for customers in both China and Russia.</p>	
<p>Issuing the B&R-themed bonds</p> <p>BOC is the financial institution that has issued the B&R-themed bonds for the most tranches, on the largest scale, across the widest range, and in the most diverse currency types. Since 2015, the Bank has issued five tranches of such themed bonds successively, which totaled nearly USD15 billion and came in 7 currencies, mainly including RMB, HKD, EUR and USD.</p>	

Increasing financing integration and assisting AIIB to issue USD bonds

BOC is the exclusive capital account bank and the lead USD clearing bank designated by the Asian Infrastructure Investment Bank (“AIIB”). In mid-May 2019, the Bank assisted AIIB in successfully issuing its USD bonds in many places like London as a joint lead underwriter and bookkeeper, and provided financing support for the facility to continue actively implementing the B&R Initiative.

1.1 Supporting the development of key regions

In close combination with China’s strategy for regional development, the Bank invested such resources as credit, capital, finance and manpower into a host of key regions including the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and Hainan Province. By doing so, the Bank tried to establish an integrated financial service system within each of these regions, which would help them to upgrade their industry structure and coordinate their economic development.

Propelling the Beijing-Tianjin-Hebei Region toward coordinated development

BOC mapped out a differentiated credit policy for the Beijing-Tianjin-Hebei Region, diverting most of its efforts to a host of fields such as construction of Tongzhou sub-center in Beijing, construction of Xiongan New Area, traffic integration of Beijing, Tianjin and Hebei, industry transformation and upgrade, municipal facility construction, and consumption concerning people’s livelihood. As at the end of 2019, the Bank financed a total of 574 projects aimed to boost the coordinated development of Beijing, Tianjin and Hebei, with the outstanding loans amounting to RMB283,211 million. Out of these, 186 projects were put in place in the year, which involved funds totaling RMB55.3 billion.

Advancing key projects in the Beijing-Tianjin-Hebei Region

BOC Beijing Branch kept intensifying credit support for an array of projects including Beijing-Tianjin-Hebei Intercity Railway, Yanqing-Chongli Highway, National Speed Skating Oval, and Beijing Daxing International Airport. At the end of 2019, the approved projects were granted with credit totaling RMB226.6 billion, with the outstanding loans posting RMB77.2 billion. As to the construction of Beijing Daxing International Airport (BDIA), the Branch approved the credit lines totaling RMB10.4 billion to many projects including the upgrade of roads in Beijing Airport Economic Core Zone and the building of China Eastern Airlines base at the airport, with the outstanding loans standing at RMB2.1 billion.

Helping to build the Xiongan New Area

BOC rolled out a credit cooperation mechanism targeted at the Xiongan New Area-related projects, worked hard to raise funds for major projects in the area, kept refining a network of outlets established to serve the area, and took steps to set up BOC Fullerton community banks in the area.

As at the end of 2019, the Bank approved the credit lines exceeding RMB200 billion for many major projects within the area such as Beijing-Xiongan Intercity Highway and Xiongan Citizen Service Center as well as enterprises settling in the area. By leveraging on its advantage in international operation, it brought in capital and talents for the area, and pushed forward many cross-border cooperation projects including China-UK FinTech City, Xiongan-Hong Kong Fund and Xiongan-Macao Fund. Actively involved in the building of a digital Xiongan, it put into operation a block chain platform that served people constructing the area, and facilitated the establishment of a Head Office-level innovative R&D center in the area.

Participating in the construction of a Digital Xiongan

BOC Xiongan Branch in Hebei got fully involved in developing a variety of applications and systems needed by Xiongan, furnished bid-winning enterprises with blockchain payment service, streamlined the process through which land acquisition and resettlement allowances were paid, and brought construction funds under more sophisticated management procedures. A system where people constructing Xiongan saw their information was managed in an IT-enabled approach was developed, bringing a host of functions such as personnel management on a real-name basis, payroll account, and online monitoring over salary disbursement. At the same time, it took an active part in setting many product, technical and service standards relating to smart city and FinTech, in an effort to getting the services rendered in the area well aligned with the unified standards.

Supporting the construction of the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank formulated the *Business Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area of Bank of China* to support the construction of key projects in the Greater Bay Area, provide services to meet the needs of residents there, stimulate the personnel/goods exchanges and capital flows within the area, and conduct innovative practice in such fields as industry finance, FinTech, cross-border finance, and finance concerning people's livelihood.

Helping to increase the infrastructure connectivity with industry finance

Relying on the joint actions of institutions at home and abroad, BOC continued to provide low-cost funds for the Hong Kong-Zhuhai-Macao Bridge project, and offered the project with multiple financial guarantees such as cross-border vehicle insurance and acquiring services after the bridge opened to traffic.

<p>Propelling industry innovation and development with FinTech</p>	<p>BOC streamlined the credit approval process fit for technology enterprises, recruited a panel of technical experts to review loan applicants, and rolled out a FinTech-enabled financial service model in the Greater Bay Area. It prepared for the establishment of an innovative R&D base in the Area with a view to pushing forward product innovation and pilot programs there. At the same time, the BOC Straight-through Train Sending Investment and Loan to Technical and Venture Businesses campaign was continued with a view to setting up for the businesses of SMEs and micro businesses a one-stop, one-to-many platform offering integrated financial services such as debt financing, equity financing and capital market.</p>
<p>Providing multiple sources of funding with the help of cross-border finance</p>	<p>In 2018, BOC issued the Greater Bay Area bonds equivalent of USD1.8 billion in four currencies: USD, RMB, HKD and MOP. In the meantime, it launched within the Greater Bay Area a host of cross-border RMB innovation businesses such as cross-border RMB borrowing for domestic enterprises and cross-border transfer of RMB trade financing assets.</p>
<p>Helping to build the Greater Bay Area into a high-quality living circle</p>	<p>To assist the Greater Bay Area in building into a premium living circle that would attract the endless inflow of residents, entrepreneurs, and tourists, BOC successively furnished the residents and enterprises in Guangdong, Hong Kong and Macao with an array of convenient products such as Greater Bay Area BOC Pay, Greater Bay Area-themed UnionPay Dual Currency Credit Card, Easy Cross-border Bill Payment for customers at the Greater Bay Area, and Service Connect for personal customers as well as many easily accessible government services including Bank-Government Connect for Commercial Registration and Bank-Government Connect for Commercial Registration in Guangdong and Hong Kong.</p>
<p>Launching the innovative Greater Bay Area Account Opening service</p> <p>On March 20, 2019, BOC took the lead in launching the Greater Bay Area Account Opening service in Hong Kong. With this service, local customers won't have to travel to the Mainland in person for opening a personal bank account in type II or type III. Instead, they only need to bring their Hong Kong Permanent Residence Card and Mainland Travel Permit for Hong Kong and Macau Residents to a BOC business outlet in Hong Kong and go through the witness procedures. After the relevant information is transmitted to Zhuhai Branch of BOC in Guangdong or Shenzhen Branch, they can effortlessly open their personal account in type II or type III with the Bank. As at the end of 2019, a total of 86,700 personal accounts opened for Hong Kong residents in the Mainland through the above service.</p>	

Building the Greater Bay Area into a well-connected business circle

BOC tried to meet needs of residents at the Greater Bay Area for intra-region and cross-border traffic, spending and payment, increased the connectivity of different financial markets within the area. It continued to help build the area into a business circle, and provided a variety of special offers for UnionPay credit card holders in the Mainland, Hong Kong and Macao. Transportation: The Bank launched in Guangdong a promotional campaign where local consumers could buy tickets of bus, railway, and airport express lines online 50% off. The campaign covered all major bus routes in 19 cities of Guangdong Province, Guangzhou-Shenzhen High-speed Railway Line and Sunac Section of Airport Express Line. At the same time, the 50% off discount was also available along many bus and metro routes in Shenzhen.

Unveiling the first Guangdong-Macao Shared Loan product to realize the cross-border credit sharing

To support the young entrepreneurs of Macao in starting their technology businesses in Hengqin, BOC Guangdong Branch teamed up with Macao Branch to jointly launch the Guangdong-Macao Shared Loan program which was aimed to tailor 9 inclusive finance products in three categories, that is, policy, asset and flow, for the companies registered in Hengqin by the Macanese. With these products, they could share their credit lines extended by BOC institutions at the two places, receive the same services and create a bright future hand in hand.

1.2 Build a global service system

BOC continuously pushed forward domestic-overseas integrated development, refined its overseas presence, strengthened innovation in global service, and constantly boosted its ability to serve the country's new drive to break new ground on all fronts. Giving full play to its advantages in trade finance, cross-border finance, and financial market business, the Bank provided Chinese enterprises with exclusive services such as consulting, settlement, and financing to help them expand overseas markets. Meanwhile, it actively deepened the development of the "financial artery" of the B&R, facilitated the internationalization of RMB, spared no effort to serve the second China International Import Expo (CIIE) and enhanced its capability and quality of globalised services. As at the end of 2019, it was present across the Chinese Mainland and 61 countries and regions with 557 overseas branches.

Introducing more cross-border financial services

By fully exerting its advantages in trade finance, BOC successfully handled initial pilot RMB business in all Chinese regions as well as multiple foreign countries and regions, and took a lead in promoting the supporting products and services in such fields as cross-border RMB settlement, overseas RMB loan, and offshore RMB bonds. Since the outbreak of COVID-19, the Bank has leveraged on advantages in global operation to open up a green channel for cross-border purchase remittance, and provided emergency loans for the enterprises which fought against the virus in a timely manner to support their production and operation.

<p>Unveiling innovative cross-border financial products</p>	<ul style="list-style-type: none">• BOC got involved in the SWIFT global payments innovation (GPI) project, and continued to enhance the functions of BOC Global Smart Remittance cross-border remittance product. As at the end of 2019, the BOC Global Smart Remittance product extended its reach to a total of 87 institutions of the Group at home and abroad and dealt with 16 currency types such as USD, EUR, GBP, and RMB.• “SWIFT Direct-Connect” service and “Fast Collection Inquiry” were launched as two sub-products of BOC Global Smart Remittance brand, BOC Fast Remittance got its functions in phase II optimized and upgraded, and the international version of mobile banking for overseas institutions and the smart counter available at Chinese institutions were promoted for wider use through more channels.• Furthermore, the channels through which cross-border RMB business could be initiated were integrated, and a cross-border RMB remittance project was put in place by establishing a unified front office and a concentrated back office.• A new version of integrated financial service plan fit for cross-border e-commerce was rolled out creatively, to serve the industry’s diverse needs for financial services in terms of matchmaking, financing, payment and other domains and forming three service systems in favor of aggregation, integration and connectivity.
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<p>Helping Chinese enterprises to seek for cross-border development</p>	<ul style="list-style-type: none"> • BOC global SME cross-border matchmaking services were launched to set up a platform where companies all over the world could get linked or connected with each other. As at the end of 2019, the Bank had held 61 cross-border matchmaking sessions worldwide which attracted more than 30,000 companies from 125 countries and regions across the globe. • Besides, it conducted the global cash management business for a number of group customers which went global, provided the global account information inquiry with the global vision connect products and offered centralized management service for cross-border funds with capital pool, “SWIFT Direct-Connect” and products for centralized operation of cross-border funds so as to help enterprises “going global” to realize the visualization, control and operation of global funds. • The “Single-Window” standard financial services became available across BOC. It offered online reservation of account opening, cross-border remittance, “Aggregate Tax Guarantee”, etc. to import and export enterprises as well as inclusive finance services like tax payment-guaranteed financing facility and insurance premium payment to foreign trade-oriented SMEs with a view to “stabilizing foreign trade” and facilitating enterprises’ cross-border development.
<p>Rendering Mengniu Dairy with financial services as it needed in seeking for global development</p> <p>In recent years, China Mengniu Dairy Co. Ltd. (Mengniu Dairy) accelerated its pace to increase global presence and promoted integrated development by “bringing cash available in China under centralized management and cross-border funds under concentrated operation”. BOC Inner Mongolia Branch successfully issued RMB1 billion ultra-short-term financing bonds (Panda bonds) for Mengniu Dairy in August 2019, so as to help the dairy giant expand financing channels. Given its fund operation model, the Branch also built an optimal cash and account management framework for Mengniu, and tailored a capital pool business plan that took into account domestic and overseas/onshore and offshore operation, investment and financing, and integrated development. With a cross-border funding pool put in place, the dairy group could go global to operate and invest and bring in low-cost bond funds from abroad more smoothly and conveniently. This financial arrangement therefore laid a good foundation for Mengniu to grow into a world-class dairy group and realize global development.</p>	

Lending a hand to the enterprises going global

China Group Insurance offered the going global enterprises in the countries and regions along the Belt and Road with multiple forms of insurances such as property, liability and personal safety. With the strong support of BOCHK and institutions in Southeast Asian, the company continued to underwriting the property insurance, machinery insurance, business interruption insurance and other types of insurance for a large number of companies and projects such as the WTC of Laos (World Trade Center), Huaneng Sanghe II Hydropower Station (Cambodia's largest hydropower project), and Hongshi Shivam Cement in Laos. At the same time, it bought personal safety and medical insurance for the overseas-dispatched and native employees of branches in Southeast Asian. Besides, it also took an active part in developing reinsurance business and supporting the development of the Belt and Road Initiative, with business reach extended to a total of 16 countries along the Belt and Road including Thailand and Singapore.

Contributing to the FTZ development

BOC attached great importance to the business development in free trade zones (FTZs). Taking advantage of its cross-border financial services, it fully participated in the construction of FTZs. To strengthen the top-level design of FTZ business, the Bank developed the *2019 Work Plan for Free Trade Zone Business of Bank of China: Leading Other Market Players in the Free Trade Zone Business*, and built an FTZ-oriented professional service and innovation platform to facilitate enterprises' cross-border operations. Besides, it offered FTZ customers with innovative financial services as a move to support the development of real economy.

In China (Hainan) Pilot Free Trade Zone, BOC combined its regional advantages to construct and expand more business scenarios. On January 1, 2019, the Hainan Free Trade Account (FT Account) system went online officially, marking multiple varieties of business made their debut under the system.

Releasing the Hainan Free Trade Account business for the first time

China (Hainan) Pilot Free Trade Zone got its first FT account opened at BOC Hainan Branch, with multiple varieties of business making their debut under the Hainan FT account system. In addition to engaging in a host of traditional business forms such as deposit and loan, exchange, settlement, trade financing and foreign exchange hedging, the Bank also introduced the non-resident offshore settlement and trade financing to Hainan FTZ before any other peer, and wrapped up the first non-resident business credit there, both of which represented a fruitful attempt to launch innovative products under the Hainan FT account system.

Supporting the development of the Xiongan Area

In August 2019, BOC Xiongan Branch in Hebei carried out the first batch of cross-border business at the China (Hebei) Free Trade Zone Xiongan Area. The Branch moved earlier than any other to support the FTZ in raising funds overseas. Specifically, it worked with Seoul Branch to land a direct overseas loan worth USD25 million for the central SOEs of the FTZ, and managed to put in place the first cross-border loan worth USD13 million, thus filling in the gap of cross-border financing since the establishment of Xiongan New Area. Besides, the branch also went all out to support FTZs in their formulation and implementation of institutional innovations, took steps to establish featured operation institutions in FTZs, and worked harder to offer FTZs with better financial services.

Pushing forward the internationalization of RMB

BOC continuously put in place more cross-border RMB clearing channels, advocated the widespread use of RMB across borders, and ranked first in terms of the number of branches as indirect participants in the Cross-border Interbank Payment System (CIPS). As at the end of 2019, it had been operating as an RMB clearing bank in Hong Kong, Macau, Taiwan, Frankfurt, Paris, Sydney, Kuala Lumpur, Hungary, South Africa, Zambia, the United States, Japan and the Philippines, and opened over 1,400 RMB clearing accounts for overseas peers.

Marching into more fields of RMB business	<ul style="list-style-type: none">• To give full play to RMB as denomination currency, BOC offered a wide range of services related to internationalized futures varieties to domestic exchanges, and successively introduced foreign investors to crude oil futures, iron ore futures, PTA futures and TSR20 Rubber futures, thus further enhancing the international status of RMB.
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<p>Promoting RMB towards more extensive use overseas</p>	<ul style="list-style-type: none"> • The Bank actively underwrote and issued Panda bonds, and helped the Philippines, the New Development Bank, Singapore-based United Overseas Bank, Cassa Depositi e Prestiti S.p.A, and Credit Agricole S.A. to successfully issue Panda bonds. Additionally, it took an active part to help foreign institutional investors enter into the interbank bond market and interbank foreign exchange market of China. • The Bank held a themed forum on “Internationalized RMB Facilitates Development of Pilot Free Trade Zone” at the second China International Import Expo (CIIE), and themed forums or promotion fairs related to RMB internationalization in Japan, Hungary and other countries to promote the circulation use of RMB across the world. • As the sole commercial bank working with the PBOC to draft the <i>RMB Internationalization Report 2019</i>, BOC continued to publish the BOC Cross-border RMB Index (CRI), the BOC Offshore RMB Index (ORI), and the <i>White Paper on RMB Internationalization</i>, which altogether offered customers worldwide a full account of what is RMB and how to use it.
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As at the end of 2019, BOC made cross-border RMB clearing and settlement in RMB434 trillion and RMB7.32 trillion, respectively, securing its world’s first place.

<p>Assisting the Ministry of Finance of China in the first issuance of RMB T-bonds in Macau</p> <p>In July 2019 on the 20th anniversary to Macau’s return to the motherland, BOC, as the lead underwriter and bookkeeper, assisted the Ministry of Finance of China with the first issuance of RMB T-bonds worth RMB2 billion in Macau. The offering to institutions was welcome by local investors and investors from relevant and Portuguese-speaking countries. The total subscribed amount exceeded RMB5.4 billion, an oversubscription of over three times. The bond was also retailed to Macau local residents at a rate that was the coupon rate of institutional offering duly plus a few points, presenting them a safe, prudent investment choice.</p>
<p>Realizing RMB settlement in bulk energy trade</p> <p>In 2019, two vessels shipped liquefied natural gas (LNG) settled in RMB from Australia to China. This was another successful case where RMB was adopted for settlement in the bulk trade of energy by a going-global Chinese enterprise in Australia. The above project also set a precedent for RMB settlement of bulk energy trade in the country. With such a business model, BOC could increase the reserve of RMB retained in the offshore market, expand the offshore RMB market capacity, and further promote the internationalization of RMB.</p>

Serving the China International Import Expo

BOC got fully involved in the Second China International Import Expo, helping the event upgrade its all links such as overseas exhibitor invitation, global investment invitation, product innovation, themed activities, and on-site services. On the “Supply-Demand Match Fair” hosted by BOC during the Expo, 4,625 Chinese and foreign enterprises participated in one-to-one negotiations, and 2,160 pieces of intention to make a deal were reached. Compared with the fair of last year, this fair witnessed a 16% growth of exhibitors, a 32% increase in visitors and a 72% increment in intentions reached.

<p>Overseas exhibitor invitation</p>	<p>After serving the first session of the event, BOC worked hard to attract exhibitors for its second session in a total of 12 countries and regions including New Zealand, the US and Panama, and carried out the targeted exhibitor invitation activities in the key countries and regions along the Belt and Road actively.</p>
<p>Product innovation</p>	<p>An upgraded version of the integrated financial service plan was launched with an aim to gather resources available all over the world. The overall upgrade covered a pyramid-shaped product and service architecture where basic products, featured products and exclusive products constituted three layers of the pyramid from the bottom up.</p>
<p>Themed activities</p>	<p>BOC rolled out a snow and ice themed event for the first time. It set up a large outdoor zone for snow and ice sports promotion where the visitors to the expo could gain the first-hand experience of snow and ice sports with the help of on-site display, high-end VR sports equipment and other devices.</p>
<p>On-site services</p>	<p>BOC gave financial market themed lectures, streamed featured courses, and set up e-trading experience zones, and took other measures to show customers the entire foreign exchange trading process.</p>

Serving the matchmaker at CIIE

At the Second CIIE, BOC hosted a three-day supply and demand matchmaking session to meet various needs of enterprises. Added with innovative and technological elements, the event managed to attract thousands of exhibitors and merchants for on-site negotiation. After featured industries were selected with reference to big data analysis findings, the Bank focused its attention on SMEs, agriculture-related enterprises, and companies from less developed countries and regions to provide them with well-tailored matchmaking services. Relying on the newly upgraded BOC global matching system (GMS), it enabled exhibitors and merchants to sign up, hold discussions, and sign contracts online, a move that achieved accurate matching and efficient cooperation under the technology-enabled scenarios.

1.3 Giving impetus to the industry transformation and upgrade

BOC continued to improve the structure of credit recipients, increased credit support for key industries and strategic emerging industries, and propelled traditional industries towards innovation, upgrading and overhaul, with a view to satisfying multi-level financing needs raised by these industries. In 2019, the Bank signed with the Ministry of Industry and Information Technology of China the *Strategic Cooperation Agreement to Promote High-Quality Development of the Manufacturing and Communications Industries*. In the meantime, it empowered reforms of state-owned enterprises and restructuring of the state-owned sector through offering custodian services to two Exchange Traded Funds for SOE reform of China Reform and China Chengtong.

Bolstering the strategic emerging industries

BOC continuously increased its support for many emerging domains such as next generation information technology, high-end equipment, energy conservation/environmental protection, silver economy, ice and snow sports, cultural tourism, and health care, in a bid to advance industry upgrading and structural optimization in an innovative way. In the meantime, the Bank financed the infrastructure, tourism, equipment manufacturing and other projects related to snow and ice sports as the Beijing 2022 Winter Olympic Games approached. It also signed with the National Development and Reform Commission (NDRC) the *Strategic Cooperation Agreement on the Specialized Initiative to Delivering Inclusive Pension Services by Governments and Enterprises Jointly*. Since the outbreak of COVID-19, BOC has increased credit support to its corporate customers devoted to the fight against the virus, took an active part in meeting these customers' funding needs arising from their production, construction, and research, and extended more emergency loans, special loans, and other similar loans. As at the end of 2019, the Bank recorded the outstanding credit to the strategic emerging industries of RMB229.039 billion, accounting for 3.93% of outstanding domestic corporate loans.

Boosting the development of Yunnan-based technology companies through finance

A technology group is a world-leading company in the field of display panels. It ranks first worldwide in many market niches of semiconductor display by shipment. It also makes its way to the list of the most powerful high-tech manufacturing companies with technology R&D across China. Taking into account the special characteristics of the above technology company, BOC Yunnan Branch did not unilaterally emphasize the full value of the mortgage assets, but primarily assessed the first source of repayment under the projects. To support the projects of the company, the Branch provided it with financing worth RMB260 million.

Propelling the upgrade of traditional industries

BOC continued to support structural reforms on the supply side, giving play to the guiding role of credit resource allocation, worked hard to reduce and phase out the backward production capacity, pushed forward the upgrading and transformation of traditional industries, and propelled related industries toward structural adjustment and improvement.

1.4 Promoting infrastructure construction

BOC got actively involved in bolstering up strengthening areas of weakness in infrastructure, by increasing financial support for projects in railway, highway, waterway, airport, urban rail, power grid, water conservancy, and other fields. With its financial strength, the Bank promoted the construction of new types of infrastructure such as information network, and facilitated a host of projects including sprucing up aging residential areas in cities, deployment of urban parking lots, and construction of cold-chain logistics facilities in urban and rural areas. As at the end of 2019, BOC recorded newly extended loans totaling RMB215.126 billion to a variety of transportation fields.

Funding the construction of Tianwan Nuclear Power Plant (units 7 and 8) in Jiangsu

CNNC Jiangsu Nuclear Power Co., Ltd. took charge of investing in, constructing and operating the units 7 and 8 of Tianwan Nuclear Power Plant. To ensure that the project could be successfully approved by the NDRC, BOC Jiangsu Branch issued a marketing commitment letter worth RMB42.48 billion for the company in September 2019, becoming the only bank qualified to do so for the project.

Supporting the infrastructure connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area

BOC Guangdong Branch was dedicated to helping increase the infrastructure connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area. In 2019, it managed to be selected as a joint lead bank of the RMB20.84 billion syndicated loan for the Guangzhou-Shanwei railway project, which was the first syndicated loan project for high-speed railway led by BOC in Guangdong Province. In addition, the Branch also financed the construction of key railway projects in the Pearl River Delta as well as the eastern, western and northern parts of Guangdong. In 2019, it provided credit lines for the renovation and extension projects of many sections along the Shenyang-Haikou National Highway: Shuikou-Baisha section, Lufeng-Longgang section, Yangjiang-Maoming section, and Maoming-Zhanjiang section, by signing contracts worth RMB11 billion in total. The first loan had been extended in RMB140 million.

2. Improving People’s Well-being and Assuming More Social Responsibility

With an aim to “build a powerful SME Services Department and set up an inclusive finance service system that is professional and efficient”, BOC fully tapped into its features and advantages, and innovated the product system and service mode to realize sustainable development of inclusive finance on the one hand, and took an active part in social causes to create greater value for the public on the other.

Sustainable Development Goals:



Feature: Financial force on the journey of poverty alleviation

According to the arrangement of the CPC Central Committee and local governments at all levels, BOC has been assigned the task of helping with poverty relief of four state-level impoverished counties — Yongshou, Chunhua, Xunyi and Changwu in Xianyang City, Shaanxi Province, and 1,034 villages across the country, and of 380,000 residents in impoverished areas. In 2019, it invested and introduced gratuitous aid funds of RMB170 million to the targeted areas, carried out over 730 poverty alleviation projects in industry, education, medicine, etc., directly purchased or helped with sales of agricultural produces worth RMB180 million from the poverty-stricken areas. Besides, the Bank also dispatched over 1,400 employees to the counties and villages to help with poverty alleviation, and trained over 44,000 managerial and technical personnel and underprivileged masses at the primary level in the areas. As at the end of 2019, the four counties in Xianyang — the targets of BOC’s poverty alleviation program, had been delisted as poverty-stricken counties, and 447 villages receiving poverty relief assistance from BOC entities at all levels had lifted out of poverty.

Stepping up organization and leadership, and fulfilling the responsibility for poverty alleviation. The Bank has always taken targeted poverty alleviation as its top political priority, continuously stepped up organization and leadership, capital input, personnel dispatch and institutional guarantee, and assigned the poverty relief task from layer to layer to ensure poverty alleviation work could be vigorously carried out in an orderly manner. In practice, it has formed through explorations poverty alleviation principles of focusing on “one target”, relying on “cooperation from two parties”, prioritizing “three sectors” and leveraging “four forces” as well as a sustainable mode that is tailored to the realities of the poverty stricken areas with BOC characteristics.

Insisting on the targeted policy of poverty alleviation and focusing on “three sectors”. With a focus on poverty alleviation through boosting industrial development, the Bank supported such industrial projects as photovoltaic power station, planting and breeding, etc., helping the poverty stricken areas to consolidate the foundation of economic development and underprivileged masses to continuously increase income. Giving priority to the work of seeing that the basic living needs of rural poor populations are met and that such people have access to compulsory education, basic medical services, and housing, the Bank supported people’s livelihood projects related to education, medical care, housing, safety of drinking water, etc., and focused on strengthening the weak areas of people’s livelihood in the poor areas. As for villages in deep poverty, the Bank increased preferential supports for “three regions and three prefectures, (The “three regions” refers to Tibet, four prefectures of southern Xinjiang — Hotan, Aksu, Kashi, and the Kirgiz Autonomous Prefecture of Kizilsu, and the areas of Sichuan, Yunnan, Gansu, and Qinghai provinces with large Tibetan populations; the “three prefectures” are Liangshan in Sichuan, Nujiang in Yunnan, and Linxia in Gansu.)”.

Stepping up talent training and highlighting intellectual enhancement. The Bank hosted financial workshops for Party and government offices of Xianyang City for four consecutive years. BOC institutions at all levels utilized their own advantages and tapped into social resources to assist the target areas in hosting technical training on planting & breeding, e-commerce technique, medical techniques and so on. Special job fairs exclusively for specific branches were organized to attract graduates from underprivileged areas. The industrial projects supported by the Bank helped with employment transfer to poor people.

Innovating the poverty relief mode and gathering global forces. The Bank actively cooperated with domestic charity organizations. It carried out the “Pillar” insurance program in cooperation with the China Foundation for Poverty Alleviation for two consecutive years. Besides, it also collaborated with the military in poverty relief through joint capital contributions to a photovoltaic power station project and the “Dreamy Classroom” project; BOCHK and Zhongyi Shanyuan Company jointly contributed RMB18.79 million to set up a special foundation for poverty alleviation of the four counties of Xianyang. The Bank made active efforts to help with the critical battle against poverty of the target counties.

Feature: BOC “encouraging 300 million people to embrace winter sports” at 2022 Winter Olympics

As the official banking partner of Beijing 2022 Olympic Winter Games and Paralympic Winter Games, BOC has provided strong support for the Games preparation, expanded credit and financial services for the winter sports industry, and helped popularize winter sports among the public, thus contributing to the goal to “encourage 300 million people to embrace winter sports”.

<p>Providing quality and diversified financial services</p>	<ul style="list-style-type: none"> • It provided credit for the construction of venues and infrastructure such as Big Air Shougang, venues in Yanqing Zone, and the “three venues and Olympic Village” in Chongli. As at the end of 2019, a total of about RMB47.96 billion in credit had been approved, and about RMB17.28 billion granted.
<p>Developing innovative financial products for “high-tech-based Olympics”</p>	<ul style="list-style-type: none"> • It has promoted the application of innovative financial products in the winter sports scenarios for Beijing 2022, pushed for the use of digital currency in ticketing, and improve the payment experience of Chinese and foreign athletes, audiences, and tourists in an effort to combine financial services and “high-tech-based Olympics”.
<p>Promoting winter sports</p>	<ul style="list-style-type: none"> • It set up a winter sports zone at the Second China International Import Expo (CIIE); • It held a series of activities such as the 10th Bird’s Nest Happy Ice and Snow Season, the “1,000-day Countdown to Beijing 2022”, and the “Listen to Winter Olympics Stories, Draw Chinese Dream” activity to disseminate knowledge about Winter Olympics among the public and attract them to participate in winter sports; • It issued credit cards and debit cards themed Beijing 2022 and winter sports and provided rewards to encourage public participation in winter sports.

BOC staging the first winter sports zone at CIIE

At the Second CIIE, BOC set up two exhibition areas named “Winter Olympics Smart Life” and “Centenary BOC • Olympics” with a coverage of close to 300 square meters to promote winter sports among global visitors.

- “Winter Olympics Smart Life”, situated at the center of the winter sports zone, featured open-ended design and a snow mountain-based structure, which, together with technology elements such as blue light belts, smart robots, and VR-enabled skiing experience, delivered an immersive experience to visitors.
- “Centenary BOC • Olympics”, with a main structure resembling the Olympic rings, gave a glimpse of the Bank’s milestones in its centenary journey and key moments with the Olympic Games. A licensed precious metal commodity exhibition and on-screen comment zone were also presented in the showroom, where visitors could wear “magic glasses” to experience a fantastic world and send their greetings to the CIIE and the Beijing 2022 Games.

Building BOC-Featured Smart Ski Resort

As an official partner of Beijing 2022, BOC launched a Smart Ski Resort scheme jointly with some quality ski resorts in China in a bid to “encourage 300 million people to embrace winter sports” and bolster the winter sports industry. By connecting to the payment architecture of ski resorts, it allows BOC’s bank accounts to be bound to ski cards as an underlying payment account that can be used at multiple ski resorts. The Smart Ski Resort scheme provides excellent customer experiences by integrating multiple channels, products, and ski fields. Users can purchase single or all-in-one cards and other products through the ski resorts’ official WeChat accounts, BOC mobile banking, and other channels to enjoy the unique skiing experience empowered by BOC. The cards can be used for renting, deposit payment and return, as well as a variety of consumption scenarios such as restaurants and hotels in the future. This will help improve the operating capacity of the ski resorts and deliver great user experiences through one-stop services.

Hosting the “Listen to Winter Olympics Stories, Draw Chinese Dream” Activity

On August 8, 2019, BOC hosted the “Listen to Winter Olympics Stories, Draw Chinese Dream” in celebration of the 11th anniversary of the 2008 Beijing Olympics. On the event, the Beijing 2022 Games delegation was invited to tell stories about the Olympics to students of primary and secondary schools, children of customers, staff representatives and their children from the four counties of Xianyang City which were the target of the Bank’s poverty alleviation program. A long scroll of painting was drawn for the Beijing 2022 Games.

2.1 Deepening poverty alleviation with financial means

Tapping into its financial advantage, BOC promoted financial poverty alleviation by issuing separate credit schemes, introducing the guidelines on mechanisms ensuring no one who has fulfilled their duties is held liable in poverty alleviation, improving review and approval for credit projects of poverty alleviation and increasing its tolerance for non-performing credit projects of poverty relief. It enriched the alleviation modes based on industrial features of poverty-stricken areas, increased financial supports for infrastructure construction, public services and featured industries in poverty-stricken areas, and satisfied financing demands of enterprises and projects covered by poverty alleviation programs. Besides, the Bank opened up green channels for poverty alleviation loans and enhanced the quality and efficiency of review and approval of such loans. It has undertaken the government-sponsored student loan business for 20 consecutive years, cumulatively providing over RMB24 billion to help over 1.8 million students from impoverished families finish school. As of the end of 2019, the balance of poverty alleviation loans reached RMB117.3 billion.

BOC helping Chunhua sell tomatoes

August was supposed to be a fruitful reason, but villagers of Tiewang Village, Tiewang Town, Chunhua County, Shaanxi Province, were very distressed, because as of mid-August, they had 1,400 greenhouses of tomatoes in stock and every day a large quantity of unsalable tomatoes rotted. At their wits' end, the villagers thought of the "BOC for Public Welfare" platform. Upon receipt of the news, the platform "China Philanthropy" immediately arranged a collective procurement and launched a special assistance campaign to help sell the tomatoes. Close to 2,000 persons times participated in the 28-day campaign, and helped farmers sell 4,187.5 kilo grams of tomatoes for RMB27,955. The campaign effectively addressed the farmers' problem of overstocked tomatoes.

Oil-tea trees bearing fruits of "poverty alleviation"

To alleviate poverty through industrial development, BOC Jiangxi Branch promoted an oil-tea tree planting project in Xiaping Village, Luo'ao Town, Yudu County, Ganzhou City. Through making donations and other efforts, the Branch mobilized the masses to enlarge the planting scale, invited experts from the Oil Tea Industry Development Office to give the villagers scientific guidance, and helped create an oil tea sector, thereby increasing people's income and lifting impoverished households out of poverty.

2.2 Practicing inclusive finance

Giving full play to its role as "Head Geese", BOC continuously refined its policies and measures, and increased supports and guarantees for private enterprises, small and micro businesses in key fields of inclusive finance to help them become more competitive. Besides, it also founded community banks in counties, and innovated financial services and the credit business process to improve its capability of rendering financial services to agriculture, rural areas and farmers.

Supporting small and micro enterprises

The Bank released the *20 Rules on Supporting Private Enterprises*, worked out a comprehensive service scheme for supporting private enterprises, and provided all-round financial services to private enterprises. It also adjusted lending rates and created innovative financial products for small and micro businesses, thereby effectively bringing down financing costs of small and micro businesses. After the outbreak of COVID-19, the Bank offered greater preferential treatments in addition to the already low prevailing interest rate to small and micro businesses and self-employed businesses that are engaged in sectors related to epidemic prevention and control and that are running business in hardest-stricken areas by the epidemic. As of the end of 2019, the balance of financial loans meeting the "two increase and two control" assessment requirements of the CBIRC recorded RMB412.9 billion, with a growth rate of 38% over last year.

<p>Innovative financial products</p>	<ul style="list-style-type: none"> • Upgrading “Credit Factory” Version 2.0, further enhancing efficiency, enlarging scale and lowering cost. • Replicating and adopting the financial service mode for IT companies. As of the end of 2019, the Bank cumulatively served 5,927 customers and extended loans of RMB73.45 billion to high-tech SMEs under the “IT finance” mode. • Developing the “BOC Li Ye Tong Bao” service scheme that provides medium and long-term credit supports for small and micro enterprise. • Innovating and refining the financial support modes, developing an online financing produce of inclusive finance named “BOC E Loan Unsecured Loan”, and using FinTech to empower inclusive finance with a better quality and a higher efficiency.
<p>Innovative service modes</p>	<ul style="list-style-type: none"> • Increasing supports for high-tech enterprises, launching the financial service mode for IT companies, introducing IT experts as members of the credit review panel, improving the credit approval process for high-tech companies. By far, the mode has been replicated and adopted in nine cities, namely, Beijing, Shanghai, Tianjin, Wuhan, Suzhou, Guangzhou, Nanjing, Shenzhen and Chengdu. • Pushing forward with the pilot program on investment-loan linkage, continuously promoting the “debt + stock” service mode, and helping innovative enterprises and startups broaden their financing channels.
<p>Bank-enterprise matchmaking activity</p> <p>BOC Jiangsu Branch of launched a bank-enterprise matchmaking activity at the beginning of 2019. With a “one-stop” service mode of “marketing + approval”, it answered financing-related questions from enterprises and offered them customized credit service schemes on site. The matchmaking activity improved small and micro enterprises’ sense of gain to inclusive financial services on the one hand and enhanced the efficiency of the Bank’s delivery of inclusive financial services on the other.</p>	

Technology empowering inclusive finance

In July 2019, BOC Sichuan Branch officially put into use the online loan application platform for inclusive finance, which has changed the way that customers get access to inclusive financial services and has made financing services readily available. Customers may make online self-service applications and enquire about the pre-approved credit line of loan products on the platform, while the Bank can complete credit extension offline. The “Internet plus” mode allows small and micro enterprises to finish loan applications independently, quickly and conveniently through online channels such as WeChat official account, etc. without going outdoors. The Bank has thus said goodbye to the traditional “point-to-point” connection mode where it purely relied on physical outlets to deliver financial products and services, and realized the distance acquisition of customers in batch.

Empowering 5G, inclusive finance for small and micro enterprises

On June 5, 2019, BOC Shenzhen Branch, in cooperation with SZHTI, launched the first innovative business variety of “5G Loan” in China to offer comprehensive credit supports of up to RMB10 million. The product gathers inclusive finance resources from parties, and the financial service package dedicated to empowering the 5G industry can effectively lower financing costs of enterprises in the 5G industrial chain. Borrowing enterprises were given access to the “whole-process green channel” and preferential interest rates of inclusive finance loans offered by BOC Shenzhen Branch and its collaborator SZHTI. Qualified enterprises can have government-subsidized favorable treatments in the form of discounted interest rates or discounted guarantees required, as well as working capital loans or comprehensive credit limits offered by BOC.

BOC supporting innovative high-tech small and micro enterprises

Tianbang National Engineering Research Center of Membrane Technology Co., Ltd. (TBM) is a high-tech enterprise. TBM had encountered the problem of start-up fund shortage. Dalian High-Tech Industrial Zone Sub-branch, BOC Dalian Branch, after learning about its difficulty in an in-depth investigation, tailored a small and micro business loan for TBM within a short time. After years of development, TBM now boasts world-leading multi-nozzle automatic production lines, and its dominant products — nitrogen-hydrogen membrane separators and devices have been included into the National Program on Promoting Scientific and Technological Results.

Fueling rural vitalization

BOC actively implemented China’s rural revitalization strategy, and upheld the overall goals that “rural areas should have strong agriculture, a beautiful countryside and well-off farmers”. It continuously expanded agro-related businesses such as agro-loans and agro-related services, and increased credit supports for agro-infrastructure fields like processing of produces, manufacturing of agricultural means of production, etc. As of the end of 2019, the Bank recorded a balanced of agro-loans of RMB1411.9 billion.

Upholding the development principles of “keeping a foothold in counties”, the Bank pressed BOC Fullerton Community Bank to speed up expanding its presence so as to increase the coverage ratio of “unoccupied” counties and to support the development of county finance. As of the end of 2019, BOC controlled 125 community banks in 22 provinces (municipalities), set up 166 sub-branches and outlets in townships and 422 farmer assistance service stations in administrative villages. BOC has become the largest community banking group in terms of total institutions and business scope in China, offering effective supports for the development of rural real economy in county areas.

Fueling development of agriculture and animal husbandry

Shanxi Daxiang Farming Group is the largest leading enterprise of industrialized agriculture and animal husbandry in Shanxi Province, mainly engaged in broiler breeding & slaughtering, broiler fodder production and the pig sector. Affected by the African swine fever, the enterprise faced a serious capital shortage in 2018. Employees of BOC Shanxi Branch paid visits to its breeding factory for field study, and extended agro-loans to it. As of the end of 2019, the Branch cumulatively extended poverty alleviation loans of RMB89.8 million for pig breeding. The loans extended by the Branch not only helped the enterprise weather through the difficult period, but also lifted out of poverty a thousand impoverished households on the poverty register by getting them engaged in the enterprise’s pig breeding to receive dividends distributed.

Shifting financial services focus, extending loans to promote industrial development in rural areas

Liquidity volatility due to the clogged chain of production, operation and sale of agricultural produces brought challenges to some farming households and local industrial development in Chenggu County, Hanzhong City, Shaanxi Province. After an in-depth field survey and practices in the local villages, Shaanxi Chenggu BOC Fullerton Community Bank provided credit supports in the form of “targeted drop irrigation” for the development of local agricultural industry. Besides, the Bank built up a loan platform in cooperation with multiple government bodies, thereby filling the “gap” of financial policy in favor of small and micro businesses.

Building “Gold Chain” of potato industry

BOC Hebei Branch launched an inclusive finance loan tailored for potato planting enterprises. To adapt to the new agricultural development, the product raised the credit limit per 1000 mu of land from RMB1.2 million to RMB2 million, canceled the deposit requirement on borrowers, simplified the lending procedures and shortened the approval circle. In 2019, the Branch worked with Snow Valley Agriculture Group to assist enterprises with building brand new frozen potato chips production lines of 100,000 tons to help more farmers increase income and get rid of poverty.

2.3 Supporting people’s livelihood projects

BOC took an active part in improving people’s livelihood, and followed up the rebuilding of old residential communities and urban infrastructure improvement through in-depth cooperation with national ministries and commissions including the Ministry of Housing and Urban-Rural Development. As of the end of 2019, the balance of government-subsidized housing loans reached RMB163.1 billion, representing a year-on-year growth of 32%. Specifically, the balance of loans for rebuilding shantytowns went up 37% year on year to RMB144.9 billion. In the meantime, BOC increased its supports for elderly care, sports, education, medical care, environmental protection, etc., and supports for the improvement in public service system and in life quality of residents.

Supporting for renovating the city’s old areas in Urumqi

As the leading bank of A2 project of the PPP project of renovating the city’s old areas in Urumqi, BOC Xinjiang Branch vigorously supported the project and helped solve such problems as backward infrastructure, high population and building densities, shortage of city facilities and public services. In 2019, Xinjiang Branch extended syndicated loans of RMB2,201 million to the project.

Online water bill payment made a reality

On June 20, 2019, BOC Jilin Branch officially put into operation the water bill payment project for urban areas of Changchun City. Citizens there can now pay for or make advances for water bills through BOC mobile banking app, which enables binding bank account with one cellphone number, click enquiry and payment with one code. The launch of the project allows Changchun citizens to enjoy convenient, preferential services without leaving home, thereby bringing huge convenience to their life.

BOC points in exchange for Huangshan tourist products

On March 16, 2019, BOC Anhui Branch entered into the *Cooperative Agreement on Point Exchange Business for Personal Customers* with Huangshan Tourism Development Co., Ltd. (“Huangshan Tourism”). After a variety of Huangshan tourist products and services were brought into the Bank’s point service platform, customers can now directly exchange their points for entrance tickets, cableway tickets and other products and services related to Huangshan Tourism. As of the end of 2019, POS machines had been installed in the ticket centers of Ciguang Chamber, Yungu Temple, Songgu Nunnery and Taiping Cable Car. Customers can directly swipe card to exchange their points for entrance tickets of scenic spots and cableway tickets on the spot.

New smart bank-hospital mode in place

BOC Shenzhen Branch, in cooperation with Shenzhen No.2 People's Hospital, built a new mode of smart bank-hospital service. Centering on "Internet + smart hospital" and relying on advanced Internet technologies and the Bank's FinTech platform, the service allows citizens to make payment and settlement in the hospital in a convenient, quick, safe and efficient way using various payment means such as UnionPay card, WeChat Pay/Alipay and face recognition, and enables data sharing between the mobile Internet doctor-visiting platform and the self-service visiting facilities installed on the premises of the hospital, thereby realizing seamless, one-stop, online-to-offline services covering the whole process that are electronic, Internet-based and smart.

"It used to take so much trouble to use the cellphone to make payment. Now we don't even have to carry the cellphone with us. Payment can be made just by directly scanning face. The whole process is completed within 30 seconds."

— A citizen trying payment via face scanning

"Gui Jian Tong" Co-branded Card launched exclusively for migrant workers

"Gui Jian Tong", a Co-branded Card launched exclusively for migrant workers, is the sole pay card designated by the Guangxi Department of Housing and Urban-Rural Development for migrant workers in the construction sector of the province to protect vital interests of construction migrant workers. Since its launch of the "Gui Jian Tong" Card, BOC Guangxi Branch effectively helped Guangxi Government establish a real-name platform for "Gui Jian Tong" cardholders through issuing cards in batch, opening migrant worker-exclusive pay accounts and pressing for salary pay-in through the real-name platform. "Gui Jian Tong" offers a series of exclusive services such as exemption from card making fee, exemption from SMS message fee, exemption from/reduction of handling fee for cross-bank cash withdrawal, free use of mobile banking, door-to-door card issuance service, green service channel, etc., which ensure migrant workers' access to efficient and smooth services.

When "BOC Red" Meets "Flame Blue"

In November 2019, BOC Shandong Branch formally launched an exclusive service scheme for the province's fire protection system. The "Care for Firefighters Project" is designed to provide people working in the firefighting system with comprehensive services and guarantees including personal accident insurance and household property insurance, and to set up a special assistance fund for those killed or disabled in fire rescue. The signs that reads "Firefighters First" was put up on the premises of all banking outlets under the Branch, and fire rescue personnel had prioritized access to services. In addition, the Branch offered social practice opportunities to children of firefighters who are college students on vacation, organized a summer camp named "Care for Children of Firefighters", and provided them convenient cross-border finance services to make their journey abroad, travel abroad and study abroad a lot easier.

2.4 Uniting public welfare forces

BOC insisted on carrying out diversified practices for public welfare across the world, actively explored a longstanding mechanism of supporting public welfare causes, and initiated all kinds of public activities to advocate the volunteer spirit, to aid disadvantaged groups, to fuel the education cause and to promote the development of a harmonious society, as it regarded supporting public welfare causes and promoting social harmony as an important part of its corporate social responsibility.

Supporting education

Supporting the Tan Kah Kee Science Award Foundation

BOC always thinks highly of science and innovation. In 2003, under the approval of the State Council, the Chinese Academy of Sciences and BOC made joint contributions to found the Tan Kah Kee Science Award Foundation. In 2018, the first “Tan Kah Kee Forum” established by the Foundation was held at University of Science and Technology of China. BOC actively promoted the Foundation. It pushed articles about the Tan Kah Kee Science Award and documentary series about the award winners on the BOC WeChat Official Account; the documentaries entitled *Scientists — Stories about Tan Kah Kee Science Award Winners* were broadcasted on Xiamen TV. All these efforts promoted the continued development of China’s science and technology.

Launching the “Chinese Bridge” Training Program

The “Chinese Bridge” Contest is an authoritative international competition that allows university students across the world to show their Chinese language proficiency and knowledge of Chinese customs and cultures, with a view to motivating young students to learn Chinese and enhancing foreign peoples’ understanding of the Chinese language and culture. On April 6, 2019, the U.K. preliminary round of the 18th Chinese Bridge Chinese Proficiency Competition for Foreign College Students was held in London. For this year’s competition, BOC London Branch started a “Chinese Bridge” training program named “Ten Years to Grow a Tree, A Hundred Years to Cultivate a Person”, which is designed to enhance the competition’s appeal and value in Britain through offering winners scholarship, internship in the financial sector, development opportunity on high-end social platforms, etc.

Assisting disadvantaged groups

A Journey of Joy with Children

Po Leung Kuk is a large-scale social service provider in Hong Kong, dedicated to offering a safe and healthy environment for the growth of those children deprived of proper care from family. In 2019, BOCI donated HKD200,000 to the institution, and initiated a children welfare scheme named “A Journey of Joy with Children”, which covered about 330 underage boarders of 6 to 18 years old. During the six-month campaign, the volunteer team of BOCI and Po Leung Kuk jointly organized a variety of activities including outdoor experience, movie seeing, recreational services in countryside and visit to the Hong Kong-Zhuhai-Macau Bridge, exposing the children and teenagers to novel stuffs and nurturing their positive attitude towards life.

Care for Girls in Tibetan Areas

In 2019, BOC Gansu Branch worked with several local charity organizations in the “Care for Girls in Tibetan Areas” project. 260-odd girls in the boarding elementary school in Sangke Town, Xiahe County, Tibet Autonomous Prefecture in the southern part of Gansu Province, received a package of articles for daily use and acquired sanitary knowledge from vivid sanitation lectures offered. At the same time, the Branch launched a mobile banking campaign named “Small Amount of Pocket Money for A Big Future — Cares for Tibetan Girls from You and Me” in all of its 128 banking outlets. The campaign was designed to encourage customers to scan the QR code displayed on the premises to make donations for girls in the Tibetan-inhabited areas. As at the end of 2019, 152,300 persons times contributed donations of RMB105,100 in total.

Making donations

Going all out to fight against COVID-19 outbreak

Since the outbreak of the epidemic, BOC took swift actions and spared no effort to deal with the sudden outbreak, and donated to the hardest-stricken areas. Apart from the first donation of RMB30 million to Hubei Province, the Bank mobilized its overseas institutions to contribute to China’s battle against the epidemic, and ensured that donated money and materials were timely and properly used in a legal and compliant manner.

With great concerns for China’s anti-coronavirus battle, overseas branches immediately contacted through various channels with local medical suppliers, organized procurements of medical masks and sought materials through many channels. Moreover, the Bank expedited the handling of remittances of donated money and money for procurement of anti-epidemic supplies, and ensured donations and procurement money can be fast and safely paid in.

Supporting Changning’s earthquake rescue

At 22:55, June 17, 2019, a 6.0-magnitude earthquake shook Changning County, Yibin City, Sichuan Province. After the earthquake, BOC Sichuan Branch immediately initiated its emergency plan and set up a special group for earthquake rescue. Those banking outlets resided in the quake-hit area opened the green channel for earthquake relief, actively guided and prompted people to help, prioritized the quick handling of rescue funds from all walks of life with exemption of remittance handling fees, and ensured that rescue money could be timely paid in. In Gongxian County which was seriously stricken, the Branch set up mobile banking service booths in the centralized settlement area to offer free clean drinking water and business consultation to the affected masses.

Promoting excellent culture

Starting the “Rural Art Support Program”

Beijing BOC Charity Foundation launched the “Rural Art Support Program” to organize universities and colleges, enterprises and public on a trip to Xunyi to exchange with local rural artists and craftsmen, and launched training courses on marketization of intangible cultural heritage derivatives, modern design thinking, intellectual right protection, etc. Moreover, designers’ inspirations were combined with private craftsmanship to introduce the traditional cultural element of paper cutting into FMCGs and articles for daily use. Many cultural creativity products have thus been derived in Xunyi, such as red packages with auspicious paper cutting patterns, portable notebooks with printed Xunyi paper-cutting patterns of 12 followers of month, which have been put on sale on the “BOC Philanthropy” platform. The mode of “cultivation of craftsmen + participation of the general public + professional guidance on design from universities and colleges + online sale through special-purposed platforms” has promoted the sustainable development of intangible cultural heritage. In 2019, the program won a silver prize of Programs On Cultural Creativity Products Of Intangible Cultural Heritage from the China Public Welfare Project Contest.

3. Enabling Advancement through Technology, Expanding Contribution of Services

As the application of new technologies such as artificial intelligence, big data, cloud computing, IoT, 5G is accelerated, FinTech is changing the ecosystem and service modes of the financial industry, and has become a powerful weapon of banks' digital transformation. 2019 is a key year for Bank of China to implement its strategy of enabling digital development through technology. It put great efforts into developing the FinTech field, continuously strengthened its digital capability, empowered its scenario building through technology, and pushed its outlets to transform into intelligent operation so as to offer customers with quality services and experience and develop itself into a digital bank that is scenario-based, smart, open, innovative and agile.

Sustainable Development Goals:



Feature: Developing digital banking, creating intelligent scenarios

BOC actively pressed for in-depth and systematic changes through digital transform, tried to reshape the business and service procedures with a digital mindset, and injected the digital genes into the “Centenary BOC” blood with technological means such as big data and artificial intelligence, with an aim to become a digital bank that is scenario-based, intelligent, open and innovative and to construct a new ecosystem of smart finance.

<p>Scenario-based bank</p>	<p>Escalating scenario building into the level of the strategy across the Bank, specifying cross-border business, education, sports, silver economy, transport, medical care, culture and tourism, government affairs, campus, agro-related business, community, industrial park, etc. as the key orientations of development, and guiding banking services to become more scenario-based.</p>
<p>Intelligent bank</p>	<p>Developing a series of smart financial products such as “BOC Robot Advisor”, Quantified Transaction, BOC Enterprise e-Credit, BOC Cross-border Matchmaking and so on, and innovating launch of 5G+ Intelligent Life Hall, offering intelligent services featuring online-offline synergy.</p>

Open bank	Developing a platform of open banking scenarios that integrates the Bank’s financial services with the ecosystem of institutional partners to offer safe, stable and convenient services, building a “financial ecosystem” bringing mutual benefits to customers, cooperative institutions and the Bank, and breaking service boundaries of the traditional banking sector.
Innovative bank	Establishing the first regional innovation base in Singapore and BOC FinTech Co., Ltd. in Shanghai, accelerating innovation in financial technology and advancing digital transformation through mechanism and system innovation.

In August 2019, the Bank’s themed exhibition area “Digital BOC — Intelligent Scenarios, Smart Business Forms” made its debut on the 2019 Smart China Expo. The exhibition area was divided into five divisions, namely, Digital BOC, Smart Global Connection, Smart Connectivity of 5G, Smart Finance, and Smart Winter Olympics. At the exhibition area, state-of-the-art technologies like VR, 5G, big data and AI were integrated into financial service scenarios to throw visitors into smart finance-featured life.

First 5G+ Intelligent Life Hall in banking sector makes its debut in Beijing

In May 2019, Bank of China opened in Beijing a smart outlet featuring in-depth integration of 5G elements into daily life scenario that was the first one of the kind in the banking sector. Within the outlet there were seven themed sections, namely, Olympics, Digital Housekeeper, Smart Service, City “Name Card”, Cross-border Finance, Supreme Service and “Embracing Life”. As self-service smart services were introduced, customers can handle business by means of face recognition in a bankcard-free, ID card-free and unconscious way without help from banking staff, and access to customized services with rational products matching customers’ characteristics and demands. Moreover, the outlet introduced a series of life elements such as smart latte art, AR car driving experience, etc. into its operation so that customers can enjoy quality financial services in the smart space.

Feature: Highlighting the elderly care industry and fueling the silver economy

With great importance attached to the elderly care undertaking, BOC focused on the whole industrial chain of silver economy and increased capital inputs to support the formation of a whole supply system for the silver industry. Financial services spanning the whole life cycle were offered to meet financial needs of the gray-haired group, thereby empowering their self-support ability. At the same time, the Bank innovated its financial service modes, built financial + non-financial scenarios of silver economy and boosted integrated development of all participants of silver economy.

In 2019, BOC set up an elderly finance leading team, prepared an action plan for supporting the development of silver economy and started the building of strategy-level “silver” scenarios. It conducted domestic and overseas surveys for the business, and accelerated building up the reserve of elderly loan projects. Moreover, it also innovated its personal banking products for elderly care, released a plan on transforming some outlets into ones featuring elderly services, and developed guiding opinions on credit business for the elderly care industry. Moreover, while comprehensive financial services were delivered to the social security fund, the Bank won all bids of provinces and municipalities with known results to become custodian bank of local enterprise annuity. As at the end of 2019, the amount of pension funds in its custody reached RMB52.266 billion, 5,394,900 personal accounts in its management, and RMB387.145 billion pension funds trusted to it for operation.

Releasing the Integrated Financial Service Scheme of Elderly Care in the Yangtze River Delta

In 2019, BOC launched the *Integrated Financial Service Scheme of Elderly Care in the Yangtze River Delta* with a focus on key fields of the industry in four aspects of “Synergy, Cooperation, Provision and Happiness in the Yangtze River Delta” with a view to facilitating quality, integrated development of the elderly care causes in the region.

- Tapping into the BOC Group’s advantages in comprehensive operation and combining loan with investment to help with forging some high-quality enterprises and projects related to elderly care in the region;
- Relying on its globalized operation advantage to launch the matchmaking service for cross-border financing to facilitate the building of world-known bases offering health care, health maintenance and elderly care services;
- Making use of its FinTech advantage to bring efficient, convenient integrated elderly care services to the seniors in the Yangtze River Delta;
- Assuming social responsibility through promoting quality development of the three pillars of the gray industry in the region.

3.1 Embracing FinTech

BOC continuously push forward with its strategy of digital development enabled by technology, stepped up the development of basic technology platforms, enhanced its independent R&D capability, innovated financial products and services, highly valued talent training, and accelerated the development of FinTech with an open and win-win mindset. In 2019, BOC made IT inputs of RMB10.986 billion with a year-on-year growth of 11.8%.

Refining the innovation mechanism

It formulated and released the *Innovation Guidelines*, and carried out its innovation efforts in various aspects such as organizational management, mechanism building, application of new technologies, innovation culture and talent development.

Building R&D bases

It advanced the development of innovation bases in key regions both at home and abroad, boosted regional strategic cooperation, and created global “experimental fields” for innovation.

- Putting into operation the Bank of China Innovation Lab (Singapore);
- Preparing for the BOC 5G-driven Digital Lab (Shanghai);
- Building more regional innovation labs in China, and actively turning Xiongan, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area into innovation bases.

Innovating financial products

Based on the building of three technology platforms of cloud computing, big data and AI, the Bank continuously pushed forward product innovation, profoundly integrated technology with finance and continuously enhanced its service capability.

BOC mobile banking version 6.0 launched

BOC mobile banking version 6.0 employs such financial technologies as cloud computing, big data and AI to create completely new experience for users in terms of smart decision making, smart investment consultation, smart risk control and smart service center that are enabled by technology.

Smart financial services

- Closely combining AI with experts' intelligence to offer "AI + Finance" smart investment and wealth management services that cover all currencies and all markets, enabling users to access BOC Robot Advisor, exclusive investment consultation services anytime and anywhere;
- Utilizing such AI technologies as smart customer service robot, voiceprint recognition, voice recognition and semantic analysis to offer real-time intelligent responses as "life assistant" and "financial consultant" of users.

One-stop comprehensive services

- Launching the first dedicated comprehensive service zone in the industry that integrates fund, securities, insurance and other products;
- Covering 80-odd bill pay items including water bill, electricity bill, gas bill, etc. in all provinces across the country, various nationwide services such as shopping, foods, audio and video entertainment, transport and travel, etc., as well as some local exclusive preferential treatments and featured services.

Individualized selected services

The Bank launched the individualized "Zhen Yu Version", which tailors a service page for each user based on a big data analysis on users' behaviors and preferences, and supports customized service for users, thereby realizing the delivery of individualized services.

"BOC Robot Advisor" — The intelligent investment consultant around you

"BOC Robot Advisor" is an intelligent investment advisory service offered to personal customers. It uses a series of intelligent algorithms, portfolio optimization models, etc. to give intelligent and automatic suggestions on asset configuration based on the investor's risk tolerance, expected investment period and other requirements.

Enabling transformation of corporate services

By utilizing such technological means as large-scale distributed microservices, AI and big data, the Bank built BOC — iGTB, an exclusive service platform for smart transaction banking, which realizes the multi-channel access, centralized display on a uniform interface, modular service customization and intelligent response to requirements, and upgraded its corporate banking services through online, scenario-based and intelligent services.

Encouraging innovation

The Bank created platforms and channels for discovering and training creative talents, granted positive incentives and rewards to innovators and continuously enhanced the staff's innovation capability and passion.

- Launching the month of innovation campaign named “Eco-Building of Scenarios” with a view to collecting creative ideas for the three types of scenarios: government affairs, cross-border business and sports;
- Holding the “Excellent Creative Idea Incubation Training Course”, where creativity cases from the month of innovation campaign were drawn on and innovation theories were applied to the R&D process to explore how to convert creative ideas into prototypes, R&D requirements and results, with an aim to put creative ideas into practice;
- Hosting innovative skill training courses and “Innovation Lecture” with a focus on hot issues such as the application of big data and AI, launching innovative skill training and sharing of practice and experience, and speeding up cultivation of innovative talents;
- Organizing the product innovation commission reward activities and the special campaign of “BOC Innovation Award” to incentivize employees to participate in innovative R&D.

Carrying out cooperation and exchanges

With an aim to develop itself into an “open bank”, BOC worked with partners to create a financial service ecosystem that is open, inclusive and win-win.

- Signing a strategic cooperation agreement with China Unicom with respect to joint building of “5G Joint Innovative Application Lab”;
- Entering into strategic cooperation agreements with eight partners including Singapore FinTech Association and Alibaba to jointly create a new ecosystem of innovation;
- Participating in the Singapore FinTech Festival and Singapore Week of Innovation & Technology (SWITCH), where it put on show a series of financial innovation outcomes that embodied high-tech, creativity and interactivity, such as “BOC Brain”, “5G + Intelligent Life Hall”, “Intelligent Robot for Elderly Care”, etc., to promote international exchanges on FinTech.

“5G + Banking Robots” Contest Held

In September 2019, the Bank held the 2019 “5G + Banking Robot” Contest of “BOC Innovation Show” with ECOVACS jointly in Singapore for college students from Asia-Pacific. Contestants contributed a series of highly creative proposals of business values with respect to the application of banking robots to financial services and the creative use of service robots in smart banking scenarios in under the 5G context. The activity staged a platform for FinTech exchanges among universities and colleges in Asia-Pacific, provided an opportunity to explore and reserve talents of FinTech innovation and boosted the formation of a new ecosystem of firms, universities, and research institutes in the financial innovation field for China and Singapore.

3.2 Reshaping user experience

With a customer-centered orientation, BOC has always been enhancing its service quality and customer experience, making use of new technologies to strengthen the service capability of its channel services, optimizing the business procedure, and pushing forward the transformation of outlets into intelligent operation, so as to provide efficient, convenient, safe and smart services for customers.

Building smart outlets

The Bank is committed to building an intelligent service landscape that is convenient, sufficient, characteristic and IT-featured through improving the service procedure, innovating products, upgrading the equipment, applying digital media and new technologies.

Smart Counter	<ul style="list-style-type: none">• Launching the portable Smart Counter that offers 23 categories of one-stop comprehensive financial services, enabling customers to handle business without leaving their home and bringing them scenario-based service experience. As of the end of 2019, the Bank had put into service 5,247 portable Smart Counters, realizing full coverage of all domestic branches, sub-branches and outlets of all levels.• Introducing the service of instant issuance of social security cards to shorten the handling time to around 8 minutes of “terminal-to-terminal” service from application, card making, card issuance to the activating the function.• Applying the face recognition technology, and adding the “infrared binocular” feature and whole-process unconscious infrared vivo detection to realize “rigid” control over risks and to effectively protect legal rights and interests of consumers.
“Unconscious” service experience	<ul style="list-style-type: none">• Introducing QR code scanning into the mobile banking app to realize common trust of online and offline authentications, which spares customers from swiping their card and presenting their ID card. Customers only need to scan a code with the mobile banking app to handle business easily and experience teller-free, card-free and contact-free “unconscious” services.

Building specialized outlets

BOC developed specialized outlets dedicated to various fields such as campus finance, elderly finance, inclusive finance, consumer finance and corporate finance around featured products, characteristic customer groups or cross-sector scenarios, with a view to offering customers professional, effective financial services. As of the end of 2019, BOC had put into operation 1,839 specialized outlets, covering 35 tier-1 branches in 275 cities across the country.

Developing outlets featuring elderly finance

BOC Hubei Branch, targeted at addressing financial and non-financial requirements of the elderly group, explored the new mode of finance for senior customers — “finance + life” focusing on featured scenarios, featured services, featured activities and featured products. To highlight the element of “elderly finance”, the Branch created some featured cultural scenarios in the unoccupied space of the outlets like “coffee and tea ceremony” “handicraft” “painting and calligraphy” “community home”, etc., and put into use some accessibility facilities such as wheelchair accessible ramps and accessible service counters, in an effort to build a thoughtful financial service system for senior citizens in terms of environment and facility, service procedure, products and so on.

Improving customer service experience

BOC’s experience specialist team carried out extensive customer experience activities, cumulatively collected close to 10,000 questionnaires, held offline interviews with 700-odd customers and prepared the *Report on Corporate Customer Experience* and the *Report on Customer Experience of Personal Transaction Banking*, with a view to continuously improving the service quality of outlets. During the outbreak of COVID-19, BOC reinforced the “protection network” on the premises of its outlets and offices through equipping the outlets with necessary facilities and supplies like thermometers and hand sanitizers and increasing the frequency of cleaning and disinfecting the business premises and intelligent machines so as to protect customers’ health.

Online withdrawal of money from the housing provident fund available for customers with only one errand

BOC Ningbo Branch continuously upgraded its business procedures and system, with a view to providing one-stop convenient services. Mortgage loan customers paying contributions to the housing provident fund through the Branch, after completing the sign-up formalities at the counter of the Housing Provident Fund Center, can now log onto the mobile banking App to apply for online review and make withdrawals online anytime. The service reduces unnecessary errands for customers to only one to withdraw money from the housing provident fund.

Considerate measures for fire rescue personnel

In response to the government's call for preferential treatments to firefighting personnel, BOC Shanghai Branch opened green channels for them and put up the sign reading "Firefighters First" on conspicuous spots or cash windows at its outlets, which effectively shortened the waiting time of them.

Xiamen Branch helping overseas Chinese find decades-old property deeds

In October 2019, BOC Xiamen Branch helped an 80-something-year-old Chinese from the Philippines to find a few property deeds which dated back to the Republic of China era. Two employees of the Branch spent half a month rummaging around the three libraries which stored letters and incoming remittances from overseas Chinese, and finally brought to light two land deeds and land purchase contracts, six 2x2 inch photos and one seal, which had been covered with dust for 66 years.

3.3 Protecting customers' rights and interests

To fulfill its social responsibility, BOC established a new committee under its Board of Directors — Corporate Culture and Consumer Protection Committee to further strengthen the consumer protection effort. It focused on facilitating the handling of customer complaints, reinforcing the protection of information safety and spreading financial knowledge through various channels and in multiple ways so as to truly protect legal rights and interests of consumers.

Improving the customer complaint handling mechanism

The Bank standardized its customer complaint handling procedure, and increased the efficiency of complaint handling. In 2019, 103,700³ complaints from all channels were handled. It stepped up analyses on customer complaints, dug up value information, improved services and products of frequently complained business sections like bankcard, loans and payment and settlement, and pressed branches and sub-branches in areas receiving more complaints from customers like Hebei, Beijing, Guangdong, etc. to enhance their compliant management capability and to improve their service attitude and quality. In 2019, the Bank's satisfaction rate of external customers reached 91.6%.

³ In the light of different practices in taking statistics of complaints among different banks, this figure offered here is not meant to be used for peer comparison.

- Actively advancing the application of Statistical Classification and Coding of Financial Customer Complaints, and completing data connection with the complaint statistical analysis system of the People’s Bank of China;
- Making the online processing of consumer complaints more streamlined, and increasing efforts to supervision on complaint handling;
- Stepping up the implementation of the standardizing handling consumer complaints so as to better use consumer complaints as a chance to improve and supervise products and services;
- Launching “Voice of Customers”, a system for management of information circulation, which enables full-process automatic processing of online data mining, transmission, analysis and evaluation.

Spreading financial knowledge

In 2019, 9,823 BOC outlets participated in the campaign of “Journey of Financial Knowledge Popularization”. The campaign launched 9,363 outdoor promotional activities, involved 59,029 employees times in these activities, distributed 2.97 million copies of materials and pushed WeChat messages with over 1.21 million clicks to more than 5.12 million audiences. These activities were covered by the press for 161 times.

- Launching a series of campaigns entitled “March 15 World Consumer Rights Day”, “Financial Knowledge Month”, “Financial Knowledge Publicity”, “To Be A Rational Investor”, “To Be A Good Financial Netizen”, etc. to improve consumers’ financial literacy and enhance their sense of risk prevention;
- Carrying out the promotional activities of “Promoting Financial Knowledge, Protecting Your Pocket on Campus” in universities and colleges, secondary schools and primary schools, where financial knowledge was disseminated in a way suited to recognition characteristics and needs of students of all ages;
- Preparing and releasing illustrated articles on various topics onto new media channels such as Weibo, WeChat, H5 materials and mobile Apps so that financial knowledge can be promoted in an easy way;
- Organizing online and offline training courses on consumer protection to further enhance the staff’s awareness of consumer protection.

Promoting wide spread of financial knowledge

BOC Fujian Branch collaborated with the CBIRC Fujian Office and the Fujian Financial Consumer Protection Association in a campaign to spread financial knowledge in an easy way among close to 100 *Dada* deliverymen so as to increase their knowledge about protection of rights and interests and prevention of risks. Moreover, publicity slogans were printed on the deliverymen' uniforms and vehicles so that they can carry the financial knowledge into streets and alleyways.

Innovating the forms of financial knowledge education

BOC Chongqing Branch used its WeChat Official Account as a new platform for online promotion of financial knowledge, where it conducted an online questionnaire survey about financial knowledge to learn about consumers' financial knowledge. During the serial campaign "Consumer Protection Experience Day", it invited financial consumers and consumer protection regulators to experience field trips, personal experience or discussions, realizing tripartite communication among financial consumers, regulators and the Bank.

Protecting of customer information

BOC actively refined its customer information protection mechanism, employed new technologies to refine the tactics with respect to customer data mining and protection of all channels, and launched special inspections and rectifications on customer information protection and network safety, to protect information and funds of customers. In 2019, the Bank received the honorary title of "Excellent Institution in Reporting of Information about Network and Information Safety for 2019".

- Launching the safety tool "Mobile Phone Shield" onto the BOC mobile banking app to protect the safety of customers' mobile banking transactions by means of multi-factor calculation of transaction elements and mobile devices with security algorithm;
- Working with China Mobile to develop "SIM Shield", which realizes certificate signing/verification via the physical SIM card and fully supports large-value transfers through mobile banking or online banking to meet customers' need for safe and convenient transfer.

4. Fueling Green Economy, Safeguarding Beautiful Homeland

“Green” is the core requirement of China’s new development philosophy. The 19th CPC National Congress defined “development of green finance” as an important means to promote green economy development. BOC upheld the new development philosophy, continuously pushed forward the green finance strategy, and steadily increased the proportion of green credit. It also accelerated innovation in green financial products, advocated the low-carbon and environment-friendly lifestyle, vigorously backed environmental protection activities and practiced with actions the vision that lucid waters and lush mountains are invaluable assets.

Sustainable Development Goals:



Feature: Innovating green financial products by leveraging advantages in globalisation

BOC adhered to its commitments to green development, gave active play to its advantages in globalised and integrated operations, and continuously deepened the innovation in green financial services. It also vigorously supported green projects financing for companies making overseas investments, and worked hard to empower the green and sustainable development of the Belt and Road Initiative.

In October 2019, BOC issued the sixth tranche of green bonds denominated in RMB, USD and EUR, equivalent to USD1 billion in the overseas markets. The bond conformed to the international standards and was also certified by the Climate Bonds Initiative. The fund raised was mainly used to support qualified green projects.

Signing the Green Investment Principles for the Belt and Road

On April 25, 2019, BOC signed the *Green Investment Principles for the Belt and Road* at the sub-forum of financial integration under the Belt and Road Forum for International Cooperation, and incorporated the green development philosophy into the building of the financial artery for the Belt and Road Initiative (BRI). The Principles aims to improve the BRI investment environment and social risk management, and advance green investment for BRI.

Since 2014, the Bank has made positive responses to the BRI, always adhered to green credit principles of high environmental standards, supported a range of investment projects that are beneficial to local green development, and put into practice the BRI green development philosophy.

Completing refinancing for offshore wind power project in the UK

The Beatrice offshore wind farm project, located in the Noord Zee Sea of northern Scotland, UK, is one of the first wind power projects supported by feed-in tariff with contracts for difference approved by the British government, and aims to provide clean energy for 450,000 households and reduce carbon emissions by about 8 million tons within 25 years of operation. In July 2019, BOC London Branch completed the refinancing of existing debts worth GBP2.536 billion for Beatrice offshore wind farm project, the Bank's first refinancing project for offshore wind power in European and African areas, and evidencing the Bank's commitment to building its green financial brand.

Supporting green development in Beibu Gulf Economic Belt

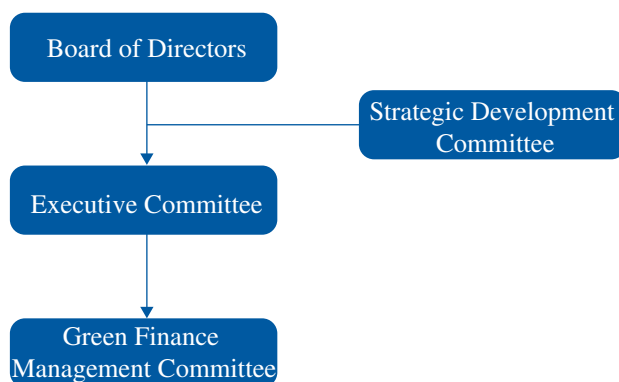
Guangxi Fangchenggang nuclear power plant project is an integral part of the strategy for developing the Beibu Gulf Economic Zone. In May 2019, BOC Guangxi Branch, together with Seoul Branch, granted an overseas direct loan of RMB230 million to Guangxi Fangchenggang Nuclear Power Co., Ltd. In this way, it helped enterprises aiming to go global to extend financing channels and promoted energy transitions and green economy development in Guangxi.

4.1 Developing green finance

Following national policies for green development, the Bank set up a green finance organizational mechanism, implemented green credit principles of high environmental standards, and made innovations in green financial products. It extended credit support for green industries and provided diversified and all-around financial services for green economy growth and ecological progress. As at the end of 2019, BOC reported a balance of green credit at RMB737.57 billion, up 16.58% over the same period of last year.

Establishing a strategic organizational mechanism

The Bank formulated the *Development Plan for Green Finance of Bank of China*, fulfilled the requirements for green development and supported the sustainable development of economy. It improved its organizational structure, and set up a Green Finance Management Committee under the Executive Committee to promote green finance development.



Improving credit structure

According to the *Guidelines on Industry Allocation of Credit*, BOC continued to strengthen environmental and social risk management, and extended support for ecological improvement, environmental protection, clean energy, green transportation, water supply, water saving, and other green industries. It didn't offer any new credit support to projects that were not qualified for energy technological assessment and environmental influence assessment to contain investment in projects that may cause pollution.

Introducing new green finance products

BOC rolled out sustainable development bonds, green asset-backed notes, and other innovative financial products, to extend the financial channels for green industry. As at the end of 2019, the Bank issued 334 green labelled bonds worth RMB343.452 billion in the domestic market, and issued 137 green bonds worth RMB191.616 billion in the interbank bond market.

- As an exclusive lead underwriter, the Bank successfully issued the 2019 First Tranche of ABN of Guodian Financial Leasing Co., Ltd. in the interbank market, valuing RMB1.568 billion.
- Launching the “BOC Strategy — Steady Wealth Creation” (Open-end fund, Tranche 004in 2019) for the first time, a 12-month green securities themed wealth management product.
- As an exclusive lead underwriter, the Bank assisted Chongqing Rail Transit (Group) Co., Ltd. in issuing a 5-year green medium-term note, valuing RMB2 billion.
- Issuing a green bond valuing USD1 billion for the State Development & Investment Corp., and undertaking 16 bonds, valuing RMB25.9 billion, for China Three Gorges Corporation, China National Nuclear Corporation and other clean energy companies in the domestic market.

Enhancing visibility in industrial exchanges

BOC joined the Green Finance Committee of China Society for Finance and Banking to implement the *Green Investment Principles* and promote research and implementation of green finance policies. It played an active role in exchanges at forums and summits of the sector to jointly advance green finance development in China.

- Playing a leading role in the GIP green financial product innovation group, and promoting innovations in green financial products.
- Taking an active part in such forums and summits of the sector as the International Forum on Energy Transitions, Forum on Driving Energy Transitions through Green Finance, Green Energy Forum of China Longyuan Power Group and so on, and sharing experience and achievements in supporting energy transitions through green financial support.

Providing support to improve the ecological environment

The Bank fully leveraged its financial strength, offered greater credit support for ecological protection projects and boosted high-quality ecological conservation.

Protecting the Erhai Lake

BOC Yunnan Branch fully combined its advantages in inclusive finance and Credit Factory with improvement of Erhai Lake, and created a special business mode for the project of “Dali Erhai Protection and Improvement & Ecological River Basin Building”. Through this mode, it provided financing support to enterprises undertaking the project to protect Erhai and build an eco-friendly river basin. While meeting the needs of the enterprises engaged in the project, it contributed to the ecological conservation in Erhai area.

4.2 Adhering to green operations

The Bank continued to advocate the “green office” philosophy, promoted green and low-carbon service mode, introduced innovative and environment-friendly applications, and strengthened facility and equipment recycle and utilization to make more contributions to green development of the society.

Promoting green services

BOC continued to make innovations in IT-based products, promoted paperless service, improved operating efficiency, advocated energy saving and reducing energy consumption to develop into a sustainable and low-carbon bank.

- Adopting intelligent counter, which features paperless services across the process. Upon the completion of the business, the system can automatically keep record the transaction and the image. Except for the function of printing vouchers for customers, it basically realized the goal of no printing, no note, no paper record and no storage cost.
- Continuing to improve the electronic bank reconciliation system, replacing paper bank reconciliation with an electronic version, and promoting paperless reconciliation, with the electronic reconciliation rate reaching 96.64%

Promoting green office

The Bank advocated “green and low-carbon” philosophy, intensified efforts to meet the requirements for green office management, and set up an energy management system. It monitored the operation of key energy-consuming equipment, strengthened reasonable recycle and utilization of resources, reduced the influence on environmental resources, and fulfilled its commitments to green and environment-friendly development.

Disposing and recycling the discarded equipment

- Collecting the discarded equipment that had been used for less than three years into the production resources pool to meet various needs for production;
- Placing the discarded equipment that had been used for more than three years but less than seven years (generally, equipment will be scrapped after 7 years’ use) in a non-production environment for further use, or using them as backup to ensure production safety.

4.3 Embracing a green life

BOC actively carried out green and environment-protection campaigns that encouraged customers and employees to engage, supported eco-friendly volunteer activities, spread ideas of low-carbon development and environment protection, and did its part to build a green planet.

Supporting the Plan for Integration Between Man and Nature

BOCHK provided support for Polar Museum Foundation to promote the Plan for Integration Between Man and Nature in primary and middle schools. It helped to inspire young people's respect for nature and stimulate their interest in nature ecological conservation, through such means as giving lectures on environment, and organizing outdoor training activities outside the campus, scientific investigations and themed seminars. It was estimated that near 9,000 primary and middle school students benefited from such activities.

“Turning Waste into Treasure”, setting the trend in green and eco-friendly development

On August 29, 2019, BOC Fuzhou Branch officially launched a charity exhibition. Discarded articles that are common to see in people's daily life, such as waste hemp ropes, branches, pine cones, disposable paper cups, colorful cardboards, and popsicle sticks, were made into exquisite handicrafts, to show its concrete action to pursue low-carbon and green development.

5 Maintaining Stable Operations and Increasing Employees' Motivation

The fourth plenary session of the 19th Central Committee set the three-step overall goal to focus on upholding and improving the system of socialism with Chinese characteristics and modernizing China's system and capacity for governance. As a large-scale state-owned financial institution, BOC combined the strengthening of Party leadership with the improving of its corporate governance, continued to advance a range of projects for comprehensive deepening of reform, placed emphasis on forestalling and defusing risks while ensuring stable growth, improved the Bank-wide capacity for governance, unleashed talent potential and vitality, and endeavored to grow into a world-class bank in the new era.

Sustainable Development Goals:



5.1 Strengthening risk control

BOC continued to improve the comprehensive risk management system, strengthened management on issues that may involve major risk, and built an intelligent risk control system by virtue of such technologies as big data, machine learning and artificial intelligence. It also fortified management regarding anti-money laundering and compliance, and stepped up efforts to prevent and mitigate risks to firmly safeguard its bottom line of risks.

Improving risk management system

- Promoting the building of the three defense lines for risk management, revising the *General Guidelines for Risk Management*, re-inspecting and updating the risk appetite, and comprehensively reviewing the risk management policies and regulations.
- Strengthening management of the Group's partner institutions, and issued the *Guidelines on Management of the Group's Partner Institutions of Bank of China Limited (Version 2019)*.
- Exploring new risk management procedures for new products, and establishing a trial risk management procedure for new products.

Increasing primary-level outlets’ awareness of risk prevention

- Releasing “50 Rules (Version 2019)” for primary-level outlets, organizing corresponding quizzes, and continuously putting into practice related requirements.
- Collecting and summarizing various risk cases, guiding branches to adjust risk control priorities, and improving primary-level outlets’ ability and awareness of prevention against external fraud.

Making innovations in intelligent risk control program

By virtue of such technologies as real-time analysis, big data and artificial intelligence, BOC made innovations in intelligent applications for risk control to establish an all-dimensional intelligent risk control system.

- Building a portal for risk management in an all-around manner to serve as a portal and platform to present, analyze and apply information, data and services concerning risk management in an all-around manner, classifying the risk management indicators, enabling concentrated presentation and structural analysis of the statistics, and providing risk controlling parties with a unified, visualized and detailed interface.
- Building an intelligent risk control platform. Relying on such advanced technologies as machine learning, artificial intelligence and knowledge graph, integrating external big data, intelligent model shop, and intelligent risk control application products and services, deeply mining and extensively utilizing big data to lay a foundation for intelligent analysis and pre-warning.
- Establishing the Global Risk Mitigation Management System (GRMS), which calculates the credit lines for customers according to their pledge, alleviating such problems as false mortgage, failed mortgage, repeated mortgage, high price and value decrease, and reducing risks. GRMS won the Risk Management Awards 2019: The Enterprise Risk Technology Implementation of the Year from *The Asian Banker*.

New-generation “Network Defense”

The new-generation interim risk monitoring system of Bank of China (Network Defense), applies stream computing and big data to analyze information from multiple dimensions such as user, account, equipment and location, summarizes clients’ transaction habits out of a large amount of financial data, and precisely identifies suspicious transactions. In 2019, the Network Defense monitored a total of 3.719 billion transactions in a real-time manner, screened 688,000 transactions with risks, and interrupted suspicious transactions valuing RMB7.236 billion, effectively protecting customers’ fund security.

Strengthening anti-money laundering

BOC improved the anti-money-laundering (AML) and sanctions compliance policies as well as the AML resource allocation, deepened AML efforts, and strengthened the monitoring and management of sanctions compliance. It intensified efforts in system and model building and improved its system functions. The Bank built a compliance risk assessment system for overseas institutions, and endeavored to build a proactive, forward-looking and long-term mechanism for overseas compliance management. The Bank improved the AML and sanctions compliance training management mechanism and conducted various forms of compliance training, so as to enhance all employees' compliance awareness and abilities.

Organizing special series training for AML

In July 2019, BOC Canada Branch organized a series of special training on anti-money laundering & anti-terrorist financing, with over 100 employees participating on site or via video. The training covered regulators' new requirements and existing AML regulations, and helped employees to study the latest practices concerning AML and anti-terrorist financing oversight, and raise their awareness in this regard.

Researching and Developing "AI-based AML"

The Bank of China Innovation Lab (Singapore) actively explored the use of AI, big data and other novel technologies to enhance overseas branches' AML and compliance control capability. On May 8, 2019, the Lab organized a workshop on AI, big data and AML, where experts in AI and big data analysis from renowned universities and international hi-tech enterprises joined specialists from BOC overseas branches for discussion and exchanges. Meanwhile, they reviewed integrated solutions to intelligent AML needs covering the whole process from front office, middle office to back office by using such advanced technologies as AI and big data to push forward the establishment of an intelligent AML system.

5.2 Promoting compliant operations

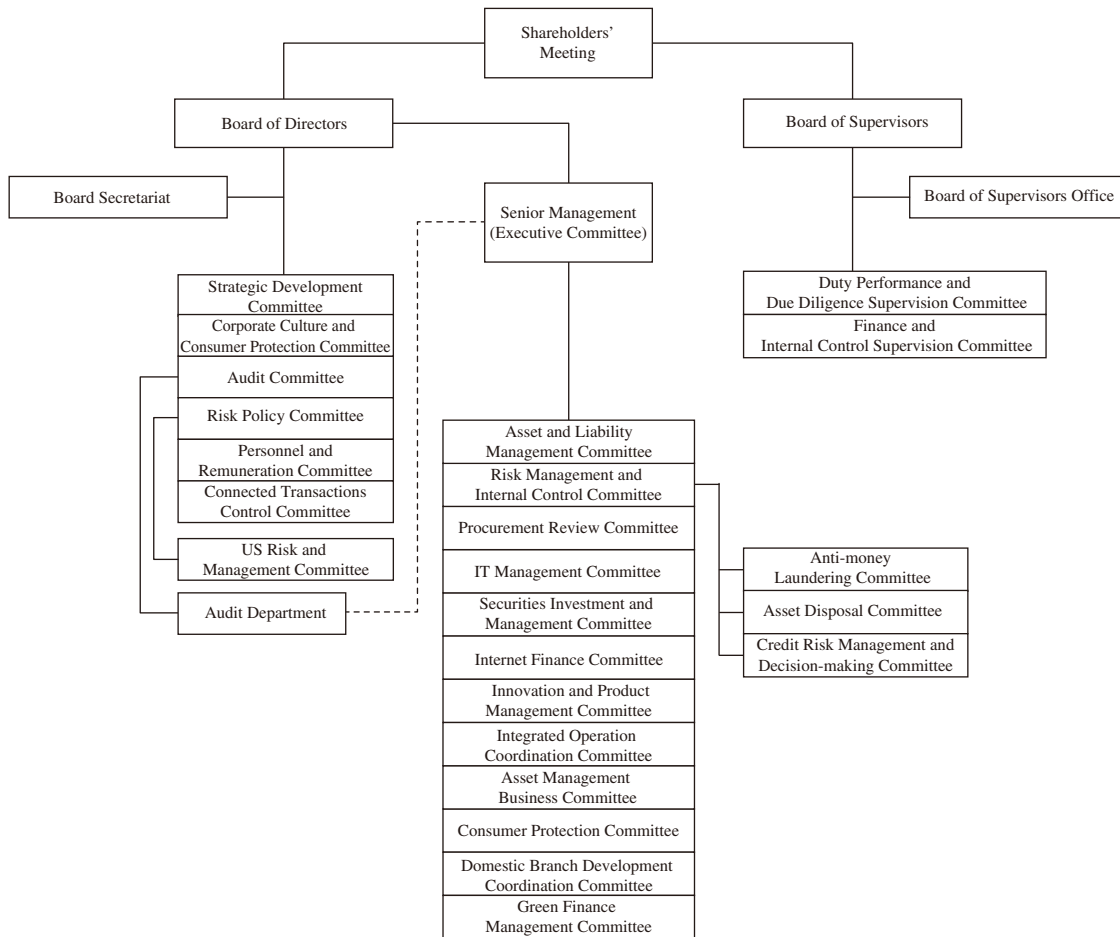
BOC takes excellent corporate governance as an important objective. In accordance with laws and regulations and regulatory requirements, the Bank made constant efforts to improve its corporate governance framework and policy procedure, organized corporate governance training, refined the information disclosure mechanism, and proactively performed the duties it owes to the relevant stakeholders, including shareholders, customers, staff and society.

Improving corporate governance

BOC continued to improve the corporate governance framework consisting of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and the Senior Management, refined the structure of the Board of Directors, and formulated the *Bank of China Limited Board Diversity Policy*. It continuously followed up and implemented regulatory requirements on capital market, and comprehensively and systematically reviewed the Articles of Associations and the rules of procedure of each special committee. It organized corporate governance training for the members of the Board of Directors and employees to improve the corporate governance.

As at the end of 2019, the Board of Directors comprised 12 members. Besides the Chairman, there were 2 executive directors, 5 non-executive directors and 4 independent directors. In 2019, the Board of Directors reviewed and approved 75 proposals (72 through on-site meetings of the Board of Directors and 3 via written resolutions) concerning the Bank's regular reports, the nomination of candidates for the directors, the employment of senior management personnel, the issuance of bonds, and so on.

Chart of Corporate Governance Framework



Organizing corporate governance training

In October 2019, BOC organized a corporate governance training session in Singapore. By means of expert lecture, experience sharing and visits to stock exchanges, the training helped the senior management in domestic and overseas institutions to deepen their understanding of corporate governance, and raised their awareness of corporate governance and market compliance.

Advancing compliance building

The Board of Directors, the Senior Management and their special committees earnestly performed their duties regarding internal control and supervision, emphasizing early risk warning and prevention, so as to improve the Group's level of operating in compliance with laws and regulations. The Bank faithfully implemented the work requirements of the CBIRC, and carried out such campaigns as "consolidating the results achieved in cracking down irregularities and boosting compliance building", case-based warning education, and illegal fund-raising risk investigation and rectification. It organized bank-wide risk inspections to actively identify and mitigate risks, raised the compliance awareness of staff and fostered an internal control compliance culture. In addition, the Bank implemented internal control and compliance management evaluation so as to enhance the routine management and control of its institutions.

BOC coordinated with internal inspections and external regulators in their inspections, and conducted self-assessment. It built the internal control & compliance assessment indicators system for domestic branches, standardized all the employees' compliance files, and created compliance "record of merits" and "record of demerits" for employees. The Bank kept tracking the implementation of regulatory and compliance laws and regulations in domestic and overseas institutions to ensure meeting requirements for business rectification in a timely manner.

Reinforcing information disclosure

BOC established a comprehensive and complete information disclosure system and put in place clear specifications regarding information disclosure standard and the scope of application, responsibility and division of work of the parties concerned. It continuously enhanced the pertinence, effectiveness and transparency of information disclosure in order to guarantee investors' access to relevant information. The Bank received "A", the highest rating result, in the appraisal and assessment of information disclosure of listed companies held by Shanghai Stock Exchange (SSE) for 6 consecutive years, and its annual report won a Gold Award and the Technical Achievement Award in the overall category of the League of American Communications Professionals (LACP) annual report competition.

Communicating with investors

BOC further strengthened efforts to maintain good investor relations, enriched market communication approaches, and continued to make investor relation activities more proactive and effective. Through holding results road shows, participating in influential investment banking forums, meeting visitors (including analysts and investors), as well as holding telephone communication meetings, the Bank timely responded to market concerns, and earnestly listened to market feedback. Meanwhile, it continued to improve services for small and medium-sized investors by organizing a special communication meeting for individual shareholders participating in the Annual General Meeting and proactively attended the campaign of the Open Day for Online-Platform Investors hosted by SSE. In 2019, the Bank won awards including “QuamIR Awards — The Most Remarkable Investor Relations Recognition”, and listed as the “Top 100 Hong Kong Listed Companies” at the seventh session of the Top 100 Hong Kong Listed Companies Research Centre.

5.3 Pressing forward with Party building

BOC unwaveringly followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively implemented the guidelines of the 19th National Congress of the CPC and the second, third and fourth plenary sessions of the 19th CPC Central Committee, and integrated the strengthening of the Party’s leadership with the improving of its corporate governance. It assumed primary responsibility to ensure full and strict governance over the Party, continuously enhanced its Party theory literary, and carried out the educational campaign themed “remaining true to its original aspiration, keeping its mission firmly in mind” across the Bank. With an orientation to consolidating the foundation, it continuously improved the quality of primary-level Party organizations building and the Party member development, and deeply incorporated Party building with business. Meanwhile, it worked ceaselessly to improve Party conduct and enforce Party discipline, carried out special campaigns to correct prominent problems violating the central Party leadership’s eight-point decision on conduct, and took stern action against formalities performed for formalities’ sake, bureaucratism, hedonism, and extravagance. The Bank also punished or prosecuted activities in violation of laws or regulations, took steps to bring the financial corrupt to justice, and intensified efforts to improve Party conduct and build a clean bank.

Building an intelligent ecosystem for Party building

“Fuxing No. 1” is an IT-based Party building platform independently developed by the Party Committee of BOC. It combines internet technology with its needs for Party building, and consists of such functional modules as Party organization management, Party member education management, Party activity management, Party membership dues management, and cultural building. In this way, the Bank built an intelligent ecosystem integrating online and offline channels to promote Party building.

Online and offline channels integrating with and promoting each other

- The platform provides a Party organization and Party member database meeting the standards of the Organization Department of the CPC Central Committee, laying a foundation for connecting application systems of the Organization Department nationwide.
- The platform makes it possible to establish an internet Party branches to meet Party members’ needs for cross-region and cross-line exchanges and study.
- The platform offers a charity channel, facilitating donation for needy Party members and employees.

“Staying true to its founding mission”

- Party members paying their membership dues each month can get a voucher related to the value of Party members and special festivals of the month.
- In the month of a Party member’s joining the Party, the person can get a card in celebration of the anniversary.
- The platform publishes courses and videos of various content and in different forms to increase Party members’ learning awareness.

As at the end of 2019, “Fuxing No. 1” Party building platform served more than 17,000 Party organizations and over 140,000 Party members in domestic institutions of BOC, with the weekly activation rate of in-service Party members reaching 57.02%. The Bank also promoted its external version in 717 organizations, involving about 234,000 users.

5.4 Supporting development of employees

The Bank has paid great attention to the development of employees, built a comprehensive professional development platform for employees and continuously organized caring activities for employees. It fully protected employees' rights and interests, encouraged employees to take part in volunteer services, and shared the development benefits with employees.

Strengthening professional teams

In 2019, the Bank provided over 13,000 posts for society through campus and social recruitment, and launched a training program for students major in minority languages, more than 300 underprivileged university students were recruited to work for the BOC. Based on these efforts, the Bank was named the “Best Employer in Financial Industry in the Opinion of Chinese University Students” for 12 consecutive years, and won the “Best Brand Value for Employers”, “Award for Corporate Employment Innovation”, “Model Employer of China”, “Best-received Employer of China”, etc.

Serving China-Singapore exchanges, and supporting talent cultivation and development

In 2019, BOC Singapore Branch became the first partner of “Business China Internship Program”, and implemented “Business China — Bank of China Internship Program”, with the aim of facilitating the new generation to deepen their understanding of the Chinese and Singaporean markets, and developing talents having practical experience in handling Chinese and Singaporean business. Ten students from the National University of Singapore, Nanyang Technological University and Singapore Management University attended the internship program.

Meanwhile, BOC Singapore Branch vigorously supported the “YEAP Program” of the Chinese Development Assistance Council (CDAC) in Singapore, providing trainings on finance and internship programs for local college students receiving the CDAC YEAP Grant. With this effort, it won “Shangren Award” (lit. “Advocating for Compassion”) granted by CDAC for its partners.

Refining the training system

The Bank focused on the needs for talent growth and professional career development, made a leadership training plan for all employees, and pushed forward the building of professional sequence. It improved functions at M-Learning, an e-training platform, and continuously pushed forward digital transformation for training.

- Reinforcing the leadership building, and vigorously supporting the cultivation and development of young leaders; led by the “1581 Program”, continuously conducting the “Hundred-Talent Program” and “Sailing Program” to train key personnel, involving about 450 participants.
- Strengthening professional qualification management, and providing training courses. As at the end of 2019, over 210 professional qualification training courses were developed, nearly 3,000 employees obtained senior professional qualification, and about 25,000 middle and junior professional qualification.
- Continuing to push ahead with the building and promotion of M-Learning platform, improving its course system, and introducing premium training resources from outside. The platform published over 4,000 online courses, including content of operation management, professional skills, and comprehensive capabilities. The platform was registered by over 260,000 employees, with the number of active users reaching about 15,000.

Protecting rights and interests of employees

BOC fully protects employees’ legitimate rights and interests, attaches great importance to their health and safety, cares for their needs, and establishes open and smooth communication channels.

- Abiding by the “open, fair and equal” policy, setting no discriminative conditions such as gender, nationality, and physical disease for policy formulation and practices concerning campus and social recruitment, and internal promotion.
- Adhering to equal pay for equal work and signing labor contracts with all the employees according to law. Paying for endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund in full sum and on time and buying critical illness insurance for employees.
- Issuing the *Opinions on Employee Performance Appraisal and Incentive in 2019*, and further improving protection of remuneration and welfare for primary-level employees.
- Organizing meetings to listen to employees’ appeals and suggestions.
- Paying attention to the needs of female employees and protecting their rights and interests.

Carrying out caring programs for employees

Committed to the principle of “people first”, the Bank cared for employees’ living conditions, and endeavored to create a warm and harmonious working environment by organizing physical examinations, offering assistance to needy employees and creating diversified recreational activities.

“Five Heart-warming Projects” and “Ten Caring Plans” to enhance cohesiveness

BOC Jiangxi Branch implemented the “Ten Caring Plans” and “Five Heart-warming Projects” for employees. The “Ten Caring Plans” covers employees’ remuneration, housing, working hours, commuting means, building of Home of Employees and so on. The “Five Heart-warming Projects” aims to ensure housing, lunch, warm meals at outlets, health, and vacation for employees. The combination of these two programs met employees’ needs for living, and enhanced their sense of happiness and belonging.

Encouraging volunteer services

BOC put into practice the concept of “involving everyone in charity” and built the “Volunteer Together” platform. The platform publishes information about power alleviation, children education, green development, environmental protection and other public-welfare activities, and provides a channel for BOC employees to understand and participate in volunteer activities. By doing so, it developed a long-term volunteer service mechanism for employees.

As at the end of 2019, the Bank registered 781 volunteer organizations at the “Volunteer Together” platform and published 485 volunteer activities, which accumulatively attracted 4,961 person times of volunteers that served for 15,300 hours.

Providing diversified volunteer services

Volunteers from BOC Ningxia Branch visited schools in poverty-stricken areas to offer assistance. They brought stationeries to children at Jiucui Village Central Primary School in Jiucui Township, Haiyuan County, Zhongwei City, and celebrated the June 1st Children’s Day together with the children. They launched the “1061 Charity” campaign together with Ningxia TV Station and Ningxia News Radio, and purchased books, clothes, stationeries and other items for children with the donated money. They visited the children of Yinchuan City National Comprehensive Welfare Home to deliver them the supplies they need for their daily lives.

Implementing volunteer teaching activities

Education is one of the top priorities for poverty alleviation, and talent cultivation is an integral part of education. Starting from November 2017, BOC Shenzhen Branch has continued to implement volunteer teaching activities. They built an educational and training base for young employees at Shenzhen Branch to provide volunteer services for Guilin Village Primary School. Except for summer and winter vacations, young volunteers come to the school to teach music, basketball, dance, art and English every month. In this way, they improved the teaching conditions in rural areas and helped to promote children’s growth in an all-around manner.

Performance Briefing

Corporate governance

Board diversity

To diversify the board composition, the Bank formulated the *Diversity Policy of the Board of Directors of Bank of China Limited*, setting out its stance on board diversity and the policies to be maintained in the process. The appointment of board members was based on the skills and experience required for its overall sound operation, taking into full consideration the objective and requirement of member diversity from various aspects, including but not limited to regulatory requirements and gender, age, cultural and educational background, region, professional experience, skills, knowledge and tenure of directors. The above policy requirements were followed through the whole process of director selection and engagement.

As at the end of 2019, the Board of Directors of the Bank was composed of 12 members. Among them, 9 were male directors and 3 were female directors.

Indicator	Male	Female
Ratio in the Board (%)	75	25

ESG Management

The Board of Directors of the Bank is responsible for coordinating and managing the formulation and reporting of strategies in the environmental, social and governance (ESG) areas. In 2019, the Bank reviewed and approved the *2018 CSR Report*, the *Green Finance Development Plan* and the *Inclusive Finance Development Plan (2019–2021)*, and set up the Corporate Culture and Consumer Protection Committee under the Board of Directors to manage ESG related matters.

Part of the responsibilities of the Corporate Culture and Consumer Protection Committee include:

- Deliberating development plans, policies and reports of the Bank relating to ESG and giving advice to the Board of Directors.
- Identifying, evaluating and managing important ESG related matters, and establishing proper and effective ESG risk management and internal control systems.
- Regularly hearing reports on corporate culture development, ESG and consumer protection of the Bank.

Board training

In 2019, the Bank organised 27 training sessions for board members with an attendance of 77 person times. The training sessions covered domestic and overseas economic and financial hotspots, the trend in anti-money laundering sanction and compliance, and updates in internet and technology development.

Economic performance

Value creation

Indicator	2019	2018	2017
Total assets (RMB million)	22,769,744	21,267,275	19,467,424
Operating income (RMB million)	550,010	503,806	483,761
Operating expenses (RMB million)	198,269	176,979	173,859
Profit before income tax (RMB million)	250,645	229,643	222,903
Profit for the year (RMB million)	201,891	192,435	184,986
Return on average total assets (%)	0.92	0.94	0.98
Return on average equity (%)	11.45	12.06	12.24
Capital adequacy ratio (%)	15.59	14.97	14.19

Remuneration and welfare

In 2019, the Bank issued the *Opinions on the Implementation of Employee Evaluation and Incentives in 2019*, and revised the *Management Measures for the Welfare and Security of Non-local Exchanged Employees of Bank of China Limited*, so as to further improve its employees' sense of fulfillment, happiness, and security, and implementing in earnest the requirements for caring for employees.

Service channels

Closely following the financial services demand of global customers, the Bank steadily pushed forward outlet and e-channel construction. As at the end of 2019, the Bank had extended the reach of its overseas institutions into 61 countries and regions, and had 10,652 operating outlets in the mainland of China.

Indicator	2019	2018	2017
Number of operating outlets in the mainland	10,652	10,726	10,674
Number of intelligent outlets	10,652	10,660	8,526
Number of ATMs	37,331	41,723	42,507
Number of intelligent counters	30,425	26,044	16,235
Number of mobile banking customers (in 10,000)	18,082	14,531	11,533

Procurement practice

The Bank integrated important procurement needs across the board, steadily promoted the framework agreement management mode, and applied it to more suppliers and projects. The Bank strengthened system building, established the supervision mechanism, properly managed contract performance, and saw to it that procurement was carried out bank-wide with honesty, self-discipline, high efficiency and compliance.

The Bank is dedicated to actively safeguarding the equal participation of micro and small enterprise suppliers. It combined open online invitation for bids and targeted invitation so that qualified micro and small enterprise suppliers can participate in the competition. While proposing requirements on the basic eligibilities of qualified suppliers, the Bank did not have any other requirement on the registered capital or scale of the enterprises except for a few projects with special requirement.

Indicator	2019	2018	2017
Total number of centralised procurement projects	15,095	14,227	12,818
Budget amount involved in centralised procurements (RMB100 million)	312.88	249.25	217.13

Clean BOC

The Bank deepened the construction of the long-effective mechanism for combating corruption and upholding integrity by earnestly building a clean and honest culture and a line of defence against corruption. The Bank vigorously promoted the information about combating corruption and upholding integrity over intranet, WeChat official platform, and H5, and raised the employees' awareness of being responsible for anti-corruption.

Against unfair competition

The Bank strictly complied with the *Anti-unfair Competition Law*, the *Convention of Chinese Banking Industry on Combating Unfair Competition* and other laws and regulations. It established a self-discipline mechanism to manage and restrict own behaviors according to law. Saying no to all kinds of unfair competitions, the Bank made efforts to maintain a fair, orderly financial market environment, and protect the rights and interests of consumers.

Environmental performance

Material reduction

Indicator	2019	2018	2017
Office paper used (tons)	59.7	48.0	43.2
Paper saved (tons)	11.7	4.8	17.3

Note: Statistics covered the Beijing-based institutions of the Head Office.

Energy conservation

Indicator	2019	2018	2017
Diesel oil consumption (liters)	21,758	8,708	22,344
Natural gas consumption (cubic meters)	918,709	962,409	977,679
Gasoline consumption (liters)	44,228	43,279	81,733
Electrical power consumption (MWh)	122,118	126,635	123,447
Total quantity of heat purchased (GJ)	55,114	85,008	100,820
Number of video meetings held	2,655	4,378	3,849

Note: Statistics covered the Beijing-based institutions of the Head Office.

Water saving

Indicator	2019	2018	2017
Total water consumption (m ³)	390,134	401,581	384,529
Total cycling use of water (m ³)	74,918	74,687	64,341

Note: Statistics covered the Beijing-based institutions of the Head Office.

Emission reduction

Indicator	2019	2018	2017
Total discharge of toxic waste (tons)	5.10	3.87	5.53
Total discharge of non-toxic waste (tons)	1,127	286	1,172
Greenhouse gas emissions (tons)	75,804	78,568	76,736
Direct greenhouse gas emissions (tons)	2,054	2,081	2,174
Indirect greenhouse gas emissions (tons)	73,759	76,488	74,562

Note: Statistics covered the Beijing-based institutions of the Head Office.

Sewage and waste management

A third-party testing agency was engaged to regularly monitor sewage discharge. Waste from daily office work and operation, e.g. domestic waste, kitchen waste and toxic waste, were classified and recycled, while kitchen waste and toxic waste were handled by a third party which had such qualification.

Work to secure environmental compliance

The Bank did not receive any punishment for violation of environmental laws and regulations or environmental complaint in 2019.

Suppliers' environmental performance assessment

During supplier inspection and project review, the Bank evaluated the suppliers' undertaking to environmental protection and social responsibilities. In addition to suppliers' written commitment, the Bank also comprehensively inspected their environment-friendly equipment and related measures, healthy and safe office and labor protection measures in specific projects, and took the above-mentioned factors into consideration during the project review.

Social Performance

Human resources structure

Indicator	2019	2018	2017
Number of employees	309,384	310,119	311,133
Execution of employment contracts (%)	100	100	100
Number of male employees	132,169	132,781	133,628
Number of female employees	177,215	177,338	177,505
Number of employees in the mainland of China	284,044	285,797	288,206
Number of expatriates	1,877	1,391	1,337
Number of local employees at overseas institutions	23,463	22,931	21,590
Number of new employees of the year	10,289	10,685	12,488

Employee protection

The Bank treated all employees equally and set no discriminative condition on the basis of gender, nationality or physical disease for social recruitment, campus recruitment, and internal promotion and appointment, ensuring openness, fairness and equality. It fully respected and protected the legitimate rights and interests of employees through signing employment contracts, launching collective consultation and holding workers' congress.

Indicator	2019	2018	2017
Percentage of female employees (%)	57.28	57.18	57.05
Number of minority employees	12,843	12,899	12,924

Caring of occupational health

The Bank cared for employees' physical and mental health, provided diversified health care, and advocated healthy lifestyles.

Indicator	2019	2018	2017
Coverage of social insurances (%)	100	100	100
Number of employees receiving physical examination in the Head Office	4,179	4,019	5,843

Note: The number of employees receiving physical examination in the Head Office does not include employees at the Software Center and some persons dispatched by the Head Office.

Employee education and training

Focusing on the needs of personnel in growth and career development, the Bank developed the leadership training program, and held training for senior, medium and primary management personnel. It accelerated the building of professional series and strengthened professional qualification management. Moreover, the Bank carried out curriculum research and development, qualification certification and other work to enhance the professionalism of teams in all business lines.

Indicator	2019	2018	2017
Investments into employee training (in RMB10,000)	79,217	64,170	56,605
Employees trained	2,927,903	2,966,118	2,851,047

Enhanced security management

The Bank strengthened publicity and education on case prevention and promoted the building of a check and control platform for cases. It formulated the *Guiding Opinions on Smart Counter Security Protection (Cash Edition)* for more professional and standard safety management. The Bank established a security management platform featured by unified management and internal internet availability to significantly improve its capabilities of security management and control. It also held training on security issues to enhance security management and supervision.

Suppliers' social performance assessment

The Bank required clearly that "the supplier shall not be involved in any illegal activity that triggers the social risk, e.g. illegal employment" in all bidding and invitation documents. During supplier investigation and project review, the Bank evaluated the supplier's undertaking to social responsibilities, and taking into consideration the signing of employment contracts, purchase of social insurance, health and safety of working environment, and implementation of labor protection measures during the procurement project review.

Standardization of marketing

To fully enhance consumer protection, the Bank set up the Corporate Culture and Consumer Protection Committee in 2019. Complaints from customers were handled online with a standard process to promote efficiency. With big data, cloud computing and other technologies, the Bank continued to advance the building of network security protection system and improve the real-time anti-fraud capability in online finance.

Customer privacy protection

The Bank improved the customer information protection mechanism, strengthening the protection of customer funds, accounts and information. It strictly regulated the collection, use and preservation of personal information of consumers, promoted financial knowledge, and adopted a new risk management mode to protect the legitimate rights and interests of consumers in multiple ways and from multiple aspects and channels.

Social and economic compliance

The Bank strictly complied with international, Chinese and local laws and regulations, continued to strengthen risk prevention & control and compliant operation, put in place the “system of three defense lines” for internal control, timely followed the regulatory updates around the world, regulatory inspection findings, regulatory assessment results and other compliance risk information, and earnestly acted upon the requirements of Chinese and foreign regulators.

Outlook

The year 2020 marks the concluding year of the 13th Five-Year Plan. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Bank of China will unswervingly apply the new development philosophy and pursue supply-side structural reform as its main task. It will actively perform its duty of serving the real economy, forestall and defuse financial risks in an all-round manner, and promote high-quality and sustainable economic and social development.

Supporting national strategy and boosting economic development. The Bank will implement the national strategy of promoting coordinated regional development by fully serving the development of the Beijing-Tianjin-Hebei region, the Xiongan New Area, the Yangtze River Delta and the free trade zones. It will deepen the building of the Belt and Road financial artery, actively promote RMB internationalization, vigorously advance cross-border matchmaking services and improve its integrated global service system. While increasing credit support for key industries and strategic emerging industries, the Bank will also support the transformation and upgrading of traditional industries. Moreover, the Bank will support the Winter Olympic Games in an all-round way to promote the development of ice and snow industry in China.

Improving people's well-being and sharing development achievements. The Bank will step up support for private enterprises and small and micro businesses, and alleviate the difficulties faced by private enterprises and small and micro businesses in accessing affordable financing. It will focus on such areas as targeted poverty alleviation, poverty alleviation through finance and agriculture-related inclusive finance, and consolidate the poverty alleviation foundation in poverty-stricken areas, contributing to the successful completion of poverty alleviation tasks. To implement the national strategy of rural revitalization, the Bank will further increase support for people's well-being, infrastructure and other areas, and actively serve the improvement of people's livelihood.

Leveraging technology and improving customer experience. The Bank will accelerate technological reform and innovation, make full use of new technologies such as artificial intelligence and blockchain, and actively integrate new modes and new business models. It will deepen the transformation of outlets, accelerate scenario building, and transform mobile banking from merely a financial trading platform to a platform providing comprehensive services, so as to improve customer experience.

Forestalling financial risks and maintaining robust operation. The Bank will stick to the bottom-line thinking, improve the risk management framework bank-wide, and vigorously manage risks in a smarter and more refined manner. It will strive to refine its corporate governance system, and continuously improve the compliance management of anti-money laundering and sanctions, in a bid to further ensure compliance.

Adhering to green development and protecting the clear water and blue sky. The Bank will actively implement the national policy for green development by increasing credit support for green industries. It will join the battle against pollution and contribute to the development of an ecological civilization.

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 Limited (“BOC”), the report covers the Head Office, domestic branches, overseas branches, subsidiaries, representative offices and affiliates.

Time: from January 1 to December 31, 2019, with some exceptions.

Reporting cycle: annual report. The 2018 CSR Report was released on March 2019.

Preparation basis

This report is prepared in accordance with the *Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions* of the China Banking and Insurance Regulatory Commission (the former China Banking Regulatory Commission), 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 (GRI Standards)* of the Global Reporting Initiative and the *Account Ability1000 Assurance Standard (2008)*.

Data basis

The financial data contained in the report is based on the 2019 financial report audited by Ernst & Young Hua Ming LLP. Other data is based on the reports of 2019 and the reports of previous years as well. The monetary amount mentioned herein is denominated in Renminbi unless otherwise specified.

Guarantee

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>).

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Social Responsibility Report

Independent Assurance Report

安永华明（2020）专字第60100080_A02号
Bank of China Limited

The Board of Directors of Bank of China Limited:

We have been engaged to express a limited assurance opinion on the selected data in the 2019 Corporate Social Responsibility Report of Bank of China Limited (the "Social Responsibility Report") prepared by the Bank of China Limited ("Bank of China").

I. The Board of Directors' responsibilities

The Board of Directors of Bank of China are responsible for the preparation and presentation of the selected data in accordance with the "preparation basis" within 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 data, and making estimates that are reasonable in the circumstances.

II. Our responsibilities

Our responsibility is to express a conclusion on the selected 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 data in accordance with the *International Standard on Assurance Engagements ISAE 3000 (Revised), 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 data as at 31 December 2019 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.





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III. Scope of work, approach, and limitation

The selected data of Bank of China in the Social Responsibility Report of Bank of China for 2019 that is covered by this report is as follows:

- Total assets (RMB million)
- Operating income (RMB million)
- Non-performing loans to total loans (%)
- Capital adequacy ratio (%)
- Profit for the year (RMB million)
- Income tax expense (RMB million)
- Capital and reserves attributable to equity holders of the Bank (million)
- Number of employees
- Investments into employee training (in RMB10,000)
- Employees trained
- Balance of government-sponsored student loans (RMB million)
- Donations (RMB million)
- Balance of green credits (RMB million)
- Total water consumption (m³)
- Electrical power consumption (MWh)
- Gasoline consumption (liters)
- Number of video meetings held
- Social contribution per share (RMB)

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 data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected data on which we report;
- 4) Recalculation;
- 5) Other procedures deemed necessary.



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In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and the 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 data prepared in accordance with the basis of reporting.

Our work was limited to the selected data as of 31 December 2019 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 2019, nor have we performed any procedures on other data or data for 2018 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.

IV. 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 data as at 31 December 2019 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting.

V. Our Independence, quality Control and assurance team

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.

VI Supplementary observations

We have also gained an understanding of Bank of China's application of the *AA1000 Accountability Principles Standard 2008*. 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 restricted to gaining an understanding of Bank of China's application of the *AA1000 Accountability Principles Standard 2008* and hence we do not express any assurance opinion as to whether Bank of China has adhered to the *AA1000 Accountability Principles Standard 2008*.



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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; develop a clear stakeholders engagement process; implement an appropriate effective, comprehensive an objective stakeholder engagement strategy, plans and methods; and provide various channels for stakeholders to participate in the decision 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 polices, 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 responsibility and processes responding to stakeholders, to provide a full and objective response to material sustainability topic, and implement the pre-committed responses timely and appropriately.


Ernst & Young Hua Ming LLP
Beijing, China
27 March 2020



Reader's Feedback

We appreciate your reading the *Corporate Social Responsibility Report of Bank of China Limited for 2019*. This is the twelfth 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 ways:

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E-mail: CSR@bankofchina.com
Mailing address: Executive Office, Bank of China, 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Postal code: 100818

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 to customers?
 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?
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Sincerely thank you for your support!