



OFFERING
CONVENIENT SERVICES
TO YOU

www.bochk.com

提款

Cash Withdrawal

提款
(港幣及人民幣)

轉帳及付款

查詢結餘

其他服務

Cash Withdrawal
(HKD & RMB)

Transfer & Payment

Balance Enquiry

Other Services



中國銀行(香港)
BANK OF CHINA

中國銀行(香港)
人民幣服務
最當然選擇

人民幣兌取服務

連繫·
中銀香港優勢

ATM

CORPORATE SOCIAL RESPONSIBILITY



The signing of the Revised "Settlement Agreement on the Clearing of RMB Business" by The People's Bank of China and Bank of China (Hong Kong) in July 2010 further fostered the development of RMB business



After the launch of China UnionPay (CUP) cross-border (Shenzhen and Hong Kong) payment service, BOC CUP Dual Currency credit cardholders can enjoy a secure and convenient bill autopay service

As a leading listed banking group in Hong Kong, the Group attaches great importance to Corporate Social Responsibility ("CSR"). We are committed to undertaking CSR by strengthening our relationship with shareholders, employees, customers, business partners, the government and the community, with a view to contributing to the sustainable development of society.

In January 2010, we formulated a CSR policy approved by the Board of Directors. This policy guides the Group

in fulfilling our commitment to CSR and in contributing to the sustainable development of the economy, society and environment. The Group has set up the CSR Committee chaired by the Chief Executive which comprises senior management as members. The Committee is responsible for making decisions on the Group's CSR strategies and policies and overseeing their execution. To ensure effective implementation of eco-friendly principles in our business operations, the Group formulated the "Environmental Policy for Sustainable

Development", "Procurement Policy for Sustainable Development" and "Code of Conduct for Suppliers".

Our outstanding performance with regard to corporate sustainability issues has earned us wide recognition. BOC Hong Kong (Holdings) Limited became a constituent of the Hang Seng Corporate Sustainability Index and Hang Seng (Mainland and HK) Corporate Sustainability Index respectively in July 2010. In addition, we have been named a *Caring Company* by the Hong Kong Council of Social Service ("HKCSS") for eight consecutive years.

RMB Retail Bonds
A distinguished sign for an
investment opportunity between
Hong Kong and the Mainland

CORPORATE SOCIAL RESPONSIBILITY



BOCHK was appointed the sole Bookrunner and Lead Manager in the issuance of the first corporate bonds in Hong Kong

issuers, including the first RMB bonds issued by a corporate, a supranational and a mainland corporate, as well as the second issuance of RMB sovereign bonds in Hong Kong. The issuances represented different milestones in the development of the RMB bonds market in Hong Kong.

The new RMB strategic exchange service helps corporate customers in settling both trade and non-trade foreign exchange transactions. The first-ever trade and non-trade RMB deliverable forward transactions launched in the Hong Kong market can fully meet customer demand in hedging risks related to RMB exchange. As for the deposit business, we rolled out the RMB principal-protected structured deposit to corporate customers and Target Rate Deposit to personal customers.

To help corporate customers maximise efficiency in collecting payments, we introduced an array of new RMB products, including the pioneering remittance via credit card account, payment collection via ATM, sub-account collection, express electronic transfer and outsourcing of cashier orders. Our innovative and diversified RMB products provide added convenience for customers who frequently travel between Hong Kong and the Mainland of China, as well as around the world.

In view of the growing demand for RMB investment products, BOC Life became the first in Hong Kong to launch RMB-denominated insurance policies settled in HKD in the first half of 2010. Following the signing of the Revised "Settlement Agreement on the Clearing of RMB Businesses", BOC Life further broadened its product range by taking the lead in introducing RMB-denominated policies, namely "Target 8 Years Insurance Plan Series", "Target 5 Years Insurance Plan Series", "Hundred Life Insurance Plan" and "MultiPlus Savings Insurance Plan", that could be settled in RMB.

BOC-CC and CUP jointly issued the "BOC CUP Dual Currency Credit Card" in 2008. The new "CUP Cross-Border Autopay Service" was introduced in the year to facilitate automatic and regular bill payments such as management fees and utilities bills for those cardholders who travel frequently across the border. In addition, the brand new "CUP Dual Currency Debit Card" offers cardholders comprehensive HKD and RMB cash withdrawal and direct debit payment services. Its unique dual currency settlement also allows cardholders to enjoy savings on currency conversion costs.

Customer-centric through Innovation and Service

To better serve our customers and embrace customer service values, we endeavour to offer innovative products and services, enhance our service platforms and strengthen customer relationship management.

Innovative Product and Service Offerings

The Group capitalises on the opportunities in the development of RMB market in Hong Kong by launching different brand new products and services which have helped expanding the scope of its businesses in cross-border trade settlement, remittance, bonds issuance and deposit. In this way, we are able to maintain our market leadership in the related areas.

In 2010, we led the market by underwriting twelve RMB bonds for nine

CORPORATE SOCIAL RESPONSIBILITY



The launch ceremony of the second issuance of RMB Sovereign Bonds by the Central Government in Hong Kong was held at 70/F of the Bank of China Tower

During the year, BOCHK partnered with another asset management company to launch the first RMB public fund in Hong Kong. We provide full-fledged supporting services for fund distribution, from custody to fund administration.

As a pioneer in RMB business in Hong Kong, BOCHK launched the "CNY HIBOR" pricing system in order to provide an established reference rate for RMB trade settlement and commercial loans in Hong Kong. Furthermore, BOCHK introduced the "Bank of China (Hong Kong) Offshore RMB Bond Index", the first of its kind offshore RMB bond index in Hong Kong. The index aims to provide a reference of the performance of the offshore RMB bonds market, so that investors can better gauge market performance.

BOCHK has successfully become the RMB agent bank of the Stock Exchange of Hong Kong for CCASS settlement, in preparation for the trading of RMB-denominated securities in the future.

As the Clearing Bank of RMB business in Hong Kong, BOCHK is dedicated to providing RMB trade settlement services for local and overseas peers. As of December 2010, a total of 156 banks opened clearing accounts with BOCHK. On 13 July, BOCHK was authorised as the Clearing Bank of RMB banknotes business for Taiwan. The provision

of RMB banknotes clearing service to the designated RMB banknotes business banks in Taiwan region further facilitates the development of RMB offshore market and business in Hong Kong.

At the same time, we assist our parent in offering RMB business in its overseas branches. By leveraging on BOC's extensive network and strong support services, the Group works closely with BOC and its overseas branches in providing corporate customers in the Mainland and overseas with quality and innovative RMB financial services.

Capitalising on our strong cross-border servicing capability and the close collaboration with our parent and NCB (China), we launched a number of cross-border trade finance products, and "Credit facilities secured by standby letter of credit issued by banks in the PRC" and "Short-term trade finance for bank business". The process of industrial upgrading in the Mainland is the impetus for our offering the "Cross-boundary usage of credit limit" service on a pilot basis for small and medium-sized enterprises ("SMEs"). The programme achieved fruitful results and enhanced our capabilities in serving cross-border SMEs.

In addition, NCB (China) formed a strategic alliance with several insurance companies in order to expand insurance agency business in the Mainland. An

array of general insurance and life insurance products, as well as wealth management products were launched, contributing to a remarkable growth in its business.

Supporting Local Enterprises

The stable development of SMEs is an important pillar of the Hong Kong economy. The Group has lent tremendous support to SME clients which have prudent operations. We continued to fully support the "SME Loan Guarantee Scheme" and "Special Loan Guarantee Scheme" of the HKSAR Government. As at the end of 2010, the Group approved over 6,600 loan applications amounting to HK\$20.3 billion under the two schemes.

To demonstrate our continual support of the development of quality SMEs in Hong Kong, BOCHK joined the "SME Financing Guarantee Scheme" launched by the Hong Kong Mortgage Corporation with the formal signing of the related agreement in December. BOCHK also actively participates in the "Plan to support local SMEs in entering the Mainland Domestic Market" initiated by the Hong Kong Productivity Council ("HKPC"), helping them to enter the thriving domestic market in the Mainland.

According to the "Commercial Banking and Finance Monitor" survey conducted by Nielsen in April 2010, BOCHK continued to dominate the SME market

CORPORATE SOCIAL RESPONSIBILITY



We organise a diverse range of customer activities to meet their different needs



in terms of overall bank usage and is the main banker for local SMEs. This demonstrates that our SME service is widely recognised in the community.

Enhancing Service Platforms

With the most extensive branch network in Hong Kong, the Group has 268 branches across Hong Kong, Kowloon and the New Territories. In line with our CSR policy, we promote the use of electronic transaction and banking channels. Our around-the-clock self-service banking centres are located in major transport interchanges, shopping malls and housing estates in Hong Kong. We invested significant resources in upgrading our automated banking facilities. As at the end of 2010, more than 920 automated banking machines for cash withdrawals and deposits, and cheque deposits were installed. Educational workshops were organised to teach the elderly how to use ATMs. In June, all of the Group's ATMs displayed protruding symbols which improved the accessibility of ATM services for the visually impaired.

We continually enhance our e-Banking capability. The new online corporate

action services allow customers to submit corporate action instructions, such as rights subscription, open offer, share offer, preferential subscription, and scrip dividend and offer, more efficiently. Online subscription of RMB bonds and browsing of customers' life and general insurance policies are also available. The enhancement of Corporate Banking Services Online ("CBS Online") bundled with preferential pricing for online transactions provided impetus for corporate customers to switch to the internet platform.

The mobile banking services launched this year offer customers a total banking solution, including securities trading, fund transfer, currency exchange, bill payment, precious metal trading and forex trading. Furthermore, the new one-stop phone banking hotline enables customers to manage their various banking, credit card and investment accounts by calling a dedicated hotline.

The Group is establishing a systematic financial platform for objectively analysing the protection and financial

needs of customers. We provide various products and attractive offers tailor made for different customer needs.

With the vision of "We Care", the Group has been employing different methods to gather information on customer satisfaction and strives to improve our service. We conducted customer satisfaction surveys, organised seminars and visited our corporate customers to gain a better understanding of our customer needs. In recognition of their excellence in customer service and provision of a reliable service platform, the Group's call centre and BOC-CC were granted 15 awards by the Hong Kong Call Centre Association in 2010, including the *Gold Award* in the corporate categories of *Inbound Contact Centre of the Year (Under 50 Seats)* for the call centre and the *Gold Mystery Caller Assessment Award* for both the call centre and BOC-CC. BOC-CC has received the ISO 10002 certification through Hong Kong Quality Assurance Agency since 2008, signifying our compliance to the international standard of customer complaint management.

CORPORATE SOCIAL RESPONSIBILITY



Hong Kong Geopark Photo Competition was well-received with nearly 1,900 entries from the public

We sponsored the first Hong Kong Corporate Citizenship Programme organised by the Hong Kong Productivity Council to promote sustainability of society



Conservation of Resources for Environmental Protection

BOCHK encourages our staff, customers and business partners to be environmentally friendly, and helps promote the awareness of environmental protection to various sectors of society, contributing to the development of a low carbon city.

Building a Green Bank

In accordance with the “Environmental Policy for Sustainable Development”, the Group put into practice a number of environmental protection and energy-saving measures. During the year, we completed an energy-cum-carbon audit in respect of Bank of China Tower (“BOC Tower”), Bank of China Building (“BOC Building”), Bank of China Centre (“BOC Centre”) and the Group’s IT Centre in Fo Tan, Shatin. The scope of the audit covered waste control, providing a foundation to further strengthen our monitoring of greenhouse gas emissions, wastage and energy conservation.

We have also modified lighting systems at the Group’s properties. Traditional T8 fluorescent tubes were replaced with more energy-efficient T5 fluorescent tubes, and LED tubes were installed for advertising and exit light boards at branches. By replacing VAV A/C boxes on certain floors of BOC Tower with computerised ones and adjusting chilled water supply, we optimise the air temperature and air flow to achieve

a higher level of energy efficiency. Through the implementation of various measures in 2010, BOCHK’s electricity consumption was reduced by about 1.4 million kWh, resulting in the reduction of carbon dioxide emissions by 780 tons and a saving of HK\$1.6 million in energy costs.

Through installation of water conserving devices such as water tap sensors, auto-flushing sensors, dual-flush water saving toilets, as well as an alarm system to detect water pipe bursts on our premises, we achieved an annual saving of water of 18,800 cubic metres. We continue our efforts to reduce consumption of natural resources and encourage the use of recycled or environmentally friendly materials whenever and wherever possible. We have an in-house recycling system for waste paper, aluminium, plastic, used batteries, bulbs, fluorescent tubes and toner cartridges. More than 75,000 kg of recycled paper was collected during the year. In partnership with Hong Kong Caritas, a social welfare organisation, we carried out a Computer Recycling Project on our premises and donated refurbished computers to those in need. Source separation has been implemented to ensure proper disposal of waste which cannot be recycled. For fire safety equipment, we have gradually replaced BTM extinguishing agent with more environmentally friendly “FM-200” to avoid creating harmful effects on the earth’s atmosphere.

Our sound environmental practices to reduce energy and water consumption in 2010 have earned us recognition and environmental accreditations from a number of professional organisations for many years. BOC Tower and BOC Centre continued to attain the *ISO 14001 certifications* granted by Det Norske Veritas and the *Certificate of the Quality Water Recognition Scheme for Building* from the Water Supplies Department of the HKSAR Government; and obtained the *Indoor Air Quality Certificates (Excellent Class)* from the Environmental Protection Department. On top of the above *ISO* and quality water certificates, BOC Building received the *Carbon Reduction Label* awarded by the Hong Kong Quality Assurance Agency in 2010.

As part of our commitment to building a sustainable environment, we incorporated green elements in renovating our premises. In 2010, green engineering was employed to transform the platform on the 4th Floor of our Cheung Sha Wan Building into a green space. We also installed an air-conditioning system with grade 1 energy label at our staff quarters to achieve further savings on electricity.

To align our business practices with nature conservation, we have taken steps to reduce our impact on the environment by developing an environmentally friendly business model and streamlining procedures in our business operations.

CORPORATE SOCIAL RESPONSIBILITY

In line with our "Procurement Policy for Sustainable Development" and "Code of Conduct for Suppliers", when selecting suppliers and contractors, we consider whether the content and packaging of their products can be recycled and whether environmental certification has been obtained. Our brochures, promotional leaflets and Lunar New Year cards and posters have been printed on paper with environmental certification by the Forest Stewardship Council. We have also put into place clear procurement policies requesting suppliers to provide environmentally friendlier materials and services which are in compliance with the best practices. The environmentally friendlier materials include eco-friendly toners as well as energy-saving or energy-efficient equipment for use in the office. Instead of procuring single-purpose office appliances, we purchase multi-purpose ones such as photocopiers with two-sided copying, printing, scanning as well as fax functions. Photocopy paper we use is made with 100% use of biofuel from human cultivated trees. Company vehicles are also economy models.

With the use of advanced technology, we encourage our customers to manage their finances via Internet Banking and switch to e-Statement services. Working towards a paperless office, we promote the use of electronic documents or correspondence, while training materials are available on the electronic learning platform. As a listed company with a large shareholder base, the Group encourages our shareholders to view annual reports online or choose to receive summary financial reports to reduce paper use. The number of 2010 annual report printed is thus reduced tremendously by 77%. In addition, our annual reports are printed on environmentally friendlier paper using eco-friendly printing techniques.

Since 2009, we have participated in the global environmental initiative "Earth Hour" organised by WWF to raise public awareness of the global climate change through the act of switching off lights. We also signed the first "Dim It" Charter, making an open commitment to

conserving energy and reducing carbon dioxide emissions, light pollution and light nuisance. At corporate banquets, shark's fin, endangered reef species and black mosses are no longer served in order to comply with the guidelines set out by WWF Hong Kong.

In addition, BOCHK supports the Green Day of the Hong Kong Community Chest ("the Chest") to encourage staff to take greener forms of transportation to work and reduce their carbon footprint in the workplace and at home.

Promoting Green Credit Services

In 2010, we reviewed our "Credit Risk Policy" with a view to further promoting our *Green Credit* services in various ways including risk management. We offer a *Green Equipment Financing Scheme* through collaboration with the HKPC. The scheme encourages corporate customers to purchase environmentally friendlier equipment to increase their productivity and operating efficiency while reducing environmental pollution. BOCHK donates HK\$1 for every HK\$2,000 loan amount to designated green groups via the HKPC to support environmental protection initiatives. We also jointly launched the *Energy Efficiency Loan Scheme* with the two electricity companies in Hong Kong to provide loans to commercial and industrial customers for the implementation of energy-saving initiatives and encourage them to switch to energy-efficient electrical appliances and equipment.

Hong Kong National Geopark – Prehistoric Story Room will be established at the Bank of China Tower in August 2011. This will help the gorgeous geopark reach out to the city centre

In Support of Bio-environmentalism

Environmental education is another key focus of our corporate responsibility work. Following the establishment of Hong Kong National Geopark in eight geo-sites by the Ministry of Land and Resources, China, in 2009 BOCHK spearheaded the *Hong Kong Geopark Charity Green Walk*, which brought together the important elements of environmental protection and charity. In 2010, 48 eco-tours were organised for more than 4,000 customers, citizens, staff members and their companions to learn more about Hong Kong's geological and geomorphologic features. With BOCHK sponsoring the relevant costs, the enrolment fees paid by the participants have been donated to Polar Museum Foundation for educational and conservation purposes. We also organised the *Hong Kong Geopark Photo Competition* to reinforce the theme of environmental conservation and received an overwhelming response with nearly 1,900 entries from the public.

The Group also sponsored *Power Plant*, a large-scale international outdoor sound and light exhibition presented for 21 days by the 39th Hong Kong Arts Festival in the Kowloon Walled City Park. Renowned British installation artists transformed the park, a picturesque Chinese garden with unique historical background, into a wonderland of glittering sounds and glowing lights. To complement the natural setting of the park, a wide

「香港國家地質公園 - 史前故事館」簽署儀式 Signing Ceremony of Hong Kong National Geopark – Prehistoric Story Room



CORPORATE SOCIAL RESPONSIBILITY



The first-ever collaboration between two prominent brands of BOCHK and Salvatore Ferragamo brought together art, creativity, excellence and charity under one roof, promoting cross-industry cooperation in fulfilling corporate social responsibility

range of environmentally friendly materials were used in art installations, inspiring the public to explore the inter-dependent relationships between humanity and nature and promoting the significance of environmental protection. The exhibition is well-received by the public and media.

Embracing LOHAS (“Lifestyles for Health and Sustainability”) can help reduce the carbon footprint in our daily life and improve the well-being of communities across the globe. In 2010, we sponsored *LOHAS@BOCHK* organised by Tai Po Environmental Association and fully supported by Kadoorie Farm & Botanic Garden. Under this programme, the LOHAS Atelier has been set up and serves as an educational base to showcase a green and sustainable way of living from diet and home to transportation and clothing, through inspiring exhibitions and demonstration sessions.

Caring for Community We Serve

Rooted in Hong Kong, BOCHK has been serving Hong Kong with a dedication to developing harmonious relationships with different sectors of the city. Working closely with the BOCHK Charitable Foundation (“The Foundation”), an independently operating charity organisation registered in Hong Kong, we actively participate in a diverse range of charitable activities, covering education and culture, sports

and health, environmental protection and social welfare and assistance to the needy in Hong Kong and the Mainland of China, to share our success with the communities we serve.

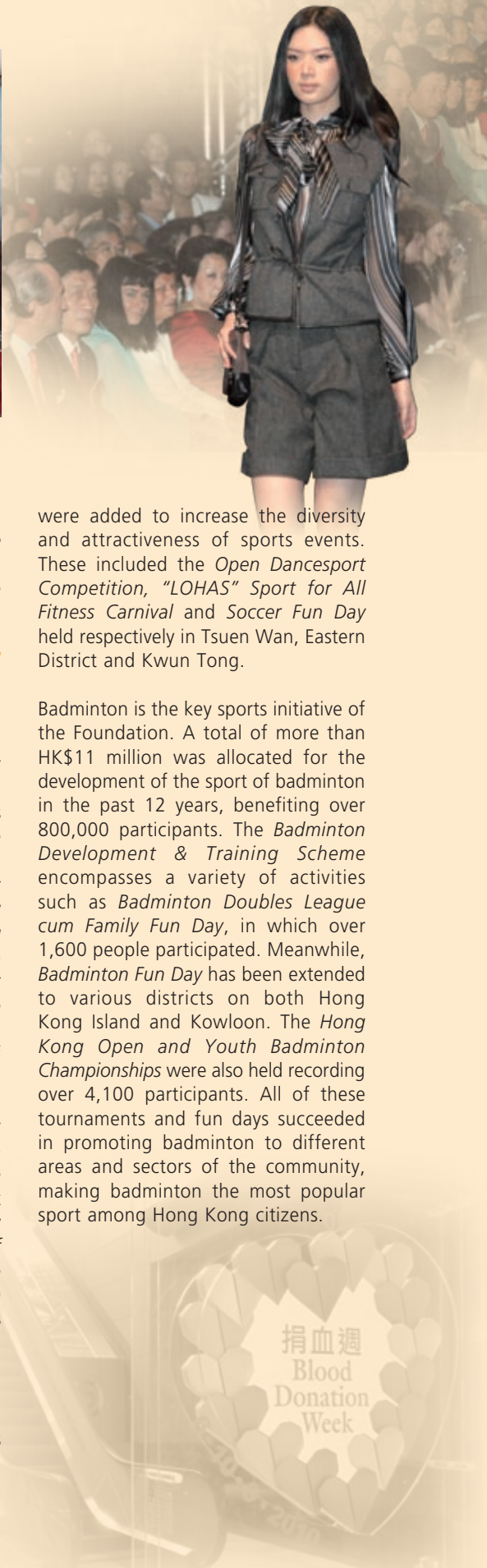
Fostering a Culture of Sport for All

The excellent performance of Hong Kong athletes and their “can-do” spirit demonstrated in the 16th Asian Games has ignited enthusiasm for and raised public interest in sports. In recognition of the Hong Kong athletes for their achievements at large-scale sport games, we have been supporting the *Bank of China Hong Kong Sports Stars Awards* for five years in a row and set up the *Best of the Best Hong Kong Sports Stars Award*. In the online public voting of the *Hong Kong Sports Stars Awards 2009* held in 2010, we recorded a total of over 90,000 votes, representing a year-on-year increase of 63%, from nearly 33,000 voters.

Participation in sports not only promotes good health, but also helps one develop a positive attitude towards life. We advocate the “Sport for All” message in the community through sponsorship of the *Festival of Sport* from 2007 for five consecutive years. In 2010, more than 400,000 people participated in over 80 sports competitions, demonstrations and fun days throughout 18 districts in Hong Kong organised by the *Bank of China (Hong Kong) 53th Festival of Sport*. In this year’s festival, new elements

were added to increase the diversity and attractiveness of sports events. These included the *Open Dancesport Competition*, “LOHAS” *Sport for All Fitness Carnival* and *Soccer Fun Day* held respectively in Tsuen Wan, Eastern District and Kwun Tong.

Badminton is the key sports initiative of the Foundation. A total of more than HK\$11 million was allocated for the development of the sport of badminton in the past 12 years, benefiting over 800,000 participants. The *Badminton Development & Training Scheme* encompasses a variety of activities such as *Badminton Doubles League cum Family Fun Day*, in which over 1,600 people participated. Meanwhile, *Badminton Fun Day* has been extended to various districts on both Hong Kong Island and Kowloon. The *Hong Kong Open and Youth Badminton Championships* were also held recording over 4,100 participants. All of these tournaments and fun days succeeded in promoting badminton to different areas and sectors of the community, making badminton the most popular sport among Hong Kong citizens.



CORPORATE SOCIAL RESPONSIBILITY



The Community Chest's West Meets East: Food Carnival for Charity held at the Bank of China Tower attracted 600 donors to join

For nine consecutive years, the Foundation has sponsored the *Hong Kong Island & Kowloon Regional Inter-school Sports Competition* – the largest school sports competition of its kind in Hong Kong with also the longest history. The competition's top-honour is the *BOCHK Bauhinia Bowls Award*. In 2010, the *BOCHK Rising Star Award*, a new award was set up to further foster the talents of young athletes. We recorded a total of 78,000 athlete enrolments from 272 schools, which participated in more than 8,400 matches of this competition.

Building a Harmonious Community

In 2009/2010, BOCHK donated HK\$25 million of the net proceeds generated by the sale of the Beijing 2008 Olympic Games HKD Commemorative Banknote to the Chest. Together with the HK\$25 million generated from the sale and donated to the Chest in the

previous year, the Group made a total donation of HK\$50 million which was channelled to assist the social welfare agencies supported by the Chest. In 2010, BOCHK was presented the Chest's *Magnificent Award* for two consecutive years and *Top Donor of the Year Award* in recognition of our generosity. BOCHK also encouraged staff participation in the CARE Scheme by matching staff donations. In June 2010, nearly 600 donors who have given generous support to the Chest were invited to participate in the *West Meets East: Food Carnival for Charity* sponsored by the Foundation and held in the BOC Tower. A total of HK\$800,000 was raised and donated to the Chest.

In 2009 we designated HK\$90 million of the net proceeds from the sale of the Olympic Commemorative Banknote to set up the BOCHK's *Caring Hong Kong – A Heart Warming Campaign* ("The Campaign"), with the objectives to mitigate the impact of the economic

turmoil on those affected, to support Hong Kong's economy and to build a harmonious community. Over 300 member social welfare agencies of the Chest and HKCSS were eligible to apply for funding from the two-phased Campaign. As at December 2010, an aggregate of HK\$45 million was allocated to subvent 41 projects.

In celebration of the 20th anniversary of the BOC Tower, BOCHK together with Salvatore Ferragamo, the most prestigious fashion brand in the world, held a four-week *Living Art* Exhibition, a glamorous Autumn Winter 2010 ladies' and men's fashion show followed by a *Charity Gala Dinner* in the iconic Tower between May and June 2010. *Living Art* exhibited the replicas of the historical shoes and Ferragamo bags in the Salvatore Ferragamo museum in Florence. This first-ever collaboration between these two prominent brands brought together their art, creativity and excellence, as well as promoting cross-industry cooperation in fulfilling corporate social responsibility. The proceeds from the *Charity Gala Dinner* of HK\$1 million were donated to the Chest to support those in need.

With social responsibility being recognised as a key element for sustainable development of Hong Kong, BOCHK sponsored the *Hong Kong Corporate Citizenship Programme* launched by the HKPC in 2010. Through a series of competitions, seminars and presentation of the *Hong Kong Outstanding Corporate*

CORPORATE SOCIAL RESPONSIBILITY



Various large scale staff sports activities are organised regularly, showing our dynamism and team spirit

Citizen Award, the programme aims to assist enterprises in adopting social responsibility principles in their business strategies and promoting the concept to their employees, family members, customers, students and the public.

Spreading the Message of Caring

The Group established a Staff Volunteer Team in 2006. The team proactively spreads the message of caring by participating in various community and volunteer activities, including helping to clean elderly homes, organising a food event for underprivileged families and teaching their children to do art work. Our staff also represented the Bank as volunteers at the East Asian Games, LOHAS Atelier, *Junior Achievement (JA) Primary Programme 2010*, Hong Kong Geopark Charity Green Walk and the Power Plant presented by Hong Kong Arts Festival. All of these volunteer activities were well-received by the Group's staff and their families with over 1,500 participants.

BOCHK was presented the *Gold Award for Volunteer Service* by the Social Welfare Department of the HKSAR Government in recognition of our staff's enthusiasm in performing community

service in 2010. In addition, two of our staff members were presented the *Gold Award* and *Silver Award* respectively for their dedicated service in the East Asian Games. With the shared values of caring and serving others, our staff form a closely knit team to spread the message of caring in the community.

In order to provide support to patients suffering from cognitive impairment, about 400 BOCHK's staff members and 100 customers participated in the *Walk with Professor Kao CUHK Walkathon* in March 2010 to raise funds for an online training programme for family caregivers of the patients and the Charles K. Kao Scholarship Endowment Fund. We also launched a *Kids and Kiss – Pay Love Forward* jointly with the Boys' & Girls' Clubs Association of Hong Kong to show that we care children from low-income or foster care families through a series of interactive games and activities.

Caring has no boundaries. Ours has been spread far and wide to the Mainland of China. Following our staff participation in the *512 Charity Walk for Education* and *Charity Expedition for Education* organised by Sowers Action in 2009, BOCHK supported a team

of 9 staff and their family members, known as Team One, to take part in the *Charity Walk 2010* and complete a 60-km route in the Gansu Province in 4 days. In addition to raising over HK\$110,000 at the event, our staff showed their love and care to local children by giving them encouragement at a creative handwork class at a local school.

Through our extensive branch network, we help collect donations to support rescue work and reconstruction of the areas afflicted by natural disasters. A massive earthquake jolted Haiti on 12 January 2010. We immediately set up a designated account to collect donations, and a total of HK\$450,000 was raised from staff, customers and the general public and given to the afflicted areas through the Hong Kong Red Cross. On 14 April the Qinghai Province in the Mainland of China was also hit by an earthquake. The Foundation became the first institution to make a donation of RMB1 million (equivalent to HK\$1.1 million) to Qinghai earthquake victims through the Red Cross Society of China. The aggregate sum of donations collected from customers and the public stood at HK\$2.06 million to assist the local reconstruction work.

CORPORATE SOCIAL RESPONSIBILITY

We have been supporting the Bank of China Hong Kong Sports Stars Award for five consecutive years, in recognition of the excellent performance of local athletes



Capitalising on the large customer base of the Group, the Foundation helped 10 charitable organisations to send out 3.38 million appeal inserts with bank statements in 2010.

As the wholly-owned subsidiary of BOCHK Group in the Mainland of China, NCB (China) has been committed to undertaking social responsibility in the Mainland communities it serves. In 2010, the Bank supported a local school called Yangpeng School with donations and launched the *Caring*

Deposits Programme jointly with the Red Cross Society of China. Through the programme, the Bank donated a book collection for the children stricken by disaster or living in poverty-stricken areas. In recognition of the Bank's efforts, it was presented the *Most Socially Responsible Company Award – 2010* by the renowned *CFO* magazine in the Mainland.

Nurturing Future Talent

We spare no effort in nurturing our younger generation to build a better society. Since 1990, the Foundation has awarded HK\$13.38 million scholarships and bursaries to nine universities in Hong Kong, benefiting a total of 1,415 students. We organised the sixth *Internship Programme for Financial Professionals in the Mainland of China*, together with the *Summer Internship Programme for Tertiary Institution Students* in recent years. University and tertiary institution students are able to deepen their understanding of economic and financial developments in our motherland by undertaking an internship at the branches of BOC in the Mainland. BOCHK also joined the *Internship Programme for University Graduates* launched by the HKSAR Government by offering six-month internship opportunities either in Hong Kong or the Mainland for university graduates.

The Group is also actively promoting community learning ranging from financial literacy to environmental protection. In 2010, the Group sponsored the Department of Child Education and Community Services of Hong Kong Institute of Vocational Education to set up the "Kiddie Sky" *Green Kids Banking Programme* and *Kids Garden* on their new premises in Shatin. Through a series of innovative games and role-play activities, children can gain a general understanding of the basic operation of banks in a relaxed atmosphere. The Group also sponsored the *Junior Achievement (JA) Primary Programme 2010* to give 1,000 primary school children the basic knowledge about our society through innovative classes, and to foster a positive working attitude.

Promoting Art and Culture

Art and culture enrich our life and enhance creativity. In celebration of the 200th anniversary of the birth of world-renowned composer and virtuoso pianist Chopin, we sponsored the *Yundi Li & the HKPO* concert. Besides, about 100 of BOCHK's customers, staff members and their companions attended *Yundi's Piano Masterclass*. During the year, we also supported the *Great Performers: BOCHK Charitable Foundation proudly sponsors – The Pride of China* presented by Hong Kong Philharmonic Orchestra and the Chinese star pianist Lang Lang. A total of 2,000 audience enjoyed the marvellous performance of Lang Lang.

Serving Our Shareholders with a Solid Foundation

The Group is committed to maximising shareholder value and safeguarding shareholders' interests by enhancing corporate governance and ensuring a higher degree of transparency. We implemented the Basel II Accord with revised capital requirements, while reinforcing our internal control system. For details, please refer to "Corporate Governance", "Investor Relations" and "Management's Discussion and Analysis".

郎朗 LANG LANG
鋼琴 piano

13 | 10 | 2010

WED 8PM
香港文化中心音樂廳
HK CULTURAL CENTRE
CONCERT HALL
\$1,280 \$880 \$480 \$280



We advocate good work-life balance for staff and organise different recreational activities for our people and their family members

With prudent operations and solid foundation, the Group continues to enhance our core competences amid an ever-changing economic environment. We also keep abreast of the times and seize every opportunity to grow our business and maximise our shareholder value.

People-oriented with Team Spirit

People are our most important asset. We are dedicated to creating development opportunities for our staff in a congenial working environment and fostering promising careers so that they can grow along with the Group.

Professional Staff Training and Development

The Group boasts a team of talented professionals from different backgrounds with versatile experience and expertise. As at the end of 2010, the number of staff reached over 13,000. The Group has been creating job opportunities for all echelons of society, under the auspices of CSR. We recruited well-qualified management and business professionals in Hong Kong, as well as university graduates to develop a new way of thinking and inject fresh ideas.

We advocate equal opportunity and adopt the principle of justice and

fairness in our human resources management and recruitment practices. The anti-discrimination ordinance, in relation to gender, disability, marital status and ethnicity, is clearly outlined in our staff handbook.

Nurturing talented professionals is one of our top priorities. We invest heavily in staff training and development every year. As at December 2010, the Group organised 5,000 courses for 235,000 participants, in conjunction with our strategic objectives for business expansion in Hong Kong and the Mainland in the medium term and our human resources development plan. The programmes include a series of courses and workshops related to risk management, legal and compliance, corporate governance, corporate culture, sales and service, and management skills and leadership development.

To enhance the professionalism of the Group's staff, we rolled out special training for branch managers, operation managers, tellers, customer services representatives and relationship

managers. Sales staff learn about new product features and sales compliance requirements through e-learning courses. The new *Continuous Professional Development Programmes* increase compliance and business knowledge of intermediaries and Executive Officers. We also arrange e-learning for all staff in relation to prevention of money laundering, risk management and compliance.

We work with reputable institutions such as Columbia University, Oxford University and Richard Ivey School of Business, to provide world-class training for our senior management. Such training aims to enhance their leadership and strategic thinking capabilities. In addition, we offer intensive training and exposure to university graduates through the *Management Trainee Programme*, *Officer Trainee Programme* and *Summer Internship Programme* with the objective of grooming those who demonstrate high potential. Our comprehensive training and development programme has earned us recognition. BOCHK received the *Gold Prize of the Award for Excellence*

for Staff Compliance

CORPORATE SOCIAL RESPONSIBILITY



Our Staff Volunteer Team participates in various community and charitable activities, proactively spreading the message of caring for society

In Training and Development organised by the Hong Kong Management Association and *Manpower Developer 1st* held by the Employees Retraining Board.

Competitive Incentive Schemes

BOCHK is committed to providing our staff with competitive remuneration packages. We continue to review and refine our remuneration and benefits policy in line with market practices. Our staff are rewarded according to a performance-linked annual bonus scheme in relation to the performance of the Group, its respective business units as well as individual staff. We also have sales incentive schemes linked to business performance.

Appreciation and recognition are important to motivate staff. We therefore identify outstanding performance and distinguished staff while special newsletters are published to honour their extraordinary achievements.

Culture of Corporate Excellence

Our corporate culture is built on our core values of Social Responsibility, Performance, Innovation, Respect, Integrity and Teamwork, which form an acronym of "SPIRIT".

To strengthen compliance awareness and fulfil our obligations to our staff, we launched a series of educational activities, for instance the *Caring for Staff, Reinforcing Compliance* seminars, implementing a bank-wide charter on the establishment of a compliance culture, as well as disseminating compliance guidelines and updates.

We support a culture of fair and reasonable treatment for staff. A number of communication channels, including a dedicated staff hotline, are provided to gather staff feedback and opinions. We will set up a cross-departmental task force to handle staff opinions objectively and fairly.

We protect the health and safety of our staff by providing a safe and congenial workplace. In addition, a wide range of employee engagement activities, such as multi-level sharing sessions, psychological consultations, visits, seminars and team-building activities are organised to facilitate two-way communication and strengthen staff relationships. Maintaining a good work-life balance helps employees reduce stress. In the year, we recorded a total of 2,211 staff and their family members taking part in recreational

activities of different organisations. Different communication channels are employed, including display boards and e-notice boards to facilitate better information exchange. Our web content, in relation to staff training and development, remuneration and benefits, and recreational activities, is kept up-to-date.

Provision of free body check-ups to staff exemplifies our caring attitude. Our staff benefit from a subsidised canteen which offers breakfast, lunch and dinner in both Chinese and western styles at BOC Tower. We also promote a reading culture by organising various book fairs in BOC Tower and BOC Centre. Over the years, we worked with Hong Kong Red Cross to organise blood donation events, with an overwhelming response from hundreds of staff members.

Corporate social responsibility has a positive impact on staff morale and creates long-term value for the Group. It is a priority for the Group in the year ahead. We will therefore continue to uphold our corporate social responsibility in order to build a harmonious society and contribute to the sustainable development of society.