



中銀香港(控股)有限公司
BOC HONG KONG (HOLDINGS) LIMITED

Stock Code: 2388

Driving Excellence on New Grounds

Summary Financial Report 2014



This Summary Financial Report only gives a summary of the information and particulars contained in the "2014 Annual Report" (the "Annual Report") of the Company from which this Summary Financial Report is derived. Both the Annual Report and this Summary Financial Report are available (in English and Chinese) on the Company's website at www.bochk.com and the Stock Exchange's website at www.hkexnews.hk. You may obtain, free of charge, a copy of the Annual Report (English or Chinese or both) from the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, details of which are set out in the letters sent by the Company to its shareholders in mid April 2015.

Our Vision is to be
YOUR PREMIER BANK

Our Mission is to

Build customer satisfaction and provide quality and professional service

Offer rewarding career opportunities and cultivate staff commitment

Create values and deliver superior returns to shareholders

Our Core Values are

Social Responsibility We care for and contribute to our communities

Performance We measure results and reward achievement

Integrity We uphold trustworthiness and business ethics

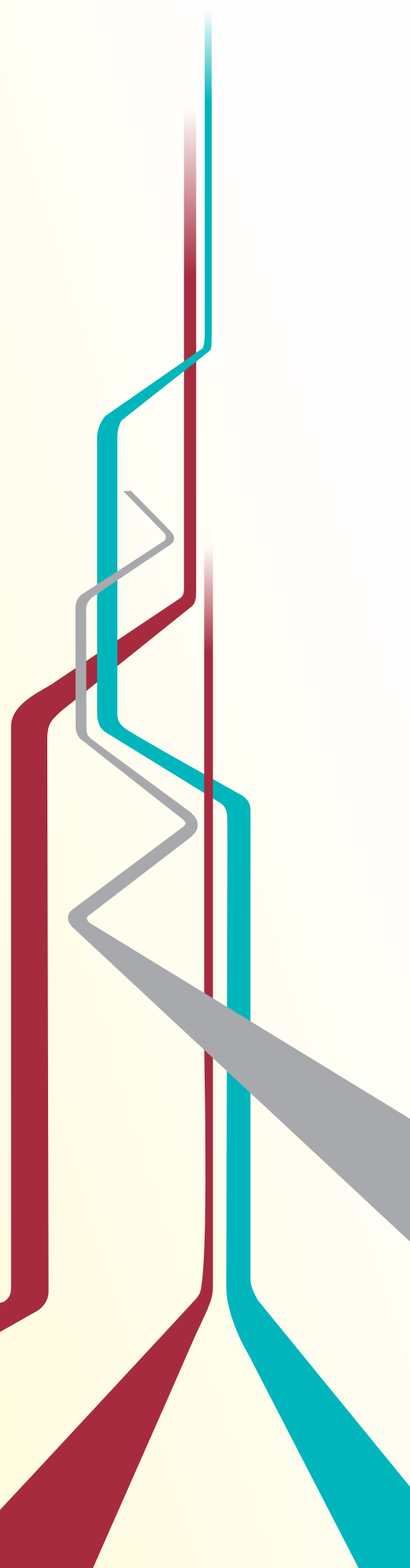
Respect We cherish every individual

Innovation We encourage creativity

Teamwork We work together to succeed

Combining the initials of mission and core values, we have

BOC SPIRIT



BOC Hong Kong (Holdings) Limited (“the Company”) was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest in Bank of China (Hong Kong) Limited (“BOCHK”), its principal operating subsidiary. Bank of China Limited holds a substantial part of its interests in the shares of the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of Bank of China Limited.

BOCHK is a leading commercial banking group in Hong Kong. With over 260 branches, more than 600 ATMs and other delivery channels in Hong Kong, BOCHK and its subsidiaries offer a comprehensive range of financial products and services to personal and corporate customers. BOCHK is one of the three note issuing banks in Hong Kong and also the Clearing Bank for Renminbi business in Hong Kong. In addition, the BOCHK Group (comprising BOCHK, Nanyang Commercial Bank and Chiyu Banking Corporation) and its subsidiaries have 42 branches and sub-branches in the Mainland of China to provide cross-border banking services to customers in Hong Kong and the Mainland.

The Company began trading on the main board of the Stock Exchange of Hong Kong on 25 July 2002, with stock code “2388”, ADR OTC Symbol: “BHKLY”.

Theme

2014 marked another year of success for the Group with record high results. The cover of the annual report features an illuminated Bank of China Tower to represent our ongoing pursuit of excellence and commitment to sustainable growth. This is reflected in our theme for this year’s annual report, Driving Excellence on New Grounds.

We are also committed to further enhancing the customer experience by offering the diverse range of services and products via different platforms for our personal and corporate clients.

Looking ahead, by capitalising on our solid foundation and strong franchise, the Group will be proactive in taking advantage of new opportunities to create greater value for our customers, shareholders, employees and the community. We will remain focused on Serving Society, Delivering Excellence and contributing to the enhancement of Hong Kong as an international financial hub and its long-term economic development.

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This Summary Financial Report is available in both English and Chinese. Printed copy prepared in the language different from that in which you have received is available by writing to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong or email to bochk.ecom@computershare.com.hk.

This Summary Financial Report is also available (in both English and Chinese) on the Company’s website at www.bochk.com and the Stock Exchange’s website at www.hkexnews.hk.

If you have any queries about how to obtain copies of the Company’s Annual Report or Summary Financial Report or how to access those documents on the Company’s website, please call the Company’s hotline at (852) 2846 2700.

Financial Highlights

	2014	2013	Change
For the year	HK\$'m	HK\$'m	+ / (-)%
Net operating income before impairment allowances	44,282	40,313	9.8
Operating profit	30,260	27,493	10.1
Profit before taxation	30,663	27,793	10.3
Profit for the year	25,105	23,075	8.8
Profit attributable to the equity holders of the Company	24,577	22,252	10.4
Per share	HK\$	HK\$	+ / (-)%
Basic earnings per share	2.3246	2.1046	10.4
Dividend per share	1.1200	1.0100	10.9
At year-end	HK\$'m	HK\$'m	+ / (-)%
Capital and reserves attributable to the equity holders of the Company	176,714	158,813	11.3
Issued and fully paid share capital	52,864	52,864	–
Total assets	2,189,367	2,046,936	7.0
Financial ratios	%	%	
Return on average total assets ¹	1.19	1.22	
Return on average shareholders' equity ²	14.65	14.37	
Cost to income ratio	29.29	29.97	
Loan to deposit ratio ³	64.79	64.63	
Average liquidity ratio ⁴	42.17	37.93	
Total capital ratio ⁵	17.51	15.80	

1. Return on average total assets = $\frac{\text{Profit for the year}}{\text{Daily average balance of total assets}}$

2. Return on average shareholders' equity

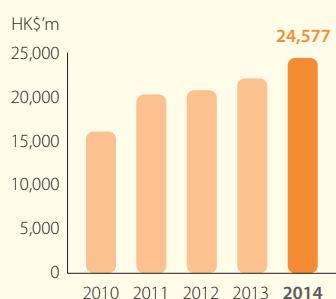
$$= \frac{\text{Profit attributable to the equity holders of the Company}}{\text{Average of the beginning and ending balance of capital and reserves attributable to the equity holders of the Company}}$$

3. Loan to deposit ratio is calculated as at year end. Loan represents gross advances to customers. Deposit represents deposits from customers including structured deposits reported as "Financial liabilities at fair value through profit or loss".

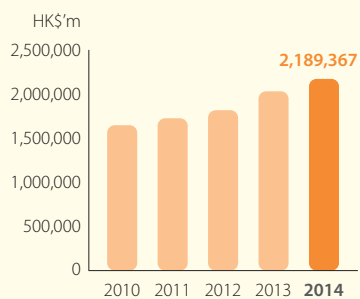
4. Average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the year.

5. Total capital ratio is computed on the consolidated basis for regulatory purposes that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules.

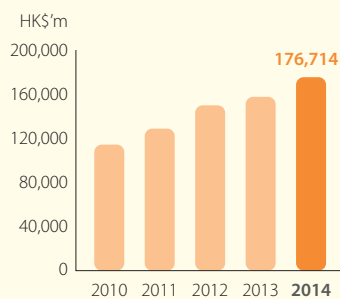
Profit attributable to the equity holders of the Company



Total assets



Capital and reserves attributable to the equity holders of the Company



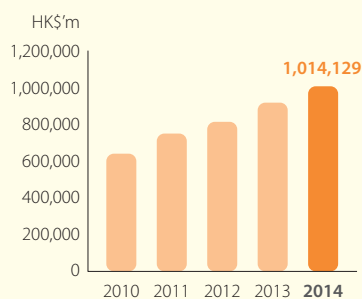
Five-Year Financial Summary

The financial information of the Group for the last five years commencing from 1 January 2010 is summarised below:

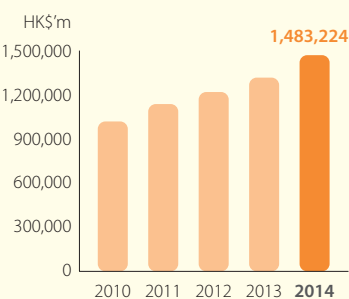
	2014	2013	2012	2011	2010
For the year	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Net operating income before impairment allowances	44,282	40,313	35,617	30,846	27,508
Operating profit	30,260	27,493	23,499	22,478	18,239
Profit before taxation	30,663	27,793	25,521	24,680	19,742
Profit for the year	25,105	23,075	21,547	20,813	16,690
Profit attributable to the equity holders of the Company	24,577	22,252	20,930	20,430	16,196
Per share	HK\$	HK\$	HK\$	HK\$	HK\$
Basic earnings per share	2.3246	2.1046	1.9796	1.9323	1.5319
At year-end	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Advances and other accounts	1,014,129	924,943	819,739	755,229	645,424
Total assets	2,189,367	2,046,936	1,830,763	1,738,510	1,661,040
Daily average balance of total assets	2,112,622	1,890,403	1,734,388	1,823,989	1,382,121
Deposits from customers ¹	1,483,224	1,327,980	1,229,131	1,146,590	1,027,267
Total liabilities	2,007,895	1,883,928	1,675,689	1,605,327	1,542,751
Issued and fully paid share capital	52,864	52,864	52,864	52,864	52,864
Capital and reserves attributable to the equity holders of the Company	176,714	158,813	150,969	129,765	115,181
Financial ratios	%	%	%	%	%
Return on average total assets	1.19	1.22	1.24	1.14	1.21
Cost to income ratio	29.29	29.97	31.61	25.49	34.84
Loan to deposit ratio	64.79	64.63	63.32	61.00	59.69

1. Deposits from customers include structured deposits reported as "Financial liabilities at fair value through profit or loss".

Advances and other accounts



Deposits from customers





10:45

中國銀行(香港) BANK OF CHINA Login

18°C
↑ 19°C ↓ 17°C

1,500

BOC Express Cash Personal Loan, Empower your finances with integrated network

HSI

24836.76

↑ 4.00% ↑ 1.00%

Information provided by: [www.hsi.com](#)
Updated: 2015/02/23 17:59

Watchlist

Tap here to input stock code and tap + to add stock quotes displayed in homepage.

FX

Tap and hold this widget, then tap to select FX rates displayed

Nearby Branch

Fortress Hill 彌敦道

- Credit Card
- Mortgage
- Tax Loan
- Travel Insurance



Efficient e-Banking Service



Chairman's Statement



TIAN Guoli

Chairman

In 2014 we saw continued volatility in global financial markets, particularly in the last quarter of the year. The US was set to normalise its monetary policy, while weakened economic momentum in Europe and Japan prompted further quantitative easing measures. This, coupled with plummeting oil prices, heightened market anxiety. The Mainland economy grew at a more modest pace, and declining demand in Hong Kong hindered domestic GDP growth, although local residential property transactions picked up towards the year end. For Hong Kong banks, the acceleration in RMB internationalisation created new business opportunities. Against the backdrop of a complex and fast-changing environment, our financial strength enabled us to withstand the testing challenges of the year. We stepped up our efforts to capture strategic business opportunities and optimise our business structure, and focused on asset and liability management to achieve an encouraging set of results.

I am pleased to report that the Group delivered another year of record results in 2014, thanks to growth in our core businesses. Net operating income before impairment allowances increased by 9.8% year-on-year to HK\$44,282 million. Operating profit before impairment allowances increased by 10.9% to HK\$31,310 million. During the year, the Group achieved a profit attributable to the equity holders of HK\$24,577 million, a year-on-year increase of 10.4%. Earnings per share was HK\$2.3246. The Board has recommended a final dividend of HK\$0.575 per share. Together with the interim dividend of HK\$0.545 per share, the full year dividend will be HK\$1.120 per share, a rise of 10.9% year-on-year. The Group's total dividend payout as a percentage of profit attributable to the equity holders will be 48.2%. At the end of the year, we remained well-capitalised with a total capital ratio of 17.51%.

As a result of our sustainable growth strategy, our key financial indicators remained strong in 2014. We optimised our asset mix while strengthening our risk management. An appropriate balance of liquidity and capital was also well maintained. The Group's total assets grew at a healthy pace, and customer deposits and loans rose steadily. By keeping track of market developments and performing thorough credit checks, the Group maintained its benign asset quality. In recognition of our solid financial position

and record of achieving long-term profitability from our core businesses, BOCHK was named the Strongest Bank 2014 in Asia Pacific and Hong Kong by *The Asian Banker*.

Our operating philosophy has always been based on innovation and improving customer experience. During the year, we catered for the increasingly diverse needs of customers, emphasising close coordination among our business units, product innovation and an enhanced customer segmentation strategy. Our expertise in wealth management also continued to deepen, which enabled us to attract high quality customers and further elevated recognition of our brand. At the same time, we continued to take advantage of the latest trends in information technology. In order to improve the customer experience, the Group strengthened the sales capabilities of its diversified business platforms through the provision of a secure online trading platform and the launch of innovative mobile applications including a one-stop mortgage service for smartphones. In 2014, the Group maintained its market leadership in new mortgage underwriting business in Hong Kong. For the seventh consecutive year, we were honoured with the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business.

During 2014, Hong Kong's offshore RMB business flourished. The official launch of Shanghai-Hong Kong Stock Connect along with the further relaxation of personal RMB business in Hong Kong marked another important milestone in the offshore RMB business. Riding on the business opportunities arising from Shanghai-Hong Kong Stock Connect, the Group provided a comprehensive A shares investment service that helped customers capture investment opportunities through our multiple trading and service channels. We also took advantage of the removal of limitations announced by HKMA for Hong Kong residents on RMB currency conversions and RMB personal loan services. Following such announcement, we began providing a timely array of new products and services, including RMB mortgage loans and personal lending, which reinforced our position as the first mover in offshore RMB business.

The internationalisation of the RMB also created new opportunities for global trade, finance and investment. RMB businesses further developed by the Group during the year included cross-border

RMB settlement, loans, deposits, CNH currency exchange, insurance and credit cards. Moreover, we continued to break new ground in related businesses in the China (Shanghai) Pilot Free Trade Zone ("Shanghai Free Trade Zone") and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone ("Qianhai"). As of today, the Group is the forerunner in cross-border RMB cash pooling in the Shanghai Free Trade Zone, which helps enterprises make more flexible use of their onshore and offshore funds. Additionally, we are providing banking services to Qianhai enterprises and financing major infrastructure construction projects in the area.

The Group continued its contributions towards the development of offshore RMB business in Hong Kong. Designated as a Primary Liquidity Provider by the HKMA for Hong Kong's offshore RMB market, we will assist in satisfying the market demand for RMB funds. As the clearing bank for RMB business in Hong Kong, we also enhanced the quality of our services by extending RMB clearing service hours from October 2014. We now offer the longest operating hours globally, covering time zones in Europe, America and Asia. Also in 2014, we gained ISO 9001:2008 for our efficient, well-managed RMB Clearing Centre, making us the first RMB Clearing Centre worldwide to achieve this accreditation.

To support our customers' global expansion plans and connect foreign customers to their Mainland counterparts, we have been reinforcing our global solution capabilities in collaboration with our parent bank, BOC, and its overseas branches. As the leading Asia-Pacific syndication loan centre in the BOC Group, we have been the top mandated arranger in the Hong Kong-Macau syndicated loan market for ten consecutive years. In 2014, we continued to help our customers meet their cross-border wealth management needs through our expertise, integrated business referral system and full range of innovative cross-border financial services. We are also well positioned to capture opportunities arising from our collaboration with the BOC Group's institutions in Guangdong, Hong Kong, and Macau as part of an orchestrated effort to win new business via our exclusive service edge.

Looking ahead to 2015, the Hong Kong banking sector faces an operating environment filled with as many opportunities as there are challenges. In many parts of the globe, the economic recovery is likely to remain uneven. Fortunately for those of us in this region, we can expect further economic integration and growing business opportunities following the acceleration of RMB internationalisation, the Mainland government's policy of One Belt, One Road, and the launch of additional Pilot Free Trade Zones in the future. Nevertheless, Hong Kong banks will have to deal with intensifying competition and comply with more stringent regulatory requirements. The liquidity coverage ratio requirement under Basel III will start to phase in from 2015, while other capital buffers will come into effect from 2016 onwards.

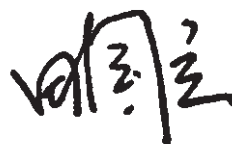
In the meantime, we will capitalise on our strong financial position and market knowledge. We will continue to strengthen our asset and liability management, introduce new service models and ride on the latest technology trends to increase our service efficiency and sales capabilities, as these will all help us achieve our long-term strategic goal of sustainable development.

On 6 March 2015, Mr HE Guangbei resigned as Vice Chairman, Executive Director and Chief Executive of the Company due to age reason while Mr YUE Yi was re-designated to succeed all of his roles. I would like to extend my sincere appreciation to Mr HE for leading the Group to achieve outstanding results over the past twelve years and establishing a solid foundation for the Group's long-term prosperity. Meanwhile, I warmly welcome Mr YUE in his new roles and trust that his broad experience in the banking industry together with his global perspective will bring us into a new era of growth for the Group.

The Board composition was changed. Mr LI Lihui resigned from his post as the Vice Chairman of the Company. Mr ZHOU Zaiqun retired as a Non-executive Director, while Dr FUNG Victor Kwok King retired and Mr NING Gaoning resigned as Independent Non-executive Directors of the Company. On behalf of the Board, I would like to extend my sincere appreciation to all of them for their valuable contributions to the Group during their tenure of service. At the same time, I would like to warmly welcome Mr CHEN Siqing, who has assumed his role as the Vice Chairman, and Mr ZHU Shumin, who has joined us as Non-executive Director, and Madam CHENG Eva was appointed as an Independent Non-executive Director of the Company. With their abundant experience in various areas, I trust they will bring new thinking to the Group. Mr GAO Yingxin was re-designated from Executive Director into Non-executive Director in March 2015 due to his other work engagement in the BOC Group.

Mr ZHUO Chengwen resigned in August 2014 as the Chief Financial Officer due to his other work engagement in the BOC Group while Madam SUI Yang succeeded him in this role on the same day. Mr YEUNG Jason Chi Wai retired as Deputy Chief Executive (Personal Banking) and Mrs KUNG YEUNG Ann Yun Chi was appointed as his successor in March 2015. The Board wishes to thank Mr ZHUO and Mr YEUNG for their contributions to the Group and welcome Madam SUI and Mrs KUNG in their new roles.

In 2014, the Group achieved another year of solid results. I would like to express my gratitude to the Board for their wise counsel, to all staff for their hard work and commitment, to our customers for their loyalty and trust, and to our shareholders for their continuous support. With our concerted efforts, I have every confidence that the Group will attain new heights and maximise shareholder value in the years ahead.



TIAN Guoli

Chairman

Hong Kong, 25 March 2015

Chief Executive's Report



YUE Yi

Vice Chairman & Chief Executive

2014 marked another year of success for the Group in terms of our business development and growth, with record high results achieved in revenue and profits. The overall operating conditions for banks in Hong Kong during the year remained challenging in a highly competitive environment with weaker demand. On the other hand, the offshore RMB markets continued to expand with the introduction of some important initiatives. We succeeded in capturing considerable business opportunities by leveraging our competitive edge in the RMB business and our close collaboration with our parent bank, Bank of China ("BOC"). In addition, we were proactive in managing our balance sheet to enhance returns and support our business development. All key financial ratios stayed sound with a solid capital and liquidity position, providing us with a strong foundation for further growth. In recognition of our solid financial position and ability to drive long-term profitability, we were named the Strongest Bank 2014 in Asia Pacific and Hong Kong by *The Asian Banker*.

The Group delivered a set of strong results, driven by the growth of its core businesses. Net operating income before impairment allowances increased by 9.8% year-on-year to HK\$44,282 million. Profit attributable to the equity holders increased by 10.4% year-on-year to HK\$24,577 million. Return on average total assets (ROA) and return on average shareholders' equity (ROE) were 1.19% and 14.65% respectively. Net interest income rose by 14.3% year-on-year to HK\$31,919 million, thanks to the expansion in both average interest-earning assets and net interest margin.

Net fee and commission income grew by 12.9% to HK\$10,122 million, mainly driven by commission income from loans, insurance, securities and funds distribution. As at 31 December 2014, total assets amounted to HK\$2,189.4 billion, up 7.0% compared with the end of 2013. Customer loans and deposits posted healthy growth of 12.0% and 11.7% respectively.

Key Initiatives and Achievements

Proactive management to enhance returns and support growth

Capital strength reinforced. In a tighter regulatory environment, we continued to deploy capital efficiently and optimise the management of risk-weighted assets when growing our business. The Group's capital adequacy level was further improved, with a total capital ratio of 17.51% and a Tier 1 capital ratio of 12.38%, both up 1.71 percentage points. Our liquidity position was also sound with the average liquidity ratio at 42.17%, up 4.24 percentage points.

Net interest margin improved. During the period, market interest rates were kept low and competition remained keen, making it difficult to improve margins. Nevertheless, our net interest margin improved by 4 basis points to 1.72%. This was attributable to our proactive balance sheet management, after taking into consideration market changes, risk exposure and capital deployment efficiency. We allocated our assets to maximise returns while controlling our deposit costs. Funds were allocated in advances to

customers, RMB bonds, balances and placements with banks, as well as high-quality corporate bonds.

Overall loan quality remained benign. In accordance with our approach of stringent risk management, we maintained our prudent credit policy and focus on customer selection. Overall loan quality remained sound, with the classified or impaired loan ratio staying at a low level of 0.31%, which was below the market average. We also closely monitored pre- and post-lending and carefully managed our exposure in the Mainland of China, where some industries were under pressure owing to slower economic growth. Certain loans by NCB (China), the Group's Mainland operation, were also affected. However, the impact was well contained as these loans only accounted for a small part of the Group's total book.

Strategic investments with continued cost discipline. Total operating expenses increased by 7.4% to HK\$12,972 million but at a slower rate than revenue growth, allowing us to achieve a cost-to-income ratio of 29.29%, down a 0.68 percentage point year-on-year. This was among the lowest in the industry. We maintained discipline in managing our expenses in order to balance profit growth and our long-term business needs. Our human resources continued to be a key area of our investment focus, as did enhancing efficiency and building new business capabilities.

Strongly positioned to capture new business opportunities

Reinforced leadership in the offshore RMB business. Riding on the robust development of offshore RMB markets, we acted decisively to capture opportunities and expanded our business scope. In the ground-breaking Shanghai-Hong Kong Stock Connect programme launched in November 2014, BOCHK was appointed as a designated bank by China Securities Depository and Clearing Corporation Limited at the Hong Kong Securities Clearing Company Limited ("HKSCC"), as well as the designated settlement bank by HKSCC for Northbound Trading. BOCHK was also designated as a Primary Liquidity Provider by the Hong Kong Monetary Authority

for facilitating more efficient liquidity management in the offshore RMB ("CNH") market. In addition, we swiftly provided customers with a comprehensive range of services to equip them for the new investment opportunities through the Shanghai-Hong Kong Stock Connect programme. All these, once again, reflected our active and important role in supporting the development of the offshore RMB market.

Remarkable progress was made across our wide range of offshore RMB businesses, with both RMB deposits and loans recording encouraging growth. We significantly increased our market share in the underwriting of dim-sum bonds and launched a series of RMB investment products that was well received by the market. Following the further relaxation of personal RMB businesses in Hong Kong, the Group introduced services such as direct RMB exchange against other currencies, RMB Currency Linked Investment, A shares margin trading as well as RMB mortgage and personal loans.

Our strong RMB franchise enabled us to successfully establish relationships with central banks and major financial institutions in overseas countries and regions. This helped us secure new business while strengthening the BOC Group's global franchise. Through our new customer relationships, we extended our global banknote distribution network to new markets in Central America, and Central and Southeast Asia and were granted a franchise in managing the Extended Custodial Inventory of a major currency, making us the first Chinese bank to qualify for this role.

As the clearing bank for offshore RMB business in Hong Kong, we continued to enhance our clearing services to support the healthy development of the offshore RMB market. We extended our RMB clearing service hours to 20.5 hours per day, making us the world's first clearing system covering time zones in Europe, America and Asia with the longest operating hours. To improve our RMB clearing efficiency, we successfully migrated to the second generation of the China National Advanced Payment System. In recognition of our comprehensive and outstanding RMB clearing services, our RMB Clearing Centre received

Chief Executive's Report

ISO 9001:2008 Certification – the first Clearing Bank for RMB business to achieve this certification globally.

Strengthened cross-border business capabilities through our synergy with BOC. With the increasing demand for cross-border banking services, we deepened our collaboration with BOC and its overseas branches in order to extend our service coverage. This has enabled us to better serve both Mainland enterprises going global and foreign enterprises expanding into the Mainland. In view of the huge potential of this business, we set up a regular cooperation mechanism with the Guangdong, Hong Kong and Macau operations of BOC for the express purpose of further enhancing the BOC Group's service capabilities in these three regions for both corporate and personal customers.

Riding on the opportunities that arose from the Shanghai Free Trade Zone, the Group successfully set up cash pooling services that facilitate two-way cash sweeping for several large corporates. We also provided cross-border RMB loans to corporates established in the zone. With our franchise in underwriting offshore RMB bonds, we supported BOC's London Branch to complete the first overseas dim-sum bond issuance by the Bank of England. Together with BOC, we continued to support the financing needs of Mainland enterprises expanding abroad. As the Asia-Pacific Syndicated Loan Centre of BOC Group, we participated in a number of significant syndicated loans for Mainland corporates in support of their overseas mergers and acquisitions. For our custody services, we expanded our customer base and established business relationships with a number of new RQFII applicants from the Mainland, Hong Kong, the Taiwan region and other countries.

Capitalising on our cooperation and referral mechanism with BOC, we continued to enhance our cross-border banking services for personal customers, especially the high-net-worth global customers. In collaboration with BOC's branches in the Mainland and overseas, we introduced a range of one-stop global cross-border banking services. In

2014, Private Banking business benefited from this effective cooperation platform to acquire customers.

A comprehensive platform for providing professional and efficient services

We provided more efficient and convenient services.

With the growth in mobile usage for accessing e-banking, we further enriched our mobile banking and payment services. During the period, we introduced applications such as an upgraded mobile banking app with a more user-friendly interface, a Mortgage Expert mobile app, and an e-Wallet for more convenient cross-border RMB/HKD mobile payments. Through our mobile apps, customers can enjoy a wide range of online banking services. These include Hong Kong's first location-based privileges service and BOC Express Cash Mobile Instant Approval service for personal loan applications. To engage with customers better, especially the younger generation, we made greater use of social media during the year. In recognition of our electronic banking platform and outstanding services, we received a number of industry awards in 2014, including Online Securities Platform of the Year – Hong Kong from *Asian Banking and Finance*, as well as other awards from local media.

Services were also improved for our corporate customers, from small businesses to large corporates. These included the continued enhancement of our Corporate Services Centre for our key customers and a streamlined application process, with a one-hour preliminary approval, to give small businesses more flexible financing solutions.

We offered more targeted wealth management services.

Recognising the significant growth potential of wealth management and Private Banking, we made use of our sophisticated customer segmentation strategy to provide more targeted products and services. The launch of Enrich Banking at the end of 2013 and the enhancement of our Wealth Management services enabled us to successfully acquire new customers and increase product penetration

for the mid- and high-end segments. We made satisfactory progress in our Private Banking business during the year by enriching private banking products and services, optimising our business platform and raising brand awareness. In 2014, the Private Banking business recorded encouraging growth in both the number of clients and assets under management.

Performance highlights by business segment

Personal Banking delivered solid growth in 2014. Net operating income before impairment allowances recorded broad-based growth with an increase of 11.0% to HK\$15,210 million. Profit before taxation recorded an increase of 15.8% to HK\$8,021 million. During the year, we maintained our leading position in new mortgage loans. We also provided a broader and timelier range of investment and insurance products and posted satisfactory growth in related fee and commission income. Our card business sustained its growth momentum, and we maintained our leadership in the UnionPay merchant acquiring business and card issuing business in Hong Kong. Wealth management and Private Banking continued to expand with satisfactory growth in customers.

Corporate Banking made encouraging progress in business expansion and recorded steady income growth. Net operating income before impairment allowances and profit before taxation grew by 2.8% to HK\$16,283 million and 0.7% to HK\$11,932 million, respectively. During the period, we successfully grew our Corporate Banking business in the local sector, captured new business opportunities and acquired new customers from financial institutions and central banks. We also continued to support the financing needs of Mainland enterprises expanding abroad through our collaboration with BOC and remained the top mandated arranger in the Hong Kong-Macau syndicated loan market. The corporate loan book grew by 12.1%, although the loan spread declined in the face of intense competition. With the

increase in cross-border activities, we provided a full range of innovative cross-border financial services to meet the diverse needs of our customers.

Treasury recorded strong growth in 2014, with net operating income before impairment allowances increasing by 27.1% to HK\$12,071 million. Profit before taxation rose by 29.7% to HK\$10,829 million. With new market opportunities created by interest rate movements, we selectively increased holdings in RMB-denominated bonds and balances and placements with banks. Average yield on the related assets rose with higher RMB market interest rates. Both of these resulted in higher net interest income, which grew by 46.7%. We also achieved solid progress in the bond underwriting business and significantly increased our market share in the underwriting of dim-sum bonds. In 2014, the Group took advantage of RMB exchange rate fluctuations and collaborated with the BOC Group, to provide value-preservation solutions to customers which led to significant growth in corporate and institution clients businesses.

The Mainland business registered solid growth in income, although profits were dragged down by higher net charge of loan impairment allowances in a challenging environment. Net operating income increased by 18.8%, driven by the growth in net interest income and net fee income. However, slower economic growth in the Mainland put further pressure on certain industries and new classified or impaired loans increased as a result. We remained focused on managing our asset quality through our prudent credit policy and close monitoring of the credit situation. During the year, we enriched our product and service offerings, such as the introduction of QDII-Overseas Fund Products, platinum credit cards, and Bancassurance business. With the start of business by NCB (China)'s Suzhou Branch and Shanghai Free Trade Zone Sub-branch in the second half of 2014, the Group's branches and sub-branches in the Mainland of China had reached a total of 42 by the end of 2014.

Chief Executive's Report

The Insurance segment experienced a decline in net operating income before impairment allowances of 35.8% to HK\$902 million, and profit before taxation decreased by 46.4% to HK\$613 million. The drop was mainly due to a higher provision for insurance liabilities as a result of declining market interest rates and the decrease in return from the equity investments portfolio. Net insurance premium income decreased as demand for RMB insurance products weakened following the devaluation of the RMB. Nevertheless, BOCG Life maintained its leading position in the RMB insurance business in Hong Kong. We also stepped up our marketing efforts by diversifying our distribution channels and establishing partnerships with brokerage houses in order to reach a wider range of customers. Additionally, we introduced a new iPad Sales Kit to our sales team, which improved communication with customers and enhanced our sales performance.

Outlook

Looking ahead, the operating environment for banks will remain challenging as the global recovery may be uncertain and divergent across different economies. On a positive note, we are encouraged by the business opportunities arising from the Mainland's deepening reform and a new round of opening up. We will be proactive in taking advantage of the opportunities associated with the One Belt, One Road initiative, the internationalisation of the RMB, Mainland enterprises going global, the development of Free Trade Zones and the enhancement of Hong Kong's status as a major hub for international financial services, trade, shipping, and the offshore RMB business. We will also deepen our collaboration with BOC to extend the geographical coverage of our business, drive innovation in financial products and services, and expand our customer base in order to sustain our business development and profit growth. In addition to this, we will remain focused on Serving Society, Delivering Excellence while making every effort to contribute to the enhancement of Hong Kong as an international financial hub and the long-term development of its economy.

Rooted in Hong Kong, we are committed to providing comprehensive financial and investment services to corporate customers, government and public institutions, with the aim of becoming the main bank for more local customers. In addition, the Group will continue its role of supporting the business development of BOC Group in Southeast Asia and will strengthen synergy in our cross-border business and other business areas in order to increase our global capabilities. We will also participate in building a financial artery for the One Belt, One Road strategy to support customer expansion in those markets. Additionally, we will leverage our core competitiveness in the offshore RMB business, cross-border business, trade services, overseas acquisition finance, syndicated loans, fund transaction business, bond issuance and underwriting business to further our global financing service capabilities. We are committed to providing quality cross-border banking services to Mainland enterprises going global as well as other regional and international enterprises.

The Group has the most extensive branch network in Hong Kong and a robust customer base. We will continue to optimise our branch network to enhance the coverage of our new concept branches and wealth management centres. We will continue to enrich our product and service portfolio to meet customers' personalised and diverse needs for financial services. To stay abreast of trends in technology and changes in the banking behaviours of our customers, we will develop our electronic channels and mobile banking in order to provide a better customer experience. Capitalising on the franchise of BOC Group's network in the Mainland of China, Hong Kong and overseas, we will enhance our service capabilities to provide integrated transaction, wealth management and investment services for personal banking customers, with the aim of building the global brand value of BOC Group.

We see emerging opportunities in the financial markets business, where the Group is also strong. To capture these opportunities, we will closely monitor market changes and new policies while staying ahead of economic trends and

changes in interest rates and exchange rates. To reinforce our competitive advantages and leading market position, we will continue to introduce new products in a timely manner and improve our innovation and trading capabilities in treasury products. As the RMB business is the Group's key strategic focus, we will capitalise on our franchise and extensive experience in this business and further develop our product and service portfolio in response to policy and market changes. We are committed to becoming the best choice for the RMB requirements of Mainland, local and overseas financial institutions, as well as corporate and personal customers.

We fully understand that we shall face challenges to our risk management in the complex external environment and meet stricter regulatory requirements. Prudent risk management will remain our primary consideration in pursuit of our business development. As a Domestic Systemically Important Authorised Institution in Hong Kong, we will diligently implement the Basel III guidelines and regulatory requirements, proactively manage capital and liquidity, and continually optimise our balance sheet mix. Our goal is to balance business growth with regulatory requirements and deliver stable shareholder returns. To ensure the healthy growth of our credit business and maintain benign asset quality better than industry average, we will strengthen our credit risk management and adhere closely to our prudent credit policy. We are also committed to strengthening our mechanisms and policies in managing the Group's market risk, operational risk and reputational risk, and will step up our efforts in anti-money laundering in accordance with the regulatory requirements. What's more, we will improve our risk management and internal controls in order to support the sustainable and healthy development of the Group.

Finally, I would like to take this opportunity to note some of the changes that have taken place in our senior management team. Mr HE Guangbei, after twelve years of service, resigned as the Vice Chairman and Chief Executive of the Group due to his age, with effect from 6 March 2015. During his years with us, he successfully led the Group in reinforcing its franchise and financial strength,

expanding its business scope and consistently delivering solid results in a fluctuating operating environment. On behalf of the Group, I would like to pay the highest tribute and express our deepest appreciation to Mr HE for his dedication and exceptional contributions. Due to other job engagements, Mr GAO Yingxin resigned as the Group's Deputy Chief Executive (Corporate Banking) this March, and Mr ZHUO Chengwen resigned as the Group's Chief Financial Officer last August. Mr YEUNG Jason Chi Wai also retired as the Group's Deputy Chief Executive (Personal Banking) this March. I would like to thank them all for their valuable contributions to the Group during their tenure with us.

I am greatly honoured to be appointed as the Vice Chairman and Chief Executive of the Group. Apart from myself, we also have two new senior management members, Madam SUI Yang, our Chief Financial Officer and Mrs KUNG YEUNG Ann Yun Chi, our Deputy Chief Executive (Personal Banking). The new management members will add new impetus to the team. The management team's extensive banking and management experience will help ensure the stability of the Group's management and drive business innovation to further our development. I would also like to take this opportunity to thank all members of the Group for their hard work and dedication, as well as our customers and shareholders for their continuous support and to our Board for their wisdom and counsel. All of their contributions have been key to the Group's success. Building on the Group's strong franchise and solid foundation of nearly 100 years in Hong Kong, my colleagues and I will remain committed to realising the Group's vision to become the Premier Bank for our stakeholders.

YUE Yi

Vice Chairman & Chief Executive

Hong Kong, 25 March 2015





Innovative RMB Service



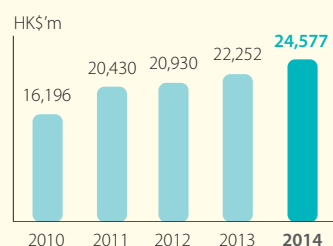
Management's Discussion and Analysis

Financial Performance and Conditions at A Glance

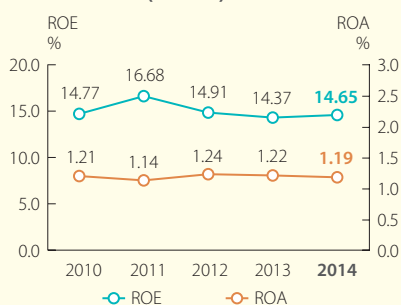
The Group achieved respectable financial results in 2014. Profit attributable to the equity holders reached a new high, driven by the satisfactory growth of its core businesses. Its financial position remained strong and key financial indicators were maintained at solid levels.

Key Performance Trends

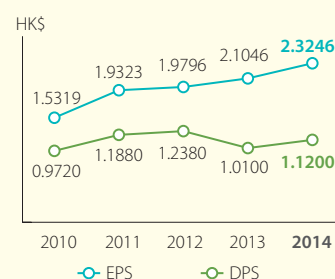
Profit Attributable to the Equity Holders



Return on Average Shareholders' Equity¹ ("ROE") and Return on Average Total Assets² ("ROA")



Earnings Per Share ("EPS") and Dividend Per Share ("DPS")



Profit attributable to the equity holders achieved a new high

- Profit attributable to the equity holders increased by 10.4% year-on-year to HK\$24,577 million, a new high since listing. Income quality further improved with continuous growth recorded in core businesses.

Solid returns with sustainable growth in core businesses

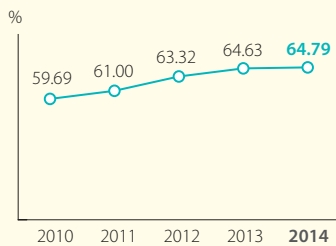
- ROE was 14.65%, up 0.28 percentage point year-on-year, as the increase in profit outpaced that of average equity.
- ROA was 1.19%.

Return to shareholders

- EPS was HK\$2.3246. DPS was HK\$1.12.

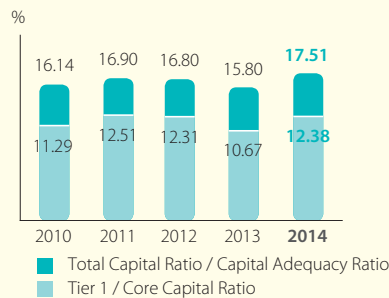
Financial Position

Loan to Deposit Ratio³



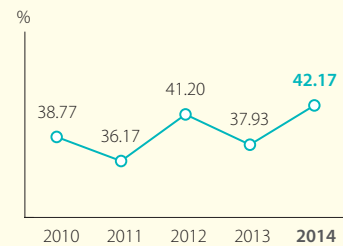
as at 31 December

Capital Ratio⁴



as at 31 December

Average Liquidity Ratio⁵



Balanced growth in advances to customers and deposits from customers

- Advances to customers increased by 12.0% while deposits from customers rose by 11.7%. The loan to deposit ratio was 64.79%.

Enhanced capital position to support business growth

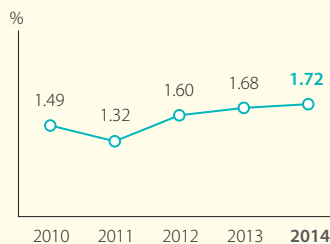
- The Group adopted proactive capital management to meet more stringent regulatory requirements and capture long-term business opportunities. The total capital ratio was 17.51% while the Tier 1 capital ratio was 12.38%.

Sound liquidity position

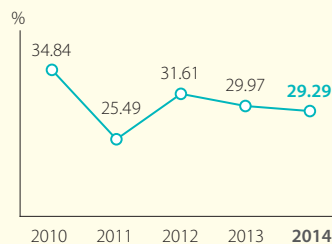
- The average liquidity ratio stood at a sound level of 42.17%.

Key Operating Ratios

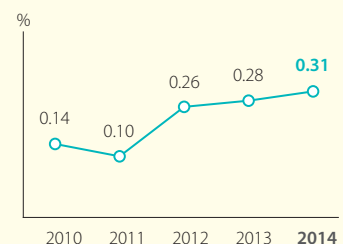
Net Interest Margin ("NIM")



Cost to Income Ratio



Classified or Impaired Loan Ratio⁶



as at 31 December

Improvement in NIM with optimised asset mix

- NIM was 1.72%, up 4 basis points year-on-year. The increase was mainly attributable to the growth in higher-yielding assets such as advances to customers, RMB bonds as well as balances and placements with banks.

Cautious cost control

- The cost to income ratio was 29.29%, down 0.68 percentage point year-on-year, which was still among the lowest in the industry.

Classified or impaired loan ratio at a low level

- The classified or impaired loan ratio stood at 0.31%, below the market average.

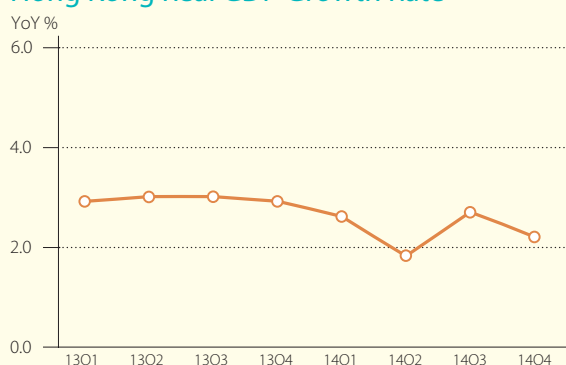
- Return on Average Shareholders' Equity as defined in "Financial Highlights".
- Return on Average Total Assets as defined in "Financial Highlights".
- Loan represents gross advances to customers while deposits from customers include structured deposits reported as "Financial liabilities at fair value through profit or loss".
- The capital ratios are computed on the consolidated basis that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Banking (Capital) Rules.
- The average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the year.
- Classified or impaired loans represent advances which are either classified as "substandard", "doubtful" or "loss" under the Group's classification of loan quality, or individually assessed to be impaired.

Management's Discussion and Analysis

Economic Background And Operating Environment

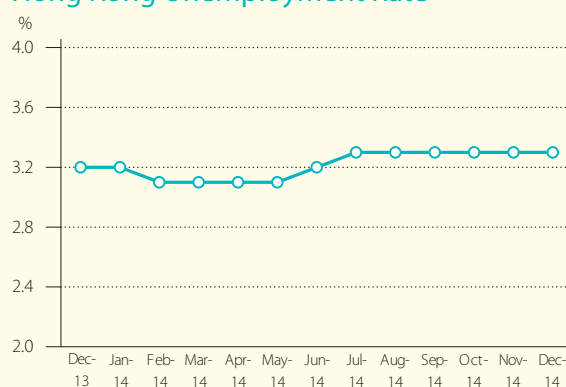
In 2014, the global economy experienced divergent growth. In the US, solid GDP growth and the improved labour market showed that the recovery was based on the economy's underlying strengths. Meanwhile, the sustainability of the growth momentum in the Eurozone remained in doubt amid growing disinflationary pressure. Divergent growth across the advanced economies resulted in different monetary policy paths being taken by the central banks. The Federal Reserve ("the Fed") in the US ended its bond purchase programme in contrast to the introduction of further monetary easing measures by the European Central Bank. In the Mainland of China, economic expansion slowed somewhat, and the Central Government introduced a series of stimulus measures to manage economic growth under the new normal.

Hong Kong Real GDP Growth Rate



Source: HKSAR Census and Statistics Department

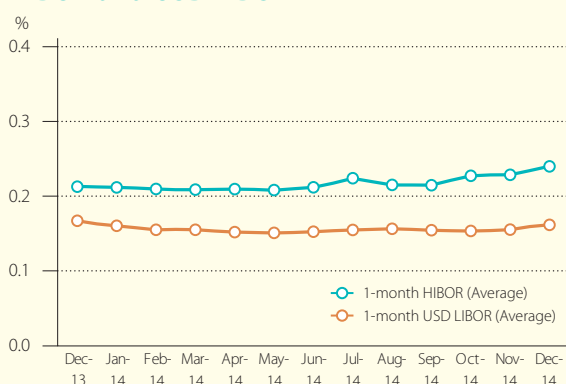
Hong Kong Unemployment Rate



Source: HKSAR Census and Statistics Department

In Hong Kong, the unemployment rate stayed at a low level. Inflationary pressure stayed moderate with the Composite CPI rising by 4.4% year-on-year in 2014. However, economic growth was sluggish owing to subdued external and domestic demand. GDP rose by 2.3% in 2014, underperforming the 2.9% rate of growth in 2013.

HIBOR and USD LIBOR



Source: Bloomberg

Overall liquidity remained strong in the Hong Kong banking sector, and market interest rates were kept at a low level. The average 1-month HIBOR rose slightly from 0.21% in 2013 to 0.22% in 2014, while average 1-month LIBOR fell from 0.19% to 0.16% over the same period. The average 10-year HKD swap rate and USD swap rate rose from 2.26% and 2.47% in 2013 to 2.53% and 2.65% respectively in 2014.

The Hong Kong stock market trended downwards in the first half of the year but rebounded in the second half on various positive factors, including indications by the Fed that it would keep interest rates low for the foreseeable future, a series of stimulus measures unveiled by Mainland Chinese authorities, and the launch of the Shanghai-Hong Kong Stock Connect. The Hang Seng Index reached the lowest point of the year at 21,182 in March and closed at 23,605 at the end of 2014, up 1.3% on a yearly basis.

The local residential property market remained static in the first quarter of the year but turned more active from the second quarter with transaction volume picking up and property prices resuming moderate growth. As a result, the level of transaction activity in 2014, in terms of the number of agreements for sale and purchase for residential building units, registered an increase over 2013. During the year, there was a year-on-year increase in the price of private domestic properties.

In 2014, the offshore RMB business in Hong Kong continued to grow at a robust pace. The total balance of RMB deposits in Hong Kong amounted to RMB1,003.6 billion at the end of 2014, representing an increase of 16.6% from 2013. The turnover of Hong Kong's RMB Real Time Gross Settlement system in 2014 also experienced substantial growth compared with 2013, reflecting a considerable rise in the use of RMB in trade, investment and financing activities. Meanwhile, a number of initiatives were introduced by regulatory authorities to promote the use of RMB globally and hasten the development of the offshore RMB business. These included the widening of the daily exchange rate trading band of onshore RMB; the release of detailed rules for the free trade account system in the China (Shanghai) Pilot Free Trade Zone ("Shanghai Free Trade Zone"); and the launch of Shanghai-Hong Kong Stock Connect. Furthermore, the HKMA announced enhancements to the operation of the RMB liquidity facility, including the extension of operating hours for the provision of overnight RMB funds and the offer of intraday RMB funds; the designation of seven banks as Primary Liquidity Providers with provision of a dedicated repo facility for each. The HKMA also removed the RMB currency conversion limit imposed on Hong Kong residents. All of these developments will help further strengthen Hong Kong's role as a premier offshore RMB centre.

The banking industry in Hong Kong continued to operate in a challenging environment in 2014. Weak external demand and keen market competition put pressure on banks' profitability, as did a number of new regulatory requirements placed on banks during the year. Nevertheless, opportunities arose for banks to expand their business and capture new customers with the introduction of new financial policies in the Mainland of China.

Outlook for 2015

Heading into 2015, the overall operating environment for banks in Hong Kong is likely to be mixed. The diverging monetary policy paths taken in the advanced economies will pose considerable uncertainties in the global economic outlook. Multi-dimensional capital flows around the world and fluctuations caused by fund flows may result in greater challenges for banks in managing their liquidity. In the Mainland of China, the slower-than-expected growth and structural economic reform may have an adverse impact on the region's growth outlook and placed increased credit risk pressures on banks' Mainland exposures. It is also expected that the growth momentum of the Hong Kong economy will remain weak and personal consumption will slow down, both of which could hinder business growth of banks. In addition, banks will have to comply with more stringent regulatory requirements on liquidity risk management following the implementation of Liquidity Coverage Ratio which came into operation on 1 January 2015.

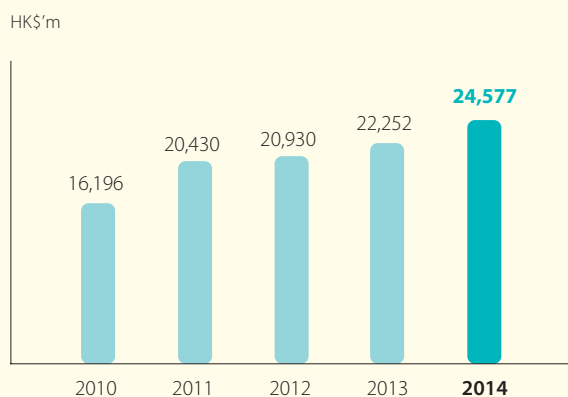
On a more positive note, the robust development of offshore RMB markets will continue. Hong Kong, as a major offshore RMB hub, has shown its first-mover advantage both in terms of breadth and depth of RMB services, which will lead to the further expansion of this business. The preferential policies that are being piloted in the Shanghai Free Trade Zone and the further expansion of these policies to different parts of the Mainland will enable Hong Kong banks to expand their cross-border business. In addition, the Central Government's strategic initiative of "One Belt, One Road" is expected to deepen and expand the cooperation between the Mainland of China and its neighbouring countries. This, together with the accelerated pace of RMB internationalisation and the economic and financial reform in the Mainland of China will provide banks with more business opportunities.

Management's Discussion and Analysis

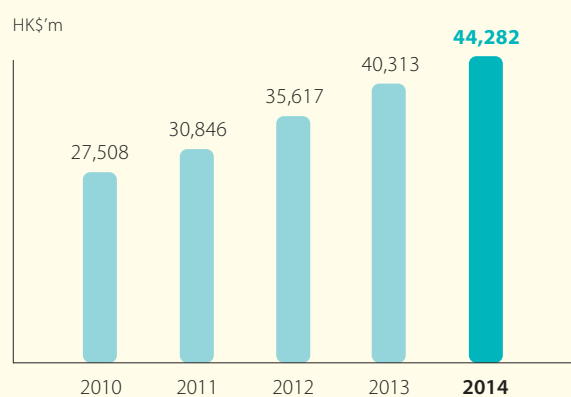
Consolidated Financial Review

Financial Highlights

Profit attributable to the equity holders



Net operating income before impairment allowances



HK\$m, except percentages

	2014	2013	Change (%)
Net operating income before impairment allowances	44,282	40,313	9.8
Operating expenses	(12,972)	(12,083)	7.4
Operating profit before impairment allowances	31,310	28,230	10.9
Operating profit after impairment allowances	30,260	27,493	10.1
Profit before taxation	30,663	27,793	10.3
Profit attributable to the equity holders of the Company	24,577	22,252	10.4

In 2014, the Group achieved a new high in revenues and profits. This was a reflection of the Group's sustainable growth strategy and continuous efforts to build on its franchise in core businesses. It consolidated its strong franchise in the development of the RMB business and continued to collaborate closely with BOC to expand its business and customer base while maintaining stringent risk management and credit control to safeguard asset quality. The financial position of the Group remained solid during the year, with key financial ratios at healthy levels.

The Group's net operating income before impairment allowances increased by HK\$3,969 million or 9.8% to HK\$44,282 million. The increase was driven by the rise in net interest income and net fee and commission income which both registered double-digit growth. Net interest income was up by 14.3%, as a result of the growth in advances to customers and higher-yielding RMB assets such as bonds and balances and placements with banks. Net fee and commission income increased by 12.9%. The net gain from the disposal of certain equity instruments also contributed to the increase in net operating income. The increases were partially offset by the decline in net operating income of the Group's insurance segment and lower net trading gain. Operating expenses were higher in 2014, as the Group continued to invest in long-term growth. The net charge of loan impairment allowances increased year-on-year. As a result, profit attributable to the equity holders rose by HK\$2,325 million, or 10.4%, compared with 2013.

As compared with the first half of 2014, net operating income before impairment allowances increased by HK\$984 million or 4.5% in the second half. This growth in income was mainly driven by the increase in net interest income and net fee and commission income as well as the net gain from the disposal of certain equity instruments. The increases were partly offset by the lower net trading gain. Increases were registered in both operating expenses and the net charge of loan impairment allowances. As a result, profit attributable to the equity holders rose by HK\$411 million or 3.4% on a half-on-half basis.

Factors Affecting the Group's Performance in 2014

Key factors contributing to the Group's financial performance in 2014 are outlined below:

- Maintained *healthy growth in both advances to customers and deposits from customers* with *effective management of pricing under keen market competition*.
- Stepped up *capital management* initiatives, including adjustments to the target dividend payout range in order to *strengthen capital base* and the optimisation of *risk-weighted asset management to improve capital efficiency*. Both of these initiatives enabled the Group to support long-term business growth under the Basel III capital regime.
- Enhancements of service capabilities and businesses which resulted in *a broad-based growth in net fee and commission income*.
- Proactive in capturing business opportunities from the *offshore RMB business* and enhanced the income contribution from the RMB business. The better deployment of RMB funds is one of the key factors that contributed to the rise in income.
- Further improved *operational efficiency* and achieved a *cost to income ratio that is among the lowest in the industry*.

The Group's financial performance in 2014 was also affected by the following key negative factors:

- The low market interest rates and intense market competition constrained the Group's *interest spread*.
- Slower economic growth on the Mainland put pressure on certain industries, which resulted in a *worsening of asset quality* in the Group's Mainland business and hence a *higher net charge of loan impairment allowances*.

Income Statement Analysis

Net Interest Income and Margin

HK\$m, except percentages	2014	2013	Change (%)
Interest income	47,952	39,379	21.8
Interest expense	(16,033)	(11,463)	39.9
Net interest income	31,919	27,916	14.3
Average interest-earning assets	1,860,620	1,657,215	12.3
Net interest spread	1.59%	1.58%	
Net interest margin*	1.72%	1.68%	

* Net interest margin is calculated by dividing net interest income by average interest-earning assets.

The Group's net interest income increased by HK\$4,003 million or 14.3% year-on-year, driven by both the growth in average interest-earning assets and the widening of net interest margin. Average interest-earning assets expanded by HK\$203,405 million or 12.3%, mainly supported by the increase in deposits from customers and an increase in RMB funds from the clearing bank business. Net interest margin was 1.72%, up 4 basis points compared with 2013, mainly attributable to the increase in higher-yielding assets such as advances to customers, RMB bonds and balances and placements with banks. The net interest margin was also enhanced by the increase in average yield of balances and placements with banks and RMB bonds. The positive impact was partly offset by the narrowing of the loan and deposit spread as deposit costs rose due to keen market competition.

Management's Discussion and Analysis

The table below summarises the average balances and average interest rates of individual categories of assets and liabilities:

ASSETS	Year ended 31 December 2014		Year ended 31 December 2013	
	Average balance HK\$'m	Average yield %	Average balance HK\$'m	Average yield %
Balances and placements with banks and other financial institutions	447,579	3.08	330,475	2.60
Debt securities investments	475,037	2.43	498,493	2.15
Advances to customers	922,492	2.43	813,964	2.44
Other interest-earning assets	15,512	1.41	14,283	1.48
Total interest-earning assets	1,860,620	2.58	1,657,215	2.38
Non interest-earning assets	252,002	–	233,188	–
Total assets	2,112,622	2.27	1,890,403	2.08

LIABILITIES	Average balance HK\$'m	Average rate %	Average balance HK\$'m	Average rate %
	Deposits and balances from banks and other financial institutions	190,441	0.87	155,896
Current, savings and time deposits	1,361,986	0.99	1,206,583	0.82
Certificates of deposit issued	239	1.01	–	–
Subordinated liabilities	19,614	1.38	24,150	0.49
Other interest-bearing liabilities	51,794	1.18	52,375	0.89
Total interest-bearing liabilities	1,624,074	0.99	1,439,004	0.80
Non interest-bearing deposits	97,898	–	86,504	–
Shareholders' funds* and other non interest-bearing liabilities	390,650	–	364,895	–
Total liabilities	2,112,622	0.76	1,890,403	0.61

* Shareholders' funds represent capital and reserves attributable to the equity holders of the Company.

Second Half Performance

Compared with the first half of the year, net interest income increased by HK\$607 million, or 3.9%, to HK\$16,263 million. The increase was mainly driven by the 5.0% growth in average interest-earning assets, supported by the increase in deposits from customers.

Net interest margin was 1.69%, narrowing by 5 basis points half-on-half, mainly due to the decrease in the average yield of RMB assets caused by drop in RMB market interest rates and the increase in lower-yielding assets in short-term debt securities investments. Nevertheless, the Group was proactive in managing its assets and liabilities and was effective in controlling its deposit pricing. It increased higher-yielding assets of RMB balances and placements with banks as well as bonds. The loan and deposit spread widened. All these partly offset the above negative impact.

Net Fee and Commission Income

HK\$m, except percentages	2014	2013	Change (%)
Credit cards business	3,673	3,516	4.5
Securities brokerage	2,676	2,432	10.0
Loan commissions	2,185	1,900	15.0
Insurance	1,562	1,285	21.6
Funds distribution	1,035	821	26.1
Bills commissions	810	819	(1.1)
Payment services	604	665	(9.2)
Trust and custody services	450	387	16.3
Safe deposit box	264	244	8.2
Currency exchange	231	197	17.3
Others	515	450	14.4
Fee and commission income	14,005	12,716	10.1
Fee and commission expenses	(3,883)	(3,751)	3.5
Net fee and commission income	10,122	8,965	12.9

Net fee and commission income grew by HK\$1,157 million, or 12.9%, to HK\$10,122 million in 2014. The increase was broad-based, reflecting the Group's efforts to broaden its fee income sources through diversified businesses. Loan commissions rose by 15.0%, due mainly to higher commission income from corporate loans. Income from insurance grew by 21.6%, owing to the rise in business volume that resulted from the Group's enriched product offerings from its insurance partner. The optimisation of wealth management solutions drove the growth by 26.1% in commission income from funds distribution while the favourable market sentiment in the second half of the year led to the 10.0% increase in commission income from securities brokerage. Commission income from credit cards, trust and custody services as well as currency exchange also recorded healthy growth. However, commission income from payment services and bills declined as affected by the volume of customer transactions. The increase in fee and commission expenses was mainly caused by higher insurance, credit cards and securities brokerage related expenses.

Second Half Performance

Compared with the first half of 2014, net fee and commission income was up by HK\$492 million, or 10.2%, in the second half of the year. Market sentiment improved following the launch of Shanghai-Hong Kong Stock Connect, leading to an encouraging growth in commission income from securities brokerage. Commission income from insurance also recorded a strong growth, while income from credit cards, trust and custody services as well as currency exchange experienced continuous growth momentum from the first half. Loan and bills commissions, however, declined.

Management's Discussion and Analysis

Net Trading Gain/(Loss)

HK\$'m, except percentages	2014	2013	Change (%)
Foreign exchange and foreign exchange products	1,404	1,952	(28.1)
Interest rate instruments and items under fair value hedge	727	573	26.9
Commodities	60	91	(34.1)
Equity and credit derivative instruments	(29)	341	N/A
Net trading gain	2,162	2,957	(26.9)

Net trading gain was HK\$2,162 million, down HK\$795 million, or 26.9%, year-on-year. Net trading gain from foreign exchange and foreign exchange products dropped by HK\$548 million, primarily due to the higher net trading loss from foreign exchange swap contracts*. Net trading gain from interest rate instruments and items under fair value hedge rose by HK\$154 million, mainly attributable to the mark-to-market changes of certain debt securities caused by market interest rate movements. The decrease in net trading gain from commodities was due to the decline in bullion transactions. There was a net trading loss from equity and credit derivative instruments as opposed to a net gain in 2013, mainly due to the mark-to-market changes and the net trading loss from certain equity instruments.

Second Half Performance

Compared with the first half of 2014, net trading gain decreased by HK\$496 million, or 37.3%. This was mainly due to the increase in net trading loss from foreign exchange swap contracts* and the decrease of the mark-to-market gain of certain debt securities.

* Foreign exchange swap contracts are usually used for the Group's liquidity management and funding activities. Under the foreign exchange swap contracts, the Group exchanges one currency (original currency) for another (swapped currency) at the spot exchange rate (spot transaction) and commits to reverse the spot transaction by exchanging the same currency pair at a future maturity at a predetermined rate (forward transaction). In this way, surplus funds in the original currency are swapped into another currency for liquidity and funding purposes with minimal foreign exchange risk. The exchange difference between the spot and forward contracts is recognised as a foreign exchange gain or loss (as included in "net trading gain/(loss)"), while the corresponding interest differential between the surplus funds in the original currency and swapped currency is reflected in net interest income.

Net Gain/(Loss) on Financial Instruments Designated at Fair Value through Profit or Loss (FVTPL)

HK\$'m, except percentages	2014	2013	Change (%)
Net gain/(loss) on financial instruments designated at fair value through profit or loss	25	(159)	N/A

In 2014, the Group recorded a net gain of HK\$25 million on financial instruments designated at FVTPL, compared with a net loss of HK\$159 million in 2013. The change was mainly due to the mark-to-market changes of debt securities investments of BOCG Life, which was caused by market interest rate movements. The changes in market value of its securities portfolio were offset by the corresponding changes in policy reserves, as reflected in the changes in net insurance benefits and claims which were attributable to the movement of market interest rates.

Second Half Performance

A net gain of HK\$7 million was recorded in the second half of the year, down HK\$11 million as compared with a net gain of HK\$18 million in the first half. The decrease in net gain was mainly attributable to the mark-to-market changes of certain debt securities investments.

Operating Expenses

HK\$m, except percentages	2014	2013	Change (%)
Staff costs	7,268	6,819	6.6
Premises and equipment expenses (excluding depreciation)	1,679	1,576	6.5
Depreciation on owned fixed assets	1,829	1,663	10.0
Other operating expenses	2,196	2,025	8.4
Total operating expenses	12,972	12,083	7.4

	At 31 December 2014	At 31 December 2013	Change (%)
Staff headcount measured in full-time equivalents	14,926	14,647	1.9

Total operating expenses increased by HK\$889 million, or 7.4%, compared with 2013, reflecting the Group's continuous investments in service capabilities and new businesses. The Group remained focused on disciplined cost control while continuing to support long-term business growth.

Staff costs increased by 6.6%, mainly due to higher salaries as a result of the annual salary increment and increased headcount.

Premises and equipment expenses were up 6.5%, owing to higher rents for branches in Hong Kong and the Mainland of China, as well as higher IT costs.

Depreciation on owned fixed assets rose by 10.0% due to the larger depreciation charge on premises following the upward property revaluation in Hong Kong and on IT equipment as the Group continued to invest in IT infrastructure.

Other operating expenses were up 8.4% mainly due to higher expenses in connection with the increasing business volume and higher business taxes of NCB (China).

At the end of 2014, the total headcount measured in full-time equivalents rose by 1.9% to 14,926.

Second Half Performance

Compared with the first half of 2014, operating expenses rose by HK\$540 million, or 8.7%. The increase was due to higher staff and advertising costs, as well as depreciation and maintenance expenses in the second half of the year.

Management's Discussion and Analysis

Net Charge of Loan Impairment Allowances

HK\$m, except percentages	2014	2013	Change (%)
Net charge of allowances before recoveries			
– individual assessment	(748)	(313)	139.0
– collective assessment	(485)	(705)	(31.2)
Recoveries	202	288	(29.9)
Net charge of loan impairment allowances	(1,031)	(730)	41.2

Net charge of loan impairment allowances increased by HK\$301 million, or 41.2% from 2013.

Net charge of individually assessed impairment allowances amounted to HK\$748 million, up HK\$435 million or 139.0%, mainly caused by the downgrade of a few corporate advances due to the worsening asset quality situation in the Mainland of China.

Net charge of collectively assessed impairment allowances amounted to HK\$485 million, down HK\$220 million or 31.2%. The lower net charge in 2014 was due to the periodic update of the parameter values in the assessment model.

Recoveries amounted to HK\$202 million, down HK\$86 million or 29.9% from 2013.

Second Half Performance

Net charge of loan impairment allowances rose by HK\$277 million or 73.5% from the first half of the year. The increase was mainly caused by the downgrade of a few corporate advances extended by the Group's Mainland business.

Total loan impairment allowances as a percentage of gross advances to customers

	At 31 December 2014	At 31 December 2013
Loan impairment allowances		
– individual assessment	0.11%	0.10%
– collective assessment	0.37%	0.39%
Total loan impairment allowances	0.48%	0.49%

Balance Sheet Analysis

Asset Deployment

HK\$m, except percentages	At 31 December 2014		At 31 December 2013	
	Amount	% of total	Amount	% of total
Cash and balances with banks and other financial institutions	398,673	18.2	353,741	17.3
Placements with banks and other financial institutions maturing between one and twelve months	37,436	1.7	46,694	2.3
Hong Kong SAR Government certificates of indebtedness	90,770	4.2	99,190	4.8
Securities investments ¹	492,820	22.5	484,213	23.6
Advances and other accounts	1,014,129	46.3	924,943	45.2
Fixed assets and investment properties	69,766	3.2	66,955	3.3
Other assets ²	85,773	3.9	71,200	3.5
Total assets	2,189,367	100.0	2,046,936	100.0

1. Securities investments comprise investment in securities and financial assets at fair value through profit or loss.

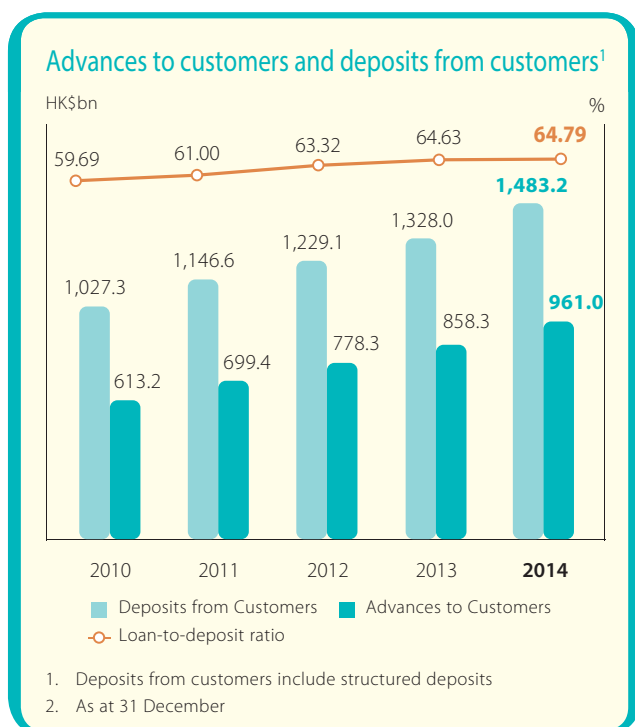
2. Interests in associates and a joint venture, deferred tax assets and derivative financial instruments are included in other assets.

As at 31 December 2014, total assets amounted to HK\$2,189,367 million, increasing by HK\$142,431 million or 7.0% from the end of 2013. The Group proactively managed its assets and liabilities and continued to optimise asset allocation in order to enhance returns.

Key changes in the Group's total assets include the following:

- Cash and balances with banks and other financial institutions increased by 12.7%, mainly due to the increase in balances and placements with banks relating to the Group's RMB business.
- Placements with banks and other financial institutions maturing between one and twelve months decreased by 19.8% as the Group redeployed its funds in higher-yielding assets such as advances to customers and securities investments.
- Securities investments increased by 1.8% as the Group increased its holdings in high-quality corporate bonds and RMB-denominated bonds.
- Advances and other accounts rose by 9.6%, with the growth in advances to customers by 12.0%.
- Other assets grew by 20.5%, which was led by the increase in reinsurance assets and derivative financial instruments.

Management's Discussion and Analysis



Advances to Customers

HK\$m, except percentages	At 31 December 2014		At 31 December 2013	
	Amount	% of total	Amount	% of total
Loans for use in Hong Kong	575,401	59.9	507,971	59.2
Industrial, commercial and financial	308,141	32.1	267,632	31.2
Individuals	267,260	27.8	240,339	28.0
Trade finance	86,316	9.0	85,413	9.9
Loans for use outside Hong Kong	299,272	31.1	264,948	30.9
Total advances to customers	960,989	100.0	858,332	100.0

The Group continued to adopt stringent risk management and focus on customer selection to achieve quality growth. Advances to customers grew by HK\$102,657 million or 12.0% to HK\$960,989 million in 2014.

Loans for use in Hong Kong grew by HK\$67,430 million or 13.3%.

- Lending to the industrial, commercial and financial sectors increased by HK\$40,509 million, or 15.1%. Lending to the property development, transport and transport equipment, wholesale and retail, manufacturing and information technology sectors grew by 18.3%, 19.4%, 15.7%, 26.6% and 22.9% respectively.
- Lending to individuals increased by HK\$26,921 million, or 11.2%. Residential mortgage loans (excluding those under the Government-sponsored home purchasing schemes) grew by 7.2%. Credit card advances rose by 6.5% while other individual loans increased by 45.3%.

Trade finance rose by HK\$903 million, or 1.1%, while loans for use outside Hong Kong increased by HK\$34,324 million, or 13.0%.

Second Half Performance

Advances to customers increased by HK\$12,285 million, or 1.3%, amid slowing loan demand in the second half of the year. The growth in loans for use in and outside Hong Kong was partly offset by the decrease in trade finance.

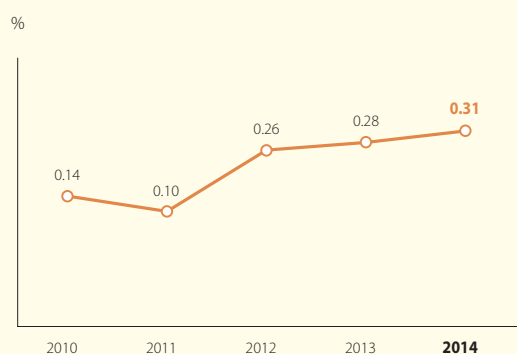
Loan Quality

HK\$'m, except percentages	At 31 December 2014	At 31 December 2013
Advances to customers	960,989	858,332
Classified or impaired loan ratio	0.31%	0.28%
Impairment allowances	4,616	4,235
Regulatory reserve for general banking risks	10,011	8,994
Total allowances and regulatory reserve	14,627	13,229
Total allowances as a percentage of advances to customers	0.48%	0.49%
Impairment allowances ¹ as a percentage of classified or impaired advances	38.20%	36.09%
Residential mortgage loans ² – delinquency and rescheduled loan ratio ³	0.02%	0.02%
Card advances – delinquency ratio ³	0.17%	0.18%

	2014	2013
Card advances – charge-off ratio ⁴	1.42%	1.43%

1. Referring to impairment allowances on advances classified as "substandard", "doubtful" or "loss" under the Group's classification of loan quality, or individually assessed to be impaired.
2. Residential mortgage loans exclude those under the Home Ownership Scheme and other government-sponsored home purchasing schemes.
3. The delinquency ratio is measured by the ratio of the total amount of overdue advances (more than three months) to total outstanding advances.
4. The charge-off ratio is measured by the ratio of total write-offs made during the year to average card receivables during the year.

Classified or impaired loan ratio



* as at 31 December

The classified or impaired loan ratio was 0.31%. Classified or impaired advances to customers rose by HK\$575 million to HK\$3,008 million, mainly due to the downgrade of a few corporate advances extended by the Group's Mainland business.

Total impairment allowances, including both individual assessment and collective assessment, amounted to HK\$4,616 million. Total impairment allowances on classified or impaired advances as a percentage of total classified or impaired advances was 38.20%.

The credit quality of the Group's residential mortgage loans and card advances remained sound. The combined delinquency and rescheduled loan ratio stood at 0.02% at the end of 2014. As compared with 2013, the charge-off ratio of card advances decreased by a 0.01 percentage point to 1.42%.

Management's Discussion and Analysis

Deposits from Customers*

HK\$'m, except percentages	At 31 December 2014		At 31 December 2013	
	Amount	% of total	Amount	% of total
Demand deposits and current accounts	116,361	7.8	104,784	7.9
Savings deposits	672,826	45.4	636,137	47.9
Time, call and notice deposits	690,922	46.6	583,227	43.9
	1,480,109	99.8	1,324,148	99.7
Structured deposits	3,115	0.2	3,832	0.3
Deposits from customers	1,483,224	100.0	1,327,980	100.0

* Including structured deposits

The Group maintained a flexible deposit strategy to support business growth while proactively managing deposit pricing in response to market changes. Total deposits from customers amounted to HK\$1,483,224 million at 31 December 2014, up HK\$155,244 million, or 11.7%, from the end of 2013. Demand deposits and current accounts grew by 11.0%, while savings deposits increased by 5.8%. Time, call and notice deposits also increased by 18.5%. The loan to deposit ratio was 64.79% at the end of 2014, up 0.16 percentage point from the end of 2013.

Second Half Performance

Total deposits from customers increased by HK\$42,848 million, or 3.0%, in the second half of 2014. Demand deposits and current accounts increased by 12.9%, while savings deposits went up by 8.3%. Time, call and notice deposits declined by 2.9%.

Capital and Reserves Attributable to the Equity Holders of the Company

HK\$'m	At 31 December 2014	At 31 December 2013
Share capital	52,864	52,864
Premises revaluation reserve	37,510	34,682
Reserve for fair value changes of available-for-sale securities	1,930	488
Regulatory reserve	10,011	8,994
Translation reserve	778	1,051
Retained earnings	73,621	60,734
Reserves	123,850	105,949
Capital and reserves attributable to the equity holders of the Company	176,714	158,813

Capital and reserves attributable to the equity holders of the Company increased by HK\$17,901 million, or 11.3%, to HK\$176,714 million as at 31 December 2014. Retained earnings rose by 21.2%, reflecting the 2014 profit after the appropriation of dividends. The premises revaluation reserve increased by 8.2%, which was attributable to the increase in property prices in 2014. Regulatory reserve rose by 11.3%, mainly due to growth in advances to customers. Reserve for fair value changes of available-for-sale securities increased by 295.5%, due to lowering market interest rates.

Capital and Liquidity Ratio

HK\$m, except percentages	At 31 December 2014	At 31 December 2013
Consolidated capital after deductions		
Common Equity Tier 1 capital	110,440	92,112
Additional Tier 1 capital	733	894
Tier 1 capital	111,173	93,006
Tier 2 capital	46,035	44,683
Total capital	157,208	137,689
Total risk-weighted assets	897,812	871,618
Common Equity Tier 1 capital ratio	12.30%	10.57%
Tier 1 capital ratio	12.38%	10.67%
Total capital ratio	17.51%	15.80%

	2014	2013
Average liquidity ratio	42.17%	37.93%

The capital ratios are computed on a consolidated basis that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Banking (Capital) Rules.

In order to meet more stringent regulatory requirements and capture future business opportunities, the Group adopted proactive measures to manage its capital for sustainable growth. In 2013, the Group adjusted its target dividend payout range for the purpose of strengthening its capital base through internal retention. During the year, the Group continued to optimise the risk-weights of its assets. The Group's aim is to maintain a solid capital adequacy level to support an appropriate rate of growth.

The total capital ratio at 31 December 2014 was 17.51%, up 1.71 percentage points from that at the end of 2013. Total capital expanded by 14.2% to HK\$157,208 million, mainly due to the increase in retained earnings, the reserve for fair value changes of available-for-sale securities and premises revaluation reserve. Total risk-weighted assets were up 3.0%, mainly from changes in credit risk-weighted assets due to growth in advances to customers in 2014.

The average liquidity ratio in 2014 remained sound at 42.17%.

Management's Discussion and Analysis

Business Review

2014 Business Highlights

Personal Banking

- Maintained leading position in new residential mortgages and the UnionPay card business.
- The Group's refined customer segmentation strategy improved total relationship management. The enhanced service capability resulted in the satisfactory growth of the investment and insurance business.
- Launched comprehensive A shares investment services, and took the lead in the market with the launch of A shares margin services.
- Launched the BOCHK Credit Card WeChat official account.
- The Group received the Online Securities Platform of the Year – Hong Kong by Asian Banking and Finance and the Outstanding Retail Banking Business – Internet Banking award at the RMB Business Outstanding Awards 2014 organised by Metro Finance, Metro Finance Digital and Hong Kong Wen Wei Po for the second consecutive year.

Corporate Banking

- Remained the top mandated arranger in the Hong Kong-Macau syndicated loan market.
- Expanded the customer base and captured new business opportunities with leading enterprises from the Mainland, as well as financial institutions and central banks from overseas.
- Set up a regular co-operation mechanism among BOC Group's Guangdong, Hong Kong and Macau operations.
- Participated in a number of significant syndicated loans for Mainland enterprises in support of their overseas expansion.
- The Group received the Best SME's Partner Award for the seventh consecutive year.

Treasury

- Selectively increased investments in high-quality corporate bonds and RMB-denominated bonds.
- Launched a US commercial paper programme for enhancing liquidity management and diversifying its funding sources.
- The Group extended its global banknote distribution network to new market districts of Central America, Central and Southeast Asia and was granted a franchise in managing the Extended Custodial Inventory of a major currency.

RMB Business in Hong Kong

- Maintained leading position in cross-border trade settlement, RMB deposits, RMB insurance and currency exchange services.
- Helped corporates set up cross-border cash pooling services in RMB and underwrote cross-border RMB loans for corporates established in the Shanghai Free Trade Zone.
- Launched RMB settlement services for member institutions of UnionPay International Co. Ltd.
- Extended the RMB clearing service hours to 20.5 hours per day in order to cover time zones in Europe, America and Asia – the longest RMB clearing service hours globally.
- BOCHK was designated by the HKMA as the Primary Liquidity Provider to provide liquidity support to the market.
- BOCHK acted as a designated bank of China Securities Depository and Clearing Corporation Limited at the Hong Kong Securities Clearing Company Limited ("HKSCC"), as well as the designated settlement bank of HKSCC for northbound trading under the Shanghai-Hong Kong Stock Connect.
- Successfully migrated to the second generation of the China National Advanced Payment System in order to reinforce its RMB clearing efficiency and service capability.

Other new businesses

- The asset management business recorded encouraging growth in assets under management and expanded its geographical presence. Its BOCHK RMB High Yield Bond Fund was redomiciled to Luxemburg, allowing the fund to be distributed in Europe. The fund was awarded the Best RMB Bonds, Offshore, Three Years by Asia Asset Management for its 2014 Best of the Best Awards. Meanwhile, BOCHK AM was named the Best RMB Manager by Asia Asset Management under the same award. It also received the Best in Class RMB Fixed Income in the BENCHMARK Fund of the Year Award 2014.
- Further expanded the custody business and client base and remained one of the largest RQFII service providers in Hong Kong.
- Cash management services won the Achievement Award for Best Cash Management Bank in Hong Kong by The Asian Banker for two consecutive years in a row, as well as the Hong Kong Domestic Cash Management Bank of the Year in 2014 awarded by Asian Banking and Finance.
- The private banking business enriched its product and service offering and stepped up collaboration with BOC's branches in the Mainland and overseas to provide cross-border services.

Business Segment Performance

Profit before Taxation by Business Segments

HK\$m, except percentages	2014	% of total	2013	% of total
Personal Banking	8,021	26.2	6,926	24.9
Corporate Banking	11,932	38.9	11,844	42.6
Treasury	10,829	35.3	8,347	30.0
Insurance	613	2.0	1,144	4.1
Others	(732)	(2.4)	(468)	(1.6)
Total profit before taxation	30,663	100.0	27,793	100.0

Note: For additional segmental information, see Note 10 to the Summary Financial Statements.

Personal Banking

Financial Results

Personal Banking recorded an increase of HK\$1,095 million, or 15.8%, in profit before taxation in 2014 compared with the previous year. The growth was mainly attributable to the increases in net interest income and net fee and commission income as well as the net gain from the disposal of certain equity instruments. The increase was, however, partly offset by the lower net trading gain and higher operating expenses.

Net interest income increased by 6.9%. This was mainly driven by the improvement in the deposit spread coupled with the increase in the average balance of deposits and loans.

Net fee and commission income rose by 13.5%. This robust growth was attributable to the higher income from insurance, securities brokerage, funds distribution and credit cards.

During the year, the Group captured market opportunities to dispose of certain equity instruments and realised a net gain.

Net trading gain declined by 31.6%, mainly caused by mark-to-market changes of equity instruments and a lower net gain from foreign exchange related products.

Business operations

The Group's Personal Banking business continued to achieve steady growth in 2014. It maintained its leading position in new mortgage loans and registered satisfactory growth in fee and commission income from funds distribution, insurance and securities brokerage. It also maintained its market leadership position in the UnionPay card business. During the year, the Group's refined customer segmentation strategy, including Wealth Management for customers with wealth management needs; Enrich Banking for mid-segment customers and i-Free Banking for the younger generation of clientele, resulted in the building of stronger relationships with customers. With its tailored sales and promotional campaigns targeted at different customer segments, the Group developed a competitive edge in cross-border services that resulted in the expansion of its client base and an improved customer mix.

Management's Discussion and Analysis

Maintaining its market leadership in residential mortgages

In 2014, despite a slowdown in the first quarter, residential property market activities picked up from the second quarter of the year. By developing its strategic initiatives on market conditions and pricing, the Group maintained its leadership position in new residential mortgage loans. These included the launch of the Mortgage Expert mobile application, a one-stop mortgage service, including the first of its kind property valuation alert service that provides upside and downside triggers, mortgage application review and application appointment services. The Group also introduced new mortgage insurance business partners to strengthen its sales channel network. Meanwhile, it continued its mortgage top-up and re-financing promotions in order to provide an extensive range of products and services across all channels. In addition, with the launch of HKMA's new measures on the personal RMB business in Hong Kong, the Group rolled out the first of its kind RMB mortgage loan service to Hong Kong residents to reinforce the Group's RMB lending business.

Satisfactory growth in the investment and insurance businesses

Investment and insurance businesses registered encouraging performance with satisfactory growth in commission income from securities brokerage, funds distribution and insurance. Through the Group's Securities Club and promotion of Family Securities Accounts, it was able to increase the number of new accounts during the year. In order to strengthen investor education before the launch of Shanghai-Hong Kong Stock Connect, the Group took a leadership role in the market and launched an A Shares Information Web Page, providing free A share stock quotes and information. The Group also held customer seminars in Hong Kong and the Mainland of China to widen customers' understanding of these two stock markets. With the official launch made in November, the Group also became one of the first banks to provide A share-related services by enabling customers to trade in A shares and conduct RMB exchange transactions conveniently through multiple trading channels, including internet banking, a trading hotline and the Group's branches. In addition, the Group took the lead in the market to launch A shares margin services and various promotional campaigns were launched to acquire new customers and stimulate customer activity and securities turnover.

In the funds distribution business, the Group continued to broaden its product offerings. A number of currency-hedged funds including RMB and AUD were introduced to meet customers' investment needs. Based on customer research, the Group provided time-to-market products and launched themed marketing campaigns that led to an encouraging growth in commission income from funds distribution over the previous year.

In the Bancassurance business, the Group continued to maintain its leading position in the Hong Kong RMB insurance market and developed appropriate product bundles to meet customers' needs. The Group also ran a series of marketing campaigns to reinforce the Group's brand image. Insurance commission income grew satisfactorily, with increased contribution from whole-life insurance and annuity products.

A recognised leader in the UnionPay card business

With the Group's credit card business sustaining its growth momentum in 2014, it maintained its leadership in the UnionPay merchant acquiring business and card issuing business in Hong Kong. The BOCHK e-Wallet – Mobile Payment Services introduced in 2013 was further extended to support UnionPay QuickPass payment. This was the first such service in the market allowing customers to enjoy cross-border dual-currency mobile payment. The Group also introduced a mobile application to reach out to customers. Additionally, the Group launched BOCHK Credit Card WeChat official account and introduced the BOC Express Cash Mobile Instant Approval service, which allows customers to apply for personal loans and receive instant approvals. With UnionPay International Co. Ltd., the Group launched a new premium credit card, the BOC CUP Dual Currency Diamond Card, with enhanced services for affluent cardholders.

A growing customer base for its wealth management services

During the year, the Group continued to focus on customer segmentation in order to promote total relationship management and provide more targeted products and personalised services that meet customers' needs. Targeting potential customers for Wealth Management and Enrich Banking, the Group rolled out a large-scale marketing programme to strengthen brand awareness and create a better customer experience. Satisfactory growth was recorded in terms of number of customers and the related Total Relationship Balance.

The Group's Private Banking business continued to make good progress during the year by enriching designated private banking products and services, optimising its business platform and raising brand awareness. The Group also introduced designated share trading and estate planning services as well as treasury and RMB-related products. In addition, it offered portfolio lending and premium financing to provide additional liquidity for customers. In collaboration with BOC's branches in the Mainland and overseas, the Group introduced a range of one-stop global cross-border banking services. As a result, it achieved encouraging growth in both the number of Private Banking clients and their assets under management.

Improved electronic banking

In 2014, the Group continued to optimise its distribution channels to meet the needs of customers. At the end of 2014, the Group's service network in Hong Kong comprised 262 branches, including 134 wealth management centres. It added to this network by expanding the number of automated banking channels in terms of coverage points and facilities. Other service improvements included the launch of a brand new mobile application, upgraded mobile banking and 24-hour Online Chat service at its call centres for Wealth Management customers. In recognition of its well-received electronic platform and outstanding services, the Group received various industry awards during the year.

Corporate Banking

Financial Results

Corporate Banking recorded a growth of HK\$88 million, or 0.7%, in profit before taxation. Both net interest income and net fee and commission income increased. The increase was, however, partly offset by the higher net charge of loan impairment allowances.

Net interest income rose by 1.6%, mainly driven by the improvement in deposit spread coupled with the increase in average balance of loans and deposits. The growth was partly offset by the decline in loan spread amid keen market competition.

Net fee and commission income increased by 7.2%, largely led by the growth in commission income from loans and trust services.

Net charge of loan impairment allowances was up 45.9%, mainly due to the higher net charge of individually assessed impairment allowances incurred by the Group's Mainland business.

Business operations

The Group's Corporate Banking business continued to grow in the local sector while its cohesive relationship with BOC enabled the Group to capture the increasing demand for cross-border banking services from BOC Group's customers around the globe. Together with BOC, the Group continued to support the financing needs of Mainland enterprises expanding abroad. It also extended its geographical presence by securing relationships with financial institutions and central banks in various overseas regions. In the cash management business, the Group further leveraged its competitive advantages and became the arranger for cross-border cash pooling services for various major corporates. In the custody business, the Group continued to expand its business coverage over different geographical locations.

Management's Discussion and Analysis

Increasing its cooperation with BOC in corporate lending

In 2014, the Group deepened its collaboration with BOC and its overseas branches. With opportunities arising from Mainland enterprises going global and foreign enterprises expanding into the Mainland, it successfully expanded its customer base and captured new business opportunities with leading enterprises in Hong Kong, the Mainland and overseas. Riding on its strong franchise in the RMB business, the Group secured relationships with financial institutions and central banks in overseas regions. A two-way information exchange and business referral channel established with BOC continued to serve its major purpose. Its regular co-operation mechanism set up among BOC Group's Guangdong, Hong Kong and Macau operations raised the BOC Group's service capabilities in these three areas. Meanwhile, capitalising on its edge as the Asia-Pacific Syndicated Loan Centre of BOC Group, the Group participated in a number of significant syndicated loans for Mainland corporates in support of their overseas mergers and acquisitions. Through these activities, it remained the top mandated arranger in the Hong Kong-Macau syndicated loan market. At the same time, business opportunities were also made possible by the Shanghai Free Trade Zone. During the year, it helped corporates set up cross-border cash pooling services in RMB and other currencies, and underwrote cross-border RMB loans to corporates established in the Shanghai Free Trade Zone. At the end of 2014, the Group's balance of corporate advances grew by 12.1% from the end of 2013.

A full range of innovative cross-border financial services for SMEs

The Group constantly focused on ways to enhance the customer experience for SME customers. In 2014, the Group optimised its Business Integrated Account to provide SME customers with a variety of products and business privileges. This included its BOC Small Business Loan, which was enhanced with a streamlined application and approval service as part of a prompt and flexible financing solution for small businesses. With closer collaboration with BOC, the Group continued to provide a full range of innovative cross-border financial services to meet the diverse needs of customers. It also maintained contact with local trade associations and provided them with the latest market information at regular economics and business seminars, which reinforced its connections in the local business sector. In recognition of its long-standing support of SMEs in Hong Kong, the Group received the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business for the seventh consecutive year.

Growth in the customer base for custody services

During the year, the Group successfully expanded its customer base for custody services and established its business relationships with a number of new RQFII applicants from the Mainland of China, Hong Kong, Taiwan and other countries and regions. In 2014, it remained one of the largest RQFII service providers in Hong Kong. It also secured mandates from RQFII-ETFs and various types of RQFII and QDII products. In addition to this, the Group made closer collaboration with BOC and its branches to enhance their service capabilities. At the end of 2014, excluding the RMB fiduciary account for participating banks, total assets under the Group's custody were valued at HK\$735.3 billion.

Expansion of cross-border cash management service capabilities

The Group continued to strengthen its cross-border cash management service capabilities during the year. To solidify its competitive edge in RMB business, the Group launched RMB settlement services for member institutions of UnionPay International Co. Ltd., making it the first bank to provide such services in Hong Kong. It also worked closely with BOC to successfully complete the implementation of cash pooling services that will facilitate two-way cash sweeping for several large corporates. With the launch of Shanghai-Hong Kong Stock Connect, BOCHK acts as a designated bank of the China Securities Depository and Clearing Corporation Limited at HKSCC, as well as the designated settlement bank of HKSCC for the northbound trading. In recognition of its outstanding cash management services, BOCHK was presented with the Achievement Award for Best Cash Management Bank in Hong Kong by The Asian Banker for the second consecutive year. It also received the Hong Kong Domestic Cash Management Bank of the Year award in 2014 by Asian Banking and Finance.

Proactive measures to contain risk

In 2014, the Group adhered to a prudent credit policy under the principle of Know Your Customers. It closely monitored the credit positions of customers and industries that could be adversely affected by the volatile economic environment, with an eye to a possible continuous slowdown of economic growth in the Mainland and withdrawal of stimulus measures in the US. The Group also stayed alert to its Mainland exposures and maintained vigilance in monitoring customers in certain vulnerable industries with overcapacity. Other measures included establishing a trigger point to manage the concentration risk of Mainland exposures and rigorous pre- and post-lending monitoring to track early negative signs, with timely ad hoc credit reviews and precautionary measures.

Mainland Business**Operating income maintained steady growth**

The Group's Mainland business maintained steady growth during the year amid a challenging operating environment. Total operating income increased by 18.8% year-on-year, driven by the growth in net interest income and net fee income. Slower economic growth on the Mainland placed pressure on certain industries, resulting in an increase in new classified or impaired advances in 2014 and hence a higher net charge of loan impairment allowances. Deposits from customers and advances to customers dropped by 4.0% and 7.1% respectively from the end of last year.

Continuous enrichment of new products and services

The Group remained committed to enriching and diversifying its product and service offerings throughout 2014. These included a number of innovative products and business models to meet different customer needs. For example, Supply Chain Finance was launched to enhance its SME business, providing financing services to both upstream and downstream companies in the supply chain. Both the trade finance and treasury products businesses were also strengthened with the launch of new products. Additionally, the Group introduced QDII-Overseas Fund Products to allow Mainland customers to capture overseas investment opportunities by leveraging the cross-border synergy between Hong Kong and the Mainland of China. Beyond this, it introduced a China Securities Index 300 Index-linked product and launched a new series of structured wealth management products called Yiishun. What's more, the Group expanded its credit card business with the introduction of platinum credit cards. The Bancassurance business was also enhanced with improved sales management and the introduction of new business partners and insurance products.

New electronic platforms

The Group continued to enhance both its personal and corporate e-Banking platforms during the year. Several e-platforms were established to facilitate cross-border transactions as well as additional online services. During the year, NCB (China)'s Suzhou Branch and Shanghai Free Trade Zone Sub-branch commenced business. The Group's total number of branches and sub-branches in the Mainland of China reached 42 at the end of 2014.

Treasury**Financial Results**

Treasury recorded a strong increase of 29.7% in profit before taxation from the previous year.

Net interest income increased by 46.7%, mainly due to the increases in RMB bonds and balances and placements with banks. Average yield on the related assets also rose with higher market interest rates.

Net trading gain was down 34.8%. The decrease was mainly caused by the net trading loss from foreign exchange swap contracts and the mark-to-market changes of certain interest rate instruments.

Management's Discussion and Analysis

Business Operations

A proactive investment strategy and a diversified funding source

In 2014, the Group continued to take a proactive approach in managing its banking book investments. It closely monitored market changes and acted swiftly to adjust its investment portfolio to enhance returns while remaining alert to risks. The Group adjusted its investment portfolio in anticipation of the upcoming US interest rate hike cycle and selectively increased its holdings in high-quality corporate bonds to improve returns. The Group also increased its investments in RMB-denominated bonds. Meanwhile, BOCHK launched a US commercial paper programme for enhancing liquidity management and diversifying its funding sources.

Satisfactory growth recorded in RMB foreign exchange businesses

In 2014, the Group took advantage of RMB exchange rate fluctuations and collaborated with the BOC Group, to provide value-preservation solutions to customers which led to significant growth in corporate and institution clients businesses. Leveraging its competitive edge in the RMB business, the Group launched a series of RMB investment products, including RMB Equity Linked Investment and the inclusion of bearish option in RMB Structured Deposits, which were well received by the market. Following the removal of the daily RMB exchange quota by Hong Kong residents, the Group launched various services including RMB exchange against other currencies and RMB Currency Linked Investment.

Strengthening intragroup cooperation in Debt Capital Markets business

The Group continued to achieve solid progress in the bond underwriting business during the year and significantly increased its market share in the underwriting of dim-sum bonds. It also strengthened cooperation with BOC's branches in the Debt Capital Markets business. It became the first Chinese bank to act as the joint lead manager and joint bookrunner for a major global USD bond issuance by a South American corporation. Other overseas activities included support for BOC's London Branch to complete the first overseas dim-sum bond issuance by the Bank of England and assisted BOC's other overseas branches in the issuance of overseas dim-sum bonds.

Global expansion of its banknote business

The Group made significant progress with the expansion of its global banknote business. It successfully became an international banknotes wholesale bank. In addition to major markets, the Group established banknotes business relationships with central banks and extended its global banknote distribution network to new market districts of Central America, Central and Southeast Asia. In addition, the Group was granted a franchise in managing the Extended Custodial Inventory of a major currency, making it the first Chinese bank to qualify for this role and fully recognising its expertise in banknotes management. Meanwhile, the Group continued to establish relationships with central banks, commercial banks and BOC's branches in other overseas countries and regions for its banknotes business.

Improved clearing support for the RMB business

In the year, the Group continued to develop better infrastructure to ensure the stable development and continuous improvement of RMB clearing services in both Hong Kong and overseas. It extended its RMB clearing service hours to 20.5 hours per day with effect from 1 October, which distinguished Hong Kong as the world's first clearing system to cover time zones in Europe, America and Asia with the longest operating hours globally. BOCHK also successfully migrated to the second generation of the China National Advanced Payment System ("CNAPS"), reinforcing its RMB clearing efficiency and service capability.

In addition, BOCHK was designated by the HKMA as the Primary Liquidity Provider to provide additional RMB liquidity support to the market. This designation reinforced the Group's leading position in the offshore RMB market.

Insurance

Financial Results

Profit before taxation in the Group's Insurance segment was HK\$613 million in 2014, down 46.4% from 2013. The decline was mainly caused by a higher provision for insurance liabilities as a result of declining market interest rates, which outweighed the corresponding mark-to-market changes of debt securities. This, coupled with the decrease in return from its equity investments portfolio resulted in a decline in profits.

Net interest income grew by 13.0%, which was mainly driven by the expansion of securities investments acquired with the new premiums received.

Net gain on other financial assets amounted to HK\$169 million which compared with a net loss of HK\$63 million in 2013, owing to market opportunities for disposing of certain debt securities.

Business Operations

A focus on product enhancement and diversified distribution channels

During the year, the Group continued to broaden its product offerings, diversify its distribution channels and establish partnerships with insurance broker firms to reach out to a wider range of customers. New products launched in 2014 included Plenteous Life Coupon Plan which integrates both life insurance and savings elements; BestCare Critical Illness Plan which covers both critical illness and life protection; and Good Year Cash Coupon Insurance Plan which meets the life insurance and wealth management needs of customers through the telemarketing channel. These new products were well received by customers. The introduction of the new iPad Sales Kit to the Bank's sales team and the inbound sales model to the telemarketing channel improved its efficiency in both customer communications and sales performance. Continuous optimisation of the broker and tied agency channels provided customers with a broader spectrum of services. BOCG Life was honoured to receive a number of international and industry awards including the global award of Best Life Insurance Company 2014, Hong Kong presented by World Finance.

Leadership in RMB insurance products

The Group's leading position in Hong Kong RMB insurance market was consolidated through product optimisation and innovation in 2014. Popular RMB insurance products such as the IncomeGrowth Annuity Insurance Plan, Target 5 Years Insurance Plan Series and RMB Universal Life Insurance Plan continued to attract substantial new business. During the year, it launched whole life products, Plenteous Life Coupon Plan and Good Year Cash Coupon Insurance Plan, to customers, offering life protection and savings. BOCG Life maintained its leading position in the RMB insurance market. In recognition of its outstanding performance, BOCG Life received all three product awards in the RMB Business Outstanding Awards 2014 – Outstanding Insurance Business, organised by Metro Finance, Metro Finance Digital and Hong Kong Wen Wei Po.

Others

Asset management service reinforced local business and expanded geographical presence

BOCHK Asset Management Limited ("BOCHK AM") continued to make solid progress in 2014 with a satisfactory growth in asset under management compared with the end of 2013. The BOCHK All Weather HK & China Equity Fund, a retail fund launched in 2013, performed strongly in terms of asset growth, while the BOCHK RMB High Yield Bond Fund was redomiciled to Luxemburg in September 2014. This not only allowed the fund to be widely and effectively distributed in Europe but also established the Group's footprint in the continent while positioning BOCHK AM for distribution of its fund products in other Asian countries in the future. In addition, new distribution channels were developed and partnerships established with BOC's branches and other banks in Macau.

In recognition of its outstanding offshore RMB bond performance, BOCHK AM won the Best RMB Manager by Asia Asset Management for its 2014 Best of the Best Awards. The BOCHK RMB High Yield Bond Fund was awarded the Best RMB Bonds, Offshore, Three Years by Asia Asset Management under the same award. BOCHK AM was also granted the Best in Class RMB Fixed Income award in the BENCHMARK Fund of the Year Award 2014.

Management's Discussion and Analysis

Business Focuses for 2015

The year 2015 will bring both opportunities and challenges to banks in Hong Kong. To capture new business opportunities, the Group will respond rapidly to market changes in order to achieve balanced growth in all areas of its business. At the same time, it will maintain its stringent risk management and controls to safeguard its financial strength and asset quality.

The Group will also develop its high-quality and professional wealth management services further to meet the growing demand for wealth management consultancy services. In addition, it will strengthen its dedicated professional service team and construct a more diversified sales and service system to improve its overall service capabilities. Elevate awareness of its brand will also be critical for improving customer perception and recognition.

With regards to its infrastructure, the Group will improve and integrate its multifunctional service chains and platforms. It will also extend its cash management services regionally to support customers expanding overseas. Other measures to be taken up in 2015 include enhancing its management capability of the custody business, strengthening its treasury products by serving central banks in other time zones and reaching out to other overseas markets with its asset management services.

The Group will also take advantage of opportunities in the offshore RMB business as this will promote its overseas development. It will focus on expanding its RMB-related products and services to markets worldwide with the aim of increasing the global service capabilities of the BOC Group. Cooperation with BOC's overseas branches to cultivate new customer groups in the Southeast Asia and other overseas markets will also be part of this initiative.

Finally, the Group will continue to strengthen its collaboration with BOC. It will leverage on its professional expertise and efficient business platforms to enhance cooperation and coordination with BOC in the development of products, customers and regions in order to raise the service coverage and overall synergy of the BOC Group.

Regulatory Developments

Implementation of Basel III Liquidity Coverage Ratio

Following the negative vetting of the Banking (Liquidity) Rules by the Legislative Council, the implementation of Basel III Liquidity Coverage Ratio ("LCR") came into operation on 1 January 2015. The implementation of the LCR seeks to promote banks' resilience to short-term liquidity risks by ensuring they have sufficient high quality liquid assets to meet their obligations for at least 30 calendar days under an acute stress scenario. The Group has completed all relevant preparatory work to ensure the efficient implementation of the LCR. These included the development of a system for calculation of the LCR for both regulatory reporting and internal risk management purposes; the formulation of a working manual and the introduction of training workshops to all business units to incorporate the LCR requirements into the daily business decision-making process; and the establishment of limit and risk appetite for setting the risk tolerance level and the inclusion of all requirements of LCR in the formulation of the Group's business plan.

Technology and Operations

The Group continued to upgrade its information technology and business operation infrastructure in 2014 to support its business growth and enhance operational efficiency. The revamp of the Group's data center was carried out as part of this exercise and the expansion phase was completed. The Group also launched a series of services to provide a better customer experience and support the growth of the Personal Banking, SME and Corporate Banking businesses. With the launch of Shanghai-Hong Kong Stock Connect, system enhancements were made to support cross-boundary clearing and settlement as well as the provision of counter and e-channel services. During the year, the Group Customer Services Centre for corporate customers was established to offer a new service model to selected customers with one-stop quality and professional after-sales services.

Credit Ratings

As at 31 December 2014	Long-term	Short-term
Standard & Poor's	A+	A-1
Moody's	Aa3	P-1
Fitch	A	F1

On 29 December 2014, Standard & Poor's affirmed the 'A+' long-term and 'A-1' short-term issuer credit ratings of BOCHK. The outlook is stable.

On 14 October 2014, Moody's Investors Service affirmed 'Aa3' long-term and 'P-1' short-term local and foreign currency bank deposit ratings; and the 'C+' bank financial strength rating on BOCHK. The outlook is stable.

On 21 October 2014, Fitch Ratings affirmed 'A' long-term and 'F1' short-term foreign currency issuer default ratings on BOCHK. The outlook is stable.

Risk Management

Banking Group

Overview

The Group believes that sound risk management is crucial to the success of any organisation. In its daily operation, the Group attaches a high degree of importance to risk management and emphasises that a balance must be struck between risk control and business development. The principal types of risk inherent in the Group's businesses are credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, legal and compliance risk, and strategic risk. The Group's risk management objective is to enhance shareholder value by maintaining risk exposures within acceptable limits. The Group has a defined risk appetite statement approved by the Board, which is an expression of the types and level of risk that the Group is willing to take in a controllable way in order to achieve its business goals and to meet the expectations of its stakeholders. For details of the Group's risk management governance structure, please refer to Note 4 to the Financial Statements in the Annual Report.

Credit Risk Management

Credit risk is the risk of loss that a customer or counterparty is unable to or unwilling to meet its contractual obligations. Credit risk exists in the trading book and banking book, as well as from on- and off-balance sheet transactions of the Group. It arises principally from lending, trade finance and treasury businesses. For details of the Group's Credit Risk Management, please refer to Note 4.1 to the Financial Statements in the Annual Report.

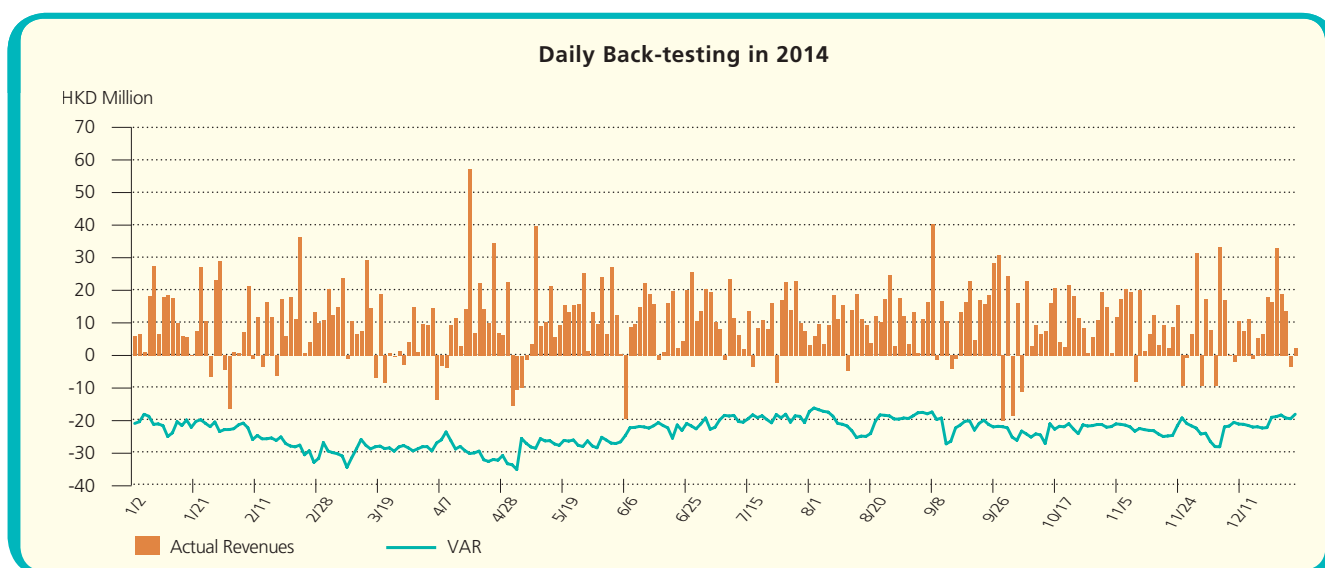
Management's Discussion and Analysis

Market Risk Management

Market risk refers to the risk of loss arising from movements in the value of foreign exchange, interest rate, equity and commodity positions held by the Group due to the volatility of financial market price (foreign exchange rate, interest rate, equity price, commodity price). The Group adopts a moderate market risk appetite to achieve a balance between risk and return. For details of the Group's Market Risk Management, please refer to Note 4.2 to the Financial Statements in the Annual Report.

The Group uses the VAR to measure and report general market risks to the Risk Committee ("RC") and senior management on a periodic basis. The Group adopts a uniformed VAR calculation model, using a historical simulation approach and two years of historical market data, to calculate the VAR of the Group and subsidiaries over a 1-day holding period with a 99% confidence level, and sets up the VAR limit of the Group and subsidiaries.

The Group adopts back-testing to measure the accuracy of VAR model results. The back-testing compares the calculated VAR figure of market risk positions of each business day with the actual and hypothetical revenues arising from those positions on the next business day. Generally speaking, the number of back-testing exceptions in a rolling 12-month period will not exceed four times, given a 99% confidence level. The graph below shows the back-testing result of the VAR against actual revenues of the Group.



There were no actual losses exceeding the VAR for the Group in 2014 as shown in the back-testing results.

Interest Rate Risk Management

Interest rate risk means the risks to a bank's earnings and economic value arising from movements in interest rate and term structures of the bank's asset and liability positions. The Group's interest rate risk exposures are mainly structural. The major types of interest rate risk from structural positions are repricing risk, basis risk, yield curve risk and option risk. For details of the Group's Interest Rate Risk Management, please refer to Note 4.2 to the Financial Statements in the Annual Report.

Liquidity Risk Management

Liquidity risk is the risk that banks fail to provide sufficient funds to grow assets or pay due obligations, and need to bear an unacceptable loss. The Group maintains sound liquidity risk appetite to provide stable, reliable and adequate sources of cash to meet liquidity needs under normal circumstances or stressed scenarios; and to survive with net positive cumulative cash flow in extreme scenarios without requesting the HKMA to act as the lender of last resort. For details of the Group's Liquidity Risk Management, please refer to Note 4.3 to the Financial Statements in the Annual Report.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system, or from external events. The risk is inherent in every aspect of business operations and confronted by the Group in its day-to-day operational activities.

The Group has implemented the "Three Lines of Defence" for its operational risk management. All departments or functional units as the first line of defence are the first parties responsible for operational risk management, and carry out the duties and functions of self risk control in the process of business operation through self assessment and self enhancement. The Operational Risk and Compliance Department ("OR&CD"), together with certain specialist functional units in relation to operational risk management within the Group, including the Human Resources Department, Information Technology Department, Corporate Services Department, Financial Management Department and General Accounting & Accounting Policy Department (collectively known as "specialist functional units"), are the second line of defence. They are responsible for assessing and monitoring the operational risk conditions in the first line of defence, and providing them with guidance. The OR&CD, being independent from the business units, is responsible for assisting the Management in managing the Group's operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, and assessing and reporting the overall operational risk position to the Management and RC. Specialist functional units are required to carry out their managerial duties of the second line of defence with respect to some specific aspects of operational risk and its related issues. Besides taking charge of operational risk management in their own units, these units are also required to provide other units with professional advice/training in respect of certain operational risk categories and to lead the group-wide operational risk management. Group Audit is the third line of defence which provides independent assessment to the effectiveness and adequacy of the operational risk management framework and is required to conduct periodic audit of the operational risk management activities of various departments or functional units within the Group regarding their compliance and effectiveness and to put forward recommendations for remedial actions.

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adheres to the fundamental principle of proper segregation of duties and authorisation. The Group adopts various operational risk management tools or methodologies such as key risk indicators, self-assessment, operational risk events reporting and review to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance to mitigate unforeseeable operational risks. Business continuity plans are established to support business operations in the event of an emergency or disaster. Adequate backup facilities are maintained and periodic drills are conducted.

Reputation Risk Management

Reputation risk is the risk that negative publicity about the Group's business practices, whether genuine or not, will cause a potential decline in the customer base, or lead to costly litigation or revenue decrease. Reputation risk is inherent in other types of risk and every aspect of business operation and covers a wide spectrum of issues.

In order to mitigate reputation risk, the Group has formulated and duly followed its Reputation Risk Management Policy. The policy aims to identify and prevent reputation risk proactively at an early stage when an incident occurs. Since reputation risk is often caused by various types of operational and strategic issues that negatively impact the trust and perception of the Group, all operational and key risks identified are assessed through the established Key Control Self-Assessment framework, including risk assessment tools, to evaluate the severity of their impact on the Group, including the damage to reputation.

In addition, the Group has put in place a comprehensive framework to continuously monitor reputation risk incidents in the financial industry. This continuous monitoring enables the Group to effectively manage, control and mitigate any potential adverse impact from an incident. The Group also adopts robust disclosure practices to keep our stakeholders informed at all times, which helps build confidence in the Group and establish a strong public image.

Management's Discussion and Analysis

Legal and Compliance Risk Management

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group. Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Group may suffer as a result of its failure to comply with all applicable laws and regulations. Legal and compliance risks are managed by the OR&CD, which reports directly to the CRO. All legal matters are handled by the Legal Services Centre ("LSC"), which reports to the Chief Operating Officer. The OR&CD is responsible for legal risk management of the Group with support rendered by the LSC. As part of the Group's corporate governance framework, the policy for the management of legal and compliance risk is approved by the RC as delegated by the Board.

Strategic Risk Management

Strategic risk generally refers to the risks that may cause current or future negative impacts on the earnings, or capital or reputation or market position of the Group because of poor business decisions, improper implementation of strategies and inadequacies in the response to the changing market condition. The Board reviews and approves the strategic risk management policy. Key strategic issues have to be fully evaluated and properly endorsed by the senior management and the Board.

The Group regularly reviews its business strategies to cope with the latest market situation and developments.

Capital Management

The major objective of the Group's capital management is to maximise total shareholders' return while maintaining a capital adequacy position in relation to the Group's overall risk profile. The Asset and Liability Management Committee ("ALCO") periodically reviews the Group's capital structure and adjusts the capital mix where appropriate to maintain an optimal balance among risk, return and capital adequacy.

To comply with the HKMA's requirements as stated in the Supervisory Policy Manual "Supervisory Review Process", the Group adopts the internal capital adequacy assessment process ("ICAAP") and reviews it annually. Based on the HKMA's guidelines on Pillar II, ICAAP has been initiated to assess the extra capital needed to cover the material risks not captured or not adequately captured under Pillar I, and therefore minimum Common Equity Tier 1 capital ratio, minimum Tier 1 capital ratio and minimum Total capital ratio are determined. Meanwhile, operating ranges for the aforementioned capital ratios have also been established which enable the flexibility for future business growth and efficiency of capital utilisation.

Stress Testing

The Group supplements the analysis of various types of risks with stress testing. Stress testing is a risk management tool for estimating risk exposures under stressed conditions arising from extreme but plausible market or macroeconomic movements. These tests are conducted on a regular basis by the Group's various risk management units in accordance with the principles stated in the Supervisory Policy Manual "Stress-testing" published by the HKMA. The ALCO monitors the results against the key risk limits approved by the RC. The Financial Management Department reports the combined stress test results of the Group to the Board and RC regularly.

BOCG Life

BOCG Life's principal business is the underwriting of long-term insurance business in life and annuity (Class A), linked long term business (Class C) and retirement scheme management category III (Class I) in Hong Kong. Major types of risk arising from BOCG Life's insurance business are insurance risk, interest rate risk, liquidity risk and credit risk. BOCG Life closely monitors these risks and reports to its Risk Management Committee on a regular basis. The key risks of its insurance business and related risk control process are as follows:

Insurance Risk Management

BOCG Life is in the business of insuring against the risk of mortality, morbidity, disability, critical illness, accidents and related risks. These risks are managed through the application of underwriting policies and reinsurance arrangements.

The underwriting strategy is intended to set premium pricing at an appropriate level that corresponds with the underlying exposure of the risks underwritten. Screening processes, such as the review of health condition and family medical history, are also included in BOCG Life's underwriting procedures.

The reinsurance arrangement helps transfer the insurance risk associated with the insurance contracts to the third party. It does not, however, discharge BOCG Life's liability as the primary insurer. If a reinsurer fails to pay a claim for any reasons, BOCG Life remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered by reviewing the reinsurers' financial strength prior to finalisation of any reinsurance contract. BOCG Life directs its reinsurance placement policy and assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. BOCG Life also monitors the recoverability of its reinsurance assets on an ongoing basis. It maintains records of the payment history for significant contract holders, with whom it conducts regular business.

For details of the Group's Insurance Risk Management, please refer to Note 4.4 to the Financial Statements in the Annual Report.

Interest Rate Risk Management

An increase in interest rates may result in the depreciation of the value of BOCG Life's bond portfolio. It might induce in customers surrender. A decrease in interest rates may result in an increase in insurance liability and an inability to adequately match guarantees or lower returns leading to customer dissatisfaction. BOCG Life manages the matching of assets and liabilities of its portfolios within an asset liability management framework that has been developed to achieve investment returns that match its obligations under insurance contracts; and to manage the adverse impact due to interest rate movement.

Liquidity Risk Management

Liquidity risk is the risk of not being able to meet obligations as they fall due without incurring unacceptable loss. BOCG Life's asset and liability management framework includes cash flow management to preserve liquidity to match policy payout from time to time.

Credit Risk Management

BOCG Life has exposure to credit risk that a customer or counterparty will be unable to or unwilling to meet a commitment that they have entered into. Key areas to which BOCG Life's insurance business is exposed include:

- Default risk of bond issuers or the counterparties of structured products
- Credit spread widening as a result of credit migration (downgrade)
- Reinsurers' share of insurance unpaid liabilities
- Amounts due from reinsurers in respect of claims already paid
- Amounts due from insurance contract holders
- Amounts due from insurance intermediaries

BOCG Life manages credit risk by placing limits on its exposure to each investment counterparty or group of counterparties. Such limits are subject to annual or more frequent review by the Management.

In order to enhance its credit risk management, BOCG Life has strengthened its communication with the Investment Management of the Group while closely monitoring and updating the established Bonds Issuers Disposal and Watch Lists to ensure consistency with the Group's credit risk management and investment strategy.





New Customer Experience



Corporate Information

Board of Directors

Chairman

TIAN Guoli[#]

Vice Chairmen

CHEN Siqing[#] (appointment as Vice Chairman effective from 25 March 2014)

YUE Yi (appointment as Non-executive Director with effect from 22 May 2014, re-designation as Executive Director and appointment as Vice Chairman effective from 6 March 2015)

LI Lihui[#] (resignation effective from 25 March 2014)

HE Guangbei (resignation effective from 6 March 2015)

Directors

LI Zaohang[#]

ZHU Shumin[#] (appointment effective from 22 May 2014)

GAO Yingxin[#] (re-designation as Non-executive Director effective from 11 March 2015)

CHENG Eva* (appointment effective from 30 October 2014)

KOH Beng Seng*

SHAN Weijian*

TUNG Savio Wai-Hok*

ZHOU Zaiqun[#] (retirement effective from 25 March 2014)

FUNG Victor Kwok King* (retirement effective from 11 June 2014)

NING Gaoning* (resignation effective from 30 October 2014)

[#] Non-executive Directors

* Independent Non-executive Directors

Senior Management

Chief Executive

YUE Yi (appointment effective from 6 March 2015)

HE Guangbei (resignation effective from 6 March 2015)

Deputy Chief Executive

GAO Yingxin (resignation effective from 11 March 2015)

Deputy Chief Executive

YEUNG Jason Chi Wai (retirement effective from 1 March 2015)

Chief Risk Officer

LI Jiuzhong

Chief Financial Officer

SUI Yang (appointment effective from 22 August 2014)

ZHUO Chengwen (resignation effective from 22 August 2014)

Chief Operating Officer

LEE Alex Wing Kwai

Deputy Chief Executives

ZHU Yanlai

HUANG Hong

KUNG YEUNG Ann Yun Chi (appointment effective from 1 March 2015)

Company Secretary

CHAN Chun Ying

Registered Office

52nd Floor
Bank of China Tower
1 Garden Road
Hong Kong

Auditor

Ernst & Young

Share Registrar

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

ADR Depository Bank

Citibank, N.A.
388 Greenwich Street
14th Floor
New York, NY 10013
United States of America

Website

www.bochk.com

Board of Directors and Senior Management

DIRECTORS



Mr TIAN Guoli

Chairman

Aged 54. Chairman of the Board of Directors and Chairman of the Nomination Committee of the Company and BOCHK. Chairman and Executive Director of BOC. Director of BOC (BVI) and BOCHKG.



Mr CHEN Siqing

Vice Chairman

(appointment as Vice Chairman effective from 25 March 2014)

Aged 54. Vice Chairman of the Board of Directors and a member of the Remuneration Committee and the Nomination Committee of the Company and BOCHK. Vice Chairman, Executive Director and President of BOC. Director of BOC (BVI) and BOCHKG.



Mr YUE Yi

Vice Chairman, Executive Director and Chief Executive

(appointment as Non-executive Director effective from 22 May 2014;

re-designation as Executive Director, appointment as Vice Chairman and Chief Executive effective from 6 March 2015)

Aged 58. Non-executive Director and a member of the Strategy and Budget Committee and the Risk Committee of the Company and BOCHK during the year. Executive Vice President of BOC from August 2010 to March 2015.

On 6 March 2015, Mr YUE has been re-designated from Non-executive Director to Executive Director, appointed as Vice Chairman, Chief Executive and ceased to be a member of the Risk Committee of the Company and BOCHK. He remains as a member of the Strategy and Budget Committee.



Mr HE Guangbei

Vice Chairman and Chief Executive

(resignation effective from 6 March 2015)

Aged 60. Vice Chairman, Chief Executive and a member of the Strategy and Budget Committee of the Company and BOCHK during the year. Chairman of NCB (China), Chiyu, BOCG Life and BOCHK Charitable Foundation. He was Director of each of Hong Kong Interbank Clearing Limited and HKICL Services Limited, a Director of Hong Kong Note Printing Limited. Designated representative of BOCHK to the Hong Kong Association of Banks and presiding Chairman in 2014. Member of the 12th National Committee of the Chinese People's Political Consultative Conference. Representative of Hong Kong, China to the Asia-Pacific Economic Cooperation Business Advisory Council, member of the HKMA Exchange Fund Advisory Committee, Banking Advisory Committee, General Committee of Hong Kong General Chamber of Commerce, Hong Kong-United States Business Council, Advisory Committee of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. He was also a deputy officer of the Finance Committee of Guangdong's Association for promotion of cooperation between Guangdong, Hong Kong & Macau and Honorary Chairman of the Hong Kong Chinese Enterprises Association.

On 6 March 2015, Mr HE resigned as Vice Chairman, Executive Director and Chief Executive and ceased to be a member of the Strategy and Budget Committee of the Company and BOCHK.



Mr LI Zaohang

Non-executive Director

Aged 59. Non-executive Director, Chairman of the Strategy and Budget Committee and a member of the Remuneration Committee of the Company and BOCHK. Executive Director and Executive Vice President of BOC.



Mr ZHU Shumin

Non-executive Director

(appointment effective from 22 May 2014)

Aged 54. Non-executive Director and a member of the Strategy and Budget Committee and the Risk Committee of the Company and BOCHK. Executive Vice President of BOC.

Board of Directors and Senior Management



Mr GAO Yingxin

Non-executive Director

(re-designation as Non-executive Director and resignation as Deputy Chief Executive effective from 11 March 2015)

Aged 52. Executive Director of the Company and BOCHK as well as Deputy Chief Executive in charge of Corporate Banking and Financial Institutions during the year. Chairman of NCB, Vice Chairman of NCB (China) and Director of BOCG Insurance during the year.

On 11 March 2015, Mr GAO has been re-designated from Executive Director to Non-executive Director, resigned as Deputy Chief Executive and appointed as member of each of the Risk Committee and the Strategy and Budget Committee. He also resigned from all his other positions within the Group on the same day.



Mdm CHENG Eva

Independent Non-executive Director

(appointment effective from 30 October 2014)

Aged 54. Independent Non-executive Director and a member of the Audit Committee and the Strategy and Budget Committee of the Company and BOCHK.



Mr KOH Beng Seng

Independent Non-executive Director

Aged 64. Independent Non-executive Director, Chairman of the Risk Committee and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company and BOCHK. Chief Executive Officer of Octagon Advisors Pte Ltd.



Mr SHAN Weijian

Independent Non-executive Director

Aged 61. Independent Non-executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company and BOCHK. Chairman and Chief Executive Officer of PAG.



Mr TUNG Savio Wai-Hok

Independent Non-executive Director

Aged 63. Independent Non-executive Director, Chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee, the Risk Committee and the Strategy and Budget Committee of the Company and BOCHK. Chief Investment Officer of Investcorp.

SENIOR MANAGEMENT



Mr LI Jiuzhong

Chief Risk Officer

Aged 52. Chief Risk Officer of the Group. Director of NCB, NCB (China), BOCCC and BOCG Life.



Mdm SUI Yang

Chief Financial Officer

Aged 41. Chief Financial Officer of the Group.

Board of Directors and Senior Management



Mr LEE Alex Wing Kwai

Chief Operating Officer

Aged 56. Chief Operating Officer of the Group. Director of BOCCC.



Mdm ZHU Yanlai

Deputy Chief Executive

Aged 60. Deputy Chief Executive of the Group in charge of overall leadership for the planning, implementation of the Group's strategy and the coordination of the Group's Renminbi related businesses. Director of NCB.



Mr HUANG Hong

Deputy Chief Executive

Aged 55. Deputy Chief Executive of the Group in charge of the financial market businesses. Director of BOCG Life, Director and Chairman of BOCI-Prudential Trustee Limited and BOC Group Trustee Company Limited.



Mrs KUNG Yeung Ann Yun Chi

Deputy Chief Executive

(appointment effective from 1 March 2015)

Aged 52. Deputy Chief Executive of the Group in charge of Personal Banking and Product Management, Channel Management, Private Banking and BOCCC. Vice Chairman of BOCCC and Director of BOCG Life.

Report of the Directors

The Directors are pleased to present their report together with the Summary Financial Statements of the Group for the year ended 31 December 2014.

Principal Activities

The principal activities of the Group are the provision of banking and related financial services. An analysis of the Group's performance for the year by business segments is set out in Note 10 to the Summary Financial Statements.

Results and Appropriations

The results of the Group for the year are set out in the consolidated income statement on page 97.

The Board has recommended a final dividend of HK\$0.575 per share, amounting to approximately HK\$6,080 million, subject to the approval of shareholders at the forthcoming annual general meeting to be held on Tuesday, 16 June 2015. If approved, the final dividend will be paid on Friday, 3 July 2015 to shareholders whose names appear on the Register of Members of the Company on Thursday, 25 June 2015. Together with the interim dividend of HK\$0.545 per share declared in August 2014, the total dividend payout for 2014 would be HK\$1.120 per share.

Closure of Register of Members for Entitlement to Attend and Vote at Annual General Meeting

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting of the Company, from Thursday, 11 June 2015 to Tuesday, 16 June 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the Annual General Meeting of the Company, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 10 June 2015. The Annual General Meeting of the Company will be held at 2:00 p.m. on Tuesday, 16 June 2015.

Closure of Register of Members for Entitlement to Final Dividend

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the proposed final dividend, from Monday, 22 June 2015 to

Thursday, 25 June 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 19 June 2015. Shares of the Company will be traded ex-dividend as from Thursday, 18 June 2015.

Reserves

Details of movements in the reserves of the Group are set out in Note 9 to the Summary Financial Statements.

Donations

Charitable and other donations made by the Group during the year amounted to approximately HK\$8 million.

Note: These donations do not include the donations and sponsorships made by BOCHK Charitable Foundation ("the Foundation". For details, please refer to the "Corporate Social Responsibility" section of this Summary Financial Report). The Foundation is a separate legal entity established in Hong Kong and is a charitable institution exempt from tax under the Inland Revenue Ordinance.

Properties, Plant and Equipment

Details of movements in properties, plant and equipment of the Group are set out in Note 6 to the Summary Financial Statements.

Share Capital

Details of the share capital of the Company are set out in Note 8 to the Summary Financial Statements.

As at the latest practicable date prior to the issue of this Summary Financial Report and based on publicly available information, the public float of the Company was approximately 34%. The Directors consider that there is sufficient public float in the shares of the Company.

Distributable Reserves

Distributable reserves of the Company as at 31 December 2014, calculated under Part 6 of the Hong Kong Companies Ordinance (Chapter 622), amounted to approximately HK\$6,507 million.

Five-year Financial Summary

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 3.

Report of the Directors

Directors

The list of Directors of the Company is set out on page 48. The biographical details of the Directors and senior management are set out on pages 50 to 54 of this Summary Financial Report. The term of office for each Non-executive Director is approximately three years.

Mr CHEN Siqing was appointed as Vice Chairman effective from 25 March 2014. Mr ZHU Shumin and Mr YUE Yi were appointed as Non-executive Directors both effective from 22 May 2014 and have been re-elected as Non-executive Directors at the 2014 annual general meeting held on 11 June 2014. Mdm CHENG Eva was appointed as an Independent Non-executive Director effective from 30 October 2014. Mr YUE Yi, a Non-executive Director, has been re-designated as Executive Director and appointed as Vice Chairman and Chief Executive effective from 6 March 2015. Mr GAO Yingxin, an Executive Director, has been re-designated as Non-executive Director effective from 11 March 2015. Mr LI Lihui resigned as Vice Chairman and Non-executive Director with effect from 25 March 2014. Mr ZHOU Zaiqun retired as Non-executive Director with effect from 25 March 2014. Dr FUNG Victor Kwok King retired as an Independent Non-executive Director after the conclusion of the 2014 annual general meeting held on 11 June 2014. Mr NING Gaoning resigned as an Independent Non-executive Director with effect from 30 October 2014. Mr HE Guangbei resigned as Vice Chairman, Executive Director and Chief Executive effective from 6 March 2015. The Board would like to express its sincere gratitude and the highest respect to Mr LI, Mr ZHOU, Dr FUNG, Mr NING and Mr HE for their valuable contributions in all aspects during their tenure of office.

In accordance with Article 98 of the Articles of Association and pursuant to Code A.4.2 of the Corporate Governance Code, the terms of office of Mr CHEN Siqing, Mr KOH Beng Seng and Mr TUNG Savio Wai-Hok will expire at the forthcoming annual general meeting. All the retiring Directors being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Further, pursuant to Article 102 of the Articles of Association, any Director appointed by the Board during the year shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election at such meeting. Accordingly, the term of office of Mdm CHENG Eva, who had been appointed on 30 October 2014, will expire at the forthcoming annual general meeting and, being eligible, will offer herself for re-election.

Directors' Service Contracts

No Director offering for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than the normal statutory compensation.

Directors' Interests in Contracts of Significance

No contracts of significance, in relation to the Group's business to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Business

Mr TIAN Guoli, Mr CHEN Siqing and Mr LI Zaohang are Executive Directors of BOC. Mr ZHU Shumin is an Executive Vice President of BOC. Mr YUE Yi was an Executive Vice President of BOC (he resigned such position with effect from 6 March 2015). During the year, Mr LI Lihui was an Executive Director of BOC.

BOC is a joint stock commercial bank with limited liability, established under the laws of the PRC, providing a full range of commercial banking and other financial services through its associates throughout the world. Certain of the Group's operations overlap with and/or are complementary to those of BOC and its associates. To the extent that BOC or its associates compete with the Group, the Directors believe that the Group's interests are adequately protected by good corporate governance practices and the involvement of the Independent Non-executive Directors.

Further, the Board's Mandate also expressly provides that unless permissible under applicable laws or regulations, if a substantial shareholder or a Director has a conflict of interest in the matter to be considered by the Board, the matter shall not be dealt with by way of written resolutions, but a Board meeting attended by Independent Non-executive Directors who have no material interest in the matter shall be held to deliberate on the same.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

Directors' Rights to Acquire Shares

At no time during the year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2014, the Directors, the Chief Executive and their respective associates had the following interests in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers:

Name of Director	Number of shares/underlying shares held					Approximate % of the total issued shares
	Personal interests	Family interests	Corporate interests	Other interests	Total	
HE Guangbei	100,000	–	–	–	100,000	0.0009%
Total	100,000	–	–	–	100,000	0.0009%

Save as disclosed above, as at 31 December 2014, none of the Directors or the Chief Executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

Substantial Interests in Share Capital

The register maintained by the Company pursuant to section 336 of the SFO recorded that, as at 31 December 2014, the following parties had the following interests (as defined in the SFO) in the Company set opposite their respective names:

Name of Corporation	No. of shares held in the Company	Approximate % of total issued shares
Central Huijin	6,984,274,213	66.06%
BOC	6,984,274,213	66.06%
BOCHKG	6,984,175,056	66.06%
BOC (BVI)	6,984,175,056	66.06%

Notes:

- Following the reorganisation of BOC in August 2004, Central Huijin holds the controlling equity capital of BOC on behalf of the State. Accordingly, for the purpose of the SFO, Central Huijin is deemed to have the same interests in the Company as BOC.
- BOC holds the entire issued share capital of BOCHKG, which in turn holds the entire issued share capital of BOC (BVI). Accordingly, BOC and BOCHKG are deemed to have the same interests in the Company as BOC (BVI) for the purpose of the SFO. BOC (BVI) beneficially held 6,984,175,056 shares of the Company.
- BOC holds the entire issued share capital of BOCI, which in turn holds the entire issued share capital of BOCI Asia Limited and BOCI Financial Products Limited. Accordingly, BOC is deemed to have the same interests in the Company as BOCI Asia Limited and BOCI Financial Products Limited for the purpose of the SFO. BOCI Asia Limited had an interest in 24,479 shares of the Company and an interest in 72,000 shares held under physically settled equity derivatives while BOCI Financial Products Limited had an interest in 2,678 shares of the Company.

All the interests stated above represented long positions. Apart from the disclosure above, according to the register maintained by the Company pursuant to section 336 of the SFO, BOCI Financial Products Limited had an interest in 143,522 shares which represented short positions. BOC and Central Huijin are deemed to be interested in such amount of shares for the purpose of the SFO. Save as disclosed, no other interests or short positions were recorded in the register maintained by the Company under section 336 of the SFO as at 31 December 2014.

Report of the Directors

Management Contracts

No contracts concerning the management or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Purchase, Sale or Redemption of the Company's Shares

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

Major Customers

During the year, the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group.

Connected Transactions

The Independent Non-executive Directors have reviewed the transactions which the Company disclosed in a public announcement on 10 December 2013 and confirmed that these transactions were:

- (i) entered into in the ordinary and usual course of business of the Group;
- (ii) conducted on normal commercial terms or better;
- (iii) entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) in each case where an annual cap had been set, that such cap was not exceeded.

In accordance with paragraphs 14A.56 and 14A.71(6)(b) of the Listing Rules, the Board of Directors engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the above continuing connected transactions. In accordance with paragraph 14A.57 of the Listing Rules, a copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Budgetary Discipline and Reporting

The annual budget of the Group is reviewed and approved by the Board of Directors prior to its implementation by the Management. Financial and business targets are allocated to business units and subsidiaries. There are defined procedures for the appraisal, review and approval of major capitalised and operating expenditures. Proposed significant expenditures outside the approved budget will be referred to the Board or the relevant Board committee for decision. Financial and business performance against targets is reported to the Board regularly. Should there be any significant changes in relation to the operations, revised financial forecast will be submitted to the Board for review and approval in a timely manner.

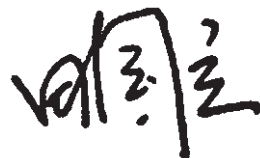
Compliance with the Banking (Disclosure) Rules and the Listing Rules

This financial statements for the year ended 31 December 2014 comply with the applicable requirements set out in the Banking (Disclosure) Rules under the Banking Ordinance and the applicable disclosure provisions of the Listing Rules.

Auditor

The financial statements for the year 2014 have been audited by Ernst & Young ("EY") who has been appointed as new auditor of the Company at the annual general meeting of the Company held on 28 May 2013 upon the retirement of PricewaterhouseCoopers. EY will retire and offer themselves for re-appointment at the 2015 annual general meeting.

On behalf of the Board



TIAN Guoli
Chairman

Hong Kong, 25 March 2015

Corporate Governance

The Company is committed to maintaining and upholding high standards of corporate governance in order to safeguard the interests of shareholders, customers and employees. The Company abides strictly by the relevant laws and regulations in Hong Kong, and observes the rules and guidelines issued by regulatory authorities including HKMA, Hong Kong Securities and Futures Commission and the Stock Exchange of Hong Kong. The Company from time to time reviews the corporate governance practices as adopted and strives to comply with the relevant requirements of international and local corporate governance best practices.

The Company has been in full compliance with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules. It also complies with nearly all the recommended best practices set out in the Corporate Governance Code. In particular, the Company publishes quarterly financial and business reviews so that shareholders and investors can be better updated of the performance, financial positions and prospects of the Company on a timely basis. BOCHK, the Company's wholly-owned and principal operating subsidiary, is in full compliance with the guidelines as set out in the Supervisory Policy Manual module CG-1 entitled "Corporate Governance of Locally Incorporated Authorized Institutions" ("SPM CG-1") issued by HKMA. To further enhance corporate governance standard, the Company will revamp its corporate governance system and strengthen relevant measurements by referencing to market trend as well as guidelines and requirements issued by regulatory authorities.

In 2014, the Company was awarded "Asia's Outstanding Company" which was organised by Corporate Governance Asia Magazine with an aim to recognise those companies with excellent and outstanding achievement in upholding aspects of shareholders' rights, information disclosure and board function. This was the third consecutive year for the Company to be granted with such recognised awards. The Company will continue to maintain sound corporate governance standards and procedures to ensure the completeness, transparency and quality of our information disclosure.

Corporate Governance Policy

Policy Statement

The Company recognises the importance of high standards of corporate governance and maintains an effective corporate governance framework which delivers long-term success of the Group. The Company is also strongly committed to embracing and enhancing sound corporate governance principles and practices. The established and well-structured corporate governance framework directs and regulates the business ethical conduct of the Company, thereby protects and upholds the value of shareholders and stakeholders as a whole in a sustainable manner.

Essential Principles

(1) Eminent Board

Authority

The Board is responsible for supervising the management of the business and affairs of the Group with due regard to maximising shareholder value and enhancing corporate governance standard of the Group. The Board is obliged to act honestly and in good faith and to make decisions objectively in the best interests of the Group and its shareholders as a whole.

Structure

The Company is led by a high caliber Board with strong representation of Independent Non-executive Directors. The Board has a well-balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors. Both the number and percentage of the Independent Non-executive Directors are well above the requirements set by relevant rules and regulations. All Directors are eminent individuals from diverse disciplines with extensive professional experience and are able to make objective judgement.

Roles of Chairman and Chief Executive

In order to promote balance of power, the roles of Chairman and Chief Executive are segregated. The Company may benefit from the segregation as the Chairman can focus on leading the Board and monitoring corporate governance and shareholder issues, while the Chief Executive leading the Management to perform the day-to-day operations and affairs of the Company.

Board Committees

The Board has established five standing Board Committees which are delegated with different responsibilities to assist the Board in performing its duties. They are Audit Committee, Nomination Committee, Remuneration Committee, Risk Committee, and Strategy and Budget Committee. Most of them are composed of a majority of Independent Non-executive Directors. Each of the Board Committees has a well-defined mandate with the roles and responsibilities delineated therein. The performance and effectiveness of these standing Board Committees are evaluated periodically with a view to making further enhancement. Other Board Committees like Independent Board Committee and Search Committee will be formed as and when required under the appropriate circumstances.

(2) Prudent Risk Management

The Board recognises the need for risk control and management being a vital component of the business of the Group. The Board formulates and oversees the risk management strategies, and the related framework and policies with the assistance of the Risk Committee and other relevant Board Committee(s). The Management performs the daily risk management responsibilities of the Group under the guidance of the Risk Committee.

(3) Fair Remuneration System

The Company ensures that Directors' remuneration should be appropriate and reflect their duty and responsibility to fulfil the expectations of the shareholders and meet regulatory requirements. Directors' fees are subject to the approval of the shareholders. The Board, based on the recommendations of the Remuneration Committee which is mainly responsible for ensuring the fairness and reasonableness of the overall human resources and remuneration strategies, approves the remuneration policies of the Group. No Director shall be involved in deciding his or her own remuneration.

(4) Effective Disclosure Mechanism

The Board reviews and monitors from time to time the effectiveness of the Group's disclosure process for reports, announcements, price sensitive and inside information. It encourages and takes necessary steps to disclose information in a timely manner and to ensure the information concerning the Group is expressed and communicated in a clear and objective manner that enables the shareholders and the public to appraise the position of the Group to make informed investment decisions.

(5) Upholding Shareholders' Rights

The Board respects the rights of shareholders as mandated by the articles of association of the Company (the "Articles of Association") and relevant applicable laws and regulatory requirements. The Board places utmost importance on maintaining effective communications with shareholders and also makes its best efforts to keep the shareholders informed of the business and affairs of the Company by maintaining various channels of communications and having direct dialogue with shareholders. In addition, the shareholders also have the rights to obtain all available information of the Company, make proposals at general meetings, nominate a person for election as a director, and make enquiries about the Company.

(6) Safeguarded Stakeholders' Interests

The Board has a fiduciary duty to protect and serve, with due care and consideration of, the interest of all stakeholders of the Company including but not limited to employees, customers, business partners, suppliers, regulators and the community. All the interests of stakeholders of the Company are further safeguarded by strictly complying with applicable laws and regulations as well as governance policies.

(7) Sustainable Corporate Social Responsibility

The Company attaches great importance to corporate social responsibility. The Board is committed to undertaking corporate social responsibility by strengthening relationship with its stakeholders with a view to contributing to the sustainable development of the economy, society and environment. The Company consistently supports and participates in activities that are beneficial to the community.

(8) Pursuit of "Good to Great"

The Board encourages the pursuit of "Good to Great". With the assistance of the Nomination Committee, the Board ensures that each Board Committee shall conduct regular self-assessment of its effectiveness, and based on the evaluation results, the Board gives such feedback, directions and guidance as may be necessary to enhance its efficiency and effectiveness.

Policy Goal

The Board and the senior management of the Company are responsible for adhering to the corporate governance principles and executing this policy. The Company seeks to manage its business in accordance with the well-defined corporate governance principles which therefore provide a solid governance framework for excellent performance and sustainable growth.

Corporate Governance Framework

Responsibilities of the Board and Management

The Board is at the core of the Company's corporate governance framework and there is a clear division of responsibilities between the Board and the Management. The Board is responsible for providing high-level guidance and effective oversight of the Management. Generally, the Board is responsible for:

- formulating the Group's mid and long-term strategy and monitoring the implementation thereof;
- reviewing and approving the annual business plans and financial budgets;
- approving the annual, interim and quarterly results;
- reviewing and monitoring the Group's risk management and internal control;
- ensuring good corporate governance and effective compliance; and
- monitoring the performance of the Management.

The Board authorises the Management to implement the strategies as approved by the Board. The Management is responsible for the day-to-day operations of the Group and reports to the Board. For this purpose, the Board has formulated clear written guidelines which stipulate the circumstances whereas the Management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The Board will conduct regular review on these authorisation and guidelines.

Roles of the Chairman and the Chief Executive

To avoid concentration of power in any single individual, the positions of the Chairman and the Chief Executive are held by two different individuals. Their roles are distinct, clearly established and stipulated in the Board's Mandate. In short, the Chairman is responsible for ensuring that the Board properly discharges its responsibilities and conforms to good corporate governance practices and procedures. In addition, as the Chairman of the Board, he is also responsible for ensuring that all Directors are properly briefed on all issues

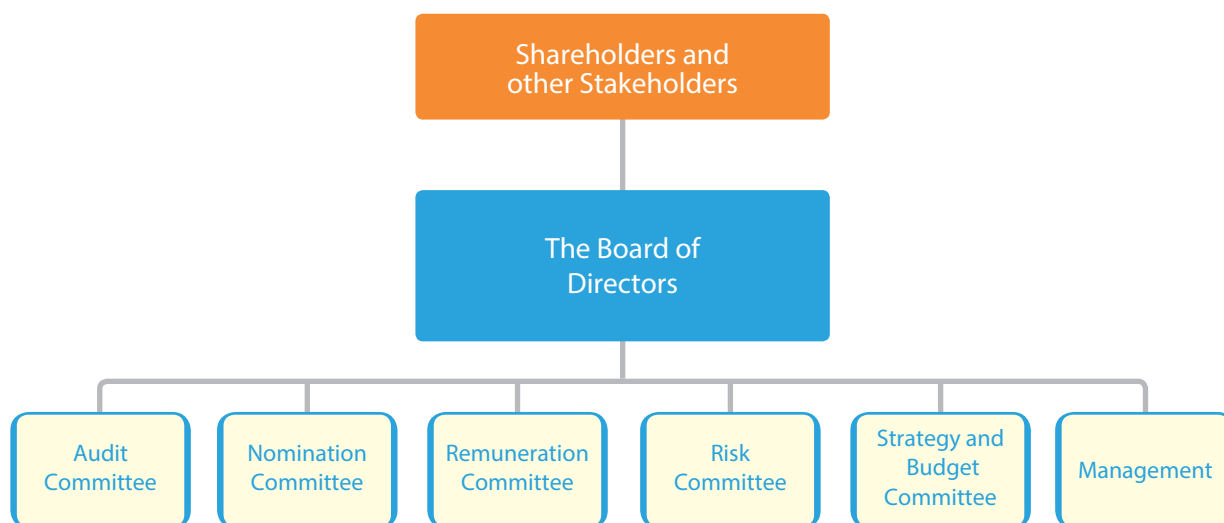
currently on hand, and that all Directors receive adequate, accurate and reliable information in a timely manner. The Chief Executive is responsible for providing leadership for the whole Management and implementing important policies and development strategies as adopted by the Board. Led by the Chief Executive, the Management Committee fulfils responsibilities including management of the Group's routine operation, implementation of business development strategies and realisation of the Group's long-term targets and strategies.

Board Committees

Taking into consideration market practices and international best practices in corporate governance, the Board has established five standing Board Committees to assist in performing its responsibilities. They are the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Committee, and the Strategy and Budget Committee. In addition, the Board will authorise an independent board committee comprising all Independent Non-executive Directors as and when required to review, approve and monitor connected transactions (including continuing connected transactions) in accordance with relevant rules and regulations that should be approved by the Board.

Each of the Board Committees has a well-defined Mandate and makes recommendations to the Board on relevant matters within its scope of responsibilities or makes decisions under appropriate circumstances in accordance with the power delegated by the Board. All Board Committees are assigned a professional secretarial department which ensures that the Board Committees have adequate resources to perform their duties effectively and properly. The Board and Board Committees will participate in the annual performance appraisal of those professional secretarial departments to ensure and enhance the services provided and ensure that adequate and efficient supports are provided to the Board and Board Committees. In addition, according to their respective Mandates, the Board and each of the Board Committees will evaluate and review their work process and effectiveness annually, with a view to identifying areas for further improvements.

The following chart sets out the Company's corporate governance framework:



Details including the Company's corporate governance principles and framework adopted by the Board, the composition of the Board and each of the Board Committees and their respective Mandates, Corporate Governance Policy, Shareholder Communication Policy and Information Disclosure Policy are available under the sub-section "Corporate Governance" of the section headed "About Us" on the Company's website at www.bochk.com.

Board of Directors

Composition and Terms of Office of the Board

The Board of the Company is composed of majority of Non-executive Directors and Independent Non-executive Directors that ensures the independence and objectivity of the decisions of the Board, as well as comprehensive and impartial control of the Management. The Board acts honestly and in good faith so that decisions are made objectively with a view to delivering long-term and maximum shareholder value and fulfilling its corporate responsibility to other stakeholders of the Group.

The Board currently has ten members, comprising four Independent Non-executive Directors, five Non-executive Directors and one Executive Director. Mr CHEN Siqing was appointed as Vice Chairman and a member of the predecessor Nomination and Remuneration Committee, ceased to be a member of each of the Risk Committee and the Strategy and Budget Committee of the Company with effect from 25 March 2014; Mr ZHU Shumin was appointed as a Non-executive Director and a member of each of the Risk Committee and the Strategy and Budget Committee of the Company with effect from 22 May 2014; Mdm CHENG Eva was appointed as an Independent Non-executive Director and a member of each of the Audit Committee and the Strategy and Budget Committee of the Company with effect from 30 October 2014; on 6 March 2015, Mr YUE Yi has been re-designated from Non-executive Director (appointed on 22 May 2014) to Executive Director, appointed as Vice Chairman and Chief Executive, ceased to be a member of the Risk Committee but remains as a member of the Strategy and Budget Committee of the Company; and Mr GAO Yingxin has been re-designated from Executive Director to Non-executive Director and appointed as a member of each of the Risk Committee and the Strategy and Budget Committee of the Company with effect from 11 March 2015.

Corporate Governance

With effect from 25 March 2014, Mr LI Lihui resigned as Vice Chairman and Non-executive Director, and ceased to be a member of the predecessor Nomination and Remuneration Committee of the Company; Mr ZHOU Zaiqun retired and ceased to be a Non-executive Director, a member of the Audit Committee and chairman of the Strategy and Budget Committee of the Company; Mr LI Zaohang was appointed as chairman of the Strategy and Budget Committee and ceased to be a member of the Risk Committee of the Company; Dr FUNG Victor Kwok King retired as an Independent Non-executive Director of the Company after the conclusion of the annual general meeting held on 11 June 2014 and ceased to be a member of each of the Audit Committee and the Strategy and Budget Committee; Mr NING Gaoning resigned as an Independent Non-executive Director and ceased to be a member of the Strategy and Budget Committee of the Company with effect from 30 October 2014; and Mr HE Guangbei resigned as Vice Chairman, Executive Director and Chief Executive and ceased to be a member of the Strategy and Budget Committee of the Company with effect from 6 March 2015. Save as disclosed above, there were no other changes to the composition of the Board and Board Committees during the year and up to the date of this Summary Financial Report.

All the existing Non-executive Directors and Independent Non-executive Directors of the Company have been appointed for a fixed term of approximately 3 years, with formal letters of appointment setting out the key terms and conditions of their appointment. In accordance with Article 98 of the Articles of Association and pursuant to Code A.4.2 of the Corporate Governance Code, the terms of office of Mr CHEN Siqing, Mr KOH Beng Seng and Mr TUNG Savio Wai-Hok will expire at the forthcoming annual general meeting, and being eligible, offer themselves for re-election. Further, pursuant to the Articles of Association, any Director appointed by the Board during the year shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election at such meeting. Accordingly, the term of office of Mdm CHENG Eva, who had been appointed on 30 October 2014, will expire at the forthcoming annual general meeting and, being eligible, offer herself for re-election. Further details regarding the proposed re-election of Directors are set out in the section

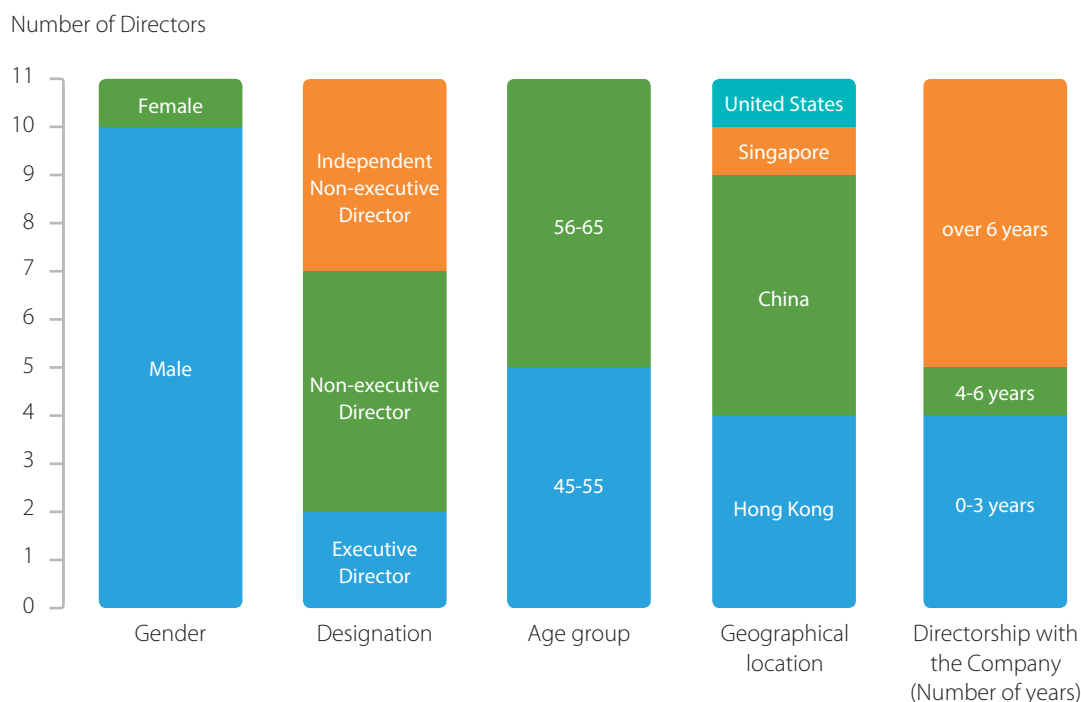
headed "Report of the Directors" of this Summary Financial Report. In addition, the Company has also established a written and formal process for the appointment of Independent Non-executive Directors to ensure that the appointment procedures are standardised, thorough and transparent.

Diversity and Independence of the Board Members

The Company recognises the importance and benefits of board diversity. In order to promote Board efficiency and standards of corporate governance, the guidance set out in the "Board Diversity Policy" adopted by the Company will be considered in identifying suitable and qualified candidates to be a Board member, which covers a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills and knowledge, etc., in order to have an appropriate proportion in the Board composition from various aspects as afore-mentioned. At the same time, all Board appointments are made on merit, in the context of the skills and experience the Board as a whole required and the various perspectives of Board diversity elements as mentioned above shall also be adequately considered.

Under the current board membership, all Directors possess extensive experience in banking and management. In addition, over one-third of them are Independent Non-executive Directors, of whom some of them are experts in strategic development, financial and/or risk management. The Board has formulated the "Policy on Independence of Directors" which stipulates the criteria on independence of Independent Non-executive Directors. The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence by reference to the Independence Policy. Based on the information available to the Company, it considers that all of the Independent Non-executive Directors are independent. Biographical details of the professional experience, skills and knowledge of the Directors are set out in the section headed "Board of Directors and Senior Management" of this Summary Financial Report and are available under the sub-section "Organisation" of the section headed "About Us" on the Company's website at www.bochk.com.

An analysis of the Board Composition during the year is set out below:



Mr TIAN Guoli, Mr CHEN Siqing and Mr LI Zaohang are Executive Directors of BOC; Mr ZHU Shumin is an Executive Vice President of BOC; Mr YUE Yi was an Executive Vice President of BOC (he resigned such position with effect from 6 March 2015); Mr LI Lihui was a Vice Chairman, Executive Director and President of BOC (he resigned such positions with effect from 28 January 2014); Mr ZHOU Zaiqun was an Executive Director and Executive Vice President of BOC (he resigned such positions with effect from 28 May 2011). Save as disclosed above, there are no other relationships between the Board members, including financial, business, family or other material relationships.

In addition, it is expressly provided in the Board's Mandate that, unless the applicable laws or regulations allow otherwise, if a substantial shareholder or Director has a conflict of interest in the matter to be considered by the Board, a Board meeting must be convened and attended by Independent Non-executive Directors who have no material interest, and give professional advice to the subject matter for further consideration and approval.

Directors' Liability Insurance Policy

During the year, the Company has arranged for appropriate cover on Directors' Liability Insurance Policy to indemnify the Directors for liabilities arising from the corporate activities. The coverage and the amount insured under such policy are reviewed annually by the Company.

Directors' Training and Professional Development

To ensure the newly appointed Directors to have adequate understanding of the Company's business operations and to enable all Directors to update their knowledge regularly so as to provide informed recommendation and advice and make contribution to the Company, the Board establishes a set of written policy specifying guidelines on Directors' induction and training upon appointment.

The Company also provides regular updates to Board members on material changes to regulatory requirements applicable to the Directors and the Company on a timely basis; and arranges regular meetings with the Management

Corporate Governance

to facilitate the understanding of the latest business development of the Company. In addition, Board members are encouraged to participate actively in continuous training programmes. The Company also arranges relevant professional training programmes for Board members at the Company's expense.

During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills in accordance with Code A.6.5 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules. In 2014, the Company invited experts to deliver seminars to the Directors and senior management

with regard to the latest supervisory requirements in anti-money laundering, market development and risk-based capital and performance management. Each of the Directors received a series of training locally or overseas as he thought fit, hosted or attended briefings, meetings, seminars and conferences organised by the Company and other organisations. Relevant training included, among others:

- development of national and global economy;
- corporate governance;
- regulatory updates; and
- banking industry development trend, etc.

The Directors' records of annual training information have been entered in the register of directors' training records maintained and updated by the Company from time to time. The following summarises continuous professional development participated by all Directors of the Company during the year:

Directors ^{Note}	Corporate Governance	Regulatory updates	Banking industry development trend and global/national economy
Non-executive Directors			
Mr TIAN Guoli	✓	✓	✓
Mr CHEN Siqing	✓	✓	✓
Mr LI Zaohang	✓	✓	✓
Mr ZHU Shumin	✓	✓	✓
Mr YUE Yi	✓	✓	✓
Independent Non-executive Directors			
Mdm CHENG Eva	✓	✓	✓
Mr KOH Beng Seng	✓	✓	✓
Mr SHAN Weijian	✓	✓	✓
Mr TUNG Savio Wai-Hok	✓	✓	✓
Executive Directors			
Mr HE Guangbei	✓	✓	✓
Mr GAO Yingxin	✓	✓	✓

Note: The training records for those Directors who resigned or retired during the year have not been included therein. Please refer to the section headed "Composition and Terms of Office of the Board" under "Board of Directors" for details of changes in Directors during the year and up to the date of this Summary Financial Report

Directors' Attendance of the Meetings of the Board of Directors, Board Committees and General Meetings

Six Board meetings were held during 2014 with an average attendance rate of 82%. The meeting schedule for the year was prepared and approved by the Board in the preceding year. In general, formal notice of Board meetings shall be sent to all Directors at least 14 days before the date of the scheduled meetings and Board agenda and meeting materials are despatched to all Board members for review at least seven days prior to the scheduled meetings. Board agenda is approved by the Chairman following consultation with other Board members and the senior management. In addition, in order to facilitate open discussion with all Non-executive Directors, the Chairman meets with all Non-executive Directors (including Independent Non-executive Directors), in the absence of Executive Directors and the senior management, during the discussion session before each Board meeting. Relevant practice has been incorporated in the Working Rules of the Board.

Details of respective Directors' attendance at the Board meetings, Board committee meetings, annual general meeting and extraordinary general meeting in 2014 are set out as follows:

Directors ¹	Number of meetings attended/Number of meetings convened during directors' term of office								
	Board	Board Committees						General Meeting	
		Audit Committee	Remuneration and Nomination Committee ²	Nomination Committee ^{2,3}	Remuneration Committee ²	Risk Committee	Strategy and Budget Committee	Annual General Meeting	Extraordinary General Meeting
Number of meetings held during the year	6	5	4	0	1	6	4	1	1
Non-executive Directors									
TIAN Guoli (<i>Chairman</i>)	4/6	–	–	0/0	–	–	–	0/1	0/1
CHEN Siqing (<i>Vice Chairman</i>)	6/6	–	3/3	0/0	1/1	1/1	1/1	0/1	0/1
LI Zaohang	4/6	–	2/4	–	1/1	0/1	3/3	0/1	0/1
ZHU Shumin	4/4	–	–	–	–	4/5	3/3	1/1	1/1
YUE Yi	4/4	–	–	–	–	3/5	2/3	1/1	1/1
LI Lihui (<i>former Vice Chairman</i>)	1/1	–	1/1	–	–	–	–	–	–
ZHOU Zaiqun (<i>retired</i>)	1/1	1/1	–	–	–	–	1/1	–	–
Independent Non-executive Directors									
CHENG Eva	1/1	1/1	–	–	–	–	1/1	–	–
KOH Beng Seng	6/6	4/5	3/4	0/0	1/1	6/6	–	1/1	1/1
SHAN Weijian	5/6	5/5	3/4	0/0	1/1	–	–	0/1	0/1
TUNG Savio Wai-Hok	5/6	5/5	4/4	0/0	1/1	5/6	3/4	1/1	1/1
FUNG Victor Kwok King (<i>retired</i>)	2/3	2/2	–	–	–	–	1/1	0/1	0/1
NING Gaoning (<i>resigned</i>)	0/5	–	–	–	–	–	0/3	0/1	0/1
Executive Directors									
HE Guangbei (<i>Vice Chairman and Chief Executive</i>)	6/6	–	–	–	–	–	4/4	1/1	1/1
GAO Yingxin	6/6	–	–	–	–	–	–	1/1	1/1
Average Attendance Rate	82%	96%	80%	N/A	100%	79%	79%	50%	50%

Notes:

1. Please refer to the section headed "Composition and Terms of Office of the Board" under "Board of Directors" for details of changes in Directors during the year and up to the date of this Summary Financial Report
2. The Nomination and Remuneration Committee had been re-organised into the Nomination Committee and the Remuneration Committee with effect from 30 October 2014
3. The Nomination Committee did not hold any meeting after the re-organisation of the Nomination and Remuneration Committee on 30 October 2014

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Apart from formal Board meetings and annual general meetings, the Company arranges, on a regular basis, other casual events for the Board members and the senior management to facilitate their communication and interactions. For example, the Company organises working meals from time to time, Board members and senior management have been invited to join and share insights on the Company's business and strategic issues. Further, a board retreat has also been held during the year to enhance communication between the Board and the senior management.

Board Committees

Audit Committee

The Audit Committee comprised four members during end of the year, all of which are Independent Non-executive Directors. Its composition, main duties and major works performed during the year are as follows:

Composition

Mr SHAN Weijian (Chairman)
Mdm CHENG Eva
Mr KOH Beng Seng
Mr TUNG Savio Wai-Hok

Main duties

- integrity of financial statements and financial reporting process
- internal control systems
- effectiveness of internal audit function and performance appraisal of the Head of Group Audit
- appointment of external auditor and assessment of its qualification, independence and performance and, with authorisation of the Board, determination of its remuneration
- periodic review and annual audit of the Company's and the Group's financial statements, and financial and business review
- compliance with applicable accounting standards as well as legal and regulatory requirements on financial disclosures
- corporate governance framework of the Group and implementation thereof

Major works performed during the year (included the review and, where applicable, approval of)

- the Company's Directors' Report and financial statements for the year ended 31 December 2013 and the annual results announcement that were recommended to the Board for approval
- the Company's interim financial statements for the six months ended 30 June 2014 and the interim results announcement that were recommended to the Board for approval
- the Company's announcements on quarterly financial and business review for the period ended 31 March 2014 and 30 September 2014 that were recommended to the Board for approval
- the audit reports and report on internal control recommendations submitted by external auditor, and the on-site examination reports issued by regulators
- the appointment of external auditor, the fees payable to external auditor for the annual audit, interim review and other non-audit services
- the Group's audit plan for next year and key areas identified
- the deployment of human resources and pay level of the Internal Audit and its budget for next year
- the 2013 performance appraisal and key performance indicators for the Head of Group Audit and the Group Audit for next year

The "Policy on Staff Reporting of Irregularities" adopted by the Board is proved to be effective. During the year, reports on a number of cases were received and handled satisfactorily through the channels and procedures set out in the said Policy.

Pursuant to paragraph C.2 of the Corporate Governance Code, the Audit Committee conducted an annual review of the effectiveness of the internal control systems of the Group in 2014. The review covers all the material internal controls and measures, including financial, operational and compliance controls as well as risk management functions. The review also considers the adequacy of resources, staff qualifications and experience and training of the Group's accounting and financial reporting functions. Details of the relevant review will be elaborated in the sub-section headed "Internal Control".

Nomination and Remuneration Committee (Re-organised into the Nomination Committee and the Remuneration Committee with effect from 30 October 2014)

The predecessor Nomination and Remuneration Committee comprised five members prior to its re-organisation, including two Non-executive Directors and three Independent Non-executive Directors. Its composition, main duties and major works performed during the period are as follows:

Composition	Main duties
Mr TUNG Savio Wai-Hok ¹ (Chairman) Mr CHEN Siqing ² Mr LI Zaohang ² Mr SHAN Weijian ¹ Mr KOH Beng Seng ¹	<ul style="list-style-type: none"> • human resources, remuneration strategy and incentive framework of the Group • selection and nomination of Directors, Board Committee members and certain senior executives as designated by the Board from time to time (defined as "Senior Management") • structure, size and composition (including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills and knowledge, etc.) of the Board and Board Committees. The Board has a well-balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors. Both the number and percentage of the Independent Non-executive Directors are well in line with the requirements set by relevant rules and regulations • remuneration of Directors, Board Committee members, Senior Management and Key Personnel • effectiveness of the Board and Board Committees • training and continuous professional development of Directors and Senior Management • code of conduct applicable to employees <p>Major works performed during the period (included the approval, review and proposal to the Board)</p> <ul style="list-style-type: none"> • review and amendment on the major human resources and remuneration policies, including the succession policy for Senior Management variable pay deferral policy • performance appraisal result of the Executive Directors and Senior Management for year 2013 • proposal on staff bonus for year 2013 and salary adjustment for year 2014 for the Group, including the Senior Management • monitoring the implementation progress of the Group's medium-term human resources strategies and other major human resources policies • analysis and report of self-evaluation results of the Board and Board Committees, put forward recommendations to the Board to further enhance the functions and effectiveness of the Board and Board Committees • consideration of the matters relating to the recruitment, adjustment and appointment of Senior Management • consideration of the matters relating to the recruitment, adjustment and appointment of directors in the Company

Notes:

1. Independent Non-executive Director
2. Non-executive Director

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After taking into consideration the general practices of other listed companies, and the modifications of the composition and structure of Board Committees will facilitate the fulfilment of the respective duties, implementation of effective control and enhancement on high standards of corporate governance, the Nomination and Remuneration Committee had been re-organised into the Nomination Committee and the Remuneration Committee with effect from 30 October 2014.

Nomination Committee

Following to the re-organisation, the Nomination Committee comprised five members, including two Non-executive Directors and three Independent Non-executive Directors. Its composition and main duties are as follows:

Composition

Mr TIAN Guoli¹(Chairman)
Mr CHEN Siqing¹
Mr KOH Beng Seng²
Mr SHAN Weijian²
Mr TUNG Savio Wai-Hok²

Main duties

- human resources, remuneration strategy and incentive framework of the Group
- selection and nomination of Directors, Board Committee members and Senior Management
- structure, size and composition (including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills and knowledge, etc.) of the Board and Board Committees
- effectiveness of the Board and Board Committees
- training and continuous professional development of Directors and Senior Management
- code of conduct applicable to employees

Major works performed during the period (included the approval, review and proposal to the Board)

- matter relating to the appointment of Senior Management

Notes:

1. Non-executive Director
2. Independent Non-executive Director

Remuneration Committee

Following to the re-organisation, the Remuneration Committee comprised five members, including two Non-executive Directors and three Independent Non-executive Directors. Its composition, main duties and major works performed during the year are as follows:

Composition

Mr TUNG Savio Wai-Hok¹ (Chairman)
Mr CHEN Siqing²
Mr LI Zaohang²
Mr SHAN Weijian¹
Mr KOH Beng Seng¹

Main duties

- remuneration strategy and incentive framework of the Group
- remuneration of Directors, Board Committee members, Senior Management and Key Personnel

Major tasks performed during the period (included the approval, review and proposal to the Board)

- review and amendment on the major remuneration policies, include the bonus funding mechanics of NCB (China)
- remuneration relating to the appointment of Senior Management
- key performance indicators of the Group and the Senior Management for year 2015
- proposal on human resources budget of the Group for year 2015

Notes:

1. Independent Non-executive Director
2. Non-executive Director

Risk Committee

The Risk Committee comprised four members during end of the year, including two Non-executive Directors and two Independent Non-executive Directors. Its composition, main duties and major works performed during the year are as follows:

Composition

Mr KOH Beng Seng¹ (Chairman)
Mr ZHU Shumin²
Mr YUE Yi²
Mr TUNG Savio Wai-Hok¹

Main duties

- formulation of the risk appetite and risk management strategy of the Group and determination of the Group's risk profile
- identification, assessment and management of material risks faced by various business units of the Group
- review and assessment of the adequacy and effectiveness of the Group's risk management policies, system and internal control
- review and monitoring of the Group's capital management
- review and approval of the Group's target balance sheet
- review and monitoring of the Group's compliance with the risk management policies, system and internal control, including the Group's compliance with prudential, legal and regulatory requirements governing the businesses of the Group
- review and approval of high-level risk-related policies of the Group
- review and approval of significant or high risk exposures or transactions
- review of key reports, including risk exposure reports, model development and validation reports, and credit risk model performance reports

Major works performed during the year

- approval of "BOCHK Group's Recovery Plan"
- review/approval of key risk management policies, including the "Risk Appetite Statement of BOCHK Group", the "BOCHK Group Operating Principles", the "Risk Management Policy Statement of BOCHK Group", the "Capital Management Policy", the "BOCHK Group Financial Instruments Valuation Policy", the "Staff Code of Conduct", the "BOCHK Information Security Policy", the "Policy for Validating Internal Rating Systems", the "Connected Transactions Management Policy", the "Stress Test Policy of BOCHK" and stress test scenarios, and a range of risk management policies covering strategic risk, credit risk, market risk, liquidity risk, interest rate risk, operational risk, legal, compliance and reputation risk, etc.
- review of the risk adjustment method for group bonus funding mechanics and the approval of the results of risk adjustment of BOCHK Group for 2013
- review/approval of the Group's operating plans, including the Group's target balance sheets, the BOCHK's banking book investment plans and portfolio key risk indicators, as well as risk management limits
- review and monitoring of Basel Accord implementation, including review of model validation reports and model performance reports, and receiving the status reports of the allocation of risk-weighted assets
- review of various risk management reports
- review/approval of significant high risk exposures or transactions

Notes:

1. Independent Non-executive Director
2. Non-executive Director

Strategy and Budget Committee

The Strategy and Budget Committee comprised six members during end of the year, including three Non-executive Directors, two Independent Non-executive Directors as well as the Chief Executive and Executive Director of the Company. Its composition, main duties and major works performed during the year are as follows:

Composition

Mr LI Zaohang¹ (Chairman)
Mr HE Guangbei²
Mr ZHU Shumin¹
Mr YUE Yi¹
Mdm CHENG Eva³
Mr TUNG Savio Wai-Hok³

Main duties

- prepare, with input from the Management, Group's medium to long-term strategic plans for Board approval
- review, motion and monitor the Group's medium to long-term strategy
- review the process for formulating the Group's medium to long-term strategy to ensure that they are sufficiently robust to take into account a range of alternatives
- monitor implementation of the Group's medium to long-term strategy through pre-determined metrics and provide guidance to the Management
- make recommendations to the Board on major investments, capital expenditure, and strategic commitments of the Group and monitor implementation of the same
- review budget for Board approval and monitor performance against budgeted targets
- review and monitor the Group's regular/periodic (including annual) business plan and financial budget

Major works performed during the year

- providing guidance and monitoring the implementation of the Group's overall business strategies. Considering the external market environment and internal development target of the coming 3 years, the Committee discussed and approved BOCHK Group's 2015-2017 Strategic Plan, which was submitted and approved by the Board eventually
- for enhancing the cooperation within the BOC Group in overseas development, it discussed the business cooperation between BOCHK and BOC Overseas Entities
- in response to the new market trend which posed new opportunities and challenges to the bank, it discussed the impact of internet finance on credit card business and the related coping strategies
- reviewed and monitored the implementation of the Group's financial budgets and business plans for 2014, and also reviewed and endorsed the financial budgets and business plans submitted by the Management for the year 2015 and recommended the same to the Board

Notes:

1. Non-executive Director
2. Executive Director
3. Independent Non-executive Director

Ad Hoc Committee

The Board established an ad hoc Search Committee during the year with details as follows:

Search Committee

The Search Committee was established in March 2014 to search for a suitably qualified candidate as an Independent Non-executive Director and a Deputy Chief Executive (Personal Banking) of the Company. The Committee was chaired by Mr TUNG Savio Wai-Hok, an Independent Non-executive Director. Its members included Mr HE Guangbei, an Executive Director, Mr CHEN Siqing and Mr LI Zaohang, Non-executive Directors and Mr KOH Beng Seng and Mr SHAN Weijian, Independent Non-executive Directors. After several rounds of selection and with the recommendation of the predecessor Nomination and Remuneration Committee, the Board resolved to appoint Mdm CHENG Eva as an Independent Non-executive Director of the Company with effect from 30 October 2014 and Mrs KUNG YEUNG Ann Yun Chi as a Deputy Chief Executive (Personal Banking) of the Company with effect from 1 March 2015 respectively.

Directors' Securities Transactions

The Company has established and implemented the "Code for Securities Transactions by Directors" (the "Company's Code") to govern the Directors' dealings in securities transactions of the Company. Terms of the Company's Code are more stringent than the mandatory standards set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix 10 of the Listing Rules. Apart from the securities of the Company, the Company's Code also applies to the Director's dealings in the securities of BOC which has been listed on the Stock Exchange of Hong Kong since June 2006. Upon specific enquiry by the Company, all Directors confirmed that they had strictly complied with the provisions as set out in both the Company's Code and the said Model Code throughout the year 2014.

Directors' Remuneration

Pursuant to the "Policy on Directors' Remuneration" adopted by the Company, when recommending the remuneration of Directors, the Remuneration Committee should benchmark against companies of comparable business type or scale, and job nature and workload at both the Board and Board

Committee levels (including frequency of meetings and nature of agenda items) in order to compensate Directors fairly. No individual Director is allowed to participate in the procedures for deciding his/her individual remuneration package. Information relating to the remuneration of each Director for 2014 is set out in Note 4 to the Financial Statements of this Summary Financial Report. The present scale of Director's fees, including additional fees for membership of Board Committees, is given below:

Board of Directors:	
All Directors	HK\$200,000 p.a.
Board Committees:	
Chairman	HK\$100,000 p.a.
Other Committee members	HK\$50,000 p.a.

Note: For the year ended 31 December 2014, all Non-executive Directors waived their Directors' fee as mentioned above and Executive Directors did not receive any additional fees for being Chairmen or members of the Board Committees

The Remuneration Committee also has the delegated responsibility from the Board to determine the remuneration packages of the Executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment, early payout of deferred remuneration), as well as the performance-based remuneration. Moreover, it will recommend to the Board on their remuneration package upon joining, sign-on bonus and contract guaranteed bonus, etc.

Remuneration and Incentive Mechanism

The Remuneration and Incentive Mechanism of the Group is based on the principles of "effective motivation" and "sound remuneration management". It links remuneration with performance and risk factors closely. It serves to encourage staff to enhance their performance, and at the same time, to strengthen their awareness of risk so as to achieve sound remuneration management.

The Remuneration and Incentive Policy of the Group is generally in line with the broad principles set out in the HKMA's "Guideline on a Sound Remuneration System" and applicable to the Company and all of its subsidiaries (including the branches and institutions in and out of Hong Kong).

- **“Senior Management” and “Key Personnel”**

The following groups of employees have been identified as the “Senior Management” and “Key Personnel” as defined in the HKMA’s “Guideline on a Sound Remuneration System”:

- “Senior Management”: The senior executives designated by the Board who are responsible for oversight of the firm-wide strategy or material business lines, including Chief Executive, Deputy Chief Executives, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Board Secretary and Head of Group Audit.
- “Key Personnel”: The employees whose individual business activities involve the assumption of material risk which may have significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the risk management, or those who have direct influence to the profit, including heads of material business lines, heads of major subsidiaries, Head of Trading and Chief Dealers, as well as heads of risk control functions.

- **Determination of the Remuneration Policy**

To fulfil the above-mentioned principles and to facilitate effective risk management within the framework of the Remuneration Policy of the Group, the Remuneration Policy of the Group is initiated by Human Resources Department with consultation of the risk control units including risk management, financial management and compliance in order to balance the needs for staff motivations, sound remuneration and prudent risk management. After the proposed Remuneration Policy is cleared by the Management Committee, it will be submitted to the Remuneration Committee for review and thereafter to the Board for approval. The Remuneration Committee and the Board will seek opinions from other Board Committees (e.g. Risk Committee, Audit Committee, etc.) where they consider necessary under the circumstances.

- **Key Features of the Remuneration and Incentive Mechanism**

1. **Performance Management Mechanism**

To reflect the “performance-driven” corporate culture, the Group has put in place a performance management mechanism to formalise the performance management at the levels of the Group, units and individuals. The annual targets of the Group will be cascaded down under the framework of balanced scorecard whereby the performance of the “Senior Management” and different units (including business units, risk control units and

other units) would be assessed from the perspectives of financial, customer, building blocks/key tasks, human capital, risk management and compliance. For individual staff at different levels, annual targets of the Group will be tied to their job requirements through the performance management mechanism. Performance of individuals will be appraised on their achievement against targets, their contribution towards performance of their units and fulfilment of risk management duties and compliance, etc. Not only is target accomplishment taken into account, but the risk exposure involved during the course of work could also be evaluated and managed, ensuring security and normal operation of the Group.

2. **Risk Adjustment of Remuneration**

To put the principle of aligning performance and remuneration with risk into practice, based on “The Risk Adjustment Method”, the key risk modifiers of the Bank have been incorporated into the performance management mechanism of the Group. Credit risk, market risk, interest rate risk, liquidity risk, operational risk, legal risk, compliance risk and reputation risk form the framework of “The Risk Adjustment Method”. The size of the variable remuneration pool of the Group is calculated according to the risk adjusted performance results approved by the Board and is subject to the Board’s discretion. This method ensures the Group to fix the Group’s variable remuneration pool after considering risk exposures and changes and to maintain effective risk management through the remuneration mechanism.

3. **Performance-based and Risk-adjusted Remuneration Management**

The remuneration of staff is composed of “fixed remuneration” and “variable remuneration”. The proportion of one to the other for individual staff members depends on job grades, roles, responsibilities and functions of the staff with the prerequisite that balance has to be struck between the fixed and variable portion. Generally speaking, the higher the job grades and/or the greater the responsibilities, the higher will be the proportion of variable remuneration so as to encourage the staff to follow the philosophy of prudent risk management and sound long-term financial stability.

Every year, the Group will conduct periodic review on the fixed remuneration of the staff with reference to various factors like remuneration strategy, market pay trend and staff salary level, and will determine the remuneration based on the affordability of the Group as well as the performance of the Group, units and individuals. As mentioned above, performance assessment criteria include quantitative and qualitative factors, as well as financial and non-financial indicators.

According to the “Group Bonus Funding Policy”, the size of the variable remuneration pool of the Group is determined by the Board on the basis of the financial performance of the Group and the achievement of non-financial strategic business targets under the long-term development of the Group. Thorough consideration is also made to the risk factors in the determination process. The size of the pool is reached based on pre-defined formulaic calculations but the Board can make discretionary adjustment to it if deemed appropriate under prevailing circumstances. When the Group’s performance is relatively weak (e.g. failed to meet the threshold performance level), no variable remuneration will be paid out that year in principle. However, the Board reserves the rights to exercise its discretion.

As far as individual units and individual staff are concerned, allocation of the variable remuneration is closely linked to the performance of the units, and that of each individual staff as well as the unit he/she is attaching to, and the assessment of which should include risk modifiers. The performance and remuneration arrangement of risk control personnel are determined by the achievement of their core job responsibilities, independent from the business they oversee; for front-line risk controllers, a cross-departmental reporting and performance management system is applied to ensure the suitability of performance-based remuneration. Within the acceptable risk level of the Group, the better the performance of the unit and the individual staff, the higher will be the variable remuneration for the individual staff.

4. Linking the payout of the variable remuneration with the time horizon of the risk to reflect the long-term value creation of the Group

To work out the principle of aligning remuneration with the time horizon of risk and to ensure that sufficient time is allowed to ascertain the associated risk and its impact before the actual payout, payout of the variable remuneration of staff is required to be deferred in cash if such amount reaches certain prescribed threshold. The Group adopts a progressive approach towards deferral. The longer the time horizon of risk in the activities conducted by the staff, the higher the job grade or the higher amount of the variable remuneration, the higher will be the proportion of deferral. Deferral period lasts for 3 years.

The vesting of the deferred variable remuneration is linked with the long term value creation of the Group. The vesting conditions are closely linked to the annual performance of the Group in the next 3 years and the individual behaviour of the staff concerned. When the Group’s performance has met the threshold requirement, the deferred variable remuneration would be vested

following the corresponding schedule. However, if a staff is found to have committed fraud, or any financial or non-financial factors used in performance measurement or variable pay determination are later proven to have been manifestly worse than originally understood in a particular year, or individual behaviour/management style pose negative impacts to the business unit and even the Group, including but not limited to improper or inadequate risk management, etc., the unvested portion of the deferred variable remuneration of the relevant staff would be forfeited.

- **External Remuneration Consultant**

To ensure the suitability and competitiveness of the remuneration and incentive mechanism, the Group appointed Towers Watson Pennsylvania Inc. and McLagan Partners Asia, Inc. for independent consultation in areas of pay management mechanism and market remuneration data of Senior Management and key positions.

- **Disclosure on Remuneration**

The Group has fully complied with the guideline in Part 3 of the “Guideline on a Sound Remuneration System” issued by the HKMA to disclose information in relation to our remuneration and incentive mechanism.

External Auditor

Pursuant to the “Policy on External Auditor Management” adopted by the Board, the Audit Committee reviewed and monitored and was satisfied with the independence and objectivity of Ernst & Young, the Group’s external auditor, and the effectiveness of its audit procedures, based on the principles and standards set out in the said Policy that were in line with international best practices. Upon the recommendation of the Audit Committee, the Board will propose that Ernst & Young be re-appointed as auditor of the Group at the Company’s 2015 annual general meeting. Subject to shareholders’ authorisation, the Board will authorise the Audit Committee to determine the remuneration of Ernst & Young. For 2014, the fee charged by Ernst & Young was HK\$39 million, of which HK\$27 million was for audit services and HK\$12 million related to other services (mainly including tax-related and advisory services). For 2013, the fee paid by the Group to Ernst & Young was HK\$34 million, of which HK\$26 million was for audit services and HK\$8 million related to other services (mainly including the tax-related and advisory services).

The Audit Committee was satisfied that the non-audit services in 2014 did not affect the independence of Ernst & Young. The amount paid to Ernst & Young for non-audit services in 2014 comprised mainly the tax-related services fee of approximately HK\$2 million, services fee on Foreign Account Tax Compliance Act project of approximately HK\$1 million, and other non-audit services fee of approximately HK\$9 million.

Internal Control

The Board has the responsibility to ensure that the Group maintains sound and effective internal controls to safeguard the Group's assets. According to the Board's scope of delegation, the Management is responsible for the day-to-day operations and risk management.

The internal control system is designed to provide appropriate assurance against material misstatement or loss; to manage the risk of system failure; and to assist in the achievement of the Group's objectives. In addition to safeguarding the Group's assets, it also ensures the maintenance of proper accounting records and compliance with relevant laws and regulations.

The Group conducts an annual review of the effectiveness of its internal control systems covering all material controls, including financial, operational and compliance controls as well as risk management. The review is conducted by reference to the guidelines and definitions given by the regulatory and professional bodies for the purpose of assessing five different internal control elements, namely, the control environment, risk assessment, control activities, information and communication, and monitoring. The assessment covers all the major internal controls and measures, including financial, operational and compliance controls as well as risk management functions. The review also considers the adequacy of resources, staff qualifications and experience and training of the Group's accounting and financial reporting functions. The review is coordinated by the Group's internal audit which, after the Management and various business departments have performed their self-assessment, then carries out an independent examination and other post-assessment work on the review process and results. The results of the 2014 review have been reported to the Audit Committee and the Board.

The key procedures that the Group has essentially established and implemented to provide internal controls are summarised as follows:

- a rational organisational structure with appropriate personnel is developed and whose responsibility, authority, and accountability are clearly delineated. The Group has formulated policies and procedures to ensure reasonable checks and balances for all the operating units, reasonable safeguard for the Group's assets, the implementation of internal controls and adherence to relevant laws and regulations and risk management in its operations;
- the Management draws up and continuously monitors the implementation of the Group's strategies, business plans and financial budgets. The accounting and management systems that are in place provide the basis for evaluating financial and operational performance;
- the Group has various risk management and human resources policies. There are specific units and personnel that are responsible for identifying, assessing and managing all the major risks. These include reputation, strategic, legal, compliance, credit, market, operational, liquidity and interest rate risks (The Group's risk management is given on page 41 to page 45 in this Summary Financial Report);
- the Group has established an information technology governance structure that produces a range of reports on information systems and management, including information on the monitoring of various business units, financial information and operating performance. Such information facilitates the Management, business units and the regulatory bodies in assessing and monitoring the Group's operation and performance. Proper communication channels and reporting mechanisms are in place at various business units and levels to facilitate exchange of information;
- pursuant to a risk-based approach and in accordance with the internal audit plan approved by the Audit Committee, the Group's internal audit conducts independent reviews on such aspects as financial activities, various business areas, various kinds of risks, operations and activities. Reports are submitted directly to the Audit Committee. The Group's internal audit closely follows up on the items that require attention in a systematic way and reports to the Management and the Audit Committee in a timely manner; and
- the Audit Committee reviews the reports submitted by external auditor to the Group's Management in connection with the annual audit as well as the recommendations made by regulatory bodies on internal control. The Group's internal audit follows up on the same to ensure timely implementation of the recommendations, and also periodically reports the status of the implementation to the Management and the Audit Committee.

The Group is committed to upholding good corporate governance practices and the internal control system of all subsidiaries are reviewed regularly. During the year of 2014, continuous improvements on the organisation structure and segregation of duty, the risk management policy and procedure, and the enhancement of disclosure transparency have been undertaken by the Group. In response to internal and external changes in global economic condition, operating environment, regulatory requirement and business development, the Group has implemented a series of measures and undertaken an on-going review on the effectiveness of the internal control mechanism. In 2014, areas for improvement have been identified and appropriate measures have been implemented.

Communication with Shareholders

The Board attaches a high degree of importance to continuous communication with shareholders, particularly through direct dialogue with them at the Company's annual general meetings. Shareholders are encouraged to actively participate in such meetings.

Mr HE Guangbei (the Chairman of annual general meeting), Mr TUNG Savio Wai-Hok, the Chairman of the predecessor Nomination and Remuneration Committee, Mr KOH Beng Seng, the Chairman of the Risk Committee, and Ernst & Young, the auditor were present at the Company's 2014 annual general meeting and extraordinary general meeting held on 11 June 2014 at Grand Ballroom, The Lobby Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong to respond to enquiries raised by shareholders. Mr TIAN Guoli, Mr CHEN Siqing, Mr LI Zaohang, Dr FUNG Victor Kwok King, Mr NING Gaoning and Mr SHAN Weijian were unable to attend the meeting due to other business engagements. Save as disclosed above, all other Directors including Mr ZHU Shumin, Mr YUE Yi and Mr GAO Yingxin were also present at the meeting. Resolutions passed at the Company's 2014 annual general meeting included: adoption of the Company's 2013 financial statements, declaration of 2013 final dividend, re-election of Directors, re-appointment of auditor, the grant of general mandates to the Board to issue and buy back shares of the Company and approval of the adoption of new Articles of Association of the Company, relevant voting results are available under the sub-section "Stock Exchange Announcements" of the section headed "Investor Relations" on the Company's website at www.bochk.com.

As disclosed in the 2013 Annual Report of the Company, in view of the investors' concern regarding the potential dilution of the shareholder value arising from the exercise of power pursuant to the grant of a general mandate to issue shares to the Board, the Board has voluntarily reduced the general mandate to issue shares of up to 5% of the issued share capital as compared to the 20% limit permitted under the Listing Rules in the event that the issue of shares is for cash and not related to any acquisition of assets for approval by the shareholders at the 2014 annual general meeting. The Board would also recommend the threshold of up to 5% of the number of shares in issue (subject to adjustment in case of any subdivision and consolidation of shares after the passing of the relevant resolution) at the 2015 annual general meeting for approval by shareholders. Further, given its commitment to high standards of corporate governance, the Board also adopted certain internal policies for the exercise of the powers granted to the Board under the general mandates to issue shares solely for cash and buy back shares. The relevant policies are summarised as follows:

- the Board will not exercise the mandate at a discount that will result in significant dilution of shareholder value. In the exercise of such power to issue shares for cash, the Board will have regard to factors such as the Group's total capital ratio, and in particular, its Tier 1 capital, cost and benefit of raising Tier 2 capital, need for cash for the Group's business development, the principle that shareholders should be treated equally and the alternative of conducting a rights issue; and
- the Board has set the triggering events for the exercise of the power to buy back shares, which include: market price of the Company's shares is lower than the fair value of the shares; the Group has surplus funds which is in excess of its short to mid term development requirements; and the Board considers it proper and appropriate to exercise relevant mandate for enhancing the return on equity or net assets or earnings per share of the Company. In general, such shares buy-backs will be made on the Stock Exchange. However, if it is expected that the size of the shares buy-backs may lead to a disorderly market for the Company's shares, then the Board will consider making the shares buy-backs through a general offer, i.e. offer to all existing shareholders in proportion to their respective shareholdings. The price at which shares are buy-backed will not be higher than the fair value of the shares of the Company.

Corporate Governance

All the resolutions proposed at the Company's 2015 annual general meeting will be voted on by poll. Accordingly, the Company will engage Computershare Hong Kong Investor Services Limited, the Company's Share Registrar, to act as the scrutineer for such purpose. The results of the poll voting will be posted on the Stock Exchange's website and the Company's website as soon as practicable following conclusion of the vote-counting for shareholders' information.

Besides, in order that shareholders can have a better understanding of the agenda items to be discussed at the 2015 annual general meeting and to encourage their active participation so that exchange of views and communication can be further enhanced, the Company has provided detailed information on the 2015 annual general meeting in a circular to shareholders which includes introduction to the proposed resolutions to be approved at the annual general meeting, information on the retiring Directors who are eligible for re-election, information on voting and other issues relating to the 2015 annual general meeting in the form of "Frequently Asked Questions".

Constitutional Documents

During the year, shareholders of the Company approved the adoption of new Articles of Association at the annual general meeting, of which the new Articles of Association incorporated (among other things) certain key changes under the Hong Kong Companies Ordinance (Chapter 622) which came into effect on 3 March 2014. For details of the amendments to the Articles of Association, please refer to the circular dated 14 April 2014 to the shareholders of the Company.

Shareholders' Rights

Shareholders are entitled to convene an extraordinary general meeting, make any proposals at shareholders' meetings and propose a person for election as a Director. Please see the detailed procedures as follows:

- **the way in which shareholders can convene an extraordinary general meeting:**

Any shareholder(s) holding not less than 5% of total voting rights of all the shareholders who have a relevant right to vote may request the Board to convene an extraordinary general meeting. The requisition, duly signed by the shareholder(s) concerned, must clearly state the objects of the meeting and must be deposited at the registered office of the Company, 52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong. The Company would take appropriate actions and make necessary arrangements in accordance with the requirements under section 566 to 568 of the Hong Kong Companies

Ordinance (Chapter 622) once a valid requisition is received.

- **the procedures for making proposals at shareholders' meetings:**

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

- (a) shareholders representing at least 2.5% of the total voting rights of all the shareholders who have a relevant right to vote; or
- (b) at least 50 shareholders who have a relevant right to vote.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the registered office of the Company (52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong), not less than six weeks before the general meeting. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under section 581 to 583 of the Hong Kong Companies Ordinance (Chapter 622) once valid documents are received.

- **the procedure for Director's nomination and election by shareholders:**

If a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should lodge at the registered office of the Company (52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong), (a) a notice in writing signed by such shareholder (other than the proposed person) duly qualified to attend and vote at the meeting of his/her intention to propose such person for election; and (b) a notice signed by the proposed person indicating his/her willingness to be elected.

The period during which the aforesaid notices may be given will be at least seven days. Such period will commence on the day after the despatch of the notice of the general meeting for which such notices are given and end no later than seven days prior to the date of such general meeting. The Company would take appropriate actions and make necessary arrangements, and the shareholder concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Article 99 of the Articles of Association of the Company once valid notices are received.

Shareholders are welcome to send in any written enquiries to the Board for the attention of the Company Secretary either by post to the registered office of the Company at 52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong or by way of email to investor_relations@bochk.com. The Company Secretary would direct the enquiries received to appropriate Board Member(s) or the Chairman of the Board Committee(s) who is in charge of the areas of concern referred therein for further handling. The Board, assisted by the Company Secretary, would make its best efforts to ensure that all such enquiries are addressed in a timely manner.

Disclosure of Information

The Company recognises the importance of timely and effective disclosure of information and formulates its policies, procedures and controlling measures on information disclosure (including inside information) in accordance with the requirements under applicable laws, regulations and regulatory requirements which includes the Securities and Futures Ordinance, Listing Rules and Hong Kong Monetary Authority Supervisory Policy Manual. The Information Disclosure Policy has been posted on the Company's website at www.bochk.com.

Directors' Responsibility Statement in relation to Financial Statements

The following statement should be read in conjunction with the auditor's statement of their responsibilities as set out in the auditor's report contained in this Summary Financial Report. The statement aims to distinguish the responsibilities of the Directors and the auditor in relation to the financial statements.

The Directors are required by the Hong Kong Companies Ordinance to prepare financial statements, which give a true and fair view of the state of affairs of the Company. The financial statements should be prepared on a going concern basis unless it considers inappropriate. The Directors are responsible for ensuring that the accounting records kept by the Company at any time reasonably and accurately reflect the financial position of the Company, and also ensure that the financial statements comply with the requirements of the Hong Kong Companies Ordinance. The Directors also have duties to take reasonable and practicable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors consider that in preparing the financial statements contained in this Summary Financial Report, the Company has adopted appropriate accounting policies which have been consistently applied and supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.



Cross-border
Services

HK Stocks

Shanghai-Hong
Kong Stock Connect

RMB¥

RMB¥

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HKD\$

HKD\$

HKD\$

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+1.96

27.63

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RMB Exchange

Hong Kong

HKD\$

Comprehensive Cross-border Financial Service



Corporate Social Responsibility



Customers



Employees



Environment

Community



As a leading banking group in Hong Kong, we implement a full spectrum of Corporate Social Responsibility ("CSR") initiatives that contribute towards the sustainable development of the economy, society and the environment. We undertake this commitment because we recognise that fulfilling our CSR objectives is crucial for maintaining our long-term core competitiveness and forging closer relationships with our stakeholders. It also helps us achieve our vision of becoming the premier choice for customers, employees, shareholders and investors.

Embedded in our core business strategies and operations is our commitment to sustainability and stakeholder engagement. We have put in place policies for CSR, Environment and Sustainable Procurement to ensure that our CSR strategy is applied and integrated across the Group. This begins with maintaining effective communication with our stakeholders so that we can identify areas for improvement. During the year, we continued to seek their feedback in independent interviews under our Five-Year Stakeholder Engagement Plan from 2012 to 2016. To provide transparent disclosure of our CSR progress, we publish an annual CSR Report that makes reference to both international and local Environmental, Social and Governance ("ESG") reporting guidelines.

Our commitment to CSR has earned us wide recognition. For five years in a row, BOC Hong Kong (Holdings) Limited has been included as a constituent of the Hang Seng Corporate Sustainability Index Series. In acknowledgement of our efforts to implement family-friendly employment practices, we were presented the Award of Distinguished Family-Friendly Employer 2013/2014 by the Family Council. BOCHK has also been named a Caring Company by the Hong Kong Council of Social Service every year since 2003.



Access to Banking and Finance

We believe that people from all walks of life in the community, including the underprivileged and grassroots of society, should have access to banking services.



Caring Banking Services

100% 
ATMs provide protruding symbols

The Group provides ATMs with special functions and features, as part of our ongoing efforts to make our banking services more accessible. We are the first and only local bank to introduce Voice Navigation

ATMs for the convenience of the visually impaired and, in 2014, extended access to self-service banking by setting up new Voice Navigation ATMs in different districts. Protruding symbols are provided on all of our ATMs, while around 94% have soft keypads on both sides of the screen to aid in account/service selection. We also review the design and planning of our ATMs on a continuous basis in order to better serve our customers with special needs.

Account holders above the age of 65 or below 18, as well as recipients of government financial assistance, can enjoy service fee waivers on counter transactions. We also provide a HKD savings account with no minimum balance requirements and a free ATM card. In addition, no service fee is charged on dormant accounts in support of the Hong Kong Monetary Authority's Treat Customers Fairly Charter.

The Group serves customers looking for flexible retirement financial solutions. As a leading bank in the Reverse Mortgage Programme, we organised a series of seminars during the year to help retirees and the soon-to-be retired plan for their financial security.

Capitalising on our convenient banking platform, we offer NGOs a complete banking solution, including counter and payroll services to reduce their banking expenses. Additionally, we help increase their administrative efficiency through our comprehensive cash management solutions and facilitate donation collections with our Electronic Bill Presentment and Payment Service. We also waive the transaction processing fees for donations made through BOC credit cards.



As a leading bank in the Reverse Mortgage Programme, we organise a series of seminars to help retirees plan for their financial security

Diversified Financing Solutions

The SME sector is an important pillar for the economic growth of Hong Kong. We therefore have been lending tremendous support to SMEs with a wide range of financing solutions and services to meet their diverse liquidity needs for business

development. These include the BOC Small Business Loan, the Hong Kong Mortgage Corporation Limited's Microfinance and SME Financing Guarantee schemes as well as the Trade and Industry Department's SME Loan Guarantee Scheme. Through our sponsorship of SME One, a consultancy centre set up by the Hong Kong Productivity Council, we helped SMEs stay abreast of the latest market trends, IT solutions and financing developments for the third consecutive year.

To foster the growth of SMEs, we have been sponsoring the Young Industrialist Awards of Hong Kong and the Industrialist of the Year Award, as well as the Hong Kong Awards for Industries. Our long-term support for SMEs has earned us recognition as the Best SME's Partner by the Hong Kong General Chamber of Small and Medium Business for seven consecutive years.

The Group has been sponsoring the Young Industrialist Awards of Hong Kong and the Industrialist of the Year Award in recognition of the outstanding achievements of local business elites



Conserving our Resources for the Environment

We endeavour to minimise our environmental impacts by reducing our carbon footprint, using resources more efficiently and effectively, and promoting environmentally responsible business practices.



With an aim of promoting low-carbon living, we have supported the 1,000 Environment-Friendly Youth Ambassadors Action Programme since 2011

Building a Green Bank

In our operations, we make extensive use of electronic services to reduce paper consumption by encouraging customers to access e-posters and LED monitors in our renovated branches. In addition to our convenient internet and mobile banking services, we have implemented a paperless branch teller model in all our branches in Hong Kong and the average transaction

time is reduced by 24%. In 2014, over 90% of cash withdrawal transactions were conducted via ATMs, while more than 75% of financial transactions and over 80% of securities trading were completed through e-channels. The number of customers choosing to receive consolidated e-statements also continued to grow.

> 75%
of financial
transactions and
> 80%
of securities trading were
completed through e-channels



reduction was achieved in our Data Centre as a result of the energy-efficient cooling systems we installed there.

For our staff, we have in-house recycling programmes for paper, plastic bottles, cans, batteries, lighting fixtures, toner cartridges and food waste. In addition, we provide a green menu every Monday to tie in with the Green Monday School Programme supported by the BOCHK Charitable Foundation ("the Foundation") that advocates a vegetarian diet to help reduce carbon emissions. As a sponsor of the Greener Action's Red Packet Recycling Programme, we collect used red packets in our buildings and branches for processing and distribution to the public for use in the following year.



To encourage greener practices among our corporate customers and suppliers, we have incorporated ESG factors into our lending and procurement assessment. In 2014, we continued to offer our Energy Efficiency Loan Scheme, which was launched together

with the two local electricity companies, to extend loans to commercial and industrial customers carrying out energy-saving initiatives. As to our suppliers, we request that they complete a Self-Assessment Questionnaire to ensure compliance with our Supply Chain Code of Conduct.

We have also implemented energy-efficient and water-saving measures in our own buildings. Bank of China Tower, Bank of China Building, Bank of China Centre and Bank of China Wanchai Commercial Centre have all been awarded international and local certifications for environmental performance over the past few years. Significant electricity

Promoting Carbon Reduction in the Community

Environmental education in the community is another key focus of our CSR work. The Foundation offers its continuous support to various green campaigns through key partnerships that promote low-carbon living at both the school and community levels.



As the title sponsor of the Green Monday School Programme, we help advocate a vegetarian diet on campuses

Corporate Social Responsibility

As the title sponsor of the Green Monday 2013-2015 School Programme, we encourage students to follow a vegetarian diet. We made good progress with this programme in 2014, achieving a substantial increase in the number of participating schools from 400 to 800 and reaching 600,000 students. The meatless meal order rate also recorded a significant increase of 35.7% to 228,000. Other initiatives introduced during the year included organising the Short Film Competition and the Chinese University Go Veggie Campaign for tertiary school students and serving green recipes to kindergarten students.



The meatless meal order rate at schools recorded a significant increase of **35.7%**

Over the years, the Foundation has cooperated with the Association for Geoconservation, Hong Kong to implement a number of green campaigns. For example, we launched the world's first-ever *Global Geoparks iBook Series* in 2014 to promote global geoparks in the Mainland of China and Hong Kong through an interactive electronic platform. As a sponsor of the 1,000 Environment-Friendly Youth Ambassadors Action Programme since 2011, we have supported the training of



The Foundation fully supported the launch of the world's first-ever Global Geoparks iBook Series to promote global geoparks

more than 5,000 youths from the Mainland. These ambassadors play an active role in raising public awareness of the need for energy saving and carbon reduction.

Ever since we first spearheaded the Hong Kong Geopark Charity Green Walk in 2009, we have been constantly enriching this programme. Recent activities have included the 2013/2014 BOCHK's LOHAS Community – Eco Charity Walk and Photo Tours, 2014/2015 Hong Kong Coastal Geology and Ecology Tours and a dedicated social media page to promote geopark conservation. We have received an overwhelming response to these programmes, with more than 13,600 participants in over 130 eco-tours. Our new Shoreline Clean-up Volunteer Programme has been included as part of the activities organised by the Environmental Protection Department to encourage marine conservation.



While enjoying healthy hiking activity, participants of the Hong Kong Coastal Geology and Ecology Tours are encouraged to join our Shoreline Clean-up programme





Contributing to Society

Rooted in Hong Kong, we actively participate in a wide range of charitable activities to spread the message of caring for all members of society. Over the past 20 years, the Foundation has contributed over HK\$200 million to the community and in 2014 sponsored a total of 29 programmes.

We help support the chronically ill through music

Caring for the Communities We Serve

We reach out to the wider community by continuing to support activities organised by charitable organisations. In 2014, the Foundation sponsored the New Territories Walk for Millions – Stonecutters Bridge and the Community Chest BOCHK Cycling Challenge organised by the Community Chest of Hong Kong (“the Chest”), helping to raise over HK\$8 million for children and youth services. As the title sponsor of the Chest’s Charity Golf Tournament for four consecutive years, we helped raise

HK\$1.5 million in 2014 for psychiatric patients and rehabilitation services.

To spread the message of caring through music, the Foundation has been working with the Hospital Authority Chinese Orchestra under the 2014/2015 Caring Programme. Through a series of seasonal concerts and Chinese music therapy workshops at public hospitals, we helped support the chronically ill, medical staff and the elderly. Over 2,000 tickets were donated to them to enjoy the large-scale music concert.



BOCG Life is the sponsor of the three-year Health Engineer Programme, which encourages primary students to develop healthy habits by taking more exercise

Under the 2013/2014 Caritas BOCHK Computer Donation Scheme, we provided refurbished computers and donations to the Caritas Computer Workshop, giving the disadvantaged access to electronic devices.

The three-year Health Engineer Programme and five-year Kids The Future Programme, sponsored by our insurance arm BOCG Life, continued to organise health seminars and special interest classes for over 8,000 participants from local primary schools. Our Mainland subsidiary, NCB (China) supported homes for the elderly, victims of natural disasters and Yangping School on the Mainland through its donations.

Supporting Educational Programmes

To nurture the next generation, we have awarded HK\$17.57 million in scholarships and bursaries to nine universities in Hong Kong, benefitting a total of 1,910 students since 1990. The Group also provides local and Mainland summer internship opportunities that enable university students to gain personal experience in an actual workplace environment.

Our insurance arm sponsored the BOCG Life Young Reporter Programme organised by the *South China Morning Post*. This three-month programme is designed to enhance the communication skills of secondary students, equipping them for their future careers.

We recognise that caring has no boundaries. In 2014, we sponsored the Education Walkathon and the Charity Golf Tournament of Sowers Action, both of which raise funds to help improve rural education on the Mainland. Over HK\$1.5 million was raised by the Education Walkathon to Jiangxi Province.

Promoting Sports Development

Participation in sports not only promotes good health but also develops a positive mindset. In support of badminton, the Foundation has donated a total of more than HK\$15.85 million over the past 16 years to fund a diverse range of activities that benefitted more than 1.2 million participants.

To promote sporting excellence among young athletes, the Foundation has sponsored the Hong Kong Island and Kowloon Regional Inter-school Sports Competition for 12 consecutive years. In 2014, this popular event achieved around 80,000 athlete enrolments from over 270 schools at more than 8,000 matches. The first-ever BOCHK Schools Sports Volunteer Scheme launched in 2013 offered volunteer training to over 400 students from more than 50 secondary schools, who contributed over 6,200 hours of service in inter-school sports events. As a result of the Scheme, students were successfully educated in the concept of lending a helping hand to others in the community.



We invited Ms Yip Pui Yin and Mr Ng Ka Long, the Hong Kong badminton team members, to help promote among the public the benefits of playing badminton

Promoting Culture

As culture enriches our lives and enhances creativity, the

Group continued to support cultural events and performances during the year.

In 2014, the Group sponsored the Paris Chinese Painting Legacy of 20th Century Chinese Masters presented during Le French May. This exhibition showcased a magnificent ensemble of more than 100 works by painters such as Wu Guanzhong and Lin Fengmian, giving the public the opportunity to appreciate the exceptional artistry of these famous Chinese artists. We also supported the Hong Kong Trade Development Council's Tea Sharing for the fourth consecutive year to promote the tea culture.

Moreover, we sponsored a performance of the Hong Kong Philharmonic featuring the world-famous pianist Lang Lang, who played a selection of enchanting piano classics. Our support of the Hong Kong Chinese Orchestra – Majestic Drums concert promoted the spirit of vitality that the drums represent.

The VIP guests officiated at the ceremony of the Paris Chinese Painting Legacy of 20th Century Chinese Masters



A People-oriented Bank

People are at the heart of our sustainable development programmes. As at the end of 2014, the Group employed a staff of over 14,800, including talented professionals with diverse backgrounds and experiences.



The Group provides multi-faceted training, including the Leadership Development Programme



A diverse range of recreational activities are organised to advocate work-life balance and strengthen the bonding among all levels of staff

Staff Training and Development

We have laid a solid foundation for our future business development with comprehensive talent management and training programmes at various staff levels.

To align our staff development plan with the Group's medium- and long-term business strategies, we set up a Leadership Model and Fundamental Competency Model in 2014 to specify the respective competency levels for leadership and non-leadership roles. Both models provide clear objectives for personal development and serve as the foundation for our talent recruitment and staff performance assessments.

Our systematic training mechanism includes multi-faceted training programmes, such as our Leadership Development Programme for management staff, as well as in-house training and cross-postings for other staff. By making compliance training courses mandatory for every employee, we have strengthened our compliance culture throughout the Group. We also encourage continuous self-learning via e-platform to fulfil our staff's learning objectives.



Employee Engagement and Well-being

The Group conducts a staff opinion survey which contributes to the continuous enhancement of our working environment and staff management policies. As a family-friendly employer, we provide free annual body checks, competitive medical schemes and counselling services. Our staff can also enjoy early leave on their birthdays and festivals, as well as paid paternity leave. To promote work-life balance, we organise a variety of recreational activities and sports competitions. Our staff fun day at Hong Kong Disneyland in September 2014 recorded a phenomenal turnout of over 27,000 participants. Outstanding staff and distinguished teams are recognised at an annual award presentation, which motivates staff to strive for excellence.



We organised a Staff Fun Day at Hong Kong Disneyland and various recreational activities for our colleagues and their families to participate



BOCHK Choir won the Gold Award at the finals of the "On Stage of Hong Kong Coliseum" Choir Contest

In recognition of our staff development efforts and involvement, we received the Employee Engagement Award – Banking: Best-in-Class from *Benchmark* in 2014.

Employee Volunteering

Involving our employees in meaningful community initiatives benefits both our staff and the community. As at the end of 2014, over 1,400 employees registered as members of BOCHK Dynamic Volunteer Team. Their hours of service grew significantly in 2014 by 81% over the year before. In addition to





We enthusiastically supported the HKAB's Little Volunteers, Big Hearts to proactively spread the message of caring and help build a harmonious society

As at the end of 2014,
> 1,400  Employees
 registered as members of our
 Dynamic Volunteer Team

As the alternate chairman bank of the Hong Kong Association of Banks ("HKAB") this year, we enthusiastically supported the launch of the Little Volunteers, Big Hearts volunteering programme. Our staff represented the Group and joined with student volunteers on visits to low-income families. To promote financial literacy, our team participated in educational activities organised by HKAB. These included the Junior Banker Induction Programme for secondary students, Financial Education Workshops for low-income families and the ATM Education Programme for the elderly.

In recognition of our staff's community service, we have received the Gold Award for Volunteer Service by the Social Welfare Department for five consecutive years.

For 2015 and beyond, we will continue to enhance our CSR initiatives in order to create greater value for all of our stakeholders.

81% 
 increase of volunteer
 service hours in 2014

taking part in various community activities for children, the elderly and the disabled, our team supported the Group's CSR programmes such as providing computer training

for the underprivileged and assisting in eco-tours as well as music concerts and workshops. We also continued to arrange volunteer training for staff to strengthen their communication skills in serving those in need so that they can enjoy more rewarding volunteer experiences.



BOCHK Dynamic Volunteer Team took part in an astronomy class with the physically disabled

Our volunteers provide computer training to grassroot families



Awards and Recognition

With our solid financial position and outstanding business performance, we earned various honours which have further reinforced our leadership in the market. During the year, we were named the Strongest Bank in Asia Pacific and Hong Kong by *The Asian Banker* in recognition of our competence to drive long-term profitability. In addition, we won a number of accolades acknowledging the achievements we have made in enhancing customer experience through continuous product innovation and channel optimisation. These include awards for our RMB business, cash management, asset management, SME, internet and mobile banking, and credit card services. We also received wide recognition for our commitment to the sustainable development of the economy, society and the environment.

Financial Strength and Corporate Governance

- The Strongest Bank in Asia Pacific and Hong Kong (*The Asian Banker*)
- Corporate Governance Asia Recognition Award and Asian Excellence Recognition Award – Best Investor Relations Company (*Corporate Governance Asia*)



RMB Business

- ISO 9001:2008 Quality Management System Certification presented to RMB Clearing Centre (**SGS Hong Kong Limited**)
- Shenzhen Financial Settlement System Innovation Award (**Shenzhen Financial Electronic Settlement Centre**)
- The Best RMB Bonds, Offshore (Three Years) and the Best RMB Manager in Hong Kong (**Asia Asset Management**)
- The Hong Kong Offshore RMB Centre – RMB Business Outstanding Awards (**Metro Finance, Metro Finance Digital and Wen Wei Po**):
 - Outstanding Corporate/Commercial Banking – Cross-border Trade
 - Outstanding Retail Banking – Multi-businesses
 - Outstanding Retail Banking – Electronic Banking Business
 - Outstanding Retail Banking – Credit Card
 - Outstanding Cross-border Mobile Payment Service
 - Outstanding Insurance – Annuity
 - Outstanding Insurance – Universal Life
 - Outstanding Insurance – Endowment
- Excellent Brand of RMB Banking Services (**Metro Finance and Metro Finance Digital**)
- The Best RMB Service Gold Award (**Metro Prosperity**)
- RMB Fixed Income Mutual Fund: Best-in-Class (**Benchmark**)





Service Excellence

- Best Retail Bank in Hong Kong and Achievement Award for the Best Cash Management Bank in Hong Kong (*The Asian Banker*)
- Hong Kong Domestic Cash Management Bank of the Year and Online Securities Platform of the Year – Hong Kong (*Asian Banking and Finance*)
- Top bank in the Hong Kong-Macau syndicated loan market (*Basis Point*)
- Operational Excellence Appreciation Award (*Wells Fargo Bank N.A., New York*)
- Quality Recognition Award for Outstanding Achievement (*J.P. Morgan Chase Bank, New York*)
- The Best Life Insurance Company in Hong Kong (*World Finance*)
- The Best SME's Partner Award (*The Hong Kong General Chamber of Small and Medium Business*)
- Eleven honours in the Outstanding Financial Management Planner Awards, including two Grand Awards and the Best Presentation Award (*The Hong Kong Institute of Bankers*)
- Four honours in the HKCCA Awards, including the Mystery Caller Assessment Award – Best of the Best (*The Hong Kong Call Centre Association*)
- Three honours in the Customer Service Excellence Award, including the Outstanding Customer Service Programme Award (*The Hong Kong Association for Customer Service Excellence*)
- Top Performer (Bank and Services) in the Quality Service Scheme and Mid-Year Encouragement Award (*Mass Transit Railway Corporation Limited*)
- Product and Service Innovation: Outstanding Achiever, Customer Commitment and Engagement – Insurance: Best-in-Class and Customer Insight – Insurance: Best-in-Class (*Benchmark*)



Awards and Recognition

- The Hong Kong Leaders' Choice Brand Awards (**Metro Finance and Metro Finance Digital**):
Excellent Brand of Mortgage – Banking
Excellent Brand of Securities Services – Banking
Excellent Brand of Import and Export Trade Services – Banking
Excellent Brand of Foreign Exchange Services
Excellent Brand of Cross-border Banking Services
Excellent Brand of Personal Credit Card
Excellent Brand of Mobile Payments
- The Best of Consumer e-Banking Service Provider and the Best of Mobile Banking Service Provider (**e-zone**)
- The Best Retail Bank Gold Award (**Metro Prosperity**)
- My Most Favourite Credit Card for Travelling Award (**U Magazine**)
- Celent Model Insurer Asia – Product Design/Product Definition (**Celent**, a research and consulting company in the U.S.)

UnionPay International:

- Bank of the Year Award and Highest UPOP Acquiring Volume – Gold Award in Hong Kong and Macau, as well as Highest Acquiring Volume – Gold Award in Hong Kong
- Highest UPOP Issuing Volume Award in Hong Kong and Macau, as well as Largest Card Number Award (Commercial Credit Card) in Hong Kong
- Largest Card Number, Highest Card Volume and Highest Card Volume Growth – Credit Card Gold Awards in Hong Kong

Visa International:

- Risk Management Best Fraud Control (Issuing) in Hong Kong and Macau
- Commercial Card (Business Card) and Infinite Card Largest Payment Volume Growth in Hong Kong
- Bank of the Year in Macau
- Platinum Card Highest Payment Volume and five other awards in payment and sales volumes in Macau
- Customer Service Standard: ISO 10002 Customer Complaint Management Certification presented to BOCCC (**Hong Kong Quality Assurance Agency**)
- ISO 9001:2008 Quality Management System Certification presented to Branch Services Centre (**SGS Hong Kong Limited**)
- Person-to-Person Telemarketing Code of Practice Certification presented to Call Centre (**Hong Kong Call Centre Association**)

Social Responsibility

Caring for Society

- Included as a constituent of the **Hang Seng Corporate Sustainability Index** and **Hang Seng (Mainland and HK) Corporate Sustainability Index** respectively, and a constituent of the **Hang Seng Corporate Sustainability Benchmark Index**
- President's Award (**The Community Chest of Hong Kong**)
- A Caring Company (**The Hong Kong Council of Social Service**)
- A Distinguished Family-Friendly Employer (**Family Council**)
- Gold Award for Volunteer Service and Award of 10,000 hours for Volunteer Service (**Social Welfare Department**)
- Corporate Citizenship – Banking: Outstanding Achiever (**Benchmark**)





Environmental Protection

BOC Tower, BOC Building, BOC Centre and BOC Wanchai Commercial Centre:

- ISO 14001:2004 Environmental Management System Certification (**UKAS**)
- Certificate of Quality Water Recognition Scheme for Building (**Water Supplies Department**)

BOC Tower, BOC Centre and BOC Wanchai Commercial Centre:

- ISO 50001:2011 Energy Management System Certification (**UKAS/SGS Hong Kong Limited**)

BOC Tower, BOC Building, BOC Centre and BOC Group Life Assurance Tower:

- Indoor Air Quality Certificate – Excellent/Good Class (**Environmental Protection Department**)



Talent Development Management

- Social Capital Builder Award (**Labour and Welfare Bureau as well as Community Investment and Inclusion Fund**)
- Qualifications Framework Partnerships Commendation (**Education Bureau**)
- Four honours in the Awards for Excellence in Training and Development, including the Bronze Award for the Training and Development Programme (**Hong Kong Management Association**)
- Employee Engagement – Banking: Best-in-Class (**Benchmark**)
- Gold Award presented to BOCHK Choir at the finals of the “On Stage of Hong Kong Coliseum” Choir Contest (**Hong Kong Celebrations Association**)

Promotional Campaigns

- Outstanding Corporate Image Award (**TVB Weekly**)
- Metro Creative Awards – The Best CSR Ad (**Metro Daily**)
- Silver Award for Promotion – Product Launch: Enrich Banking Service (**Astrid Awards**)
- Silver Award for Advertisements/Commercials – Banks/Credit Cards: “Power Up Your Wealth” TVC (**Questar Awards**)
- Bronze Award for Interior Design and Honours for the Cover Photo/Design (Hong Kong/PRC) in the Banking and Financial Services Category: BOC Hong Kong (Holdings) Limited’s Annual Report 2013 (**International ARC Awards**)

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Consolidated Income Statement

For the year ended 31 December	Note	2014 HK\$m	2013 HK\$m
Interest income		47,952	39,379
Interest expense		(16,033)	(11,463)
Net interest income		31,919	27,916
Fee and commission income		14,005	12,716
Fee and commission expense		(3,883)	(3,751)
Net fee and commission income		10,122	8,965
Gross earned premiums		16,741	17,966
Gross earned premiums ceded to reinsurers		(9,086)	(8,796)
Net insurance premium income		7,655	9,170
Net trading gain		2,162	2,957
Net gain/(loss) on financial instruments designated at fair value through profit or loss		25	(159)
Net gain on other financial assets		846	83
Other operating income		721	654
Total operating income		53,450	49,586
Gross insurance benefits and claims		(19,146)	(18,277)
Reinsurers' share of benefits and claims		9,978	9,004
Net insurance benefits and claims and movement in liabilities		(9,168)	(9,273)
Net operating income before impairment allowances		44,282	40,313
Net charge of impairment allowances		(1,050)	(737)
Net operating income		43,232	39,576
Operating expenses		(12,972)	(12,083)
Operating profit		30,260	27,493
Net gain from disposal of/fair value adjustments on investment properties		393	264
Net (loss)/gain from disposal/revaluation of properties, plant and equipment		(24)	1
Share of profits less losses after tax of associates and a joint venture		34	35
Profit before taxation		30,663	27,793
Taxation		(5,558)	(4,718)
Profit for the year		25,105	23,075
Profit attributable to:			
Equity holders of the Company		24,577	22,252
Non-controlling interests		528	823
		25,105	23,075
Dividends		11,842	10,679
		HK\$	HK\$
Earnings per share for profit attributable to the equity holders of the Company			
Basic and diluted	3	2.3246	2.1046

The notes on pages 100 to 126 are an integral part of these Summary Financial Statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December	Notes	2014 HK\$'m	2013 HK\$'m
Profit for the year		25,105	23,075
Items that will not be reclassified subsequently to income statement:			
Premises:			
Revaluation of premises		3,309	4,129
Deferred tax	7	(451)	(666)
		2,858	3,463
Items that may be reclassified subsequently to income statement:			
Available-for-sale securities:			
Change in fair value of available-for-sale securities		2,918	(6,570)
Release upon disposal of available-for-sale securities reclassified to income statement		(813)	(116)
Amortisation with respect to available-for-sale securities transferred to held-to-maturity securities reclassified to income statement		304	–
Deferred tax	7	(706)	1,203
		1,703	(5,483)
Change in fair value of hedging instruments under net investment hedges		49	(54)
Currency translation difference		(288)	331
		1,464	(5,206)
Other comprehensive income for the year, net of tax		4,322	(1,743)
Total comprehensive income for the year		29,427	21,332
Total comprehensive income attributable to:			
Equity holders of the Company		28,580	20,933
Non-controlling interests		847	399
		29,427	21,332

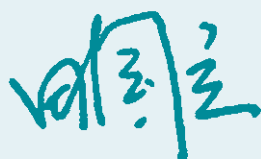
The notes on pages 100 to 126 are an integral part of these Summary Financial Statements.

Consolidated Balance Sheet

As at 31 December	Notes	2014 HK\$'m	2013 HK\$'m
ASSETS			
Cash and balances with banks and other financial institutions		398,673	353,741
Placements with banks and other financial institutions maturing between one and twelve months		37,436	46,694
Financial assets at fair value through profit or loss		53,994	43,493
Derivative financial instruments		33,353	25,348
Hong Kong SAR Government certificates of indebtedness		90,770	99,190
Advances and other accounts		1,014,129	924,943
Investment in securities		438,826	440,720
Interests in associates and a joint venture		324	292
Investment properties	5	14,559	14,597
Properties, plant and equipment	6	55,207	52,358
Deferred tax assets	7	167	304
Other assets		51,929	45,256
Total assets		2,189,367	2,046,936
LIABILITIES			
Hong Kong SAR currency notes in circulation		90,770	99,190
Deposits and balances from banks and other financial institutions		235,780	278,273
Financial liabilities at fair value through profit or loss		12,260	13,580
Derivative financial instruments		20,787	18,912
Deposits from customers		1,480,109	1,324,148
Debt securities and certificates of deposit in issue		11,901	5,684
Other accounts and provisions		51,957	48,149
Current tax liabilities		2,778	2,562
Deferred tax liabilities	7	8,081	6,944
Insurance contract liabilities		73,796	66,637
Subordinated liabilities		19,676	19,849
Total liabilities		2,007,895	1,883,928
EQUITY			
Share capital	8	52,864	52,864
Reserves	9	123,850	105,949
Capital and reserves attributable to the equity holders of the Company		176,714	158,813
Non-controlling interests		4,758	4,195
Total equity		181,472	163,008
Total liabilities and equity		2,189,367	2,046,936

The notes on pages 100 to 126 are an integral part of these Summary Financial Statements.

Approved by the Board of Directors on 25 March 2015 and signed on behalf of the Board by:



TIAN Guoli
Director



YUE Yi
Director

Notes to the Financial Statements

1. Basis of preparation

These Summary Financial Statements have been prepared from the Annual Financial Statements of the BOC Hong Kong (Holdings) Limited ("Annual Financial Statements") for the year ended 31 December 2014.

The Annual Financial Statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs is a collective term which includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA and the requirements of the Hong Kong Companies Ordinance which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Chapter 32), in accordance with transitional and saving arrangements for Part 9 of the newly enacted Hong Kong Companies Ordinance (Chapter 622).

The Annual Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities, financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, precious metals at fair value, investment properties which are carried at fair value and premises which are carried at fair value or revalued amount less accumulated depreciation and accumulated impairment losses.

2. Financial risk management

The Group is exposed to financial risks as a result of engaging in a variety of business activities. The principal financial risks are credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. This note summarises the Group's exposures to these risks, as well as its objectives, risk management governance structure, policies and processes for managing and the methods used to measure these risks.

2.1 Credit Risk

Credit risk is the risk of loss that a customer or counterparty is unable to or unwilling to meet its contractual obligations. Credit risk exists in the trading book and banking book, as well as from on- and off-balance sheet transactions of the Group. It arises principally from lending, trade finance and treasury businesses.

Credit exposures

The maximum credit exposure is the worst case scenario of exposure to the Group without taking into account any collateral held or other credit enhancements. For on-balance sheet assets, the maximum exposure to credit risk equals their carrying amount. For letters of guarantee issued, the maximum exposure to credit risk is the maximum amount that the Group could be required to pay if the guarantees are called upon. For loan commitment and other credit related liabilities, the maximum exposure to credit risk is the full amount of the committed facilities.

2.2 Market Risk

Market risk refers to the risk of loss arising from movements in the value of foreign exchange, interest rate, equity and commodity positions held by the Group due to the volatility of financial market price (foreign exchange rate, interest rate, equity price, commodity price). The Group adopts a moderate market risk appetite to achieve a balance between risk and return. The Group's objective in managing market risk is to secure healthy growth of the treasury business, by effective management of potential market risk in the Group's business, according to the Group's overall risk appetite and strategy of treasury business on the basis of a well established risk management regime and related management measures.

2. Financial risk management (continued)

2.2 Market Risk (continued)

(A) Currency risk

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December. Included in the tables are the assets and liabilities at carrying amounts in HK dollars equivalent, categorised by the original currency.

	2014							Total HK\$m
	Renminbi HK\$m	US Dollars HK\$m	HK Dollars HK\$m	Euro HK\$m	Japanese Yen HK\$m	Pound Sterling HK\$m	Others HK\$m	
Assets								
Cash and balances with banks and other financial institutions	320,073	37,932	31,296	3,120	1,031	803	4,418	398,673
Placements with banks and other financial institutions maturing between one and twelve months	23,299	9,613	3,393	90	-	97	944	37,436
Financial assets at fair value through profit or loss	14,220	15,440	24,260	-	-	-	74	53,994
Derivative financial instruments	207	8,070	25,034	5	2	9	26	33,353
Hong Kong SAR Government certificates of indebtedness	-	-	90,770	-	-	-	-	90,770
Advances and other accounts	108,107	285,080	603,715	8,013	389	117	8,708	1,014,129
Investment in securities								
– Available-for-sale securities	82,252	155,625	88,070	5,713	-	7,362	18,088	357,110
– Held-to-maturity securities	28,961	42,254	2,317	-	-	649	2,667	76,848
– Loans and receivables	2,075	294	2,499	-	-	-	-	4,868
Interests in associates and a joint venture	-	-	324	-	-	-	-	324
Investment properties	88	-	14,471	-	-	-	-	14,559
Properties, plant and equipment	831	2	54,374	-	-	-	-	55,207
Other assets (including deferred tax assets)	30,106	4,464	16,705	520	20	23	258	52,096
Total assets	610,219	558,774	957,228	17,461	1,442	9,060	35,183	2,189,367
Liabilities								
Hong Kong SAR currency notes in circulation	-	-	90,770	-	-	-	-	90,770
Deposits and balances from banks and other financial institutions	132,829	63,638	37,170	59	42	16	2,026	235,780
Financial liabilities at fair value through profit or loss	937	15	10,078	-	-	6	1,224	12,260
Derivative financial instruments	334	2,567	17,664	151	2	8	61	20,787
Deposits from customers	342,345	310,232	768,896	13,285	3,388	10,637	31,326	1,480,109
Debt securities and certificates of deposit in issue	-	9,780	-	-	1,993	-	128	11,901
Other accounts and provisions (including current and deferred tax liabilities)	16,220	11,800	32,375	1,099	69	418	835	62,816
Insurance contract liabilities	35,796	6,083	31,917	-	-	-	-	73,796
Subordinated liabilities	-	19,676	-	-	-	-	-	19,676
Total liabilities	528,461	423,791	988,870	14,594	5,494	11,085	35,600	2,007,895
Net on-balance sheet position	81,758	134,983	(31,642)	2,867	(4,052)	(2,025)	(417)	181,472
Off-balance sheet net notional position*	(67,792)	(118,871)	193,742	(2,740)	3,831	1,869	(508)	9,531
Contingent liabilities and commitments	67,295	179,433	311,018	1,937	423	14	1,007	561,127

Notes to the Financial Statements

2. Financial risk management (continued)

2.2 Market Risk (continued)

(A) Currency risk (continued)

	2013							
	Renminbi HK\$'m	US Dollars HK\$'m	HK Dollars HK\$'m	Euro HK\$'m	Japanese Yen HK\$'m	Pound Sterling HK\$'m	Others HK\$'m	Total HK\$'m
Assets								
Cash and balances with banks and other financial institutions	296,496	38,476	14,273	1,264	230	259	2,743	353,741
Placements with banks and other financial institutions maturing between one and twelve months	35,264	10,442	476	107	-	-	405	46,694
Financial assets at fair value through profit or loss	7,261	11,508	24,563	-	-	-	161	43,493
Derivative financial instruments	722	4,598	20,006	2	-	-	20	25,348
Hong Kong SAR Government certificates of indebtedness	-	-	99,190	-	-	-	-	99,190
Advances and other accounts	105,008	259,236	549,916	3,792	459	205	6,327	924,943
Investment in securities								
– Available-for-sale securities	84,103	211,684	89,717	6,024	296	515	22,981	415,320
– Held-to-maturity securities	4,334	9,956	1,646	-	-	-	1,519	17,455
– Loans and receivables	833	4,039	3,073	-	-	-	-	7,945
Interests in associates and a joint venture	-	-	292	-	-	-	-	292
Investment properties	135	-	14,462	-	-	-	-	14,597
Properties, plant and equipment	865	3	51,490	-	-	-	-	52,358
Other assets (including deferred tax assets)	24,821	1,287	18,367	487	111	10	477	45,560
Total assets	559,842	551,229	887,471	11,676	1,096	989	34,633	2,046,936
Liabilities								
Hong Kong SAR currency notes in circulation	-	-	99,190	-	-	-	-	99,190
Deposits and balances from banks and other financial institutions	167,166	58,511	50,607	381	89	106	1,413	278,273
Financial liabilities at fair value through profit or loss	1,590	16	10,842	-	-	7	1,125	13,580
Derivative financial instruments	894	2,433	15,323	187	1	-	74	18,912
Deposits from customers	311,506	272,761	674,425	9,965	3,563	11,270	40,658	1,324,148
Debt securities and certificates of deposit in issue	-	5,684	-	-	-	-	-	5,684
Other accounts and provisions (including current and deferred tax liabilities)	14,382	9,974	30,276	981	148	600	1,294	57,655
Insurance contract liabilities	28,428	6,867	31,342	-	-	-	-	66,637
Subordinated liabilities	-	19,849	-	-	-	-	-	19,849
Total liabilities	523,966	376,095	912,005	11,514	3,801	11,983	44,564	1,883,928
Net on-balance sheet position	35,876	175,134	(24,534)	162	(2,705)	(10,994)	(9,931)	163,008
Off-balance sheet net notional position*	(23,168)	(162,157)	167,162	(17)	2,573	10,966	9,465	4,824
Contingent liabilities and commitments	73,056	146,235	293,677	4,069	501	1,244	4,223	523,005

* Off-balance sheet net notional position represents the net notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements.

2. Financial risk management (continued)

2.2 Market Risk (continued)

(B) Interest rate risk

The tables below summarise the Group's on-balance sheet exposure to interest rate risk as at 31 December. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2014						Total HK\$'m
	Up to 1 month HK\$'m	1 to 3 months HK\$'m	3 to 12 months HK\$'m	1 to 5 years HK\$'m	Over 5 years HK\$'m	Non- interest bearing HK\$'m	
Assets							
Cash and balances with banks and other financial institutions	376,437	-	-	-	-	22,236	398,673
Placements with banks and other financial institutions maturing between one and twelve months	-	17,730	19,706	-	-	-	37,436
Financial assets at fair value through profit or loss	2,721	7,691	12,173	20,180	8,629	2,600	53,994
Derivative financial instruments	-	-	-	-	-	33,353	33,353
Hong Kong SAR Government certificates of indebtedness	-	-	-	-	-	90,770	90,770
Advances and other accounts	768,749	154,044	66,747	16,279	1,438	6,872	1,014,129
Investment in securities							
– Available-for-sale securities	40,227	52,220	80,734	122,738	57,541	3,650	357,110
– Held-to-maturity securities	943	2,498	4,241	44,823	24,343	-	76,848
– Loans and receivables	2,499	915	1,454	-	-	-	4,868
Interests in associates and a joint venture	-	-	-	-	-	324	324
Investment properties	-	-	-	-	-	14,559	14,559
Properties, plant and equipment	-	-	-	-	-	55,207	55,207
Other assets (including deferred tax assets)	1,604	-	-	-	-	50,492	52,096
Total assets	1,193,180	235,098	185,055	204,020	91,951	280,063	2,189,367
Liabilities							
Hong Kong SAR currency notes in circulation	-	-	-	-	-	90,770	90,770
Deposits and balances from banks and other financial institutions	201,704	6,277	2,705	-	-	25,094	235,780
Financial liabilities at fair value through profit or loss	3,428	4,643	3,190	483	516	-	12,260
Derivative financial instruments	-	-	-	-	-	20,787	20,787
Deposits from customers	1,061,875	210,280	120,810	14,698	-	72,446	1,480,109
Debt securities and certificates of deposit in issue	2,316	2,811	1,074	5,700	-	-	11,901
Other accounts and provisions (including current and deferred tax liabilities)	16,572	2,685	4,055	194	-	39,310	62,816
Insurance contract liabilities	-	-	-	-	-	73,796	73,796
Subordinated liabilities	-	-	-	-	19,676	-	19,676
Total liabilities	1,285,895	226,696	131,834	21,075	20,192	322,203	2,007,895
Interest sensitivity gap	(92,715)	8,402	53,221	182,945	71,759	(42,140)	181,472

Notes to the Financial Statements

2. Financial risk management (continued)

2.2 Market Risk (continued)

(B) Interest rate risk (continued)

	2013						Total HK\$m
	Up to 1 month HK\$m	1 to 3 months HK\$m	3 to 12 months HK\$m	1 to 5 years HK\$m	Over 5 years HK\$m	Non- interest bearing HK\$m	
Assets							
Cash and balances with banks and other financial institutions	336,303	-	-	-	-	17,438	353,741
Placements with banks and other financial institutions maturing between one and twelve months	-	33,801	12,893	-	-	-	46,694
Financial assets at fair value through profit or loss	2,691	6,211	10,244	15,198	6,984	2,165	43,493
Derivative financial instruments	-	-	-	-	-	25,348	25,348
Hong Kong SAR Government certificates of indebtedness	-	-	-	-	-	99,190	99,190
Advances and other accounts	699,423	121,716	78,275	18,082	1,004	6,443	924,943
Investment in securities							
– Available-for-sale securities	47,934	58,235	78,309	146,099	80,472	4,271	415,320
– Held-to-maturity securities	1,325	460	4,009	5,250	6,411	-	17,455
– Loans and receivables	1,660	2,931	3,354	-	-	-	7,945
Interests in associates and a joint venture	-	-	-	-	-	292	292
Investment properties	-	-	-	-	-	14,597	14,597
Properties, plant and equipment	-	-	-	-	-	52,358	52,358
Other assets (including deferred tax assets)	608	-	-	-	-	44,952	45,560
Total assets	1,089,944	223,354	187,084	184,629	94,871	267,054	2,046,936
Liabilities							
Hong Kong SAR currency notes in circulation	-	-	-	-	-	99,190	99,190
Deposits and balances from banks and other financial institutions	240,026	3,768	671	-	-	33,808	278,273
Financial liabilities at fair value through profit or loss	5,451	5,406	2,071	382	270	-	13,580
Derivative financial instruments	-	-	-	-	-	18,912	18,912
Deposits from customers	951,236	169,169	124,513	10,589	39	68,602	1,324,148
Debt securities and certificates of deposit in issue	-	-	-	5,684	-	-	5,684
Other accounts and provisions (including current and deferred tax liabilities)	12,198	2,588	4,106	397	-	38,366	57,655
Insurance contract liabilities	-	-	-	-	-	66,637	66,637
Subordinated liabilities	-	-	-	-	19,849	-	19,849
Total liabilities	1,208,911	180,931	131,361	17,052	20,158	325,515	1,883,928
Interest sensitivity gap	(118,967)	42,423	55,723	167,577	74,713	(58,461)	163,008

2. Financial risk management (continued)

2.3 Liquidity Risk

Liquidity risk is the risk that banks fail to provide sufficient funds to grow assets or pay due obligations, and need to bear an unacceptable loss. The Group maintains sound liquidity risk appetite to provide stable, reliable and adequate sources of cash to meet liquidity needs under normal circumstances or stressed scenarios; and to survive with net positive cumulative cash flow in extreme scenarios, without requesting HKMA to act as the lender of last resort.

Maturity analysis

The tables below analyse the Group's assets and liabilities as at 31 December into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

	2014							Total HK\$'m
	On demand HK\$'m	Up to 1 month HK\$'m	1 to 3 months HK\$'m	3 to 12 months HK\$'m	1 to 5 years HK\$'m	Over 5 years HK\$'m	Indefinite HK\$'m	
Assets								
Cash and balances with banks and other financial institutions	326,887	60,109	-	-	-	-	11,677	398,673
Placements with banks and other financial institutions maturing between one and twelve months	-	-	17,730	19,706	-	-	-	37,436
Financial assets at fair value through profit or loss								
– held for trading								
– debt securities	-	2,627	6,572	10,606	12,530	3,287	-	35,622
– certificates of deposit	-	142	642	393	251	-	-	1,428
– designated at fair value through profit or loss								
– debt securities	-	45	129	1,109	7,534	5,263	-	14,080
– certificates of deposit	-	-	-	-	264	-	-	264
– fund and equity securities	-	-	-	-	-	-	2,600	2,600
Derivative financial instruments	10,880	3,502	2,813	11,619	1,852	2,687	-	33,353
Hong Kong SAR Government certificates of indebtedness	90,770	-	-	-	-	-	-	90,770
Advances and other accounts								
– advances to customers	113,635	28,987	60,630	171,511	347,232	231,875	2,503	956,373
– trade bills	32	12,779	20,973	23,972	-	-	-	57,756
Investment in securities								
– available-for-sale								
– debt securities	-	8,624	27,253	65,814	135,098	58,323	-	295,112
– certificates of deposit	-	13,284	6,072	24,598	14,187	207	-	58,348
– held-to-maturity								
– debt securities	-	434	2,503	5,111	44,481	24,197	27	76,753
– certificates of deposit	-	-	77	-	-	18	-	95
– loans and receivables								
– debt securities	-	2,499	915	1,454	-	-	-	4,868
– equity securities	-	-	-	-	-	-	3,650	3,650
Interests in associates and a joint venture	-	-	-	-	-	-	324	324
Investment properties	-	-	-	-	-	-	14,559	14,559
Properties, plant and equipment	-	-	-	-	-	-	55,207	55,207
Other assets (including deferred tax assets)	15,705	11,999	149	4,157	7,757	12,301	28	52,096
Total assets	557,909	145,031	146,458	340,050	571,186	338,158	90,575	2,189,367

Notes to the Financial Statements

2. Financial risk management (continued)

2.3 Liquidity Risk (continued)

Maturity analysis (continued)

	2014							Total HK\$'m
	On demand HK\$'m	Up to 1 month HK\$'m	1 to 3 months HK\$'m	3 to 12 months HK\$'m	1 to 5 years HK\$'m	Over 5 years HK\$'m	Indefinite HK\$'m	
Liabilities								
Hong Kong SAR currency notes in circulation	90,770	-	-	-	-	-	-	90,770
Deposits and balances from banks and other financial institutions	203,379	23,419	6,277	2,705	-	-	-	235,780
Financial liabilities at fair value through profit or loss	-	3,428	4,643	3,190	483	516	-	12,260
Derivative financial instruments	6,976	3,029	2,455	4,500	2,532	1,295	-	20,787
Deposits from customers	793,425	338,722	209,587	122,979	15,396	-	-	1,480,109
Debt securities and certificates of deposit in issue								
– debt securities	-	2,316	2,811	1,106	5,668	-	-	11,901
Other accounts and provisions (including current and deferred tax liabilities)	29,145	14,175	4,294	7,054	8,148	-	-	62,816
Insurance contract liabilities	12,417	1,099	1,733	6,199	14,807	37,541	-	73,796
Subordinated liabilities	-	-	418	-	-	19,258	-	19,676
Total liabilities	1,136,112	386,188	232,218	147,733	47,034	58,610	-	2,007,895
Net liquidity gap	(578,203)	(241,157)	(85,760)	192,317	524,152	279,548	90,575	181,472

2. Financial risk management (continued)

2.3 Liquidity Risk (continued)

Maturity analysis (continued)

	2013							Total HK\$m
	On demand HK\$m	Up to 1 month HK\$m	1 to 3 months HK\$m	3 to 12 months HK\$m	1 to 5 years HK\$m	Over 5 years HK\$m	Indefinite HK\$m	
Assets								
Cash and balances with banks and other financial institutions	246,366	94,800	-	-	-	-	12,575	353,741
Placements with banks and other financial institutions maturing between one and twelve months	-	-	33,801	12,893	-	-	-	46,694
Financial assets at fair value through profit or loss								
– held for trading								
– debt securities	-	2,118	6,166	6,210	6,754	4,967	-	26,215
– certificates of deposit	-	18	13	78	30	-	-	139
– designated at fair value through profit or loss								
– debt securities	-	146	53	2,673	9,788	1,945	-	14,605
– certificates of deposit	-	-	-	103	266	-	-	369
– fund and equity securities	-	-	-	-	-	-	2,165	2,165
Derivative financial instruments	13,672	2,127	1,287	2,789	1,833	3,640	-	25,348
Hong Kong SAR Government certificates of indebtedness	99,190	-	-	-	-	-	-	99,190
Advances and other accounts								
– advances to customers	82,371	29,710	55,130	143,186	317,087	224,648	1,965	854,097
– trade bills	6	16,254	19,003	35,583	-	-	-	70,846
Investment in securities								
– available-for-sale								
– debt securities	-	16,424	24,027	50,782	160,000	81,733	6	332,972
– certificates of deposit	-	10,419	13,950	36,657	16,836	215	-	78,077
– held-to-maturity								
– debt securities	-	632	196	4,049	5,987	6,451	45	17,360
– certificates of deposit	-	-	-	-	77	18	-	95
– loans and receivables								
– debt securities	-	1,660	2,931	3,354	-	-	-	7,945
– equity securities	-	-	-	-	-	-	4,271	4,271
Interests in associates and a joint venture	-	-	-	-	-	-	292	292
Investment properties	-	-	-	-	-	-	14,597	14,597
Properties, plant and equipment	-	-	-	-	-	-	52,358	52,358
Other assets (including deferred tax assets)	13,631	13,884	88	394	10,172	7,303	88	45,560
Total assets	455,236	188,192	156,645	298,751	528,830	330,920	88,362	2,046,936

Notes to the Financial Statements

2. Financial risk management (continued)

2.3 Liquidity Risk (continued)

Maturity analysis (continued)

	2013							Total HK\$m
	On demand HK\$m	Up to 1 month HK\$m	1 to 3 months HK\$m	3 to 12 months HK\$m	1 to 5 years HK\$m	Over 5 years HK\$m	Indefinite HK\$m	
Liabilities								
Hong Kong SAR currency notes in circulation	99,190	-	-	-	-	-	-	99,190
Deposits and balances from banks and other financial institutions	222,879	50,955	3,768	671	-	-	-	278,273
Financial liabilities at fair value through profit or loss	-	5,451	5,406	2,071	382	270	-	13,580
Derivative financial instruments	9,276	1,652	1,047	3,258	3,009	670	-	18,912
Deposits from customers	744,335	273,423	169,101	124,664	12,586	39	-	1,324,148
Debt securities and certificates of deposit in issue								
– debt securities	-	-	-	32	5,652	-	-	5,684
Other accounts and provisions (including current and deferred tax liabilities)	25,358	14,003	4,038	6,426	7,819	11	-	57,655
Insurance contract liabilities	8,531	460	427	7,678	21,009	28,532	-	66,637
Subordinated liabilities	-	-	418	-	-	19,431	-	19,849
Total liabilities	1,109,569	345,944	184,205	144,800	50,457	48,953	-	1,883,928
Net liquidity gap	(654,333)	(157,752)	(27,560)	153,951	478,373	281,967	88,362	163,008

The above maturity classifications have been prepared in accordance with relevant provisions under the Banking (Disclosure) Rules. The Group has reported assets such as advances and debt securities which have been overdue for not more than one month as “On demand”. In the case of an asset that is repayable by different payments or instalments, only that portion of the asset that is actually overdue is reported as overdue. Any part of the asset that is not due is reported according to the residual maturity unless the repayment of the asset is in doubt in which case the amount is reported as “Indefinite”. The above assets are stated after deduction of provisions, if any.

The analysis of debt securities by remaining period to maturity is disclosed in order to comply with relevant provisions under the Banking (Disclosure) Rules. The disclosure does not imply that the securities will be held to maturity.

The above analysis in respect of insurance contract liabilities represents the estimated timing of net cash outflows resulting from recognised insurance contract liabilities on the balance sheet as at 31 December.

2. Financial risk management (continued)

2.4 Insurance Risk

The Group is in the business of insuring against the risk of mortality, morbidity, disability, critical illness, accidents and related risks. The Group manages these risks through the application of its underwriting policies and reinsurance arrangements.

2.5 Capital Management

The major objective of the Group's capital management is to maximise total shareholders' return while maintaining a capital adequacy position in relation to the Group's overall risk profile. The ALCO periodically reviews the Group's capital structure and adjusts the capital mix where appropriate to maintain an optimal balance among risk, return and capital adequacy.

The bases of regulatory capital calculation for credit risk, market risk and operational risk are described in Note 4.5 to the Financial Statements in the Annual Report.

(A) Basis of regulatory consolidation

The consolidation basis for regulatory purposes comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules. For accounting purposes, subsidiaries are consolidated in accordance with HKFRSs.

(B) Capital ratio

	2014	2013
CET1 capital ratio	12.30%	10.57%
Tier 1 capital ratio	12.38%	10.67%
Total capital ratio	17.51%	15.80%

Notes to the Financial Statements

2. Financial risk management (continued)

2.5 Capital Management (continued)

(C) Components of capital base after deductions

The consolidated capital base after deductions used in the calculation of the above capital ratios as at 31 December and reported to the HKMA is analysed as follows:

	2014 HK\$m	2013 HK\$m
CET1 capital: instruments and reserves		
Directly issued qualifying CET1 capital instruments	43,043	43,043
Retained earnings	76,649	59,291
Disclosed reserves	47,803	43,025
Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	614	504
CET1 capital before regulatory deductions	168,109	145,863
CET1 capital: regulatory deductions		
Valuation adjustments	(19)	(21)
Deferred tax assets net of deferred tax liabilities	(167)	(164)
Gains and losses due to changes in own credit risk on fair valued liabilities	(160)	(81)
Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	(47,312)	(44,491)
Regulatory reserve for general banking risks	(10,011)	(8,994)
Total regulatory deductions to CET1 capital	(57,669)	(53,751)
CET1 capital	110,440	92,112
AT1 capital: instruments		
AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	733	894
AT1 capital	733	894
Tier 1 capital	111,173	93,006

2. Financial risk management (continued)

2.5 Capital Management (continued)

(C) Components of capital base after deductions (continued)

	2014 HK\$'m	2013 HK\$'m
Tier 2 capital: instruments and provisions		
Capital instruments subject to phase out arrangements from Tier 2 capital	19,294	19,294
Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	256	321
Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	5,195	5,047
Tier 2 capital before regulatory deductions	24,745	24,662
Tier 2 capital: regulatory deductions		
Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	21,290	20,021
Total regulatory deductions to Tier 2 capital	21,290	20,021
Tier 2 capital	46,035	44,683
Total capital	157,208	137,689

3. Earnings per share for profit attributable to the equity holders of the Company

The calculation of basic earnings per share is based on the consolidated profit attributable to the equity holders of the Company for the year ended 31 December 2014 of approximately HK\$24,577 million (2013: HK\$22,252 million) and on the ordinary shares in issue of 10,572,780,266 shares (2013: 10,572,780,266 ordinary shares).

There was no dilution of earnings per share as no potential ordinary shares were in issue for the year ended 31 December 2014 (2013: Nil).

Notes to the Financial Statements

4. Directors', senior management's and key personnel's emoluments

(a) Directors' and senior management's emoluments

(i) Directors' emoluments

Details of the emoluments paid to or receivable by the directors of the Company in respect of their services rendered for the Company and managing the subsidiaries within the Group during the year are as follows:

	2014			
	Directors' fee HK\$'000	Basic salaries, allowances and benefits in kind HK\$'000	Bonus HK\$'000	Total HK\$'000
Executive Directors				
HE Guangbei (Chief Executive)	100	8,754	4,492	13,346
GAO Yingxin	100	5,906	2,622	8,628
	200	14,660	7,114	21,974
Non-executive Directors				
TIAN Guoli	–	–	–	–
CHEN Siqing	–	–	–	–
LI Lihui ^{Note 2}	–	–	–	–
LI Zaohang	–	–	–	–
ZHU Shumin ^{Note 1}	–	–	–	–
YUE Yi ^{Note 1}	–	–	–	–
CHENG Eva* ^{Note 1}	52	–	–	52
KOH Beng Seng*	409	–	–	409
SHAN Weijian*	359	–	–	359
TUNG Savio Wai-Hok*	459	–	–	459
ZHOU Zaiqun [#] ^{Note 2}	1,047	–	–	1,047
FUNG Victor Kwok King* ^{Note 2}	133	–	–	133
NING Gaoning* ^{Note 2}	125	–	–	125
	2,584	–	–	2,584
	2,784	14,660	7,114	24,558

Note 1: Appointed during the year.

Note 2: Resigned/retired during the year.

4. Directors', senior management's and key personnel's emoluments (continued)

(a) Directors' and senior management's emoluments (continued)

(i) Directors' emoluments (continued)

	2013			
	Directors' fee HK\$'000	Basic salaries, allowances and benefits in kind HK\$'000	Bonus HK\$'000	Total HK\$'000
Executive Directors				
HE Guangbei (Chief Executive)	100	8,326	4,286	12,712
GAO Yingxin	100	5,741	2,570	8,411
	200	14,067	6,856	21,123
Non-executive Directors				
TIAN Guoli	-	-	-	-
XIAO Gang	-	-	-	-
CHEN Siqing	-	-	-	-
LI Lihui	-	-	-	-
LI Zaohang	-	-	-	-
KOH Beng Seng*	380	-	-	380
SHAN Weijian*	350	-	-	350
TUNG Savio Wai-Hok*	430	-	-	430
ZHOU Zaiqun [#]	4,136	-	-	4,136
FUNG Victor Kwok King*	300	-	-	300
NING Gaoning*	250	-	-	250
TUNG Chee Chen*	142	-	-	142
	5,988	-	-	5,988
	6,188	14,067	6,856	27,111

[#] Included fee as Chairman and Non-executive Director of Nanyang Commercial Bank, Limited

* Independent Non-executive Directors

For the year ended 31 December 2014, certain directors waived emoluments of HK\$2 million (2013: HK\$2 million), which include directors' fee from subsidiaries.

Notes to the Financial Statements

4. Directors', senior management's and key personnel's emoluments (continued)

(a) Directors' and senior management's emoluments (continued)

(ii) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2013: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2013: three) individuals during the year are as follows:

	2014 HK\$m	2013 HK\$m
Basic salaries and allowances	12	12
Bonus	6	6
Contributions to pension schemes	1	–
	19	18

Emoluments paid to or receivable by individuals during the year with reference to their tenure are within the following bands:

	Number of individuals	
	2014	2013
HK\$5,500,001 to HK\$6,000,000	1	1
HK\$6,000,001 to HK\$6,500,000	2	2

(iii) Senior management's emoluments

Emoluments paid to or receivable by individuals during the year with reference to their tenure as senior management are within the following bands:

	Number of individuals	
	2014	2013
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$3,500,001 to HK\$4,000,000	1	–
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$5,000,001 to HK\$5,500,000	1	2
HK\$5,500,001 to HK\$6,000,000	1	3
HK\$6,000,001 to HK\$6,500,000	2	1
HK\$8,000,001 to HK\$8,500,000	–	1
HK\$8,500,001 to HK\$9,000,000	1	–
HK\$12,500,001 to HK\$13,000,000	–	1
HK\$13,000,001 to HK\$13,500,000	1	–

4. Directors', senior management's and key personnel's emoluments (continued)

(b) Remuneration for Senior Management and Key Personnel under CG-5

Pursuant to CG-5 Guideline on a Sound Remuneration System issued by the HKMA, details of the remuneration for Senior Management and Key Personnel of the Group during the year are as follows:

(i) Remuneration awarded during the year

	2014					
	Senior Management			Key Personnel		
	Non-deferred HK\$m	Deferred HK\$m	Total HK\$m	Non-deferred HK\$m	Deferred HK\$m	Total HK\$m
Fixed remuneration						
Cash	46	–	46	55	–	55
Variable remuneration						
Cash	14	5	19	25	8	33
Total	60	5	65	80	8	88

	2013					
	Senior Management			Key Personnel		
	Non-deferred HK\$m	Deferred HK\$m	Total HK\$m	Non-deferred HK\$m	Deferred HK\$m	Total HK\$m
Fixed remuneration						
Cash	46	–	46	52	–	52
Variable remuneration						
Cash	14	5	19	24	7	31
Total	60	5	65	76	7	83

The remuneration above includes 12 (2013: 11) members of Senior Management and 19 (2013: 19) members of Key Personnel.

Notes to the Financial Statements

4. Directors', senior management's and key personnel's emoluments (continued)

(b) Remuneration for Senior Management and Key Personnel under CG-5 (continued)

(ii) Deferred remuneration

	2014		2013	
	Senior Management HK\$m	Key Personnel HK\$m	Senior Management HK\$m	Key Personnel HK\$m
Deferred remuneration				
Vested	6	7	6	4
Unvested	10	15	11	14
	16	22	17	18
At 1 January	11	14	12	11
Awarded	5	8	5	7
Paid out	(6)	(7)	(6)	(4)
Reduced through performance adjustments	-	-	-	-
At 31 December	10	15	11	14

For the purpose of disclosure, Senior Management and Key Personnel mentioned in this section are defined according to the HKMA's Guideline on a Sound Remuneration System.

Senior Management: The senior executives designated by the Board who are responsible for oversight of the firm-wide strategy or material business lines, including Chief Executive, Deputy Chief Executives, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Board Secretary and Head of Group Audit.

Key Personnel: The employees whose individual business activities involve the assumption of material risk which may have significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the risk management, or those who have direct influence to the profit, including heads of material business lines, heads of major subsidiaries, Head of Trading and Chief Dealers, as well as heads of risk control functions.

5. Investment properties

	2014 HK\$'m	2013 HK\$'m
At 1 January	14,597	14,364
Additions	–	2
Fair value gains	393	264
Reclassification to properties, plant and equipment (Note 6)	(431)	(34)
Exchange difference	–	1
At 31 December	14,559	14,597

The carrying value of investment properties is analysed based on the remaining terms of the leases as follows:

	2014 HK\$'m	2013 HK\$'m
Held in Hong Kong		
On long-term lease (over 50 years)	3,622	2,893
On medium-term lease (10 to 50 years)	10,686	11,436
Held outside Hong Kong		
On medium-term lease (10 to 50 years)	231	248
On short-term lease (less than 10 years)	20	20
	14,559	14,597

As at 31 December 2014, investment properties are included in the balance sheet at valuation carried out at 31 December 2014 on the basis of their fair value by an independent firm of chartered surveyors, Savills Valuation and Professional Services Limited. The fair value represents the price that would be received to sell each investment property in an orderly transaction with market participants at the measurement date.

Notes to the Financial Statements

6. Properties, plant and equipment

	Premises HK\$'m	Equipment, fixtures and fittings HK\$'m	Total HK\$'m
Net book value at 1 January 2014	49,791	2,567	52,358
Additions	211	814	1,025
Disposals	(43)	(27)	(70)
Revaluation	3,311	–	3,311
Depreciation for the year	(1,050)	(779)	(1,829)
Reclassification from investment properties (Note 5)	431	–	431
Exchange difference	(12)	(7)	(19)
Net book value at 31 December 2014	52,639	2,568	55,207
At 31 December 2014			
Cost or valuation	52,639	8,308	60,947
Accumulated depreciation and impairment	–	(5,740)	(5,740)
Net book value at 31 December 2014	52,639	2,568	55,207
The analysis of cost or valuation of the above assets is as follows:			
At 31 December 2014			
At cost	–	8,308	8,308
At valuation	52,639	–	52,639
	52,639	8,308	60,947
Net book value at 1 January 2013	46,178	2,565	48,743
Additions	376	720	1,096
Disposals	(1)	(16)	(17)
Revaluation	4,143	–	4,143
Depreciation for the year	(953)	(710)	(1,663)
Reclassification from investment properties (Note 5)	34	–	34
Exchange difference	14	8	22
Net book value at 31 December 2013	49,791	2,567	52,358
At 31 December 2013			
Cost or valuation	49,791	8,275	58,066
Accumulated depreciation and impairment	–	(5,708)	(5,708)
Net book value at 31 December 2013	49,791	2,567	52,358
The analysis of cost or valuation of the above assets is as follows:			
At 31 December 2013			
At cost	–	8,275	8,275
At valuation	49,791	–	49,791
	49,791	8,275	58,066

6. Properties, plant and equipment (continued)

The carrying value of premises is analysed based on the remaining terms of the leases as follows:

	2014 HK\$'m	2013 HK\$'m
Held in Hong Kong		
On long-term lease (over 50 years)	19,425	18,774
On medium-term lease (10 to 50 years)	32,430	30,250
Held outside Hong Kong		
On long-term lease (over 50 years)	81	74
On medium-term lease (10 to 50 years)	685	675
On short-term lease (less than 10 years)	18	18
	52,639	49,791

As at 31 December 2014, premises are included in the balance sheet at valuation carried out at 31 December 2014 on the basis of their fair value by an independent firm of chartered surveyors, Savills Valuation and Professional Services Limited. The fair value represents the price that would be received to sell each premises in an orderly transaction with market participants at the measurement date.

As a result of the above-mentioned revaluations, changes in value of the premises were recognised in the premises revaluation reserve, the income statement and non-controlling interests as follows:

	2014 HK\$'m	2013 HK\$'m
Increase in valuation credited to premises revaluation reserve	3,284	4,078
Increase in valuation credited to income statement	2	14
Increase in valuation credited to non-controlling interests	25	51
	3,311	4,143

As at 31 December 2014, the net book value of premises that would have been included in the Group's balance sheet had the premises been carried at cost less accumulated depreciation and impairment losses was HK\$8,331 million (2013: HK\$7,221 million).

Notes to the Financial Statements

7. Deferred taxation

Deferred tax is recognised in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements in accordance with HKAS 12 "Income Taxes".

The major components of deferred tax (assets)/liabilities recorded in the balance sheet, and the movements during the year are as follows:

	2014					
	Accelerated tax depreciation HK\$'m	Property revaluation HK\$'m	Losses HK\$'m	Impairment allowance HK\$'m	Other temporary differences HK\$'m	Total HK\$'m
At 1 January 2014	581	7,348	(92)	(594)	(603)	6,640
Charged/(credited) to income statement	26	60	92	(55)	(11)	112
Charged to other comprehensive income	-	451	-	-	706	1,157
Exchange difference	-	(1)	-	4	2	5
At 31 December 2014	607	7,858	-	(645)	94	7,914

	2013					
	Accelerated tax depreciation HK\$'m	Property revaluation HK\$'m	Losses HK\$'m	Impairment allowance HK\$'m	Other temporary differences HK\$'m	Total HK\$'m
At 1 January 2013	564	6,772	(144)	(492)	617	7,317
Charged/(credited) to income statement	17	(91)	52	(100)	(16)	(138)
Charged/(credited) to other comprehensive income	-	666	-	-	(1,203)	(537)
Exchange difference	-	1	-	(2)	(1)	(2)
At 31 December 2013	581	7,348	(92)	(594)	(603)	6,640

7. Deferred taxation (continued)

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	2014 HK\$'m	2013 HK\$'m
Deferred tax assets	(167)	(304)
Deferred tax liabilities	8,081	6,944
	7,914	6,640

	2014 HK\$'m	2013 HK\$'m
Deferred tax assets to be recovered after more than twelve months	(129)	(85)
Deferred tax liabilities to be settled after more than twelve months	7,928	7,391
	7,799	7,306

As at 31 December 2014, the Group has not recognised deferred tax assets in respect of tax losses amounting to HK\$10 million (2013: HK\$7 million). These tax losses do not expire under the current tax legislation.

8. Share capital

	2014 HK\$'m	2013 HK\$'m
Authorised:		
Ordinary shares of HK\$5 each	–	100,000
Issued and fully paid:		
10,572,780,266 ordinary shares	52,864	52,864

Under the Hong Kong Companies Ordinance (Chapter 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists. In accordance with section 135, the Company's shares no longer have a par value. There is no impact on the number of shares in issue or the relative entitlement of any of the members of the Company as a result of this transition.

Notes to the Financial Statements

9. Reserves

	Attributable to the equity holders of the Company								
	Share capital HK\$'m	Premises revaluation reserve HK\$'m	Reserve for fair value changes of available- for-sale securities HK\$'m	Regulatory reserve* HK\$'m	Translation reserve HK\$'m	Retained earnings HK\$'m	Total HK\$'m	Non- controlling interests HK\$'m	Total equity HK\$'m
At 1 January 2013	52,864	31,259	5,510	7,754	771	52,811	150,969	4,105	155,074
Profit for the year	-	-	-	-	-	22,252	22,252	823	23,075
Other comprehensive income:									
Premises	-	3,420	-	-	-	-	3,420	43	3,463
Available-for-sale securities	-	-	(5,009)	-	-	-	(5,009)	(474)	(5,483)
Change in fair value of hedging instruments under net investment hedges	-	-	-	-	(50)	-	(50)	(4)	(54)
Currency translation difference	-	3	(13)	-	330	-	320	11	331
Total comprehensive income	-	3,423	(5,022)	-	280	22,252	20,933	399	21,332
Transfer from retained earnings	-	-	-	1,240	-	(1,240)	-	-	-
Dividends	-	-	-	-	-	(13,089)	(13,089)	(309)	(13,398)
At 31 December 2013	52,864	34,682	488	8,994	1,051	60,734	158,813	4,195	163,008
At 1 January 2014	52,864	34,682	488	8,994	1,051	60,734	158,813	4,195	163,008
Profit for the year	-	-	-	-	-	24,577	24,577	528	25,105
Other comprehensive income:									
Premises	-	2,837	-	-	-	-	2,837	21	2,858
Available-for-sale securities	-	-	1,399	-	-	-	1,399	304	1,703
Change in fair value of hedging instruments under net investment hedges	-	-	-	-	46	-	46	3	49
Currency translation difference	-	(3)	43	-	(319)	-	(279)	(9)	(288)
Total comprehensive income	-	2,834	1,442	-	(273)	24,577	28,580	847	29,427
Release upon disposal of premises	-	(6)	-	-	-	6	-	-	-
Transfer from retained earnings	-	-	-	1,017	-	(1,017)	-	-	-
Dividends	-	-	-	-	-	(10,679)	(10,679)	(284)	(10,963)
At 31 December 2014	52,864	37,510	1,930	10,011	778	73,621	176,714	4,758	181,472
Representing:									
2014 final dividend proposed						6,080			
Others						67,541			
Retained earnings as at 31 December 2014						73,621			

* In accordance with the requirements of the HKMA, the amounts are set aside for general banking risks, including future losses or other unforeseeable risks, in addition to the loan impairment allowances recognised under HKAS 39.

10. Segmental reporting

The Group manages the business mainly from a business segment perspective and over 90% of the Group's revenues, profits before tax and assets are derived from Hong Kong. Currently, four operating segments are identified: Personal Banking, Corporate Banking, Treasury and Insurance. The classification of the Group's operating segments is based on customer segment and product type, which is aligned with the RPC (relationship, product and channel) management model of the Group.

Both Personal Banking and Corporate Banking provide general banking services including various deposit products, overdrafts, loans, credit cards, trade related products and other credit facilities, investment and insurance products, and foreign currency and derivative products. Personal Banking mainly serves retail customers and small enterprises, while Corporate Banking mainly deals with corporate customers. Treasury manages the funding and liquidity, and the interest rate and foreign exchange positions of the Group in addition to proprietary trades. The Insurance segment represents business mainly relating to life insurance products, including individual life insurance and group life insurance products. "Others" mainly represents the Group's holdings of premises, investment properties, equity investments and interests in associates and a joint venture.

Measurement of segment assets, liabilities, income, expenses, results and capital expenditure is based on the Group's accounting policies. The segment information includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment funding is charged according to the internal funds transfer pricing mechanism of the Group, which is primarily based on market rates with the consideration of specific features of the product.

As the Group derives a majority of revenue from interest and the senior management relies primarily on net interest income in managing the business, interest income and expense for all reportable segments are presented on a net basis. Under the same consideration, insurance premium income and insurance benefits and claims are also presented on a net basis.

In 2014, liquidity term premium was introduced into inter-segment funding. No revision has been made to the comparative figures. However, if the same mechanism was applied last year, it is estimated that the net interest income of Personal Banking, Corporate Banking and Treasury would be HK\$7,334 million, HK\$11,135 million and HK\$8,025 million respectively.

Notes to the Financial Statements

10. Segmental reporting (continued)

	2014							
	Personal Banking HK\$'m	Corporate Banking HK\$'m	Treasury HK\$'m	Insurance HK\$'m	Others HK\$'m	Subtotal HK\$'m	Eliminations HK\$'m	Consolidated HK\$'m
Net interest income/(expense)								
– external	1,485	8,975	19,309	2,146	4	31,919	–	31,919
– inter-segment	6,632	3,125	(9,047)	16	(726)	–	–	–
	8,117	12,100	10,262	2,162	(722)	31,919	–	31,919
Net fee and commission income/(expense)	6,045	3,832	245	(14)	439	10,547	(425)	10,122
Net insurance premium income	–	–	–	7,671	–	7,671	(16)	7,655
Net trading gain/(loss)	502	303	1,435	(60)	(33)	2,147	15	2,162
Net (loss)/gain on financial instruments designated at fair value through profit or loss	–	–	(22)	47	–	25	–	25
Net gain on other financial assets	505	30	142	169	–	846	–	846
Other operating income	41	18	9	95	1,714	1,877	(1,156)	721
Total operating income	15,210	16,283	12,071	10,070	1,398	55,032	(1,582)	53,450
Net insurance benefits and claims and movement in liabilities	–	–	–	(9,168)	–	(9,168)	–	(9,168)
Net operating income before impairment allowances	15,210	16,283	12,071	902	1,398	45,864	(1,582)	44,282
Net charge of impairment allowances	(380)	(661)	(9)	–	–	(1,050)	–	(1,050)
Net operating income	14,830	15,622	12,062	902	1,398	44,814	(1,582)	43,232
Operating expenses	(6,792)	(3,687)	(1,233)	(289)	(2,553)	(14,554)	1,582	(12,972)
Operating profit/(loss)	8,038	11,935	10,829	613	(1,155)	30,260	–	30,260
Net gain from disposal of/fair value adjustments on investment properties	–	–	–	–	393	393	–	393
Net loss from disposal/revaluation of properties, plant and equipment	(17)	(3)	–	–	(4)	(24)	–	(24)
Share of profits less losses after tax of associates and a joint venture	–	–	–	–	34	34	–	34
Profit/(loss) before taxation	8,021	11,932	10,829	613	(732)	30,663	–	30,663
Assets								
Segment assets	319,722	718,063	1,002,485	87,942	72,827	2,201,039	(11,996)	2,189,043
Interests in associates and a joint venture	–	–	–	–	324	324	–	324
	319,722	718,063	1,002,485	87,942	73,151	2,201,363	(11,996)	2,189,367
Liabilities								
Segment liabilities	808,673	716,585	398,264	82,496	13,873	2,019,891	(11,996)	2,007,895
Other information								
Capital expenditure	29	4	–	9	983	1,025	–	1,025
Depreciation	347	146	66	10	1,260	1,829	–	1,829
Amortisation of securities	–	–	376	49	–	425	–	425

10. Segmental reporting (continued)

	2013							
	Personal Banking HK\$'m	Corporate Banking HK\$'m	Treasury HK\$'m	Insurance HK\$'m	Others HK\$'m	Subtotal HK\$'m	Eliminations HK\$'m	Consolidated HK\$'m
Net interest income/(expense)								
– external	1,836	9,630	14,547	1,900	3	27,916	–	27,916
– inter-segment	5,757	2,274	(7,550)	14	(495)	–	–	–
	7,593	11,904	6,997	1,914	(492)	27,916	–	27,916
Net fee and commission income/(expense)	5,324	3,576	144	(65)	385	9,364	(399)	8,965
Net insurance premium income	–	–	–	9,185	–	9,185	(15)	9,170
Net trading gain/(loss)	734	337	2,201	(169)	(161)	2,942	15	2,957
Net loss on financial instruments designated at fair value through profit or loss	–	–	(27)	(132)	–	(159)	–	(159)
Net gain/(loss) on other financial assets	–	21	179	(63)	(54)	83	–	83
Other operating income	48	4	3	7	1,646	1,708	(1,054)	654
Total operating income	13,699	15,842	9,497	10,677	1,324	51,039	(1,453)	49,586
Net insurance benefits and claims and movement in liabilities	–	–	–	(9,273)	–	(9,273)	–	(9,273)
Net operating income before impairment allowances	13,699	15,842	9,497	1,404	1,324	41,766	(1,453)	40,313
Net (charge)/reversal of impairment allowances	(289)	(453)	5	–	–	(737)	–	(737)
Net operating income	13,410	15,389	9,502	1,404	1,324	41,029	(1,453)	39,576
Operating expenses	(6,477)	(3,544)	(1,155)	(259)	(2,101)	(13,536)	1,453	(12,083)
Operating profit/(loss)	6,933	11,845	8,347	1,145	(777)	27,493	–	27,493
Net gain from disposal of/fair value adjustments on investment properties	–	–	–	–	264	264	–	264
Net (loss)/gain from disposal/revaluation of properties, plant and equipment	(7)	(1)	–	(1)	10	1	–	1
Share of profits less losses after tax of associates and a joint venture	–	–	–	–	35	35	–	35
Profit/(loss) before taxation	6,926	11,844	8,347	1,144	(468)	27,793	–	27,793
Assets								
Segment assets	286,067	662,806	962,077	79,580	70,050	2,060,580	(13,936)	2,046,644
Interests in associates and a joint venture	–	–	–	–	292	292	–	292
	286,067	662,806	962,077	79,580	70,342	2,060,872	(13,936)	2,046,936
Liabilities								
Segment liabilities	738,429	625,842	445,973	75,176	12,444	1,897,864	(13,936)	1,883,928
Other information								
Capital expenditure	28	4	–	6	1,060	1,098	–	1,098
Depreciation	341	188	77	10	1,047	1,663	–	1,663
Amortisation of securities	–	–	(156)	145	–	(11)	–	(11)

Notes to the Financial Statements

11. Loans to directors and officers

Particulars of advances made to directors and officers of the Company pursuant to section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Chapter 622) with reference to section 161B of the predecessor Hong Kong Companies Ordinance (Chapter 32) are as follows:

	2014 HK\$'m	2013 HK\$'m
Aggregate amount of relevant transactions outstanding at year end	2,783	3,790
Maximum aggregate amount of relevant transactions outstanding during the year	7,030	7,661

12. Approval of Summary Financial Statements

These Summary Financial Statements were approved and authorised for issue by the Board of Directors on 25 March 2015.

Connected Transactions

In 2014, BOCHK, a wholly-owned subsidiary of the Company, and its subsidiaries engaged on a regular basis in the usual course of their business in numerous transactions with BOC and its Associates. As BOC is the Company's controlling shareholder and therefore a connected person of the Company, all such transactions constituted connected transactions for the purposes of the Listing Rules. The Group is subject to the control of the State Council of the PRC Government through China Investment Corporation ("CIC"), its wholly-owned subsidiary Central Huijin Investment Ltd. ("Central Huijin"), and BOC in which Central Huijin has controlling equity interests. Central Huijin is the ultimate controlling shareholder of the Company. Central Huijin has accepted PRC Government's authorisation in carrying out equity investment in core financial enterprises. For the purposes of this report, therefore, Central Huijin and its Associates have not been treated as connected persons to the Company.

The transactions fell into the following two categories:

- exempted transactions entered into in the ordinary and usual course of business and under normal commercial terms or better. Such transactions were (1) fully exempted from shareholders' approval, annual review and all disclosure requirements and/or (2) exempted from shareholders' approval requirement by virtue of Rules 14A.76 and 14A.87 to 14A.101 of the Listing Rules;
- certain continuing connected transactions conducted pursuant to the Services and Relationship Agreement entered into among, inter alia, the Company and BOC dated 6 July 2002 (as amended and supplemented from time to time, which has been amended for a period of three years commencing 1 January 2014), whereas BOC has agreed to, and agreed to procure its Associates to, enter into all future arrangements with the Group on an arm's length basis, on normal commercial terms and at rates no less favourable than those offered to independent third parties, in relation to certain areas including, among others, information technology services, training services, physical bullion agency services, correspondent banking arrangements, treasury transactions, provision of insurance and syndicated loans, and the Company has agreed to, and agreed to procure its subsidiaries to, enter into all future arrangements on the same basis, provided that the rates offered by the Group to BOC and its Associates will be no more favourable than those offered to independent third parties. The Services and Relationship Agreement is also amended to allow (i) for the provision of call center services, cash management services and card services and other related business between BOC or its Associates and the Group; and (ii) the Group to provide and receive various information technology services to and from BOC's worldwide branches and subsidiaries. On 10 December 2013 the Company made an announcement (the "Announcement") in accordance with Rule 14A.47 (1 July 2014 revised to 14A.35 and 14A.64) of the Listing Rules, and has got the approval from the independent shareholders on 11 June 2014. The Announcement listed those continuing connected transactions that exceeded the de minimus threshold and set out caps in respect of such transactions for the three years 2014-2016. These transactions were conducted in the ordinary and usual course of its business and on normal commercial terms or better. Details of these continuing connected transactions are set out below and are described in the announcements which may be viewed at the Company's website. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Type of Transaction	2014 Cap (HK\$'m)	2014 Actual Amount (HK\$'m)
Information Technology Services	1,000	54
Property Transactions	1,000	161
Bank-note Delivery	1,000	174
Provision of Insurance Cover	1,000	134
Card Services	1,000	90
Custody Business	1,000	60
Call Center Services	1,000	59
Securities Transactions	4,500	245
Fund Distribution Transactions	4,500	54
Insurance Agency	4,500	761
Foreign Exchange Transactions	4,500	292
Derivatives Transactions	4,500	(139)
Trading of Financial Assets	150,000	16,441
Inter-bank Capital Markets	150,000	7,874

Reconciliation between HKFRSs vs IFRS/CAS

The Company understands that BOC, an intermediate holding company as well as controlling shareholder of the Company, will prepare and disclose consolidated financial information in accordance with IFRS and CAS for which the Company and its subsidiaries will form part of the consolidated financial statements. CAS is the new set of PRC accounting standards that has been effective for annual periods beginning on or after 1 January 2007 for companies publicly listed in PRC. The requirements of CAS have substantially converged with HKFRSs and IFRS.

The consolidated financial information of “BOC Hong Kong Group” for the periods disclosed by BOC in its consolidated financial statements is not the same as the consolidated financial information of the Group for the periods published by the Company pursuant to applicable laws and regulations in Hong Kong. There are two reasons for this.

First, the definitions of “BOC Hong Kong Group” (as adopted by BOC for the purpose of its own financial disclosure) and “Group” (as adopted by the Company in preparing and presenting its consolidated financial information) are different: “BOC Hong Kong Group” refers to BOCHKG and its subsidiaries, whereas “Group” refers to the Company and its subsidiaries (see the below organisation chart). Though there is difference in definitions between “BOC Hong Kong Group” and “Group”, their financial results for the periods presented are substantially the same. This is because BOCHKG and BOC (BVI) are holding companies only and have no substantive operations of their own.



Second, the Group has prepared its consolidated financial statements in accordance with HKFRSs; whereas the consolidated financial information reported to BOC is prepared in accordance with IFRS and CAS respectively. There is a difference in the election of subsequent measurement basis of bank premises by the Group and by BOC respectively.

The Board considers that the best way to ensure that shareholders and the investing public understand the material differences between the consolidated financial information of the Group published by the Company on the one hand, and the consolidated financial information of BOC Hong Kong Group disclosed by BOC in its consolidated financial statements on the other hand, is to present reconciliations of the profit after tax/net assets of the Group prepared under HKFRSs to the profit after tax/net assets of the Group prepared under IFRS and CAS respectively for the periods presented.

The major differences which arise from the difference in measurement basis relate to the following:

- restatement of carrying value of bank premises; and
- deferred taxation impact arising from the above different measurement basis.

(a) Restatement of carrying value of bank premises

The Company has elected for a revaluation model rather than cost model to account for bank premises and investment properties under HKFRSs. On the contrary, BOC has elected for the cost model for bank premises and revaluation model for investment properties under IFRS and CAS. Therefore, adjustments have been made to the carrying value of bank premises as well as to re-calculate the depreciation charge and disposal gain/loss under IFRS and CAS.

(b) Deferred tax adjustments

These represent the deferred tax effect of the aforesaid adjustments.

Profit after tax/net assets reconciliation

HKFRSs vs IFRS/CAS

	Profit after tax		Net assets	
	2014 HK\$'m	2013 HK\$'m	2014 HK\$'m	2013 HK\$'m
Profit after tax/net assets of BOC Hong Kong (Holdings) Limited prepared under HKFRSs	25,105	23,075	181,472	163,008
Add: IFRS/CAS adjustments				
Restatement of carrying value of bank premises	844	719	(40,388)	(38,515)
Deferred tax adjustments	(91)	(78)	6,732	6,383
Profit after tax/net assets of BOC Hong Kong (Holdings) Limited prepared under IFRS/CAS	25,858	23,716	147,816	130,876

Report of the Independent Auditors on the Summary Financial Report



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

To the shareholders of BOC Hong Kong (Holdings) Limited
(Incorporated in Hong Kong with limited liability)

The summary financial report of BOC Hong Kong (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 1 to 140 and the front and back cover pages includes a Financial Section of the Group for the year ended 31 December 2014. The Financial Section of the Group set out on pages 97 to 126, which comprises the consolidated balance sheet as at 31 December 2014, and the consolidated income statement and the consolidated statement of comprehensive income for the year then ended, and related notes is derived from the audited financial statements of the Group for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 25 March 2015.

The Financial Section does not contain all the disclosures required by the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Reading the Financial Section, therefore, is not a substitute for reading the audited financial statements of the Group.

Directors' responsibility for the Summary Financial Report

Under the Hong Kong Companies Ordinance, the directors of the Company are responsible for the preparation of a summary financial report in accordance with section 83 of Schedule 11 to the Hong Kong Companies Ordinance (Chapter 622), with reference to section 141CF(1) of the predecessor Hong Kong Companies Ordinance (Chapter 32) (referred to as "section 141CF(1) of the Hong Kong Companies Ordinance" thereafter). In preparing the summary financial report, section 141CF(1) of the Hong Kong Companies Ordinance requires that the summary financial report be derived from the annual financial statements and the auditors' report thereon and the directors' report for the year ended 31 December 2014, be in such form and contain such information and particulars as specified in section 83 of Schedule 11 to the Hong Kong Companies Ordinance (Chapter 622), with reference to section 5 of the predecessor Hong Kong Companies (Summary Financial Reports of Listed Companies) Regulation (Chapter 32M) (referred to as "section 5 of the Hong Kong Companies (Summary Financial Reports of Listed Companies) Regulation" thereafter), and be approved by the board of directors.

Auditors' responsibility

Our responsibility is to express an opinion on the summary financial report based on our procedures. Our report is made solely to you, as a body, 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 procedures in accordance with Hong Kong Standard on Auditing (HKSA) 810, "Engagements to Report on Summary Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants. We are also required to state whether the auditors' report on the annual financial statements for the year ended 31 December 2014 is qualified or otherwise modified.

Opinion

In our opinion, the summary financial report:

- a. is consistent with the annual financial statements and the auditors' report thereon and the directors' report of the Group for the year ended 31 December 2014 from which it is derived; and
- b. complies with the requirements of section 5 of the Hong Kong Companies (Summary Financial Reports of Listed Companies) Regulation.

Ernst & Young
Certified Public Accountants
Hong Kong, 25 March 2015

Shareholder Information

Financial Calendar 2015

Major Events	Dates
Announcement of 2014 annual results	25 March (Wednesday)
Latest time for lodging transfers for entitlement to attend and vote at the 2015 Annual General Meeting	10 June (Wednesday) 4:30 p.m.
Book closure period (both days inclusive)	11 June (Thursday) to 16 June (Tuesday)
Latest time for lodging proxy forms for the 2015 Annual General Meeting	14 June (Sunday) 2:00 p.m.
2015 Annual General Meeting	16 June (Tuesday) 2:00 p.m.
Last day in Hong Kong for dealing in the Company's shares with entitlement to final dividend	17 June (Wednesday)
Ex-dividend date	18 June (Thursday)
Latest time for lodging transfers for entitlement to final dividend	19 June (Friday) 4:30 p.m.
Book closure period (both days inclusive)	22 June (Monday) to 25 June (Thursday)
Record date for final dividend	25 June (Thursday)
Final dividend payment date	3 July (Friday)
Announcement of 2015 interim results	Mid to late August

Annual General Meeting

The 2015 Annual General Meeting will be held at 2:00 p.m. on Tuesday, 16 June 2015 at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong.

Share Information

Listing and Stock Codes

Ordinary Shares	Level 1 ADR Programme
The Company's ordinary shares are listed and traded on The Stock Exchange of Hong Kong Limited ("HKEX").	The Company maintains a Level 1 ADR facility for its ADSs. Each ADS represents 20 ordinary shares of the Company.
<i>Stock codes:</i>	<i>Stock codes:</i>
HKEX 2388	CUSIP No.: 096813209
Reuters 2388.HK	OTC Symbol: BHKLY
Bloomberg 2388 HK	

Market Capitalisation and Index Recognition

As at 31 December 2014, the Company's market capitalisation was HK\$274.4 billion, among the top 20 leading stocks on the Main Board of Hong Kong Stock Exchange in terms of market capitalisation. Given the Company's market capitalisation and liquidity, its shares are a constituent of Hang Seng Index, MSCI Index and FTSE Index series. In addition, the Company is a constituent of Hang Seng Corporate Sustainability Index Series and Hang Seng High Dividend Yield Index, which recognises its performance in related areas.

Shareholder Information

Debt Securities

Issuer : Bank of China (Hong Kong) Limited, a wholly-owned and principal subsidiary of the Company
Listing : The Notes are listed and traded on The Stock Exchange of Hong Kong Limited

Subordinated Notes

Description : Bank of China (Hong Kong) Limited 5.55% Subordinated Notes due 2020
Issue size : US\$2,500 million
Stock codes : HKEX 4316
ISIN USY1391CAJ00 (Regulation S)
US061199AA35 (Rule 144A)
Bloomberg E11388897

Senior Notes

Description : Bank of China (Hong Kong) Limited 3.75% Senior Notes due 2016 issued under the Medium Term Note Programme of US\$15 billion
Issue size : US\$750 million
Stock codes : HKEX 4528
ISIN USY1391CDU28 (Regulation S)
US061199AB18 (Rule 144A)
Bloomberg E18623411

Share Price and Trading Information

Share price (HK\$)	2014	2013	2012
Closing price at year end	25.95	24.85	24.10
Highest trading price during the year	27.95	28.00	25.00
Lowest trading price during the year	21.50	22.85	18.18
Average daily trading volume (m shares)	11.05	11.47	11.77
Number of ordinary shares issued (shares)		10,572,780,266	
Public float		Approximately 34%	

Dividends

The Board of Directors has recommended a final dividend of HK\$0.575 per share, which is subject to the approval of shareholders at the 2015 Annual General Meeting. With the interim dividend per share of HK\$0.545 paid during 2014, the total dividend per share will amount to HK\$1.120 for the full year.

Credit Ratings (long-term)

Standard & Poor's:	A+
Moody's Investors Service:	Aa3
Fitch Ratings:	A

Shareholder Enquiries

For any enquiries or requests relating to shareholder's shareholding, e.g. change of personal details, transfer of shares, loss of share certificates and dividend warrants, etc., please send in writing to:

Hong Kong

Computershare Hong Kong Investor Services Limited
 17M Floor, Hopewell Centre
 183 Queen's Road East, Wan Chai, Hong Kong
 Telephone: (852) 2862 8555
 Facsimile: (852) 2865 0990
 E-mail: hkinfo@computershare.com.hk

USA

Citibank Shareholder Services
 250 Royall Street
 Canton, MA 02021, USA
 Telephone: 1-877-248-4237 (toll free)
 1-781-575-4555 (outside USA)
 E-mail: Citibank@shareholders-online.com

Investor Relations Contact

Enquiries can be directed to:

Investor Relations Division
 BOC Hong Kong (Holdings) Limited
 52nd Floor, Bank of China Tower
 1 Garden Road, Hong Kong

Telephone: (852) 2826 6314
 Facsimile: (852) 2810 5830
 E-mail: investor_relations@bochk.com

Definitions

In this Summary Financial Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Terms	Meanings
"ADR"	American Depositary Receipt
"ADS(s)"	American Depositary Share(s)
"ALCO"	the Asset and Liability Management Committee
"AT1"	Additional Tier 1
"ATM"	Automated Teller Machine
"Associates"	has the meaning ascribed to "associates" in the Listing Rules
"BOC"	Bank of China Limited, a joint stock commercial bank with limited liability established under the laws of the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
"BOC (BVI)"	BOC Hong Kong (BVI) Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of BOCHKG
"BOCCC"	BOC Credit Card (International) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCHK
"BOCG Insurance"	Bank of China Group Insurance Company Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCHK Charitable Foundation"	Bank of China (Hong Kong) Limited Charitable Foundation (formerly known as the "Bank of China Group Charitable Foundation"), a charitable foundation being established in July 1994
"BOCHKG"	BOC Hong Kong (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCHK" or "the Bank"	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
"BOCI"	BOC International Holdings Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCI-Prudential Trustee"	BOCI-Prudential Trustee Limited, a company incorporated under the laws of Hong Kong, in which BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited hold equity interests of 64% and 36% respectively
"BOCG Life"	BOC Group Life Assurance Company Limited, a company incorporated under the laws of Hong Kong, in which the Group and BOCG Insurance hold equity interests of 51% and 49% respectively
"Board" or "Board of Directors"	the Board of Directors of the Company
"CAS"	China Accounting Standards for Business Enterprises
"CET1"	Common Equity Tier 1

Terms	Meanings
"CIC"	China Investment Corporation
"CRO"	Chief Risk Officer
"Central Huijin"	Central Huijin Investment Ltd.
"Chiyu"	Chiyu Banking Corporation Limited, a company incorporated under the laws of Hong Kong, in which BOCHK holds an equity interest of 70.49%
"ETF"	Exchange Traded Fund
"Fitch"	Fitch Ratings
"GDP"	Gross Domestic Product
"HIBOR"	Hong Kong Interbank Offered Rate
"HKAS(s)"	Hong Kong Accounting Standard(s)
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s)
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKMA"	Hong Kong Monetary Authority
"Hong Kong" or "Hong Kong SAR"	Hong Kong Special Administrative Region
"ICAAP"	Internal Capital Adequacy Assessment Process
"IFRS"	International Financial Reporting Standards
"IT"	Information Technology
"LIBOR"	London Interbank Offered Rate
"LSC"	Legal Services Centre
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mainland" or "Mainland of China"	the mainland of the PRC
"Medium Term Note Programme"	the medium term note programme was established by BOCHK on 2 September 2011
"Moody's"	Moody's Investors Service
"NCB"	Nanyang Commercial Bank, Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCHK
"NCB (China)"	Nanyang Commercial Bank (China), Limited, a company incorporated under the laws of the PRC and a wholly-owned subsidiary of NCB
"OR&CD"	the Operational Risk & Compliance Department
"OTC"	Over-the-counter

Definitions

Terms	Meanings
"PRC"	the People's Republic of China
"QDII"	Qualified Domestic Institutional Investors
"RC"	the Risk Committee
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RQFII"	Renminbi Qualified Foreign Institutional Investors
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"SME(s)"	Small and Medium-sized Enterprise(s)
"Standard & Poor's"	Standard & Poor's Ratings Services
"Stock Exchange" or "Hong Kong Stock Exchange" or "Stock Exchange of Hong Kong"	The Stock Exchange of Hong Kong Limited
"the Company"	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong
"the Group"	the Company and its subsidiaries collectively referred as the Group
"US"	the United States of America
"VAR"	Value at Risk

Branch Network & Corporate Banking Centres

Bank of China (Hong Kong) – Branch Network Hong Kong Island

Branch	Address	Telephone
Central & Western District		
Bank of China Tower Branch	1 Garden Road, Hong Kong	2826 6888
Sheung Wan Branch	252 Des Voeux Road Central, Hong Kong	2541 1601
Queen's Road West (Sheung Wan) Branch	2-12 Queen's Road West, Sheung Wan, Hong Kong	2815 6888
Connaught Road Central Branch	13-14 Connaught Road Central, Hong Kong	2841 0410
Central District Branch	2A Des Voeux Road Central, Hong Kong	2160 8888
Central District (Wing On House) Branch	71 Des Voeux Road Central, Hong Kong	2843 6111
Shek Tong Tsui Branch	534 Queen's Road West, Shek Tong Tsui, Hong Kong	2819 7277
Western District Branch	386-388 Des Voeux Road West, Hong Kong	2549 9828
Shun Tak Centre Branch	Shop 225, 2/F, Shun Tak Centre, 200 Connaught Road Central, Hong Kong	2291 6081
Queen's Road Central Branch	81-83 Queen's Road Central, Hong Kong	2588 1288
Bonham Road Branch	63 Bonham Road, Hong Kong	2517 7066
Kennedy Town Branch	Harbour View Garden, 2-2F Catchick Street, Kennedy Town, Hong Kong	2818 6162
Caine Road Branch	57 Caine Road, Hong Kong	2521 3318
First Street Branch	55A First Street, Sai Ying Pun, Hong Kong	2517 3399
United Centre Branch	Shop 1021, United Centre, 95 Queensway, Hong Kong	2861 1889
Wyndham Street Branch	1-3 Wyndham Street, Central, Hong Kong	2843 2888
Des Voeux Road West Branch	111-119 Des Voeux Road West, Hong Kong	2546 1134
Gilman Street Branch	136 Des Voeux Road Central, Hong Kong	2135 1123
Wan Chai District		
409 Hennessy Road Branch	409-415 Hennessy Road, Wan Chai, Hong Kong	2835 6118
Johnston Road Branch	152-158 Johnston Road, Wan Chai, Hong Kong	2574 8257
Harbour Road Branch	Shop 4, G/F, Causeway Centre, 28 Harbour Road, Wan Chai, Hong Kong	2827 8407
Jardine's Bazaar Branch	G/F, Siki Centre, No.23 Jardine's Bazaar, Causeway Bay, Hong Kong	2882 1383
Happy Valley Wealth Management Centre	Nos. 49-51A, Sing Woo Road, Happy Valley, Hong Kong	3982 8270
Happy Valley Branch	11 King Kwong Street, Happy Valley, Hong Kong	2838 6668
Causeway Bay Branch	505 Hennessy Road, Causeway Bay, Hong Kong	3982 8068
Percival Street Branch	18 Percival Street, Causeway Bay, Hong Kong	2572 4273
Wan Chai (China Overseas Building) Branch	139 Hennessy Road, Wan Chai, Hong Kong	2529 0866
Wan Chai (Wu Chung House) Branch	213 Queen's Road East, Wan Chai, Hong Kong	2892 0909
Eastern District		
Siu Sai Wan Branch	Shop 19, Cheerful Garden, Siu Sai Wan, Hong Kong	2505 2399
Taikoo Shing Branch	Shop P1025-1026, Chi Sing Mansion, Taikoo Shing, Hong Kong	2967 9128
Taikoo Shing Branch Safe Box Service Centre	Shop G1006, Hoi Shing Mansion, Taikoo Shing, Hong Kong	2885 4582
North Point Branch	Shop B & C, G/F, King's Towers, 480 King's Road, North Point, Hong Kong	2811 8880
North Point (King's Centre) Branch	193-209 King's Road, North Point, Hong Kong	2286 2000
North Point (Hang Ying Building) Branch	Shop B1, 318-328 King's Road, North Point, Hong Kong	2887 1199
Sai Wan Ho Branch	142-146 Shau Kei Wan Road, Sai Wan Ho, Hong Kong	2886 3344
Lee Chung Street Branch	29-31 Lee Chung Street, Chai Wan, Hong Kong	2557 3283
Heng Fa Chuen Branch	Shop 205-208, East Wing Shopping Centre, Heng Fa Chuen, Chai Wan, Hong Kong	2897 1131
Kam Wa Street Branch	3 Kam Wa Street, Shau Kei Wan, Hong Kong	2885 9311
City Garden Branch	233 Electric Road, North Point, Hong Kong	2571 2878
King's Road Branch	131-133 King's Road, North Point, Hong Kong	2887 0282
Chai Wan Branch	Block B, Walton Estate, 341-343 Chai Wan Road, Chai Wan, Hong Kong	2558 6433
Chai Wan Branch Safe Box Service Centre	27 Gold Mine Building, 345 Chai Wan Road, Chai Wan, Hong Kong	2557 0248
Healthy Village Branch	Shop 1&2, Healthy Village Phase II, 668 King's Road, North Point, Hong Kong	2563 2278
Sheung On Street Branch	77 Sheung On Street, Chai Wan, Hong Kong	2897 0923
Aldrich Garden Branch	Shop 58, Aldrich Garden, Shau Kei Wan, Hong Kong	3196 4956
Quarry Bay Branch	Parkvale, 1060 King's Road, Quarry Bay, Hong Kong	2564 0333
Shau Kei Wan (Po Man Building) Branch	260-262 Shau Kei Wan Road, Shau Kei Wan, Hong Kong	3550 5000
North Point Wealth Management Centre	Shop 5B, G/F, Roca Centre, 460-470 King's Road, North Point, Hong Kong	2160 7988

Branch	Address	Telephone
Southern District		
Tin Wan Branch	2-12 Ka Wo Street, Tin Wan, Hong Kong	2553 0135
Aberdeen Branch	25 Wu Pak Street, Aberdeen, Hong Kong	2553 4165
South Horizons Branch	G13 & G15, G/F West Centre Marina Square, South Horizons, Ap Lei Chau, Hong Kong	2580 0345
South Horizons Branch Safe Box Service Centre	Shop 118, Marina Square East Centre, Ap Lei Chau, Hong Kong	2555 7477
Wah Kwai Estate Branch	Shop 17, Shopping Centre, Wah Kwai Estate, Hong Kong	2550 2298
Chi Fu Landmark Branch	Shop 510, Chi Fu Landmark, Pok Fu Lam, Hong Kong	2551 2282
Ap Lei Chau Branch	13-15 Wai Fung Street, Ap Lei Chau, Hong Kong	2554 6487
Stanley Branch	Shop No.301B, Stanley Plaza, Hong Kong	3982 8188

Kowloon

Branch	Address	Telephone
Kowloon City District		
Prince Edward Road (Kowloon City) Branch	382-384 Prince Edward Road, Kowloon City, Kowloon	2926 6038
To Kwa Wan Branch	80N To Kwa Wan Road, To Kwa Wan, Kowloon	2364 4344
Pak Tai Street Branch	4-6 Pak Tai Street, To Kwa Wan, Kowloon	2760 7773
Hung Hom Wealth Management Centre	37-39 Ma Tau Wai Road, Hung Hom, Kowloon	2170 0888
Hung Hom (Eldex Industrial Building) Branch	21 Ma Tau Wai Road, Hung Hom, Kowloon	2764 8363
OUHK Branch	The Open University of Hong Kong, 30 Good Shepherd Street, Ho Man Tin, Kowloon	2760 9099
Ma Tau Kok Road Branch	39-45 Ma Tau Kok Road, To Kwa Wan, Kowloon	2714 9118
Ma Tau Wai Road Branch	47-49 Ma Tau Wai Road, Hung Hom, Kowloon	2926 5123
Site 11 Whampoa Garden Branch	Shop G6, Site 11 Whampoa Garden, Hung Hom, Kowloon	2363 3982
Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden, Hung Hom, Kowloon	2764 7233
Nga Tsin Wai Road Branch	25 Nga Tsin Wai Road, Kowloon City, Kowloon	2383 2316
Waterloo Road Branch	Shop A2, Man Kee Mansion, 86 Waterloo Road, Kowloon	2363 9231
Wong Tai Sin District		
Tai Yau Street Branch	35 Tai Yau Street, San Po Kong, Kowloon	2328 0087
Chuk Yuen Estate Branch	Shop S1, Chuk Yuen Shopping Centre, Chuk Yuen South Estate, Kowloon	2325 5261
Choi Hung Branch	19 Clear Water Bay Road, Ngau Chi Wan, Kowloon	2327 0271
Choi Hung Road Branch	58-68 Choi Hung Road, San Po Kong, Kowloon	2927 6111
Choi Wan Estate Branch	Shop Nos. A317 and A318, 3/F, Choi Wan Shopping Centre Phase II, No. 45 Clear Water Bay Road, Ngau Chi Wan, Kowloon	2754 5911
Wong Tai Sin Branch	Shop G13, Wong Tai Sin Plaza, Wong Tai Sin, Kowloon	2327 8147
Yuk Wah Street Branch	46-48 Yuk Wah Street, Tsz Wan Shan, Kowloon	2927 6655
Lok Fu Branch	Shop 2, Lok Fu Plaza II, Lok Fu, Kowloon	2337 0271
Tseuk Luk Street Wealth Management Centre	86 Tseuk Luk Street, San Po Kong, Kowloon	2326 2883
Diamond Hill Branch	G107 Plaza Hollywood, Diamond Hill, Kowloon	2955 5088
Kwun Tong District		
169 Ngau Tau Kok Road Branch	169 Ngau Tau Kok Road, Ngau Tau Kok, Kowloon	2750 7311
177 Ngau Tau Kok Road Branch	177 Ngau Tau Kok Road, Ngau Tau Kok, Kowloon	2927 4321
Sau Mau Ping Branch	Shop 214, Sau Mau Ping Shopping Centre, Sau Mau Ping, Kowloon	2772 0028
Hip Wo Street Branch	195-197 Hip Wo Street, Kwun Tong, Kowloon	2345 0102
Yau Tong Branch	Shop G1-G27, Ka Fu Arcade, Yau Tong Centre, Kowloon	2349 9191
Hoi Yuen Road Branch	55 Hoi Yuen Road, Kwun Tong, Kowloon	2763 2127
Tsui Ping Estate Branch	Shop 116, 1/F Shopping Circuit, Tsui Ping Estate, Kwun Tong, Kowloon	2345 3238
26 Fu Yan Street Branch	26-32 Fu Yan Street, Kwun Tong, Kowloon	2342 5262
Telford Gardens Wealth Management Centre	Shop P8A, Telford Gardens, Kowloon Bay, Kowloon	2758 3987
Telford Gardens Branch	Shop P2, Telford Gardens, Kowloon Bay, Kowloon	2796 1551
Lam Tin Branch	Shop 12, 49 Kai Tin Road, Lam Tin, Kowloon	2347 1456
Kwun Tong Branch	20-24 Yue Man Square, Kwun Tong, Kowloon	2344 4116
Ngau Tau Kok Road (Kwun Tong) Branch	327 Ngau Tau Kok Road, Kwun Tong, Kowloon	2389 3301

Branch Network & Corporate Banking Centres

Bank of China (Hong Kong) – Branch Network (continued)

Branch	Address	Telephone
Kwun Tong Plaza Branch	G1 Kwun Tong Plaza, 68 Hoi Yuen Road, Kwun Tong, Kowloon	2342 4295
Kowloon Bay Branch	Shop 2, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon	2759 9339
Yau Tsim Mong District		
Tai Kok Tsui Branch	73-77 Tai Kok Tsui Road, Tai Kok Tsui, Kowloon	2395 3269
China Hong Kong City Branch	Shop 28, UG/F, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon	2367 6164
Shanghai Street (Prince Edward) Branch	689-693 Shanghai Street, Mong Kok, Kowloon	2391 0502
Prince Edward Branch	774 Nathan Road, Kowloon	2399 3000
Tsim Sha Tsui Branch	24-28 Carnarvon Road, Tsim Sha Tsui, Kowloon	2721 6242
Tsim Sha Tsui East Branch	Shop 3, LG/F, Hilton Towers, 96 Granville Road, Tsim Sha Tsui East, Kowloon	2739 0308
Jordan Branch	328-330 Nathan Road, Kowloon	2928 6111
Jordan Road Branch	1/F, Sino Cheer Plaza, 23-29 Jordan Road, Kowloon	2730 0883
Shanghai Street (Mong Kok) Branch	611-617 Shanghai Street, Mong Kok, Kowloon	2394 4181
Mong Kok Branch	589 Nathan Road, Mong Kok, Kowloon	2332 0111
Prince Edward Road West (Mong Kok) Branch	116-118 Prince Edward Road West, Mong Kok, Kowloon	2928 4138
Mong Kok Road Branch	50-52 Mong Kok Road, Mong Kok, Kowloon	2395 3263
Mong Kok (Silvercorp Int'l Tower) Branch	Shop B, 707-713 Nathan Road, Mong Kok, Kowloon	2391 6677
Mong Kok (President Commercial Centre) Branch	608 Nathan Road, Mong Kok, Kowloon	2384 7191
Yau Ma Tei Branch	471 Nathan Road, Yau Ma Tei, Kowloon	2780 2307
Cameron Road Wealth Management Centre	30 Cameron Road, Tsim Sha Tsui, Kowloon	2312 0010
Humphrey's Avenue Branch	4-4A Humphrey's Avenue, Tsim Sha Tsui, Kowloon	2311 3822
Olympian City Branch	Shop 133, 1/F, Olympian City 2, 18 Hoi Ting Road, Kowloon	2749 2110
Fuk Tsun Street Branch	32-40 Fuk Tsun Street, Tai Kok Tsui, Kowloon	2391 8468
Canton Road Wealth Management Centre	60 Canton Road, Tsim Sha Tsui, Kowloon	2730 0688
Sham Shui Po District		
Kowloon Plaza Branch	Unit 1, Kowloon Plaza, 485 Castle Peak Road, Kowloon	2370 8928
Festival Walk Branch	Unit LG256, Festival Walk, Kowloon Tong, Kowloon	2265 7288
Yu Chau Street Branch	42-46 Yu Chau Street, Sham Shui Po, Kowloon	2397 1123
Dragon Centre Branch	Shop 206A, Dragon Centre, 37K Yen Chow Street, Sham Shui Po, Kowloon	2788 3238
Lei Cheng Uk Estate Branch	Shop 108, Lei Cheng Uk Commercial Centre, Lei Cheng Uk Estate, Kowloon	2729 8251
Castle Peak Road (Cheung Sha Wan) Branch	365-371 Castle Peak Road, Cheung Sha Wan, Kowloon	2728 3311
194 Cheung Sha Wan Road Branch	194-196 Cheung Sha Wan Road, Sham Shui Po, Kowloon	2728 9389
Cheung Sha Wan Plaza Branch	Shop G08, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Kowloon	2745 7088
223 Nam Cheong Street Branch	223 Nam Cheong Street, Sham Shui Po, Kowloon	2928 2088
Stage 2 Mei Foo Sun Chuen Branch	19 Glee Path, Mei Foo Sun Chuen, Kowloon	2370 8382
Mei Foo Wealth Management Centre	Shop N47-49, Mount Sterling Mall, Mei Foo Sun Chuen, Kowloon	2742 8003
Mei Foo Mount Sterling Mall Branch	17-B Mount Sterling Mall, Mei Foo Sun Chuen, Kowloon	2742 6611
Sham Shui Po Branch	207-211 Nam Cheong Street, Sham Shui Po, Kowloon	2777 0171
Sham Shui Po (On Ning Building) Branch	147-149 Castle Peak Road, Sham Shui Po, Kowloon	2708 3678

New Territories & Outlying Islands

Branch	Address	Telephone
Sha Tin District		
41 Tai Wai Road Branch	41-45 Tai Wai Road, Sha Tin, New Territories	2929 4288
74 Tai Wai Road Branch	74-76 Tai Wai Road, Sha Tin, New Territories	2699 9523
Fo Tan Branch	No 2, 1/F Shatin Galleria, 18-24 Shan Mei Street, Fo Tan, New Territories	2691 7193

Branch	Address	Telephone
Sha Tin Branch	Lucky Plaza, Wang Pok Street, Sha Tin, New Territories	2605 6556
Sha Tin Wealth Management Centre	Shop 18, L1, Shatin Plaza, Sha Tin, New Territories	2688 7668
Sha Kok Estate Branch	Shop 39, Sha Kok Shopping Centre, Sha Kok Estate, Sha Tin, New Territories	2648 0302
Heng On Estate Branch	Shop 203, Commercial Centre, Heng On Estate, Ma On Shan, New Territories	2642 0111
Ma On Shan Plaza Branch	Shop 2103, Level 2, Ma On Shan Plaza, Sai Sha Road, Ma On Shan, New Territories	2631 0063
Lung Hang Estate Branch	103 Lung Hang Commercial Centre, Sha Tin, New Territories	2605 8618
New Town Plaza Branch	Shop 608, Level 6 Phase One, New Town Plaza, Sha Tin, New Territories	2606 6163
Lek Yuen Branch	No 1, Fook Hoi House, Lek Yuen Estate, Sha Tin, New Territories	2605 3021
City One Sha Tin Branch	Shop Nos.24-25, G/F, Fortune City One Plus, No.2 Ngan Shing Street, Shatin, New Territories	2648 8083
Tai Po District		
Tai Po Branch	68-70 Po Heung Street, Tai Po Market, New Territories	2657 2121
Tai Po Plaza Branch	Unit 4, Level 1 Tai Po Plaza, 1 On Tai Road, Tai Po, New Territories	2665 5890
On Chee Road Branch	Shop 10-11, Jade Plaza, 3 On Chee Road, Tai Po, New Territories	2665 1966
Fu Heng Estate Branch	Shop 1-2, Fu Heng Shopping Centre, Tai Po, New Territories	2661 6278
Fu Shin Estate Branch	Shop G11, Fu Shin Shopping Centre, Tai Po, New Territories	2663 2788
Kwong Fuk Road Branch	40-50 Kwong Fuk Road, Tai Po Market, New Territories	2658 2268
Sai Kung District		
East Point City Branch	Shop 101, East Point City, Tseung Kwan O, New Territories	2628 7238
HKUST Branch	The Hong Kong University of Science & Technology, Clear Water Bay Road, New Territories	2358 2345
Tseung Kwan O Plaza Branch	Shop 112-125, Level 1, Tseung Kwan O Plaza, Tseung Kwan O, New Territories	2702 0282
Metro City Branch	Shop 209, Level 2, Metro City Phase 1, Tseung Kwan O, New Territories	2701 4962
Hau Tak Estate Branch Securities Services Centre	Shop 15, Hau Tak Shopping Centre, Tseung Kwan O, New Territories	2703 5749
Sai Kung Branch	Shop No. 56 & 58, Sai Kung Town Centre, 22-40 Fuk Man Road, Sai Kung, New Territories	2792 1465
Tsuen Wan District		
Clague Garden Branch	Shop 1-3, Commercial Complex, Clague Garden Estate, 24 Hoi Shing Road, Tsuen Wan, New Territories	2412 2202
Citywalk Branch	Shop 65, G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan, New Territories	2920 3211
Tsuen Wan Branch	297-299 Sha Tsui Road, Tsuen Wan, New Territories	2411 1321
Castle Peak Road (Tsuen Wan) Branch	201-207 Castle Peak Road, Tsuen Wan, New Territories	2416 6577
Sham Tseng Branch	Shop G1 & G2, Rhine Garden, Sham Tseng, New Territories	2491 0038
Texaco Road Branch	Shop A112, East Asia Gardens, 36 Texaco Road, Tsuen Wan, New Territories	2414 4287
Castle Peak Road (Tsuen Wan) Branch Securities Services Centre	167 Castle Peak Road, Tsuen Wan, New Territories	2406 1746
Kwai Tsing District		
Ha Kwai Chung Branch	192-194 Hing Fong Road, Kwai Chung, New Territories	2424 9823
Sheung Kwai Chung Branch	7-11 Shek Yi Road, Sheung Kwai Chung, New Territories	2480 6161
Cheung Fat Estate Branch	Shop 317, Cheung Fat Shopping Centre, Tsing Yi Island, New Territories	2433 1689
Cheung Hong Estate Commercial Centre Branch	2 G/F, Commercial Centre, Cheung Hong Estate, Tsing Yi Island, New Territories	2497 0325
Maritime Square Branch	Shop 115, Maritime Square, Tsing Yi Island, New Territories	2436 9298
Lei Muk Shue Branch	Shop 22, Lei Muk Shue Shopping Centre, Kwai Chung, New Territories	2428 5731
Metroplaza Branch	Shop 260-265, Metroplaza, 223 Hing Fong Road, Kwai Chung, New Territories	2420 2686
Kwai Cheong Road Branch	40 Kwai Cheong Road, Kwai Chung, New Territories	2480 3311
Kwai Chung Road Branch	1009 Kwai Chung Road, Kwai Chung, New Territories	2424 3021
Kwai Chung Plaza Branch	A18-20, G/F Kwai Chung Plaza, 7-11 Kwai Foo Road, Kwai Chung, New Territories	2920 2468

Bank of China (Hong Kong) – Branch Network (continued)

Branch	Address	Telephone
Tuen Mun District		
Tuen Mun Wealth Management Centre	Shop 5, Level 1, North Wing, Trend Plaza, Tuen Mun, New Territories	2404 9777
Tuen Mun Town Plaza Branch	Shop 2, Tuen Mun Town Plaza phase II, Tuen Mun, New Territories	2450 8877
Tuen Mun Fa Yuen Branch	Shop G & H, 6 Tsing Hoi Circuit, Tuen Mun, New Territories	2458 1033
Tuen Mun San Hui Branch	G13-G14 Eldo Court, Heung Sze Wui Road, Tuen Mun, New Territories	2457 3501
Kin Wing Street Branch	24-30 Kin Wing Street, Tuen Mun, New Territories	2465 2212
Venice Gardens Branch	Shop 13-15, G/F Venice Gardens, Leung Tak Street, Tuen Mun, New Territories	2455 1288
Butterfly Estate Branch	Shop Nos. L187-195, Level 1, Butterfly Plaza, Tuen Mun, New Territories	2920 5188
Leung King Estate Branch	Shop No. L221 and L222, Level 2, Leung King Plaza, Leung King Estate, 31 Tin King Road, Tuen Mun, New Territories	2463 3855
Yuen Long District		
Tai Tong Road Branch	Shop A135, 1/F Hop Yick Plaza, 23 Tai Tong Road, Yuen Long, New Territories	2479 2113
Yuen Long Branch	102-108 Castle Peak Road, Yuen Long, New Territories	2474 2211
Castle Peak Road (Yuen Long) Branch	162 Castle Peak Road, Yuen Long, New Territories	2476 2193
Yuen Long (Hang Fat Mansion) Branch	8-18 Castle Peak Road, Yuen Long, New Territories	2475 3777
Kau Yuk Road Branch	18-24 Kau Yuk Road, Yuen Long, New Territories	2473 2833
Kingswood Villas Branch	A189 Kingswood Richly Plaza, Tin Shui Wai, New Territories	2448 3313
Fortune Kingswood Branch	Shop G65, G/F, Ph 1 Fortune Kingswood, 18 Tin Yan Road, Tin Shui Wai, NT	2616 4233
Tin Shui Estate Branch	Shop No.G30, Tin Shui Shopping Centre, Tin Shui Wai, New Territories	2445 8728
North District		
Sheung Shui Centre Branch	Shop 1007-1009, Level 1, Sheung Shui Centre, Sheung Shui, New Territories	2670 3131
Sheung Shui Branch	61 San Fung Avenue, Sheung Shui, New Territories	2671 0155
Sha Tau Kok Branch	Block 16-18, Sha Tau Kok Chuen, Sha Tau Kok, New Territories	2674 4011
Flora Plaza Branch	Shop 28, Flora Plaza, 88 Pak Wo Road, Fanling, New Territories	2675 6683
Fanling Centre Branch	Shop 2D-E & H, Fanling Centre, Fanling, New Territories	2669 7899
Luen Wo Market Branch	17-19 Wo Fung Street, Luen Wo Market, Fanling, New Territories	2675 5113
Luen Wo Market Branch Safe Box Service Centre	Shop B, 10-16 Luen Shing Street, Luen Wo Market, Fanling, New Territories	2683 1662
Sheung Shui Branch Securities Services Centre	136 San Fung Avenue, Sheung Shui, New Territories	2672 3738
Choi Yuen Plaza Branch	Shop 3, 3/F, Choi Yuen Plaza, Sheung Shui, New Territories	2671 6783
Outlying Island District		
Cheung Chau Branch	53-55 Tai Sun Street, Cheung Chau, New Territories	2981 0021
Hong Kong International Airport Branch	Unit T7075, Passenger Terminal Building, Hong Kong International Airport	2326 1883

Corporate Banking Centres

Network & Centres	Address	Telephone
Corporate Finance	10/F, Bank of China Tower, 1 Garden Road, Hong Kong	3982 7078
Corporate Business I	10/F, Bank of China Tower, 1 Garden Road, Hong Kong	2826 6889
Corporate Business II	9/F, Bank of China Tower, 1 Garden Road, Hong Kong	3982 6509
Commercial Business I	Unit 701-706, The Gateway Tower 3 (Prudential Tower), 21 Canton Road, Tsim Sha Tsui, Kowloon	3982 7300
Commercial Business II	9/F, Bank of China Tower, 1 Garden Road, Hong Kong	3982 6555
Hong Kong Central and West Commercial Centre	24/F, Bank of China Tower, 1 Garden Road, Hong Kong	3982 6513
Hong Kong East Commercial Centre	13/F, Cambridge House, Taikoo Place, 981 King's Road, Island East, Hong Kong	3982 7398
Kowloon East Commercial Centre	25/F, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon	3982 7600
Kowloon West Commercial Centre	9/F, BOC Mongkok Commercial Centre, 589 Nathan Road, Mongkok, Kowloon	3982 7700

Network & Centres	Address	Telephone
New Territories East Commercial Centre	4/F, 68-70 Po Heung Street, Tai Po Market, New Territories	3982 7888
New Territories West Commercial Centre	Unit 1316-1325, Level 13, Metroplaza Tower 1, 223 Hing Fong Road, Kwai Chung, New Territories	3982 7900
Financial Institutions (Bank)	33/F, Bank of China Tower, 1 Garden Road, Hong Kong	2903 6666
Non-Bank Financial Institutions & Public Sector Trade Product	33/F, Bank of China Tower, 1 Garden Road, Hong Kong	2903 6666
	5/F, Bank of China Centre, Olympian City, 11 Hoi Fai Road, West Kowloon	3198 3544

Nanyang Commercial Bank – Branch Network

Branch	Address	Telephone
Main Branch	151 Des Voeux Road, Central, Hong Kong	2852 0888
Hong Kong Island		
Western Branch	1/F & 2/F, 359-361 Queen's Road Central, Hong Kong	3982 9973
Causeway Bay Branch	472 Hennessy Road, Causeway Bay, Hong Kong	3982 9974
Happy Valley Branch	29 Wong Nei Chung Road, Happy Valley, Hong Kong	3982 9975
Kennedy Town Branch	86 Belcher's Street, Kennedy Town, Hong Kong	3982 9976
Quarry Bay Branch	1014 King's Road, Quarry Bay, Hong Kong	3982 9980
Des Voeux Road West Branch	334 Des Voeux Road West, Hong Kong	3982 9984
Aberdeen Branch	Shop A, 171 Aberdeen Main Road, Aberdeen, Hong Kong	3982 9993
North Point Branch	351 King's Road, North Point, Hong Kong	3982 9996
Sai Wan Ho Branch	63 Shaukeiwan Road, Sai Wan Ho, Hong Kong	3982 9999
Wanchai Branch	123 Johnston Road, Wanchai, Hong Kong	3982 9903
Causeway Centre Branch	Shop Nos 9-10, Ground Floor, Causeway Centre, 28 Harbour Road, Wanchai, Hong Kong	3982 9908
Central District Branch	2/F Century Square, 1-13 D'Aguiar Street, Central, Hong Kong	3982 9909
Sunning Road Branch	8 Sunning Road, Causeway Bay, Hong Kong	3982 9914
Kowloon		
Mongkok Branch	727 Nathan Road, Mongkok, Kowloon	3982 9977
Yaumati Branch	309 Nathan Road, Yaumati, Kowloon	3982 9978
Ferry Point Branch	Offices B-D, 10/F and Shops D-F, G/F, Best-O-Best Commercial Centre, 32-36 Ferry Street, Yaumati, Kowloon	3982 9979
Homantin Branch	G/F-2/F, 67B Waterloo Road, Kowloon	3982 9981
Nathan Road Branch	570 Nathan Road, Mongkok, Kowloon	3982 9982
Laichikok Road Branch	236 Laichikok Road, Shamshuipo, Kowloon	3982 9983
Jordan Road Branch	20 Jordan Road, Yaumati, Kowloon	3982 9985
Tokwawan Branch	62 Tokwawan Road, Kowloon	3982 9987
Kwun Tong Branch	G/F Shop 1, 1/F Shop 2, 410 Kwun Tong Road, Kowloon	3982 9988
Tsimshatsui Branch	G/F, Cheong Hing Building, 72 Nathan Road, Tsim Sha Tsui, Kowloon	3982 9990
Hungghom Branch	69A Wuhu Street, Hungghom, Kowloon	3982 9998
Shamshuipo Branch	198-200 Tai Po Road, Shamshuipo, Kowloon	3982 9900
Yee On Street Branch	Shops 4-6, G/F, Yee On Centre, 45 Hong Ning Road, Kowloon	3982 9902
Peninsula Centre Branch	Shop G48 Peninsula Centre, 67 Mody Road, Tsimshatsui, Kowloon	3982 9904
San Po Kong Branch	41-45, Yin Hing Street, San Po Kong, Kowloon	3982 9907
Kowloon City Branch	86 Nga Tsin Wai Road, Kowloon City, Kowloon	3982 9911
Cheung Sha Wan Branch	G/F, 792-794 Cheung Sha Wan Road, Kowloon	3982 9912
Kowloon Bay Branch	Shop 2, G/F, Shun Fat Industrial Building, 17 Wang Hoi Road, Kowloon Bay, Kowloon	3982 9917
New Territories		
Kwai Chung Branch	100 Lei Muk Road, Kwai Chung, New Territories	3982 9986
Tai Po Branch	Shop No. 11, G/F, Treasure Garden, 1 On Chee Road, Tai Po, New Territories	3982 9989
Yuen Long Branch	G/F, Tung Yik Building, Tai Tong Road, Yuen Long, New Territories	3982 9991
Ha Kwai Chung Branch	180 Hing Fong Road, Kwai Chung, New Territories	3982 9992
Tsuen Wan Branch	78 Chung On Street, Tsuen Wan, New Territories	3982 9994
Sheung Shui Branch	31 Fu Hing Street, Sheung Shui, New Territories	3982 9995
Tuen Mun Branch	G/F, Forward Mansion, Yan Ching Circuit, Tuen Mun, New Territories	3982 9905
Shatin Branch	Shop 7-8, Lucky Plaza, Shatin, New Territories	3982 9906
Tsuen Wan Market Street Branch	Shops A&B, G/F, 21-25 Tsuen Wan Market Street, Tsuen Wan, New Territories	3982 9910
Sai Kung Branch	Shop 11-12 Sai Kung Garden, Man Nin Street, New Territories	3982 9913
Offshore		
San Francisco Branch	505 Montgomery Street, Suite 1200, San Francisco, CA94111, USA	(1-415) 398 8866

Branch Network & Corporate Banking Centres

Chiyu Banking Corporation – Branch Network

Branch	Address	Telephone
Hong Kong Island		
Central Branch	No. 78 Des Voeux Road Central, Central, Hong Kong	2843 0187
North Point Branch	G/F, No. 390-394 King's Road, North Point, Hong Kong	2570 6381
Wanchai Branch	Shop C & D, G/F, No. 323-331 Hennessy Road, Wanchai, Hong Kong	2572 2823
Sheung Wan Branch	Shop 3, G/F, No. 315-319 Queen's Road Central, Sheung Wan, Hong Kong	2544 1678
Western Branch	Shop 13, G/F, No. 443-445 Queen's Road West, Western District, Hong Kong	2548 2298
Quarry Bay Branch	G/F, No. 967-967A King's Road, Quarry Bay, Hong Kong	2811 3131
Aberdeen Branch	G/F, No. 138-140 Aberdeen Main Road, Aberdeen, Hong Kong	2553 0603
Kowloon		
Hung Hom Branch	G/F, No. 23-25 Gillies Avenue South, Hung Hom, Kowloon	2362 0051
Kwun Tong Branch	Unit A, G/F, No. 398-402 Kwun Tong Road, Kowloon	2343 4174
Sham Shui Po Branch	G/F, No. 235-237 Laichikok Road, Sham Shui Po, Kowloon	2789 8668
San Po Kong Branch	G/F, No. 61-63 Hong Keung Street, San Po Kong, Kowloon	2328 5691
Yau Ma Tei Branch	G/F, No. 117-119 Shanghai Street, Yau Ma Tei, Kowloon	2332 2533
Castle Peak Road Branch	G/F, No. 226-228 Castle Peak Road, Sham Shui Po, Kowloon	2720 5187
Kowloon Bay Branch	Shop 10 & 10A, G/F, Kai Lok House, Kai Yip Estate, Kowloon Bay, Kowloon	2796 8968
Tokwawan Branch	Shop 11-13, G/F, No. 78-80W To Kwa Wan Road, Kowloon	2765 6118
Tsz Wan Shan Branch	Shop 703A, 7/F, Tsz Wan Shan Shopping Centre, Kowloon	2322 3313
New Territories		
Tuen Mun Branch	Shop N-125, Level 1, Zone N, H.A.N.D.S., On Ting Estate, Tuen Mun, New Territories	3988 9508
Kwai Hing Estate Branch	Shop 1, G/F, Hing Yat House, Kwai Hing Estate, Kwai Chung, New Territories	2487 3332
Tai Wo Estate Branch	Shop 112-114, G/F, On Wo House, Tai Wo Estate, Tai Po, New Territories	2656 3386
Belvedere Garden Branch	Shop 5A, G/F, Belvedere Square, Belvedere Garden Phase 3, Tsuen Wan, New Territories	2411 6789
Tsuen Wan Branch	G/F, No. 131-135 Sha Tsui Road, Tsuen Wan, New Territories	3988 9518
Sui Wo Court Branch	Shop F7, 1/F, Commercial Centre, Sui Wo Court, Shatin, New Territories	2601 5888
Ma On Shan Branch	Shop 313, Level 3, Ma On Shan Plaza, Bayshore Towers, Ma On Shan, New Territories	2640 0733
Sheung Tak Estate Branch	Shop 238, 2/F, Sheung Tak Shopping Centre, Sheung Tak Estate, Tseung Kwan O, New Territories	2178 2278
The Mainland of China		
Fuzhou Branch	1/F, International Building, No. 210 Wusi Road, Fuzhou, Fujian Province, China	(86-591) 8781 0078
Xiamen Branch	Unit 111-113, 1/F, No. 861 Xiahe Road, Xiamen, Fujian Province, China	(86-592) 585 7690
Xiamen Jimeli Sub-Branch	No.68-71 Lehai Bei Li, Jimeli District, Xiamen, Fujian Province, China	(86-592) 619 3302
Xiamen Guanyinshan Sub-Branch	Unit 1702E & 1703A, 17/F, No. 9 Building, No. 170 Tapu East Road, Siming District, Xiamen, Fujian Province, China	(86-592) 599 0520

Nanyang Commercial Bank (China) – Branch Network

Branch	Address	Telephone
The Mainland of China		
Head Office	Nanyang Commercial Bank Building, No.800 Century Avenue, Pudong District, Shanghai, China	(86-21) 3856 6666
Shenzhen Branch	L140-142, Tower 4, Excellence Century Center, Fuhua 3rd Road, Futian District, Shenzhen, China	(86-755) 8233 0230
Shenzhen Shekou Sub-Branch	G/F, Finance Centre, No.22, Taizi Road, Shekou, Nanshan District, Shenzhen, China	(86-755) 2682 8788
Shenzhen Luohu Sub-Branch	G/F, The Kwangtung Provincial Bank Building, No.1013, South Ren Min Road, Luohu District, Shenzhen, China	(86-755) 2515 6333
Shenzhen Futian Sub-Branch	1/F, Shen Ye Garden Club House, Caitian Road, Futian District, Shenzhen, China	(86-755) 8294 2929
Shenzhen Qianhai Sub-Branch	Unit 108 Xushida Garden, Xin An Si Road, Baoan District 34-2, Shenzhen, China	(86-755) 2785 3302

Branch	Address	Telephone
Shenzhen Jiabin Sub-Branch	1/F, Block C, Nanyang Mansion, No. 2002 Jianshe Road, Luohu District, Shenzhen, China	(86-755) 8220 9955
Shenzhen Houhai Sub-Branch	L184-185, Tiley Central Plaza II, Central Area, Nanshan District, Shenzhen, China	(86-755) 8663 6200
Dongguan Sub-Branch	No. C-112, C-204, Dingfeng International Plaza, No.19 Dongguan Avenue, Dongcheng District, Dongguan, China	(86-769) 2662 6888
Haikou Branch	1/F, Time Square, No.2, Guomao Road, Haikou, Hainan, China	(86-898) 6650 0038
Guangzhou Branch	Room 402 & R03-04, Skygalleria CITIC Plaza, No. 233 North Tianhe Road, Tianhe District, Guangzhou, China	(86-20) 3891 2668
Guangzhou Panyu Sub-Branch	C001-C008 & C101-C106, No.2 West Fuhua Road, Shiqiao, Panyu District, Guangzhou, China	(86-20) 3451 0228
Guangzhou Yuexiu Sub-Branch	Room 01, Huayitai Plaza, No.418 Dong Feng Zhong Road, Yuexiu District Guangzhou, China	(86-20) 8378 2668
Foshan Sub-Branch	Room 403-405 and Ground Floor P5/P6, Jinhai Plaza, No.21 Jihua Wu Road Chan Cheng District, Foshan, Guangdong, China	(86-757) 8290 3368
Dalian Branch	1/F, Anho Building, No.87 Renmin Road, Dalian, China	(86-411) 3984 8888
Beijing Branch	1/F A, B, C, D Areas and 2F, Tower B, Jiacheng Plaza, 18 Xiaguangli, North Dongsanhuan Road, Chao Yang District, Beijing, China	(86-10) 5839 0888
Beijing Jianguomen Sub-Branch	Level 1A, No.88, Jianguomen Wai Da jie, Chaoyang District, Beijing, China	(86-10) 6568 4728
Beijing Zhongguancun Sub-Branch	Room 105 & 106, Ground Floor, No.8 North Haidian Second Street, Haidian District, Beijing, China	(86-10) 5971 8565
Beijing Wuluju Sub-Branch	No.106, 2nd Area, West Fourth Ring Road 160th, Haidian District, Beijing, China	(86-10) 8854 6868
Shanghai Branch	1/F, 2/F & M/F, Nanyang Commercial Bank Building, No.800 Century Avenue, Pudong District, Shanghai, China	(86-21) 2033 7500
Shanghai Xuhui Sub-Branch	Huafucheng Mansion, No.2 Lane 498 Tianyaoqiao Road, Xuhui District Shanghai, China	(86-21) 6468 1999
Shanghai Zhabei Sub-Branch	Unit 102, Block 7, Daning Central Square, No.700 Wanrong Road, Zhabei District, Shanghai, China	(86-21) 5308 8888
Shanghai Hongqiao Sub-Branch	Unit 105-106, No.107 Zunyi Road, Changning District, Shanghai, China	(86-21) 6237 5000
Shanghai Huangpu Sub-Branch	Room 1A, Area F West Block, No.666 East Beijing Road, Huangpu District, Shanghai, China	(86-21) 6375 5858
Shanghai FTZ Sub-Branch	Zone C, 3/F, Tangchen Tower, No.1 Jilong Road, Pudong District, Shanghai, China	(86-21) 5019 8270
Hangzhou Branch	Room 101-201, Building 2, Tong Ce Square, No.3688 Jiang Nan Avenue, Binjiang District, Hangzhou, China	(86-571) 8778 6000
Hangzhou Chengzhong Sub-Branch	1-2/F Guo Mao Building, No.195-1 Qingchun Road, Hangzhou, China	(86-571) 8703 8080
Nanning Branch	1/F, Kings Wealth CBD Modern Town, No.63 Jinhu Road, Nanning, China	(86-771) 555 8333
Shantou Branch	1-2/F No.4-6 BLDG 7 And No.1-5 BLDG 8 Fenghua Garden, No.192 Jinsha Road, Shantou, China	(86-754) 8826 8266
Qingdao Branch	South Door, No. 66 Nanjing Road, Qingdao, China	(86-532) 6670 7676
Qingdao Economic and Technical Development Zone Sub-Branch	No.218 Middle Changjiang Road, Economic & Technical Development Zone, Qingdao, Shandong, China	(86-532) 6805 5618
Qingdao Qianling Road Sub-Branch	1-2/F, Unit 12-13, Jinling Century Garden, Xianxiang Road, Laoshan District, Qingdao, China	(86-532) 8395 0878
Qingdao Chengyang Road Sub-Branch	No.192-1, Zhengyang Middle Road, Chengyang Zone, Qingdao, China	(86-532) 6776 2929
Chengdu Branch	M/F, 1/F, Dong Du INTL, 70 Section 2, Middle Renmin Road, Chengdu, China	(86-28) 8628 2777
Chengdu Chuangye Road Sub-Branch	No.7-9, 10-12, 13-16, 1 F, 4 Building, No.49 Chuangye Road, Hi-tech Zone, Chengdu, China	(86-28) 6155 8822
Wuxi Branch	Vanke Homes, No.28 North Changjiang Road, Wuxi New District, Wuxi, China	(86-510) 8119 1666
Jiangyin Sub-Branch	Building A, Kaiyue International Financial Center, 25 North Huancheng Road, Jiangyin, China	(86-510) 8187 5588
Hefei Branch	1/F, Unit 101-103 & 108-110 and 10/F Unit 1001-1002, Land Square Baiyue Center Building 2, No.288 Huaining Road, Zhengwu District, Hefei, Anhui, China	(86-551) 6275 0900
Suzhou Branch	Building 2, No.88 Huachi Road, Suzhou Industrial Park, Jiangsu, China	(86-512) 6986 2222

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