



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
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New York, New York 10173-0002

Licensing Division
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May 16, 2012

Conditional Approval #1035
June 2012

Mr. Glen R. Cuccinello
Counsel
Bank Advisory Practice
White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787

Re: Application by Bank of China Limited (“Bank of China”), Beijing, China to establish an additional Federal Branch in Chicago, Illinois
Control Number: 2010 IB 10 0002

Dear Mr. Cuccinello:

I have reviewed the subject application by Bank of China to establish an additional Federal Branch, with the title of “Bank of China, Chicago Branch”, to be located at 71 South Wacker Drive, 45th Floor, Chicago, Illinois 60606. After a thorough evaluation of all data available to the Office of the Comptroller of the Currency (“OCC”), I find the proposal meets the requirements for preliminary conditional approval.

This preliminary conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application by Bank of China.

The Chicago Branch’s Capital Equivalency Deposit shall be maintained in a U.S. member bank, consistent with 12 U.S.C. § 3102(g) and 12 C.F.R. § 28.15, and pursuant to an agreement in such form and containing such limitations and conditions as prescribed by 12 C.F.R. § 28.15.

I have granted preliminary conditional approval only. Final approval will not be granted until all other pre-opening requirements have been met, and the OCC determines that the Chicago Branch is ready to commence operations. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following conditions:

1. In addition to compliance with other applicable requirements under United States law, Bank of China and its Chicago Branch shall make available to the OCC such information on the operations and activities of Bank of China, its branches, and any of Bank of China's affiliates that the OCC deems necessary to determine and enforce compliance by the Chicago Branch with the International Banking Act and other applicable federal laws. If the disclosure of any required information is prohibited by law or otherwise, Bank of China and its Chicago Branch shall cooperate with the OCC including seeking timely waivers for exemptions from any applicable confidentiality or secrecy restrictions or requirements in order to enable Bank of China, its branches, and Bank of China's affiliates to make such information available to the OCC.
2. Bank of China and its Chicago Branch consent to the jurisdiction of the federal courts of the United States and of all United States government agencies, departments and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the OCC and any other United States government agency, department or division, in any matter arising under the National Bank Act, the International Banking Act, and other applicable federal laws.
3. During its first three (3) years of operation, the Chicago Branch: (i) shall give the OCC's International Banking Supervision Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before it either engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions that it deems appropriate in a written determination of no objection to the Chicago Branch's notice.
4. Bank of China and its Chicago Branch must comply with all understandings and commitments contained in any approval order issued by the Federal Reserve Board in connection with the proposed Chicago Branch.

These conditions of approval are conditions imposed in writing by a Federal banking agency in connection with any action on any application, notice or other request within the meaning of 12 U.S.C. § 1818 (b). As such, the conditions are enforceable under 12 U.S.C. §1818 (b).

In connection with this preliminary conditional approval to establish the Chicago Branch, final approval will not be granted until the applicant has met the following procedural requirements and the OCC determines that the Chicago Branch is ready to commence operations as a limited Federal branch.

- The Chicago Branch must have adequate fidelity insurance coverage.

- The Chicago Branch must open within eighteen (18) months of the date of this preliminary conditional approval; otherwise, the approval is withdrawn.
- The Chicago Branch will maintain its accounts, books, and records as prescribed by 12 C.F.R. Part 28 and in such a manner as to facilitate the complete and accurate presentation of financial statements and other reports in form and content as required by the OCC.
- Management must ensure applicable policies and procedures are established and approved by the board of directors before the Chicago Branch commences business. *Please refer to the enclosed minimum policies and procedures for guidance.*

Also, enclosed are standard requirements that must be met, as applicable, before the Chicago Branch will be allowed to commence business.

Please notify our office at least 45 days prior to the date the Chicago Branch will open for business so that we may schedule a pre-opening examination and issue the license granting final approval for its establishment and operation.

The OCC poses no objection to the following individuals serving in their respective positions as proposed in the application:

- Ms. Xuehui Zhuang - Proposed General Manager

You are reminded that for a period of two years after the Chicago Branch is opened for business, the OCC must review and approve the appointment of any new executive officer *prior* to that person assuming such position.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our preliminary conditional approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

The OCC will send under separate cover an appropriate set of OCC handbooks, issuances, and other selected publications. If you have questions, you may contact Kerry Rice, Licensing

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Analyst, at (212) 790-4055.

Sincerely,

Louis Gittleman

Louis Gittleman
Acting Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures