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Comptroller of the Currency  
Administrator of National Banks and Federal Thrifts

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**Conditional Approval #1019**  
**February 2012**

November 15, 2011

Mr. Hao, Xiaohui  
General Manager, New York Branch  
Bank of Communications Co., Ltd.  
One Exchange Plaza  
55 Broadway, 32<sup>nd</sup> Floor  
New York, New York 10006

Mr. Hu, Huai Bang  
Chairman of the Board & Executive Director  
Bank of Communications Co., Ltd., Head Office  
188 Yin Cheng Road Central  
Shanghai, PR China 200120

Re: Application by Bank of Communications Co. Ltd. (“Bank of Communications”),  
Shanghai, People’s Republic of China to establish a limited Federal Branch in San  
Francisco, California with the title “Bank of Communications, San Francisco Branch”

Control Number: 2009 IB 10 0001

Dear Messrs. Hao and Hu:

On April 13, 2011, the Office of the Comptroller of the Currency (“OCC”) conditionally approved the application by Bank of Communications Co., Ltd, Shanghai, People’s Republic of China to establish a limited Federal Branch, with the title of “Bank of Communications, San Francisco Branch” located at 575 Market Street, Suite 3888, San Francisco, California 94105 (hereinafter “San Francisco Branch”). You have met all the requirements imposed by the OCC and have represented to the OCC that you have performed all of the necessary steps to commence business as a limited Federal Branch. This letter constitutes the final approval granted by the OCC to Bank of Communications to establish the limited Federal Branch and to commence operations effective November 16, 2011.

This final approval is subject to the following conditions:

1. In addition to compliance with other applicable requirements under United States law, Bank of Communications and its San Francisco Branch shall make available to the OCC such information on the operations and activities of Bank of Communications, its branches, and any of Bank of Communications' affiliates that the OCC deems necessary to determine and enforce compliance by the San Francisco 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 Communications and its San Francisco 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 Communications, its branches, and Bank of Communications' affiliates to make such information available to the OCC.
2. Bank of Communications and its San Francisco 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 San Francisco 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 San Francisco Branch's notice.
4. Bank of Communications and its San Francisco Branch must comply with all understandings and commitments contained in any approval order issued by the Federal Reserve Board in connection with the proposed San Francisco 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).

Also, Bank of Communications and the San Francisco Branch are reminded that several of the standard requirements enclosed as part of the preliminary conditional approval letter dated April 13, 2011 will continue to apply once the San Francisco Branch opens and, by opening, Bank of

Communications agrees to subject the San Francisco Branch to these requirements of operation. Some of the requirements bear reiteration here:

1. For a period of two years after the San Francisco Branch has opened for business, the San Francisco Branch must file and obtain the OCC's written determination of no objection prior to the appointment of any new executive officer, as provided for in 12 C.F.R. § 5.51.
2. The OCC requires that, prior to opening, the San Francisco Branch engage an independent, external auditor to perform an audit according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the San Francisco Branch, taken as a whole. The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the San Francisco Branch opens. The OCC expects that such audits will be performed annually for at least three years following commencement of operations. Engagement of an auditor was verified during the pre-opening examination. (*See the "Corporate Organization" booklet*).
3. The San Francisco Branch will maintain accounts, books, and records as prescribed by 12 C.F.R. §§ 28.15 and 28.18 and in such manner as to facilitate the complete and accurate presentation of financial statements and other reports in form and content as required by the OCC.
4. The San Francisco Branch shall maintain written policies and procedures that will guide the San Francisco Branch's operations in a safe and sound manner. These policies should be reviewed and updated as appropriate.
5. Any services performed by affiliates for the San Francisco Branch and payments to said affiliates by the San Francisco Branch will be rendered pursuant to contracts that comply with federal law and regulation, reflect safe and sound practices, and are at costs similar to those the San Francisco Branch would pay an independent third party for the same services.

This final 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 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 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.

Your supervisory office is the International Banking Supervision division, which is part of the OCC's Large Bank supervision program. If you have any questions about the supervision of the San Francisco Branch, please contact Carlos D. Hernández, Director of International Banking Supervision, at (917) 229-2470. For questions regarding this letter or other licensing matters, please contact Wai-Fan Chang, Licensing Analyst, at (212) 790 – 4055.

We will forward you a license certificate under separate cover. Please retain the license certificate as part of the San Francisco Branch's official records, as it must be surrendered to the OCC in the event of liquidation or conversion.

Sincerely,

*Steven Maggio*

Steven Maggio  
Director for District Licensing