

Investor Relations Management

1 OBJECTIVES

The Bank's Investor Relations Management (IRM) aims to establish a platform of communication and exchange between the Bank and investors and prospective investors through information disclosure, amongst other ways of communication and exchange. The goal is to enhance the transparency of disclosure, to ensure complete and accurate information is delivered to the group of investors in a timely manner, to enhance investors' understanding and recognition of the Bank, to improve corporate governance, and to optimize shareholders' interest and to guarantee investors' legal interests.

2 REVIEW OF INVESTOR RELATIONS MANAGEMENT ACTIVITIES IN 2006

In 2006, the Bank actively improved investor relations management according to the best International practice standard, and has achieved significant progress in this respect.

Complete IRM System and Network

The organizational structure of IRM is being improved constantly. An organizational framework that includes top management, senior management, executive management and front line customers' managers has been formed.

The Bank understands that it is key for the success of IRM to draw the focus, attention and participation of Senior Management. Therefore, the Bank has established an IRM leadership group with the Chairman of the Board serving as the leader of the group. Under the guidance of this leadership group, an IRM working group led by the Chief Financial Officer was established. This working group is responsible for planning, coordinating, organizing and managing the disclosure of information disclosure relating to investor relations. The Investor Relations Department was specially established within the Board's office. This Investor Relations Department is responsible for the management of investor relations on a regular basis. Based upon the characteristics of the Bank's shareholding structure and the characteristics of mainland and overseas shareholders, the Bank established an IRM network centered in Head Office, but which also extends to all its branches including more than 2,000 branches both in the mainland and overseas such as in Hong Kong, Singapore, London and New York. Such an IRM network allowed the Bank to effectively communicate with investors.

Improving IRM Regulation Systems

In order to clarify the IRM objective, principle, methodology and framework, and in order to properly guide and standardize investor relations activities, the Bank established core frameworks and operational rules such as "The Temporary Rules of IRM", "The Rules of Routine IRM", and "Standard IRM Activities". These frameworks and rules provide clear standard and guidance for the Bank to commence its IRM work.

Specialized IRM Group

The Bank created a team constituted by personnel from various working levels of the Bank to communicate with investors and analysts. This team comprised of the Bank's Senior Management, relevant department heads, senior managers, and IRM personnel. The Bank continued to enhance the organizational structure of the IRM team, upgrade professional standards and communication skills. It is the Bank's objective to provide responses in a timely basis and to the satisfaction of the investors and analysts.

2 REVIEW OF INVESTOR RELATIONS MANAGEMENT ACTIVITIES IN 2006 *(Continued)*

A Comprehensive and Multi-channeled Communication Platform

The Bank capitalized on modern information technology to establish a comprehensive platform including using e-mails, the Bank's website, an investors hotline and facsimile. The Bank also assigned personnel to regularly maintain this platform to ensure that queries from investors are replied promptly. The Board of Directors and top management of the Bank pay close attention to the analysis and suggestions of investors and analysts. Dedicated staff is appointed to compile the analyst reports and comments from the media and investors. These reports and comments are regularly responded to senior management for reference. Senior management would then take appropriate measures to implement reasonable suggestions from analysts, investors and the media. At the annual general meeting, the Bank would also respond to the issues raised by shareholders in person or by telephone after the meetings. This reflects the Bank's respect for the rights and interest of shareholders.

Effective Communication with Investors

The Bank is committed to maintain regular communication with investors through various channels. This commitment is made with a view to enhance investors' knowledge of the economic development and progress of the financial sector reforms in China, as well as of the Bank's progress in its strategic transformation, risk management process and operations. In 2006, the Bank accepted and participated in almost 200 interviews with mainland and overseas investors and investment bank analysts. Senior Management also participated in such mainland and overseas investors forums organized by Internationally renowned investment banks such as Citigroup, JP Morgan, and Lyons Securities.

3 FUTURE PROSPECTS

Going forward in 2007, the Bank will continue to follow the concept of "Good Investor Relations Management is Value Enhancing". Building upon its experience in overseas investor relation management, the Bank will further improve the infrastructure and framework of mainland investor relations management. The Bank will further expand the operating scope of investor relation management and carry out further innovations on the current investor relation management model. It will strengthen its communication with mainland and overseas investors through various communication channels, in order to enhance and promote investors' understanding and recognition of the Bank's corporate brand and its operational strategy. In this process, the Bank will continue to create value for investors.