
RELATIONSHIP WITH OUR PROMOTERS AND CONNECTED TRANSACTIONS

OVERVIEW

As part of our restructuring, we were converted from a wholly state-owned commercial bank into a joint stock limited liability company in January 2009, with the MOF and Huijin as our promoters. At the Latest Practicable Date, each of the MOF and Huijin owned approximately 48.15% of our total issued shares. Immediately following the A Share Offering and the Global Offering, assuming that neither of the over-allotment options for the A Share Offering and the Global Offering is exercised, the MOF will own approximately 40.20% and Huijin will own approximately 40.93% of our registered capital, respectively.

Relationship with the MOF

The MOF, one of our two promoters, is a ministry under the State Council primarily responsible for, among others things, macroeconomic management, state fiscal revenues and expenditures, and taxation policies.

Relationship with Huijin

Huijin, one of our two promoters, is a wholly state-owned limited liability company ultimately owned by the PRC central government and mandated by the state to invest in and hold shares in major PRC financial institutions. It exercises the rights and assumes the obligations of an investor in several financial institutions including us, the Industrial and Commercial Bank of China Limited, China Construction Bank Corporation and Bank of China Limited on behalf of the PRC government, and implements PRC government policies with respect to reforms of state-owned financial institutions. Huijin does not engage in any commercial activity.

Huijin has undertaken to us that:

- (1) so long as Huijin continues to hold any of our shares or is deemed to be a controlling shareholder or a connected person of a controlling shareholder in accordance with the laws or listing rules of China or of the place where our shares are listed, it will not engage or participate in any competing commercial banking activities. If Huijin engages or participates in any competing commercial banking activities or activities which evolve into competing commercial banking activities in China or abroad, Huijin will immediately cease to participate in, manage or engage in such competing commercial banking activities;
- (2) if Huijin obtains any governmental approval, authorization or license to operate commercial banking activities directly, or obtains any other opportunities to operate commercial banking activities, Huijin will immediately relinquish such approval, authorization or license, and will not operate any commercial banking activities;
- (3) notwithstanding the above undertaking (1) and (2), Huijin, as a state-owned investment vehicle established by the PRC government to invest in financial institutions, may through its investments in other companies (including but not limited to its wholly-owned entities, joint ventures, contractual joint ventures, or through its direct or indirect ownership of shares or other interests in such companies) operate or participate in any competing commercial banking activities in China or abroad;
- (4) Huijin, as a state-owned investment vehicle established by the PRC government to invest in financial institutions, will treat its investments in commercial banks on an equal footing,

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and will not confer upon any commercial banks any governmental approval, authorization or license to operate commercial banking activities or any business opportunities it obtains or may obtain, nor will it take advantage of its status as a holder of our shares or the information obtained by virtue of such status to make decisions or judgments against us or in favor of other commercial banks, and will avoid such circumstances arising. It will exercise its shareholder's rights in our best interests as if we were its sole investment in a commercial bank, and will exercise its commercial judgment to maximize the interests of our shareholders and our Company, which judgment will not be affected by its investments in other commercial banks.

CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, after the listing of our H shares, the transactions we have entered into with our connected persons (as defined in the Listing Rules) will constitute connected transactions. Such transactions will continue following the Listing Date, thereby constituting continuing connected transactions under the Listing Rules.

Exempt Continuing Connected Transactions

Set forth below are details of various connected transactions between us and certain directors, supervisors, substantial shareholders and/or their respective associates. These transactions are entered into on normal commercial terms in the ordinary and usual course of our business and are exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under the Listing Rules.

Commercial Banking Services and Products Provided by us in the Ordinary and Usual Course of Business

We provide commercial banking services and products to customers in the ordinary and usual course of our business. Such services and products include the taking of deposits. Customers who place deposits with us include substantial shareholders, directors, supervisors, presidents and chief executive officers of us and our subsidiaries, and former directors of us and our subsidiaries who were directors within 12 months preceding the date of listing of our H shares and their respective associates. Each of the above persons is our connected person under Chapter 14A of the Listing Rules. We expect that our connected persons will continue to place deposits with us following the listing of our H shares, which will constitute continuing connected transactions for us under Chapter 14A of the Listing Rules.

The deposits placed by our connected persons are on normal commercial terms with reference to prevailing market rates.

The provision of commercial banking services and products by us to our connected persons in the ordinary and usual course of our business and on normal commercial terms that are comparable or no more favorable than those offered to independent third parties (including other comparable employees of ours who are not connected persons) will be exempt continuing connected transactions under Rule 14A.65(4) of the Listing Rules, namely financial assistance provided by a connected person in the form of deposits placed with a listed issuer for the benefit of the listed issuer on normal commercial terms (or better to the listed issuer) where no security over the assets of the listed issuer is granted in respect of the financial assistance, and thus will be exempt from the reporting,

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announcement and independent shareholders' approval requirements contained in Rules 14A.35 and 14A.45 to 14A.48 of the Listing Rules.

Loans and Credit Facilities Granted by Us to Connected Persons

We extend loans and credit facilities (including the provision of long-term loans, short-term loans, consumer loans, credit card overdrafts, mortgages, guarantees, guarantees of third-party loans, comfort letters and bill discounting facilities) to our customers in the ordinary and usual course of our business and on normal commercial terms with reference to prevailing market rates. Customers who utilize the above banking products and services may include substantial shareholders, directors, supervisors, presidents and chief executive officers of us and our subsidiaries, and former directors of us and our subsidiaries who were directors within 12 months preceding the date of listing of our H shares and their respective associates. Each of the above persons is our connected person under Chapter 14A of the Listing Rules. We expect that we will continue to provide the above banking products and services to our connected persons following the Global Offering, which will constitute continuing connected transactions for us under Chapter 14A of the Listing Rules.

The above loans and credit facilities provided by us to our connected persons are on normal commercial terms with reference to prevailing market rates.

The provision of the above loans and credit facilities by us to our connected persons in the ordinary and usual course of our business and on normal commercial terms that are comparable or no more favorable than those offered to independent third parties (including other comparable employees of ours who are not connected persons) will be exempt continuing connected transactions under Rule 14A.65(1) of the Listing Rules, namely financial assistance provided by a listed issuer in its ordinary and usual course of business for the benefit of a connected person on normal commercial terms, and thus will be exempt from all reporting, announcement and independent shareholders' approval requirements under Rules 14A.35 and 14A.45 to 14A.48 of the Listing Rules.

Connected Transactions with CA-CIB

Amundi Asset Management holds 33.33% equity interest in our non-wholly owned subsidiary, ABC-CA Fund Management Co., Ltd. ("ABC-CA Fund"). According to the Listing Rules, Amundi Asset Management is a substantial shareholder in one of our subsidiaries, and therefore, it and its associates are our connected persons under the Listing Rules.

Crédit Agricole S.A. holds a 75% equity interest in Amundi Asset Management and 100% equity interest in Crédit Agricole Corporate and Investment Bank ("CA-CIB"), a note-issuing bank in France, respectively. Therefore, pursuant to the Listing Rules, CA-CIB is an associate of Amundi Asset Management, and is our connected person.

We have regularly engaged in various transactions (both one-off transactions and continuing transactions) on normal commercial terms in the ordinary and usual course of our business with CA-CIB. Each of these transactions will constitute a connected transaction under Rule 14A.13(1) or continuing connected transaction under Rule 14A.14 of the Listing Rules, as the case may be, if entered into or continuing following the listing of our H shares.

The value of ABC-CA Fund's total assets, profits and revenue accounts for less than 5% of the total assets, profits and revenue of our Group, respectively, in the past two years since its establishment

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on March 18, 2008. Thus the connected transactions between us and CA-CIB will be exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.33(4) of the Listing Rules.