

Announcement of the China Securities Regulatory Commission

(No. 33 [2008])

In order to regulate the information disclosure by commercial banks which offer securities to the public and are listed on stock exchanges, and protect the legitimate rights and interests of investors, the China Securities Regulatory Commission has formulated the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.26 - Specific Provisions on Information Disclosure by Commercial Banks, in accordance with the Securities Law of the People's Republic of China, the Company Law of the People's Republic of China, the Law of the People's Republic of China on Commercial Banks, and the Administrative Measures for the Information Disclosure of Listed Companies, which are hereby promulgated and shall come into force on September 1, 2008.

July 25, 2008

Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.26 - Specific Provisions on Information Disclosure by Commercial Banks

Article 1 In order to regulate the information disclosure by commercial banks which offer securities to the public and are listed on stock exchanges (hereinafter referred to as the "commercial banks"), and protect the legitimate rights and interests of investors, these Provisions are formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Law of the People's Republic of China on Commercial Banks, the Administrative Measures for the Information Disclosure of Listed Companies and other laws and regulations.

Article 2 In addition to the common provisions of the CSRC on information disclosure concerning the relevant periodic reports, interim reports, etc., the commercial banks shall comply with the requirements of these Provisions.

Article 3 In a periodic report, a commercial bank shall disclose the main accounting data over the previous three years by the end of the reporting period, including the total assets and the structure, total liabilities and structure, total deposits and structure, total loans and structure, inter-bank borrowings, net capital and structure (including core capital and subsidiary capital), net risk-weighted assets, and loan loss reserves.

Article 4 In a periodic report, a commercial bank shall disclose the main financial indexes over the previous three years by the end of the reporting period, including the asset profit margins, the capital profit margins, the capital adequacy, the core capital adequacy, the non-performing loans ratio, the ratio of deposits to loans, the liquidity ratio, the loan ratio of a single top client, the loan ratio of the top ten clients, the migration ratio of pass loans, the migration ratio of OAEM loans, the migration ratio of substandard loans, the migration ratio of doubtful loans, the provisioning coverage ratio, and the cost-income ratio.

Provisioning coverage ratio = balance of loan loss reserves/non-performing loan balance

Article 5 In a periodic report, a commercial bank shall disclose information on the level-by-level management and the quantity of branches at each level and their geographical distribution, including the name, address, number of employees, assets scale, etc.

Article 6 In a periodic report, a commercial bank shall disclose information on the quality of loan assets in the reporting period, including the amounts and proportions of the pass loans, OAEM loans, substandard loans, doubtful loans and loss loans in the "five-category" classification of loans, and their changes compared with those in the same period last year. The commercial bank shall also disclose information on the beginning and ending balances and proportions of corporate restructuring loans and overdue loans in the current reporting period. The commercial bank shall analyze the aforesaid changes.

Article 7 In a periodic report, a commercial bank shall disclose information on the accruals of provisions for the loan depreciation reserve and the write-off thereof in the reporting period, including the accrual method of the loan depreciation reserve, the beginning balance, amount prepared at current period, amount transferred back at current period, amount written-off at current period, and ending balance of the loan depreciation reserves, and the amount of recovery of the loan depreciation reserves written off in the previous years.

Article 8 In a periodic report, a commercial bank shall disclose information on the changes of interest receivable in the reporting period, including the beginning balance, amount of increase at current period, amount transferred back at current period and ending balance, information on the withdrawal of bad debt reserve for interest receivable, and procedures and policies for bad debt write-off. The commercial bank shall analyze the changes of the interest receivable and the bad debt reserve.

Article 9 In a periodic report, a commercial bank shall disclose information on the amounts and proportions of the loan interest income, interest income from inter-bank loans, interest income from deposits at the Central Bank, interest income from inter-bank deposits, interest income from bond investment, commission income and other items within its business income in the reporting period and their changes compared with those in the same period last year, and analyze the same.

Article 10 In a periodic report, a commercial bank shall disclose information on the top ten industries and main geographical distribution of the granted loans, the distribution, amounts and proportions in loan guarantee manners, and the loan balances of the top ten loan clients and their proportions to the total loans.

Article 11 In a periodic report, a commercial bank shall disclose information on the assets for offsetting debts by the end of the reporting period, including the amount of assets for offsetting debts, the accruals of provisions for the depreciation reserves, etc.

Article 12 In a periodic report, a commercial bank shall disclose information on the average balance and average interest rate in deposit structure, and the average balance and average interest rate of loans, including the average balances, interest rates and total amounts of the corporate demand deposits, corporate term deposits, savings demand deposits and savings term deposits; and the interest rate of short-term loans within one year, interest rates of medium and long-term loans and the total amounts.

Article 13 In a periodic report, a commercial bank shall disclose information on the categories and amounts of the held financial bonds, the face values, annual interest rates and dates of maturity of major financial bonds, and the accruals of provisions for the depreciation reserves.

Article 14 In a periodic report, a commercial bank shall disclose information on the development and profit and loss of the financial management as trustee, asset securitization, various agency services, custodial services, and other businesses in the reporting period.

Article 15 In a periodic report, a commercial bank shall disclose information on the balances of the off-the-balance-sheet items having material effects on the financial status and operating results, including the specific information on such items as credit commitments (irrevocable loan commitments, banker's acceptance bills, issuance of letters of guarantee, and issuance of letters of credit), lease commitments, capital expenditure commitments, and financial derivatives.

Article 16 In a periodic report, a commercial bank shall disclose information on the following various risks and the risk management:

1. Credit risk status. A commercial bank shall disclose information on the credit risk management, credit risk exposure, and credit asset quality and income, including the business activities generating credit risks, credit risk management and control policies, organizational structure and division of responsibility of credit risk

management, procedures and methods for asset risk classification, distribution of credit risks, concentration of credit risk, non-performing loan analysis, loan restructure, and geographical distribution and industrial distribution of non-performing loans.

2. Liquidity risk status. A commercial bank shall disclose information on the relevant indexes that can reflect its liquidity, analyze the matching between assets and debts in time limit and structure, and analyze the factors affecting liquidity, and describe its liquidity management strategies.

3. Market risk status. A commercial bank shall disclose the quantitative and qualitative information on its market risk status, including the categories of the assumed market risks, the overall market risk level, and the risk positions and risk levels of different categories of market risks; the methods for the identification, calculation and control of various categories of assumed market risks; sensitivity analysis of relevant market prices, including the effects of fluctuations of interest rate, exchange rate, stock price and other prices on the economic value or financial status and profitability of the commercial bank; policies and procedures for market risk management; and market risk capital status, etc.

4. Operating risk status. A commercial bank shall disclose the risks of losses caused by the imperfection or failures of the internal procedures, personnel or system or by external events.

5. Other risk status. Other risk factors that may have significantly adverse effects on the bank shall be disclosed.

Article 17 In a periodic report, the board of directors of a commercial bank shall make a statement of the completeness, rationality and effectiveness of its internal control system and the implementation thereof. The board of supervisors shall give clearly opinions on the statement made by the board of directors, and the opinions and statement shall be disclosed respectively.

Article 18 The board of directors of a commercial bank shall make a specialized report to the shareholders' meeting each year on the implementation of the affiliated transaction management system, the operation of the affiliated transaction control committee, and the affiliated transactions conducted in the current year, and disclose it.

Article 19 With regard to the matters of external guaranty provided by a commercial bank, if the amount of a single guaranty exceeds 5% of the audited amount of net assets in the last year or the amount of a single guaranty exceeds 2 billion yuan, the company shall timely make an announcement.

Article 20 With regard to the litigation matters involving a commercial bank, if the amount of a single matter exceeds 1% of the audited amount of net assets in the last year, the company shall timely make an announcement.

Article 21 With regard to such matters as investment, acquisition and sale of assets of a commercial bank, if the amount of a single matter exceeds 5% of the audited amount of net assets in the last year, or the amount of a single matter exceeds 2 billion yuan, the company shall timely make an announcement.

With regard to the matters of asset and equipment procurement of a commercial bank, if the amount of a single matter exceeds 1% of the audited amount of net assets in the last year, the company shall timely make an announcement.

Article 22 Where any major emergency (including but not limited to bank run, major fraud, and major violations by any branch and individual) happens to a commercial bank, and the involved amount reaches 1% or more of the most recent audited net profits, the company shall timely make an announcement as required.

Article 23 The affiliated transactions of a commercial bank shall include the on-balance-sheet and off-balance-sheet transactions as loan, loan commitment, honor, discount, repurchase of securities, trade financing, factoring, letter of credit, letter of guarantee, overdraft, inter-bank lending and guaranty, the transfer of assets, the provision

of services to commercial banks and other transactions conducted with the affiliated parties.

Where the amount of an affiliated transaction conducted by a commercial bank with an affiliated natural person reaches 300,000 yuan or more, or the amount of an affiliated transaction conducted by a commercial bank with an affiliated legal person accounts for 0.5% or more of the most recent audited net assets of the commercial bank, such affiliated transaction shall be timely disclosed. Where the amount of an affiliated transaction reaches 30 million yuan or more and accounts for 1% or more of the most recent audited net assets of a commercial bank, it shall be submitted to the board of directors for deliberation in addition to timely disclosure. Where the amount of an affiliated transaction accounts for 5% or more of the most recent audited net assets of a commercial bank, it shall be submitted to the shareholders' meeting for deliberation in addition to timely disclosure. The independent directors of a commercial bank shall present written opinions on the fairness of an affiliated transaction and the implementation of the internal procedures for examination and approval.

Article 24 Where any change of the credit risk status, liquidity risk status, market risk status, operating risk status and other risk status of a commercial bank has any significant effect on the business operation or profitability of the company, the commercial bank shall timely make an announcement.

Article 25 Where a commercial bank makes any business innovation, launches any new variety of business, or carries out any financial derivative business, it shall make an announcement as required within two working days from the date of receiving the approval of the relevant department.

Article 26 Where any change of the interest rate, exchange rate and tax rate or any new policy or regulation has any significant effect on the business operation and profitability of a commercial bank, the commercial bank shall timely make an announcement of the effect which any change of policy or regulation has on its business operation and profitability, as required.

Article 27 Where the information disclosure by a commercial bank violates any of these Provisions, the commercial bank shall be subject to legal liabilities in accordance with the relevant provisions of Article 193 of the Securities Law and Chapter VI of the Administrative Measures for the Information Disclosure of Listed Companies.

Article 28 These Provisions shall come into force on September 1, 2008, and the Criteria for Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.18 --- Specific Provisions on Information Disclosure by Commercial Banks (No. 3 [2003] of the China Securities Regulatory Commission) promulgated by the CSRC on March 19, 2003 shall be abolished simultaneously.