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交通銀行股份有限公司
Bank of Communications Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3328)

**ANNOUNCEMENT
PROPOSED ISSUE OF BONDS**

The board of directors (the “**Board**”) of Bank of Communications Co., Ltd. (the “**Bank**”) announces that the Board resolved on 6 February 2009 that, subject to obtaining shareholders’ approval at the forthcoming Annual General Meeting for 2008 (the “**AGM**”) and obtaining necessary approvals from the China Banking Regulatory Commission and other regulatory authorities, the Bank will offer to members of the national inter-bank bond market subordinated bonds in an aggregate principal amount of not exceeding RMB80 billion (the “**Bonds**”) in multiple tranches during the period from 2009 to 2011. The Bonds will not be listed on either The Stock Exchange of Hong Kong Limited or the Shanghai Stock Exchange. Particulars of the issue of the Bonds are as follows:

1 Size of the Issue

The Bank proposes to offer subordinated bonds of principal amount not exceeding RMB80 billion in multiple tranches before the end of the year 2011. An aggregate principal amount of not exceeding RMB30 billion of the Bonds shall be issued by the Bank during the year of 2009.

2 Maturity

The Bonds will have a term of maturity of not less than 5 years.

3 Interest Rates of the Bonds

The interest rates of the Bonds shall be determined with reference to market interest rates and method of issue.

4 Target Bondholders

The Bonds will be offered to members of the national inter-bank bond market.

5 Use of Proceeds

The proceeds from the issue of the Bonds will be used to improve the Bank's intermediate and long term equity-debt structure and support the development of the new business of intermediate and long term asset management.

6 Term of Validity of the Resolution

A special resolution will be proposed at the AGM to approve the issue of the Bonds. The special resolution approving the issue of the Bonds, if passed at the AGM, shall be effective from the date such resolution is passed until 31 December 2011.

7 Authorisation

It is proposed that at the AGM, the Board will be authorised, which will then in turn authorise the senior management of the Bank, to exercise powers to deal with matters relating to the issue of the Bonds (including but not limited to the determination of the interest rates, timing and size of issue and the execution of all relevant documents).

The authorisation shall be effective from the date such authorisation is granted at the AGM until 31 December 2011.

In accordance with relevant PRC regulations, the issue of the Bonds is subject to (i) approval from shareholders by way of special resolution at the AGM; and (ii) approvals from China Banking Regulatory Commission and other relevant regulatory authorities.

A circular containing, amongst other things, notice of the AGM will be despatched to shareholders of the Bank in due course.

By order of the Board
Bank of Communications Co., Ltd.
Hu Huaibang
Chairman

Shanghai, PRC
6 February 2009

As at the date of this announcement, the directors of the Bank are Mr. Hu Huaibang, Mr. Li Jun, Mr. Peng Chun, Mr. Qian Wenhui, Mr. Zhang Jixiang, Mr. Hu Huating*, Mr. Qian Hongyi*, Mr. Wong Tung Shun, Peter*, Ms. Laura M. Cha*, Mr. Ji Guoqiang*, Mr. Lei Jun*, Mr. Yang Fenglin*, Mr. Xie Qingjian#, Mr. Ian Ramsay Wilson#, Mr. Thomas Joseph Manning#, Mr. Chen Qingtai#, Dr. Li Ka-cheung, Eric# and Mr. Gu Mingchao#.*

* *Non-executive directors*

Independent non-executive directors