

For Immediate Release**BEA Launches Fixed Rate Second Mortgage**

*Home Ownership Made More Affordable with
5% Down Payment and Preferential Rates*

Hong Kong, 18th May, 2005 – The Bank of East Asia (“BEA”) today announces the launch of its “Top Up Mortgage” with fixed rate second mortgage loan. Launching the new product in connection with the Hong Kong Mortgage Corporation, BEA is the first bank to offer a fixed rate second mortgage to homebuyers. With total mortgage financing up to 95% and a fixed rate for the second mortgage loan as low as 2.98% p.a., the Top Up Mortgage brings home ownership within the reach of more people.

The Top Up Mortgage consists of two mortgage loans, a first mortgage of 70% and a second mortgage of up to 25% of the appraised property value that makes the total mortgage loan amount as high as 95%, and allows customers to pay only a 5% down payment for home purchases.

For the second mortgage, BEA offers two choices to customers, fixed rate and floating rate. The fixed rate second mortgage is offered on a term of two, three, or five years at a preferential rate per annum of 2.98%, 3.38% and 3.98% respectively. Such privileged fixed rates are applicable to the second mortgage loans drawn on or before 30th September, 2005. The floating rate for the second mortgage is as low as P-2.4% p.a.

The loan amount for the second mortgage can be up to HKD3.15 million, with a maximum loan tenor of 30 years, as compared to 20 years for second mortgages currently offered by property developers. The product is also extended to customers who make home purchases under company ownership.

Mr. Tong Hon-shing, BEA’s General Manager & Head of Personal Banking Division, said: “In light of the concern about the cycle of rising interest rates, a fixed rate second mortgage is ideal in that it enables customers to plan and fix monthly repayments, thereby making home ownership more possible. In addition to the Mortgage Insurance Programme, we offer customers more mortgage financing options to suit their different needs.”

For the first mortgage, BEA currently offers mortgage rates ranging from P-2% to P-2.7% p.a., with a cash rebate from 0.4% to 0.7%. In addition, homebuyers can enjoy a waiver of the first year’s fire insurance premium and the annual fee for their BEA Credit Card for the duration of their mortgage repayment period.

BEA offers a wide range of mortgage loan schemes to match the varying budgeting needs of people. The Easyhome Mortgage Loan includes mortgage transfer, re-financing, bridging loan, and overdraft services. The Tenants Purchase Scheme

Mortgage Loan offers a preferential mortgage rate, instant approval, and flexible repayment methods. Specially designed for buyers under the Home Ownership Scheme, the Home Ownership Scheme Mortgage Loan applies to both primary and secondary markets, as well as mortgage transfers. For the purchase of shops and offices, whether for personal use or leasing purposes, BEA provides customers with its Non-residential Mortgage Loan.

A wide range of free-of-charge mortgage services is also available through Cyberbanking at www.hkbea-cyberbanking.com, including instant property valuation, mortgage pre-approval, mortgage application, mortgage terms enquiries, account enquiries, repayment instructions, and mortgage calculator. For further information, please call BEA's Mortgage Hotline on 2868 5151 or visit any BEA branch.

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