

For Immediate Release

BEA Launches New Tax Loan Programme

*Highly Attractive Annualised Percentage Rate As Low As 4.75% &
A Waiver of Arrangement Fee*

Hong Kong, 10th November, 2005 – The Bank of East Asia (“BEA”) announces the launch of its 2005-2006 Tax Loan Programme (the “Tax Loan”) for personal banking customers.

This year’s Tax Loan features a highly competitive annualised percentage rate (APR) as low as 4.75%¹ (0.2112% per month flat). BEA also offers customers flexibility in their repayment period; customers may pay their instalments in 6, 12, or 18 months. For those customers who choose a repayment of 6 or 12 months will also enjoy an additional benefit - a waiver of the arrangement fee². Loan amounts are available up to HKD1 million, six times the applicant’s monthly salary, or 200% of the applicant’s tax bill (whichever is the lowest).

For those customers who successfully apply for the Tax Loan on or before 22nd December, 2005 and draw their loan amounts on or before 29th December, 2005, BEA will also offer an additional cash rebate³. The cash rebate is equal to 0.25% of the loan drawdown amount or the applicant’s tax bill amount (whichever is lower), up to HKD2,500.

Ms. Emily Liu, BEA’s Head of Consumer Finance Department said: “Each tax season, BEA is traditionally one of the most competitive banks in terms of the attractiveness of its tax loan offer to customers. This year, we have developed a programme that truly provides customers with a low-cost way to pay their tax bills. Whether a customer is in need of additional funds to cover a tax bill, or is looking for greater financial flexibility or higher liquidity to tap other investment opportunities, our Tax Loan is the ideal credit facility.”

The Bank has also developed special privileges for joint applicants. Joint applications are not restricted to spouses only, and the interest rate for joint applicants is based on the total tax loan amount, thereby enabling customers to enjoy a lower interest rate.

For example, if two applicants (e.g. a brother and sister) have individual tax bills of HKD40,000 and HKD90,000, the tax loan interest rates would be APR 6.28% (0.2780% per month flat) and APR 5.90% (0.2615% per month flat), respectively, if they both apply individually for 12-month tax loans. However, if the two applicants apply jointly, their tax loan amount would be HKD130,000 and the interest rate they are entitled to would be APR 5.72% (0.2536% per month flat). This represents a savings on total interest of approximately HKD200. In addition to enjoying a lower interest rate, successful joint applicants would receive an extra HKD100 cash reward⁴.

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For more information on BEA's Tax Loan, please visit the nearest BEA branch or contact the Enquiry Hotline on 2211 1211, or visit the Bank's homepage at www.hkbea.com.

Monthly Repayment Table (for a repayment period of 12 months)

Loan Amount (HKD)	Interest rate per month flat	Monthly instalment amount (HKD) for every loan amount of HKD1,000	Annualised Percentage Rate¹ (before cash rebate)	Maximum amount of cash rebate³ (equivalent to 0.25% on the lower of loan drawdown amount or tax bill amount) (HKD)
10,000-49,999	0.2780%	86.11	6.28%	125
50,000-99,999	0.2615%	85.95	5.90%	250
100,000-299,999	0.2536%	85.87	5.72%	750
300,000-1,000,000	0.2112%	85.45	4.75%	2,500

Remarks:

1. The Annualised Percentage Rate ("APR") is calculated according to the standard method set out in the Code of Banking Practice.
2. The arrangement fee waiver is only applicable to a repayment period of 12 months or less. For a repayment period of more than 12 months, a non-refundable arrangement fee of 0.75% p.a. on the original loan amount will be charged. The repayment period of the loan is up to 18 months.
3. The cash rebate is only applicable to customers who choose a repayment period of 12 months and do not have past due records. The cash rebate will be credited to customers' repayment accounts within two months after repayment of the ninth instalment. If customers make full or partial repayment of their loans before the loan maturity or have any past due records during the repayment period prior to their receipt of the cash rebate, the privileged offer will be terminated immediately.
4. Successful joint applicants will be entitled to receive an extra cash reward of HKD100 in total. The tax bill amount of each joint applicant should be not less than HKD10,000. The HKD100 cash reward will be directly credited to the customers' repayment account within two months from the loan drawdown date.

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