

For Immediate Release

BEA's Qingdao Branch Opens for Business
Bank Now Operates 31 Outlets on the Mainland

Hong Kong, 28th December, 2006 – The Bank of East Asia (“BEA”) today celebrated the opening of its Qingdao Branch at a ceremony held at the Shangri-La Hotel Qingdao. BEA’s Chairman and Chief Executive, Dr. David K.P. Li, and General Manager & Head of China Division, Mr. Raymond Yu, officiated at the ceremony, which was attended by approximately 200 dignitaries from the government, business, and financial sectors.

BEA first established a presence in Qingdao when it opened its Qingdao Representative Office in 1994. Since then, the Bank has focused intensively on developing strong ties with local and locally-based customers, providing liaison and consultancy services, and introducing investment and trading partners to potential customers in the area. Earlier this year, BEA received approval to upgrade its representative office in Qingdao to a full-service branch. The branch is conveniently located in the city’s downtown area, where the majority of local banks, foreign companies, and large department stores are concentrated.

Dr. Li said, “We at the Bank have long recognised the importance of Qingdao as a commercial centre on the mainland. We anticipate robust growth for BEA in this region, and today’s opening enables us to offer a comprehensive range of products and services to our growing customer base in and around the city of Qingdao.” BEA has long-term development plans to open new outlets in Shandong province, as the Bank’s China business continues to expand. Located at the southern tip of the Shandong peninsula, Qingdao is China’s third-largest seaport and a regional hub for transportation, industry, foreign trade, and tourism.

Qingdao Branch provides foreign currency services, including deposits, loans, and advances, bill acceptance and discounts, issuance of documentary credit and bank guarantees, remittance and international settlement, foreign exchange, derivative products, agency services for general and life insurance products, and overseas investment services to local residents and enterprises. Qingdao Branch is the Bank’s twelfth full-service branch on the mainland.

For further details on BEA’s Qingdao Branch, please contact Mr. Leung Chi-wai, Timothy, General Manager of Qingdao Branch at G/F, 67A Xiang Gang Xi Road, Qingdao, Shandong Province, China [tel.: (86 532) 8197 8888, fax: (86 532) 8197 8866]. Enquiries may also be directed to BEA’s China Division in Hong Kong on tel.: (852) 3608 3007 or fax: (852) 3608 6213.

About BEA's China Services

As one of the foreign banks with the most extensive branch coverage on the Mainland, BEA's China branch network now consists of 31 outlets, including 12 branches (Shanghai, Shenzhen, Xiamen, Guangzhou, Zhuhai, Dalian, Xi'an, Beijing, Chengdu, Hangzhou, Chongqing, and Qingdao), 14 sub-branches (5 in Shanghai, 3 both in Shenzhen and Guangzhou, and 1 each in Dalian, Xi'an, and Xiamen), and 5 representative offices (Fuzhou, Wuhan, Tianjin, Suzhou, and Dongguan). Plans are underway to open a branch in Shenyang in the first quarter of 2007.

BEA provides a wide range of banking services to a growing customer base in China. In addition to foreign currency services extended to all types of customers, the Bank offers Renminbi services to customers (including local citizens) through its eight branches in Beijing, Shanghai, Shenzhen, Dalian, Guangzhou, Zhuhai, Xi'an, and Xiamen.

BEA's China business is well positioned to grow, having recently been granted Qualified Domestic Institutional Investor ("QDII") status by the China Banking Regulatory Commission ("CBRC"). As one of the first foreign banks to receive this status, BEA is authorised to offer overseas investment services to local residents and enterprises at its branches in China. In particular, the Bank anticipates significant growth in its wealth management business on the mainland.

Recently, the Bank has been authorised to offer fixed deposit services (a minimum of Rmb 1 million) to local residents on the mainland. BEA is one of the first foreign banks accredited by the CBRC to offer such Rmb services to local individual customers in China. For more details on BEA's China services, please visit the Bank's China website at www.hkbea.com.cn.

About The Bank of East Asia

Incorporated in Hong Kong in 1918, BEA is dedicated to providing comprehensive retail and commercial banking services to its customers in Hong Kong, Greater China, and overseas. BEA is the largest independent local bank in Hong Kong, with total consolidated assets of HKD263.3 billion (USD33.91 billion) as of 30th June, 2006. The Bank is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

Currently, BEA operates more than 170 outlets worldwide, including over 110 branches and SupremeGold Centres in Hong Kong, 35 outlets in Greater China, and an extensive international network covering the United States, Canada, the United Kingdom, the British Virgin Islands, and Southeast Asia. For more information on BEA, please visit any branch or the Bank's homepage at www.hkbea.com.

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BEA – Serving customers through one of Hong Kong’s largest banking networks, with over 110 branches and SupremeGold Centres around town