

For Immediate Release

BEA Receives Approval to Establish The Bank of East Asia (China) Limited

Hong Kong, 20th March, 2007 – The Bank of East Asia (“BEA”) has received approval from the China Banking Regulatory Commission (“CBRC”) to establish a locally incorporated bank in China. The new bank, named The Bank of East Asia (China) Limited (“BEA (China)”), will commence business in the near future.

Headquartered in Pudong, Shanghai, BEA (China) will serve as BEA’s major banking and financial operation on the mainland. Apart from Shanghai Branch, which will be retained by BEA to engage in wholesale foreign exchange business, all existing BEA outlets in China will be converted into branches and sub-branches of BEA (China) after the new bank’s incorporation. In addition, BEA (China) will set up its own branch in Shanghai.

Dr. David K.P. Li, BEA’s Chairman and Chief Executive said, “We are pleased to be one of the first foreign banks to receive approval from the CBRC to set up a locally incorporated bank in China. This is a significant milestone for the Bank, as it will enable us to offer a wider range of banking and financial services to our mainland customers, particularly local residents. The establishment of BEA (China) reaffirms our commitment to growing our business in China, and to providing greater value to all our customers on the mainland.”

According to the *Regulation of the People’s Republic of China Governing Foreign-funded Banks*, foreign banks that have established locally incorporated banks in China can offer full Renminbi (“Rmb”) and foreign currency services to all customers, including local residents.

About BEA (China)

Upon its incorporation on the mainland, BEA (China) will become a wholly-owned subsidiary of BEA, and will assume the ownership of BEA’s existing branch network in China. This includes 13 branches (Shanghai, Shenzhen, Xiamen, Guangzhou, Zhuhai, Dalian, Xi’an, Beijing, Chengdu, Hangzhou, Chongqing, Qingdao, and Shenyang), 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). The BEA (China) network will also include a branch in Wuhan later this year, following approval received by BEA from the CBRC to upgrade its Wuhan Representative Office to a full-fledged branch. Leveraging the strong network created by BEA – one of the largest of any foreign bank in China – BEA (China) plans to further expand its network in strategic locations throughout the country.

BEA (China) will utilise BEA's banking expertise and extensive business experience in China to provide best-in-class products and services to customers on the mainland. For more details on BEA (China) services, please visit the BEA'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 HKD294.2 billion (USD37.83 billion) as of 31st December, 2006. The Bank is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

With more than 180 outlets worldwide, BEA operates an extensive international network covering Hong Kong and Greater China, the United States, Canada, the United Kingdom, the British Virgin Islands, and Southeast Asia. For more information on BEA, please visit any BEA 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 120 branches and SupremeGold Centres around town