

**For Immediate Release**

## **BEA and Germany's Union Investment Form Asset Management Joint Venture**

**Hong Kong, 20<sup>th</sup> April, 2007** – The Bank of East Asia (“BEA”) has entered<sup>1</sup> into a joint venture agreement with Germany’s Union Asset Management Holding AG (“Union Investment”) to establish a joint venture asset management company in Hong Kong. The agreement sets out the management structure and cooperative framework for BEA and Union Investment, and will enable the two organisations to further develop their asset management capabilities in Asia. With this joint venture in place, BEA is well positioned to expand its presence in the fund management business in the region. For Union Investment, the joint venture represents a vehicle to enter the Asian market. Union Investment is majority-owned by DZ BANK AG, with which BEA signed a comprehensive business cooperation agreement in August, 2005.

This agreement signifies the serious commitment of both organisations in establishing an asset management centre of competence, leveraging their respective strengths and areas of expertise. The joint venture will incorporate the business and infrastructure of BEA’s wholly-owned asset management subsidiary, East Asia Asset Management Company Limited, as Union Investment will acquire a 49% stake in the company. Union Investment will bring in its established professional investment process and enable the joint venture to become the sole Asian asset investment hub for both firms. In return, Union Investment will offer the company global (ex-Asia) asset investment services for both institutional and retail products.

Dr. David K.P. Li, Chairman and Chief Executive of BEA said, “It has long been the intention of BEA to expand its asset management capacities in Asia, particularly on the mainland. By joining forces with Union Investment, we have effectively accelerated our development and enhanced our capabilities. We now have a world-class asset management business with the necessary business scale and global expertise to explore other segments and markets in the region, including the mainland. Moreover, the distribution supremacy of Union Investment across Europe and BEA’s strong presence in Hong Kong and China will complement each other perfectly.”

Dr. Rüdiger Ginsberg, Chairman of the Board of Union Investment commented, “We are very pleased to announce this partnership with BEA. With this cooperation and with BEA’s well-established, extensive network in China, we are planning to enter China’s fast growing fund management market. This collaboration will facilitate the exchange of expertise and distribution capability in many areas, which will help us solidify the market-leading positions of our two organisations.”

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<sup>1</sup> Completion of the agreement is conditional upon receiving all governmental and regulatory approvals and consents.

### **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 31<sup>st</sup> 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](http://www.hkbea.com).

### **About Union Asset Management Holding**

Established in 1956, Union Investment is now one of the top three German fund management companies, with about 130 investment professionals and over Euro 160 billion in assets under management (AUM). Union Investment is owned by institutions of a cooperative banking group. Through strategic collaboration with global institutional partners, Union Investment is looking to expand its presence in Asia, especially in China.

Partnering with about 1,200 local cooperative banks (a total of 15,000 branches) to distribute retail collective funds, Union Investment has built up a comprehensive range of over 680 mutual, private label, and specialised funds, managing over 8 million investment accounts for more than 4.3 million private and institutional investors. For more information on Union Investment please contact the company's homepage at [www.union-investment.de](http://www.union-investment.de) or [www.union-investment.com](http://www.union-investment.com).

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