

For Immediate Release

BEA Launches Capital Guaranteed Tracker Fund Equity Linked Deposit - Series 26 (USD) & 27 (HKD)

Helps Investors Exploit the Relative Performance of H-Shares against Local Stocks

Hong Kong, 27th August, 2007 – The Bank of East Asia (“BEA”) announces the launch of Capital Guaranteed Tracker Fund Equity Linked Deposit – Series 26 (USD) & 27 (HKD) (the “Linked Deposits”). The Linked Deposits will be on offer from 27th August to 7th September, 2007.

The Linked Deposits provide 100% principal protection plus an opportunity to earn an attractive Coupon (for USD, at rates of 9.5%, 7.5%, 5.5%, or 1.0% and for HKD, at rates of 7.5%, 5.5%, 2.5%, or 1.0%).

Returns on the Linked Deposits will depend on the Relative Performance of the two tracker funds in Hong Kong, namely the Tracker Fund of Hong Kong (Reuters Code 2800.HK) (“TraHK”) and the Hang Seng H-Share Index Exchange Traded Fund (Reuters Code 2828.HK) (“HS H-Share ETF”). Investors will receive a Coupon at maturity, so long as HS H-Share ETF does not perform worse than TraHK by 50% on the Determination Date (15 months). The better the Relative Performance, the higher the Coupon (the maximum Coupon Rate is 9.5% or approximately 7.6% p.a. for Series 26 (USD) and 7.5% or approximately 6% p.a. for Series 27 (HKD)). However, if the market does indeed move unfavourably, investors will still receive their original deposit amounts at maturity (please refer to Risk Factors 2).

The persistent appreciation of the Renminbi, the expansion of the QDII scheme and strong economic growth in China are just a few reasons why H-shares in Hong Kong have been outperforming most of the Hong Kong stocks since 2005.

Given their market-neutral stance, principal protection, and potentially high-yield Coupons, the Linked Deposits are particularly attractive. The Linked Deposits are most suitable for investors who wish to enjoy the buoyancy of the Hong Kong stock market without risking their capital, along with the view that H-Shares will outperform local stocks irrespective of market conditions. BEA will also offer the same structures through the BEA China network on the mainland.

No fees and charges are payable by investors (please refer to the Fees and Charges section below). In addition, overdraft facilities will be offered at a competitive interest rate to select investors.

Investment involves risks. Investors should fully understand all risks associated with the Linked Deposits before making an investment decision.

For further details on the Linked Deposits, please refer to the Principal Brochure of Capital Guaranteed Tracker Fund Equity Linked Deposit – Series 26 (USD) & 27 (HKD) or visit BEA's website at www.hkbea.com.

Details of the Linked Deposit:

Offer Period	27 th August, 2007 – 7 th September, 2007
Minimum Deposit Amount for Each Investor	Series 26 – US\$5,000 or a multiple thereof Series 27 – HK\$50,000 or a multiple thereof
Minimum Aggregate Deposit Amount for All Investors	Series 26 – US\$10,000,000 Series 27 – HK\$30,000,000
Trade Date	10 th September, 2007
Settlement Date	12 th September, 2007
Determination Date	10 th December, 2008
Maturity Date	12 th December, 2008
Fees & Charges	No fees and charges are payable by investors. All related charges incurred by the Bank are already inherently contained in and subsumed into the calculation of the interest rate and other variables under the Linked Deposits.

Risk Factors:

1. The Linked Deposits are not the same as nor should they be treated as a substitute for normal time deposits.
2. If HS H-Share ETF performs worse than TraHK on the Determination Date, investors will only be entitled to the lowest Coupon Rate or no Coupon at all.
3. Investors should note that the Linked Deposits do not allow early redemption, investors must hold the Linked Deposits until maturity.
4. Capital Guaranteed Tracker Fund Equity Linked Deposit – Series 26 (USD) is denominated in US dollars. Investors who wish or intend to convert the deposit amount and / or the Coupon into a different currency (e.g. Hong Kong dollars) are subject to the relevant foreign exchange risk.
5. Investors should fully understand all risks associated with the Linked Deposits before making an investment decision.
6. Investors should seek independent legal and financial advice.

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 HK\$ 343.2 billion (US\$ 43.9 billion) as of 30th June, 2007. The Bank is listed on the Stock Exchange of Hong Kong and is one of constituent stocks of the Hang Seng Index.

With more than 190 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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