

**For Immediate Release**

**BEA Further Strengthens its Core Capital through the Issue of New Shares to Key Strategic Partners**

**Hong Kong, 30<sup>th</sup> December, 2009** – The Bank of East Asia (“BEA”) is pleased to announce that it has entered into agreements with two of its most important strategic partners to raise approximately HK\$5,113 million through the issue of some 167.1 million in new shares.

After the close of trading on the Stock Exchange of Hong Kong today, the Bank entered into share subscription agreements to issue approximately 120.8 million new shares to Negocio de Finanzas e Inversiones I, SLU, of Spain (a wholly-owned subsidiary of Criteria CaixaCorp, S.A. (“Criteria”)) and some 46.3 million new shares to Sumitomo Mitsui Banking Corporation (“SMBC”) of Japan at a subscription price of HK\$30.60 per share.

Upon the issue of the new shares, BEA’s total capital adequacy ratio (“CAR”) and Tier 1 CAR will increase to approximately 16.0% and 11.7%, respectively.

BEA intends to apply the proceeds as general working capital and for future expansion of the Bank’s business.

Dr. David K.P. Li, Chairman & Chief Executive of BEA, says: “We are very pleased about the confidence shown in BEA by both Criteria and SMBC. These investments will further strengthen our capital position and support our future expansion.

“Our special relationships with Criteria and SMBC are bringing ever greater benefits to both our customers and shareholders, and we look forward to even closer cooperation with our strategic partners in the future,” adds Dr. Li.

“la Caixa”, the parent company of Criteria, is one of the largest financial institutions in Spain. BEA entered into a Business Alliance Agreement with “la Caixa” in November 2007. “la Caixa” and Criteria have nominated BEA as their preferred partner in the Asia Pacific region, resulting in a significant increase in two-way business in numerous areas, including trade finance, payments and remittance, and customer referrals.

The placement of new shares follows the signing of a Strategic Investment Agreement by BEA, “la Caixa”, and Criteria in June 2009. This Agreement established a framework for any changes in Criteria’s ownership interest in the Bank. After subscribing to the new shares, Criteria’s shareholding in BEA will increase from 9.81% to 14.99% on an enlarged share capital basis.

BEA has enjoyed a long-term business relationship with SMBC dating back to the early 1970s. SMBC is one of the leading commercial banks in Japan, and is the global market leader in syndicated loans, project finance and transportation finance.

In November 2008, BEA and SMBC signed a Memorandum of Mutual Understanding (“MOMU”) to establish a strategic alliance. The MOMU set out a cooperative framework for both institutions to enhance their mutual interests through co-development of their business potential in Greater China, Japan, and other markets in which both banks operate. Following the subscription of some 46.3 million new shares, SMBC’s holding in BEA will increase to 4.05% of BEA’s enlarged share capital.

### **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 and other major markets around the world. BEA is the largest independent local bank in Hong Kong, with total consolidated assets of HK\$411.9 billion (US\$53.14 billion) as of 30<sup>th</sup> June, 2009. The Bank is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

With over 250 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of 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).

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