

For Immediate Release

Standard & Poor's Raises BEA's Long-Term Credit Rating to A-

Hong Kong, 3rd July, 2006 – The Bank of East Asia (“BEA”) has today announced that Standard & Poor’s (“S&P”), one of the world’s preeminent providers of credit ratings, has raised its long-term counterparty credit rating for the Bank to A- from BBB+. BEA’s Bank Fundamental Strength Rating has also been upgraded to B from C+. The upgrade reflects BEA’s solid franchise in Hong Kong and its strong but careful expansion in China. BEA’s improved asset quality, satisfactory liquidity, and above-average capitalisation were also considered by S&P in making its decision.

Commenting on S&P’s positive rating assignment, Dr. David K.P. Li, Chairman and Chief Executive of BEA stated, “We at the Bank are delighted to receive this acknowledgement from Standard & Poor’s, following the upgrade we received from Moody’s in November of last year. It is wonderful to learn that our resolute yet prudent approach to growing our business is looked favourably upon by international credit rating agencies.”

S&P has recognised BEA’s focus on expanding its business in China and overseas, and on diversifying its business in wealth management, insurance, and corporate secretarial services. A member of the BEA Group, Tricor Group recorded strong growth in revenue in 2005, and has emerged as a leading professional provider of integrated business, corporate, and investor services in Asia. The Bank has also signed a number of key business agreements with financial institutions in strategic markets, expanding BEA’s business reach worldwide while channeling new business to its operations in Greater China.

In addition to being Hong Kong’s largest independent local bank, BEA also operates one of the largest branch networks of any foreign bank on the Mainland. China now accounts for 14% of the Bank’s loan book, compared with 9% in 2004. S&P has also determined that the higher risk involved with the Bank’s expansion across the border is mitigated by “reasonably prudent risk management and procedures”.

BEA expects its China business will continue to grow, having recently been granted Qualified Domestic Institutional Investor (“QDII”) status by the China Banking Regulatory Commission. As one of the first foreign banks to receive this status, BEA can offer overseas investment services to local residents and enterprises at its branches in China. Now that investors can purchase investment products in foreign currencies as well as Renminbi, the Bank anticipates significant growth in its wealth management services business on the Mainland.

Given the BEA's stable outlook, S&P expects the Bank's asset quality, liquidity, and capitalisation to remain "commensurate with its current rating category over the medium term." S&P may revise the Bank's outlook to positive if the Bank continues to maintain good profitability in its competitive domestic market, achieve higher margins in its growing markets, and maintain strong asset quality and capital levels.

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 HKD238.8 billion (USD30.79 billion) as of 31st December, 2005. 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 160 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 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