

For Immediate Release

**BEA Becomes First Foreign Bank Approved to Establish Sub-branch in
Northwestern China**

Xi'an South Gate Sub-branch is the Bank's 27th Outlet on the Mainland

Hong Kong, 5th July, 2006 – The Bank of East Asia (“BEA”) has received approval from the Shaanxi Office of the China Banking Regulatory Commission to establish a sub-branch in South Gate, Xi’an. With the establishment of the new outlet, BEA becomes the first foreign bank to open a sub-branch in China’s northwest. The new sub-branch will commence business in mid-July 2006 and will further extend the reach of BEA’s services in metropolitan Xi’an to better serve the Bank’s growing customer base.

The new sub-branch is located in the southwest corner of South Gate Square, which is the economic and financial centre of Xi’an. Xi’an economy has greatly benefited from the State Council’s preferential policy on the Western Region, and the demand for quality banking services in the city is rapidly growing. The new sub-branch will provide corporate and individual customers in Xi’an with convenient access to a comprehensive range of banking and financial services.

Xi’an South Gate Sub-branch provides foreign currency services to all types of customers and Renminbi services to foreigners and Hong Kong, Macau, and Taiwan residents, as well as to foreign-invested and local enterprises. The services provided include deposits, loans and advances, bill acceptance and discounts, issuance of documentary credit and bank guarantees, remittance and international settlement, foreign exchange, derivative products, and agency services for general and life insurance products.

Xi’an South Gate Sub-branch is the Bank’s second outlet in Xi’an. BEA also operates a full branch on Xihuamen Street.

For further details on BEA’s Xi’an South Gate Sub-branch, please contact Ms. Xu Yihong, General Manager of Xi’an South Gate Sub-branch at 1/F, Block C, Chang’an Metropolis Center, No.88, Nanguan Zheng Road, Beilin District, Xi’an [tel.: (86 29) 8765 1188, fax: (86 29) 8765 1266]. Enquiries may also be directed to BEA’s China Division in Hong Kong on tel.: (852) 3608 3007 or fax: (852) 3608 6213. To learn more about BEA’s China services, please visit the Bank’s China website at www.hkbea.com.cn.

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About BEA's China Services

As one of the foreign banks with the most extensive branch coverage on the Mainland, BEA has a branch network in China that now consists of 27 outlets, including 11 branches (Shanghai, Shenzhen, Xiamen, Guangzhou, Zhuhai, Dalian, Xi'an, Beijing, Chengdu, Hangzhou, and Chongqing), 10 sub-branches (4 in Shanghai, 2 each in Guangzhou and Shenzhen, and 1 in both Dalian and Xi'an), and 6 representative offices (Fuzhou, Qingdao, Wuhan, Tianjin, Suzhou, and Dongguan). Following earlier approval that the Bank received to upgrade its Qingdao Representative Office to a full-fledged branch, BEA expects to open its Qingdao Branch later this year.

BEA provides a wide range of banking services to a growing customer base in China. In addition to foreign currency services extended to all types of customers, the Bank offers Renminbi services to customers (except local residents) through its eight branches in Beijing, Shanghai, Shenzhen, Dalian, Guangzhou, Zhuhai, Xi'an, and Xiamen.

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 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 110 branches and SupremeGold Centres around town