

For Immediate Release**BEA Launches USD and HKD Target Redemption Index Linked Deposits**

Hong Kong, 10 November 2003 –The Bank of East Asia (“BEA”) today announced the launch of a principal protected investment product - Target Redemption Index Linked Deposit (the “Target Deposit”). This Linked Deposit is an alternate investment for investors who believe the interest rates will continue to stay at current low level for a considerable period of time.

Target Redemption Index Linked Deposit is one of investment products under the Linked Deposit Series of BEA. Investors can choose to place HKD or USD for the Target Deposit. It provides 100% principal protection plus a total guaranteed coupon return of 7.5% for USD and 6.5% for HKD over a maximum investment period of 5 years. The 1st year annual coupon is guaranteed at 6.5% for USD and 5.5% for HKD and will be payable semi-annually. The time to obtain the remaining coupon of 1% and the actual deposit tenor will be subject to the movement of LIBOR (London Inter-bank Offered Rate). Once the guaranteed coupon return is achieved, the Target Deposit will automatically mature. The shortest tenor of the Target Deposit can be as short as 1.5 years.

This deposit product is suitable for investors who prefer a pre-determined fixed coupon rate and are willing to hold the Target Deposit until maturity. In the event that there is a series of substantial interest rate hikes soon after the placement of the Target Deposit, investors may have to hold the deposit for a maximum period of 5 years. Notwithstanding such scenario, the overall return of this Target Deposit is still much better than the current deposit rates applicable to normal time deposits.

The launch period will last from 10 November 2003 to 14 November 2003. No subscription fee or management fee will be levied for placing a Target Deposit. Although early withdrawal of the Target Deposit is not allowed, BEA will provide an overdraft facility at a very competitive interest rate to its customers upon request.

Details of the Linked Deposit

Offer Period	10 November 2003 – 14 November 2003
Minimum Deposit Amount for each Depositor	HKD Tranche: HKD50,000 or its multiple USD Tranche: USD10,000 or its multiple
Settlement Date	18 November 2003
Maturity Date	18 November 2008
Coupon Frequency	Semi-annually

For product details, please refer to the Principal Brochure of USD and HKD Target Redemption Index Linked Deposits.

Disclaimer: Such Linked Deposit is not the same as nor should it be treated as a substitute for normal time deposits. By participating in such Linked Deposit, customers are committed to holding the Linked Deposit until maturity (unless Target Coupon Rate has been reached prior to maturity). The potential risk is that if the LIBOR rises sharply and trades above 3.5% one year afterwards and never comes down again, customers will then receive no Coupon Payment on the relevant Coupon Payment Date and need to hold the Linked Deposit until maturity. Investors should fully understand about all the risks associated in the Linked Deposit before making an investment decision. Investors should seek independent legal and financial advice. Please refer to the Principal Brochure for full details of such Linked Deposit.

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