



For Immediate Release

BEA and Banco Popular Español Sign Business Cooperation Agreement

Hong Kong, 30 December 2003 – The Bank of East Asia, Limited (BEA) and Banco Popular Español Group (BPEG) today jointly announced that they had signed a Business Cooperation Agreement setting out a framework for cooperation between the two banks covering Greater China. This is an important milestone for both institutions, as the banks have a strong mutual interest in exploring the opportunities for developing business in Greater China.

The cooperation framework enables BPEG to expand its international reach and respond to rising demand from its corporate customers for banking and related services in China. Through its well-established branch network in China, BEA offers a comprehensive range of banking services, including company accounts, RMB/USD loan facilities, remittance, trade finance, project finance and consultancy services, etc.

Meanwhile, BPEG will provide financial services through its network in Spain for BEA customers doing business in Spain and Portugal.

BPEG is the third largest banking group in Spain, with a nationwide coverage and presence in Spain, France and Portugal. The Group has a broad network of over 2,200 branches, which enables closer and deeper understanding of its customer needs. The core business for BPEG is retail banking. It is also a leading provider of financial services for SMEs and individuals.

BPEG now has a customer base of 4.9 million, including over 371,000 corporates, with a market share of 10.55% among Spanish banks. As of 30 September 2003, BPEG's ROE stood at 25.65%, ROA at 1.63%, and cost to income ratio at 34.09%. In 2003 the bank was awarded "The Best Bank in Spain" by *The Banker*, *Euromoney* and *Global Finance*. In addition, the bank was named by *Global Finance* one of the ten safest banks in the world.

Established in 1918, BEA is the largest independent local bank in Hong Kong with total assets of HK\$189 billion (US\$24.3 billion) as of 30 June 2003. Over the years, BEA has gained an international reputation as a professionally managed and prudent financial institution that understands customer needs. BEA now operates over 100 branches and SupremeGold Centres in Hong Kong, 20 outlets in Greater China and maintains a strong presence in the U.S.A., Canada, the UK, the British Virgin Islands and the Southeast Asia.

The BEA Group offers a full range of wholesale and retail banking services covering corporate banking, personal banking, investment banking and China services. It also provides comprehensive business, corporate and investor services via the Tricor Group, and offers a wide array of insurance services through its subsidiary Blue Cross (Asia Pacific) Insurance Limited to corporates and individuals.

With the signing of this cooperation agreement, BEA and BPEG look forward to exploring additional areas of cooperation that would be of mutual interest and benefit to both banks.

- End -

For press enquiries, please contact:

The Bank of East Asia

Mr Peter Yuen, Head of Financial Institutions

Tel: 2842 3553

Banco Popular Español, Hong Kong Representative Office

Mr Francisco Soler, Chief Representative

Tel: 2533 4120

About The Bank of East Asia

Name	The Bank of East Asia, Limited
Head Office Address	10 Des Voeux Road, Central, Hong Kong
Chairman and Chief Executive	Dr. David K.P. Li
Financial Highlights	<p>(As of 30 June 2003)</p> <p>Total assets: HK\$ 189,323 million</p> <p>Total deposits: HK\$ 153,677 million</p> <p>Total loans: HK\$ 104,943 million</p> <p>Shareholders' equity: HK\$ 19,171 million</p> <p>Profit attributable to shareholders: HK\$ 793 million</p> <p>Capital adequacy ratio: 17.1%</p>
Year of Foundation	1918
Network in North America, Europe and South East Asia	<p>Hong Kong: 99 Branches and 13 SupremeGold Centres</p> <p>Greater China: 20 Branches and Rep. Offices</p> <p>Other countries: The U.S., Canada, the U.K., Singapore, Malaysia and the British Virgin Islands</p>
Characteristics	<ul style="list-style-type: none"> • The largest independent Hong Kong-based bank. • Operates the largest branch and representative office network of any foreign bank in China. • Has contributed greatly to the development of the banking industry in Hong Kong, since its founding in 1918. • The first bank to bring Internet banking to Hong Kong; the first foreign bank to offer Internet banking in China. • Operates the largest corporate services and company secretarial firm in Hong Kong, serving clients throughout the world. • Has made a number of investments in China and is involved in various joint venture businesses with other leading financial institutions.

About Banco Popular Español S.A.

Name	Banco Popular Español S.A.
Head Office Address	C/ Velázquez 34, 28001, Madrid
Chairmen	Mr Javier Valls and Mr Luis Valls
Financial Highlights	<p>(Consolidated figures as of 30 September 2003)</p> <p>Total assets: EUR 61,372 million Total deposits: EUR 28,572 million Total loans: EUR 40,979 million Shareholders' equity: EUR 2,998 million Profit attributable to shareholders: EUR 523 million Capital adequacy ratio: 10.80%</p>
Year of Foundation	1926
Network in Spain, France, Portugal and other countries	<p>Spain: 2,132 Branches France: 17 Branches Portugal: 127 Branches Other countries: 7 Rep. Offices and 3 International Desks</p>
Characteristics	<ul style="list-style-type: none"> • Banco Popular Español Group (BPEG) was formed by one national bank, Banco Popular Español and five regional banks: Banco Andalucía, Banco Castilla, Banco de Credito Balear, Banco Galicia and Banco Vasconia. BPEG also maintains an extensive network in France (Banco Popular France) and Portugal (BNC). • The third largest banking group in Spain. • Banco Popular Hipotecario specialises in property financing, and Popular Banca Privada in private banking services in Spain. BPEG also includes a total of thirteen companies handling a full range of financial services. • One of the most profitable Internet banks in Spain (Banco popular-e). • Plays determinant role in the niche market of SMEs. • During the last two years, BPEG has registered a strong performance with remarkable improvements in the following areas: market share, asset quality, customer base, revenues, EPS growth and operating costs. It also achieved the best ROE and Efficiency Ratio in Spain and Europe. • Awarded “The Best Bank in Spain” by <i>The Banker</i>, <i>Euromoney</i> and <i>Global Finance</i> in 2003. • Awarded by <i>Global Finance</i> in 2003 as one of the ten safest banks in the world.