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The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)
(Stock Code: 23)

ANNOUNCEMENT OF A FURTHER ISSUE OF 6.125% SUBORDINATED NOTES DUE 2020

AND

CLARIFICATION OF THE MAXIMUM PURCHASE AMOUNT UNDER THE TENDER TO PURCHASE AT PAR FOR CASH THE OUTSTANDING U.S.\$550,000,000 5.625 PER CENT. SUBORDINATED NOTES DUE 2015

The Bank announces a further issue of 6.125% Subordinated Notes due 2020, and clarifies that acceptances by the Bank of any 2015 Notes pursuant to the Tender Offer are not subject to the issue of, and completion and settlement of, the New 2020 Notes.

Reference is made to the announcement of the Bank dated 9 July 2010 in relation to the then proposed issue of US-dollar denominated Lower Tier II Fixed Rate Subordinated Notes due 2020 and the tender to purchase at par for cash, up to an amount equal to the aggregate principal amount of the 2020 Notes, the 2015 Notes.

Proposed Issue of New 2020 Notes

The Bank proposes to issue an additional U.S.\$150,000,000 6.125% Notes due 2020 (the "**New 2020 Notes**"), which shall have the same terms and conditions as the 2020 Notes in all respects except for the issue date and issue price and will be consolidated, and form a single series, with the 2020 Notes. Completion and settlement of the New 2020 Notes is

expected to take place on or about 23 July 2010. Citigroup Global Capital Markets Limited and J.P. Morgan Securities Ltd. are acting as joint lead managers, and BOCI Asia Limited, Credit Agricole Corporate and Investment Bank and The Hongkong and Shanghai Banking Corporation Limited are acting as co-managers, in respect of the proposed issue of the New 2020 Notes. A supplemental offering circular will be issued to prospective investors providing details of the terms and conditions of the proposed issue of the New 2020 Notes.

It is intended that the New 2020 Notes will be offered and sold to certain non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. None of the New 2020 Notes will be offered to the public in Hong Kong or in any other jurisdiction where action would be required for such purposes.

Tender Offer

Concurrent with the announcement of the offering of the 2020 Notes on 9 July 2010 the Bank announced an invitation to tender to purchase at par for cash, up to the Maximum Purchase Amount, the outstanding 2015 Notes.

The terms of the Tender Offer stated that the completion of the Tender Offer was conditional upon the issue of, and completion and settlement of, the 2020 Notes.

The Bank wishes to clarify to qualifying holders of the 2015 Notes that the acceptances by the Bank in respect of any 2015 Notes tendered are not subject to the issue of, and completion and settlement in respect of, the New 2020 Notes and that, in respect of the Tender Offer, such New 2020 Notes will not be aggregated with the 2020 Notes for the purpose of calculating the Maximum Purchase Amount. In addition, the completion of the Tender Offer is not conditional upon the issue of, and completion and settlement of, the New 2020 Notes. Accordingly, the Tender Offer and the indicative timetable relating to the Tender Offer as set out in the Tender Offer Memorandum will not be affected by the offering of the New 2020 Notes.

The Tender Offer is not being made in the United States or Italy or to any U.S. person or Italian person or to any person resident or located in the United States or the Republic of Italy. Other restrictions will also apply as described in the Tender Offer Memorandum.

Definitions

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

"Bank"	The Bank of East Asia, Limited;
"Maximum Purchase Amount"	an amount equal to the aggregate principal amount of the 2020 Notes issued;
"New 2020 Notes"	the proposed further issue of 6.125% Subordinated Notes due 2020 to be consolidated, and form a single series, with the 2020 Notes;
"Securities Act"	the United States Securities Act of 1933, as amended;
"Tender Offer"	the invitation to tender to purchase of the 2015 Notes at par for cash up to an amount equal to the Maximum Purchase Amount, conditional upon the completion of the issue of the 2020 Notes;

"Tender Offer Memorandum"	the tender offer memorandum dated 9 July 2010 which was distributed to qualifying holders of the 2015 Notes;
"United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
"U.S. person(s)"	any person or entity deemed to be a U.S. person for the purposes of Regulation S under the Securities Act;
"U.S.\$" or "U.S. dollars"	the lawful currency of the United States;
"2015 Notes"	the outstanding U.S.\$550,000,000 5.625 per cent. Subordinated Notes due 2015 issued by the Bank which are currently listed on The Stock Exchange of Hong Kong Limited; and
"2020 Notes"	the U.S.\$450,000,000 6.125% Subordinated Notes due 2020 expected to be issued by the Bank on 16 July 2010.

By the Order of the Board
The Bank of East Asia, Limited
David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 16 July 2010

As at the date of this announcement, the Executive Director of the Bank is: Dr. The Hon. Sir David LI Kwok-po (Chairman & Chief Executive); Non-executive Directors of the Bank are: Professor Arthur LI Kwok-cheung (Deputy Chairman), Mr. Aubrey LI Kwok-sing, Dr. William MONG Man-wai, Tan Sri Dr. KHOO Kay-peng, Mr. Richard LI Tzar-kai, Mr. Eric LI Fook-chuen, Mr. Stephen Charles LI Kwok-Sze and Dr. Isidro FAINÉ CASAS; and Independent Non-executive Directors are: Dr. Allan WONG Chi-yun (Deputy Chairman), Mr. WONG Chung-hin, Dr. LEE Shau-kee, Mr. Winston LO Yau-lai, Mr. Thomas KWOK Ping-kwong, Mr. Kenneth LO Chin-ming, Mr. William DOO Wai-hoi, Mr. KUOK Khoon-ean and Mr. Valiant CHEUNG Kin-piu.