

For Immediate Release

BEA Releases Key Findings from Customer Survey on the MPF Portability Scheme

Hong Kong, 15th October, 2009 – The Bank of East Asia (“BEA”) today released key findings from a customer survey on the “MPF Portability Scheme”, which will take effect in 2011. Gazetted in July of this year under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2009, the new measure aims to increase employees’ control over their MPF investments by providing them with greater choice in terms of MPF scheme.

This survey was conducted in late August 2009 by BEA’s Mandatory Provident Fund Administration Centre and involved telephone interviews with 1,000 BEA customers, who were asked about their perceptions of the MPF Portability Scheme and their intention (if any) to transfer MPF assets between service providers.

The survey showed that nearly half of the respondents (47%) have heard of the new measure and 78% of them knew some details. For example, many respondents were aware that an employee may transfer lump-sum accrued employee contributions to any MPF scheme from an account held with the selected trustee once every calendar year.

Among the respondents who have knowledge about the measure, 26% of them said they would transfer their MPF assets to other trustees, while 29% would not consider this option, and 45% were undecided.

The survey also revealed the major factors motivating members to transfer MPF assets. 52% of all respondents said investment returns were important, followed by fees (20%), and the trustee’s background (17%). Approximately 5% of the respondents stated that they were motivated by the choice of fund while a similar percentage indicated that service quality was a major factor.

“The MPF Portability Scheme not only provides greater flexibility for MPF members to transfer their assets, but it also creates opportunities for service providers to capture new business,” says Mr. Patrick C.M. Li, BEA’s Head of MPF Business at the Mandatory Provident Fund Administration Centre. “The findings of our survey provide valuable insight into customer needs and preferences. As a leading MPF service provider in Hong Kong, we at BEA will continue to study the needs of our scheme members to ensure that we consistently deliver outstanding value and investment returns,” he adds.

BEA is also committed to offering a wider range of investment choices to its scheme members. Starting 4th January, 2010, two new constituent funds, BEA (MPF) Global Equity Fund and BEA (MPF) European Equity Fund, will be added to the BEA (MPF) Master Trust Scheme. In addition, there will be two new funds under the BEA (MPF) Industry Scheme, namely the BEA (Industry Scheme) Greater China Growth Fund

and BEA (Industry Scheme) Hong Kong Growth Fund.

BEA is one of only two trustees authorised to offer both the Master Trust Scheme and Industry Scheme in Hong Kong. As of 30th September, 2009, 450,000 members have joined BEA (MPF) schemes with total assets exceeding HK\$10 billion. The 1-year investment performance of six MPF constituent funds under the BEA (MPF) Master Trust Scheme and all four constituent funds under the BEA (MPF) Industry Scheme were all ranked among the top 25% in their respective categories, according to the Lipper Rankings as of 30th September, 2009. In addition, BEA was ranked the No. 1 MPF Performer for the 3-month period ending 30th June, 2009, with a return of 9.8%, according to the MPF Index compiled by Mercer Investment Consulting Limited. For more information on BEA's MPF services, please visit BEA's website at www.hkbea.com.

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 HK\$411.9 billion (US\$53.14 billion) as of 30th June, 2009. 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 240 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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Photo caption:

Mr. Patrick C.M. Li, BEA's Head of MPF Business presented a customer survey on "MPF Portability Scheme".