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The Bank of East Asia, Limited

東亞銀行有限公司

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

PROFIT WARNING

This announcement is made by The Bank of East Asia, Limited (the “**Bank**” and together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of Directors (the “**Board**”) of the Bank wishes to inform shareholders of the Bank and potential investors that the Group expects to report a material decrease in profit for the six months ending 30th June, 2019 (the “**Period**”) as compared with the reported attributable profit of HK\$3.992 billion for the six months ended 30th June, 2018.

The likely decrease in profit is attributable to an expected downgrade of four legacy loan assets in Mainland China with a nominal value of approximately HK\$6.2 billion resulting from worsening market conditions, which have impacted the commercial property sector in non-tier-1 cities in Mainland China. The downgrade would result in significant post-tax impairment losses, estimated to be between HK\$2.5 billion and HK\$3.0 billion.

The Bank’s Common Equity Tier 1 (CET1) and Total Capital Adequacy Ratio as of 30th June, 2019 are expected to remain above 14.5% and 19%, respectively which are well above the regulatory requirements. The Bank’s liquidity position continues to be strong.

The Group’s core banking operations remain strong and the Group anticipates healthy growth in pre-provision operating profit.

The information contained in this announcement represents a preliminary assessment based on the information made available to the Board as at the date hereof and such information has not been reviewed or audited by the independent auditors of the Group. The Group has not yet begun to prepare its interim accounts which are subject to further review and assessment by the Audit Committee, the Board and the Group’s independent auditors. Therefore, the Group’s results for the Period may be different from the information set out in this Announcement. Shareholders of the Bank and potential investors are advised to refer to the Group’s interim results announcement which will be released by mid-August 2019.

Shareholders of the Bank and potential investors are advised to exercise caution when dealing in the shares of the Bank.

By order of the Board
Alson LAW Chun-tak
Company Secretary

Hong Kong, 13th June, 2019

As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po[#] (Chairman & Chief Executive), Professor Arthur LI Kwok-cheung (Deputy Chairman), Dr. Allan WONG Chi-yun** (Deputy Chairman), Mr. Aubrey LI Kwok-sing*, Mr. Winston LO Yau-lai*, Mr. Stephen Charles LI Kwok-sze*, Dr. Isidro FAINÉ CASAS*, Dr. Peter LEE Ka-kit*, Mr. Adrian David LI Man-kiu[#] (Deputy Chief Executive), Mr. Brian David LI Man-bun[#] (Deputy Chief Executive), Dr. Daryl NG Win-kong*, Mr. Masayuki OKU*, Dr. the Hon. Rita FAN HSU Lai-tai**, Mr. Meocre LI Kwok-wing**, Dr. the Hon. Henry TANG Ying-yen** and Dr. Delman LEE**.*

[#] *Executive Director*

^{*} *Non-executive Director*

^{**} *Independent Non-executive Director*