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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)

The Bank Announces Results of Strategic Review

Further to its announcement dated 4th March, 2020, the Board of Directors (the “**Board**”) of The Bank of East Asia, Limited (the “**Bank**”) announces that the Bank has now completed its comprehensive strategic review of its portfolio of businesses and assets, with Goldman Sachs (Asia) L.L.C. (“**Goldman Sachs**”) acting as the Bank’s financial advisor in connection with the review. The review has resulted in the conclusions outlined in this announcement that the Bank believes will accelerate its growth and drive shareholder value.

As an immediate output of the strategic review, the Bank has decided to initiate a sale process for BEA Life Limited (“**BEA Life**”) in order to enhance the value of the Bank’s business, improve its financial position and enable its management team to focus on its core banking operations in Hong Kong and Mainland China. BEA Life is a wholly-owned subsidiary of the Bank providing a comprehensive range of life insurance products to both individual and corporate customers in Hong Kong. Reporting gross written premiums of HK\$4.8 billion in 2019, it distributes through the Bank’s extensive network of branches and online channels. As part of the sale process, the Bank will seek to enter into a long-term exclusive distribution agreement that will provide an ongoing source of revenue for the Bank as a distributor of insurance products through its banking platform. The Bank has retained Goldman Sachs as financial advisor for the sale of BEA Life.

In addition, to continue to drive long-term shareholder value, the Bank intends to apply key conclusions from its strategic review to enhance the value of the Bank’s businesses. The Bank will focus on identifying opportunities to grow its core businesses, including through strategic and synergistic partnerships with, but not limited to, our Mainland China banking business.

To further enhance shareholder value, the Bank will also focus on several important strategic priorities including:

- raising fee-based income through renewed focus on wealth management including bancassurance;
- lowering its cost-to-income ratio by streamlining operations;
- creating an exceptional customer experience through its omni-channel platform;
- further strengthening risk management practices to reduce credit costs; and
- maintaining a robust capital profile to support growth.

This announcement is supported by Elliott Management Corporation.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

Shareholders and potential investors in the Bank are advised that no transaction may ultimately result from these actions and to exercise caution when dealing in the shares of the Bank.

By Order of the Board
David LI Kwok-po
Executive Chairman

Hong Kong, 23rd September, 2020

As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po[#] (Executive Chairman), 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*, Mr. Adrian David LI Man-kiu[#] (Co-Chief Executive), Mr. Brian David LI Man-bun[#] (Co-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**, Dr. Delman LEE** and Mr. William Junior Guilherme DOO**.*

[#] *Executive Director*

^{*} *Non-executive Director*

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