

For Immediate Release

BEA Announces Results of Strategic Review

Hong Kong, 23rd September, 2020 – Today, The Bank of East Asia, Limited (“the Bank”) announces that it has completed its comprehensive strategic review of its portfolio of businesses and assets that was previously announced on 4th March, 2020.

As an immediate output of the strategic review, the Bank has decided to initiate a sale process for BEA Life Limited (“BEA Life”) to enhance the value of the Bank’s businesses, 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 recurrent 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 and 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.

Moving forward, the Bank is focused on enhancing shareholder value through several important strategic priorities including:

- Raising fee-based income through a renewed focus on wealth management including bancassurance;
- Lowering cost-to-income ratio by streamlining operations;
- Creating an exceptional customer experience through the Bank’s omni-channel platform;
- Further strengthening risk management practices to reduce credit costs; and
- Maintaining a robust capital profile to support growth.

Adrian and Brian Li, Co-Chief Executives for the Bank, commented, “Today’s announcement is a direct result of our continued efforts to assess and act in the best interest of all our shareholders. The sale of BEA Life will allow the Bank to focus on core banking operations in Hong Kong and Mainland China, while also providing BEA Life with additional support to grow the business and achieve synergies through a bancassurance partnership with BEA. With a more nimble business, we will be better positioned to pursue our strategic priorities, thereby strengthening our core operations, supporting our growth initiatives and optimizing shareholder return.”

Today’s announcement is supported by Elliott Management Corporation.

“We have appreciated our dialogue with Adrian and Brian since the announcement of the strategic review,” said Jonathan Pollock, Co-CEO and Chief Investment Officer at Elliott Management Corporation. “The sale of BEA Life will be a good first step and we look forward to continuing our engagement while the Company follows through on this and the other important conclusions of the review on strategic initiatives to create value for shareholders.”

About The Bank of East Asia, Limited

Incorporated in 1918, The Bank of East Asia, Limited (“BEA”) is a leading Hong Kong-based financial services group listed on The Stock Exchange of Hong Kong, with total consolidated assets of HK\$848.7 billion (US\$109.5 billion) as of 30th June, 2020.

BEA provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers through an extensive network of approximately 180 outlets covering Hong Kong, the rest of Greater China, Southeast Asia, the United Kingdom, and the United States. For more information, please visit www.hkbea.com.

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