

For Immediate Release

**BEA ANNOUNCES 15-YEAR EXCLUSIVE BANCASSURANCE PARTNERSHIP
WITH AIA FOR HONG KONG AND MAINLAND CHINA**

Hong Kong, 24th March, 2021 - The Bank of East Asia, Limited (“BEA”; stock code: 23) is pleased to announce the formation of a 15-year exclusive bancassurance partnership with AIA Group Limited (“AIA”; stock code: 1299) covering Hong Kong and Mainland China.

As part of the transaction, AIA will also acquire 100 per cent of BEA Life Limited (“BEA Life”), a wholly-owned subsidiary of BEA, and the legacy portfolio of life insurance policies underwritten by Blue Cross (Asia-Pacific) Insurance Limited, subject to receiving all relevant regulatory approvals, including that of the Hong Kong Insurance Authority and, in respect of the portfolio transfer, the sanction of the Hong Kong Court. AIA will pay BEA a total of HK\$5,070 million (or US\$650 million), covering both the acquisition of BEA Life as well as the exclusive 15-year bancassurance partnership for life and long-term savings insurance solutions.

This new exclusive life insurance partnership will combine BEA’s leading banking franchise in Hong Kong and Mainland China with the bancassurance and product expertise of AIA. The agreement provides AIA with exclusive access to BEA’s substantial personal banking customer base through more than 140 outlets as well as online and digital channels. BEA will distribute AIA’s protection and long-term savings product solutions for the bank’s targeted retail customer segments.

BEA selected AIA after a comprehensive selection process on the back of its strategic review that concluded on 23rd September, 2020. The process, which attracted strong interest, took into consideration a number of factors, including customer centricity, product innovation, digital capabilities, bancassurance expertise and execution track record. A particular priority was capturing the wealth creation opportunities of the Guangdong-Hong Kong-Macau Greater Bay Area (“GBA”), and thereby creating long-term shareholder value. The GBA offers the partnership a compelling growth opportunity with a combined population of 72 million, GDP of US\$1.7 trillion and growing needs for life and health insurance.

The partnership is expected to bring significant benefits to both parties:

- BEA will elevate its insurance distribution capabilities across Hong Kong and Mainland China, generating sustainable fee income growth in line with its strategic priorities.

- AIA will gain exclusive access with respect to life and long-term savings insurance solutions to BEA's substantial customer base and distribution network with considerable growth potential.

Adrian Li and Brian Li, Co-Chief Executives of BEA, said: "Our strategy is to drive sustainable income by providing our customers with a compelling range of competitive products through our best-in-class omni-channel bank distribution network.

"AIA has an extraordinary track record in bancassurance and a deep commitment to the GBA. We are delighted that they share our vision and recognise the opportunities presented by our franchise. We look forward to working together in building a leading life insurance sales platform in Hong Kong and Mainland China, focussed on serving the future needs of the GBA."

Jacky Chan, AIA's Regional Chief Executive, said: "This transaction brings together two trusted financial institutions with a long history of operating in Hong Kong and Mainland China, who are aligned in the pursuit of sustainable growth powered by digital and technological transformation. It enables us to bring our in-branch sales expertise and range of quality protection and long-term savings products to BEA's loyal customer base, with an opportunity to unlock significant growth potential for both companies.

"In particular, our complementary and broad capabilities across the GBA enable AIA and BEA to build a unique partnership and harness the growth potential as the region develops. Together, we will help many more families across the region lead Healthier, Longer, Better lives."

It is expected that part of the proceeds from the disposal will be paid to BEA's shareholders, with the quantum and format to be determined by the Board of Directors post completion of the disposal, taking into account the prevailing market conditions and regulatory expectations at the time. The proceeds will also be used to support future business development of the bank.

The two parties will immediately begin preparations to launch the distribution partnership. The acquisition of BEA Life is expected to complete by the end of this year, subject to obtaining the relevant regulatory approvals.

Goldman Sachs (Asia) L.L.C. is acting as sole financial adviser to BEA.

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\$884.4 billion (US\$114.1 billion) as of 31st December, 2020.

BEA provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers through an extensive network of approximately 170 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.

About AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁽¹⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR⁽²⁾ and New Zealand, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$326 billion as of 31st December, 2020.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 38 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

Notes:

1. Hong Kong SAR refers to Hong Kong Special Administrative Region.
2. Macau SAR refers to Macau Special Administrative Region.

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Dr David Li, Executive Chairman, BEA (back row, left); Dr Edmund Tse, Non-executive Chairman, AIA Group (back row, right); (front row left to right) Mr Brian Li, Co-Chief Executive, BEA; Mr Adrian Li, Co-Chief Executive, BEA; Mr Lee Yuan Siong, Group Chief Executive and President, AIA Group; and Mr Jacky Chan, Regional Chief Executive, AIA Group.