

For Immediate Release**Hong Kong, 22 August, 2024**

The Bank of East Asia, Limited
2024 Interim Results – Financial Highlights
(for the six months ended 30 June, 2024)

- *Core profitability resilient, supported by sustained operating income*
- *Service platform upgrades elevate customer experience and lay foundations for growth*
- *Strong capital position provides opportunities to enhance shareholder value*

For the half-year ended 30 June, 2024

Operating profit before impairment losses	
- representing a decrease of 0.3% compared with the first half of 2023	HK\$5,671 million
Profit attributable to owners of the parent	
- representing a decrease of 19.9% compared with the first half of 2023	HK\$2,111 million
Return on average assets (annualised)	0.4%
Return on average equity (annualised)	3.7%
Basic earnings per share	HK\$0.69
Interim dividend per share (with scrip option)	HK\$0.31
Dividend payout ratio	45%
Net interest margin (annualised)	2.10%
Cost-to-income ratio	45.9%

At period-end

Total assets	HK\$875,217 million
Total loans and advances to customers and trade bills	HK\$536,979 million
Impaired loan ratio	2.62%
Total customer deposits and certificates of deposit issued	HK\$652,681 million
Loan to deposit ratio	82.0%
Common Equity Tier 1 capital ratio	17.1%
Tier 1 capital ratio	19.2%
Total capital ratio	22.8%

For the second quarter

Average liquidity coverage ratio	271.0%
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FINANCIAL REVIEW**Financial Performance**

The operating environment for the banking industry was complex in the first half of 2024. Despite lingering concerns over geopolitical tensions, investment sentiment picked up towards the end of the period. Global inflationary pressures began to subside, and economic growth was steady across the Bank's major markets. However, the situation facing developers in both the Chinese Mainland and Hong Kong continued to be difficult.

For the first six months of 2024, BEA and its subsidiaries earned a profit attributable to owners of the parent of HK\$2,111 million, representing a decrease of 19.9% compared with the HK\$2,636 million earned in the same period in 2023.

Basic earnings per share were HK\$0.69 in the first half of 2024, compared to HK\$0.87 in the corresponding period in 2023. The annualised return on average assets was 0.4%, while the annualised return on average equity was 3.7%.

Core business was resilient. Pre-provision operating profit ("PPOP") was held stable year-on-year at HK\$5,671 million, despite the challenging external conditions.

Net interest income increased by HK\$183 million, or 2.3%, to HK\$8,228 million. Net interest margin ("NIM") widened by 7 basis points year-on-year, from 2.03% to 2.10%.

Net fee and commission income slightly decreased by 2.2% year-on-year to HK\$1,418 million amid continued weak market sentiment. A decline in net fee income from lending business and credit cards was offset by a growing contribution of fees from trade finance and sales of third-party insurance policies.

Taken together, net trading and hedging results and net results from other financial instruments increased by HK\$58 million, or 9.0%, to HK\$700 million. Non-interest income increased by 1.1% to HK\$2,256 million.

Overall, total operating income increased by 2.0% to HK\$10,484 million.

Operating expenses rose by HK\$225 million, or 4.9%, to HK\$4,813 million. We continued to invest in talent and digital capabilities while realising efficiency gains from our transformation initiatives. The cost-to-income ratio for the first half of 2024 slightly increased by 1.2 percentage points to 45.9%.

Impairment losses on financial instruments were HK\$2,881 million for the first half of 2024, higher year-on-year but lower than the level recorded in the second half of 2023. The Mainland commercial real estate ("CRE") sector continued to be the main concern for asset quality, accounting for some 52% of loan loss provisions. The Group's impaired loan ratio decreased from 2.69% at the end of December 2023 to 2.62% at the end of June 2024.

Financial Position

Total equity attributable to owners of the parent rose by 1.1% to HK\$99,027 million.

We remained cautious in our approach to new lending, focusing instead on risk management and portfolio diversification. Gross advances to customers slightly increased by 0.6% to HK\$535,310 million in the period under review. Total consolidated assets of the Group stood at HK\$875,217 million at the end of June 2024, representing an increase of HK\$14,856 million, or 1.7%, compared to HK\$860,361 million at the end of 2023.

Total deposits from customers increased by 0.2% to HK\$630,109 million in the first half of 2024. Of the total, demand deposits and current account balances decreased by HK\$7,254 million, or 11.1%; savings deposits increased by HK\$7,950 million, or 6.7%; and time deposits increased by HK\$815 million, or 0.2%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, amounted to HK\$652,681 million at the end of June 2024.

The loan-to-deposit ratio stood at 82.0% at the end of June 2024, compared to 81.1% at the end of 2023.

The Group continued its on-market share buyback programme. During the first half of 2024, 16,042,600 shares were repurchased on the Stock Exchange for a total consideration of HK\$159 million.

As at 30 June 2024, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio remained solid at 22.8%, 19.2%, and 17.1%, respectively. The average liquidity coverage ratio for the period ended 30 June 2024 was 271.0%, well above the statutory minimum of 100%.



Mr Adrian Li and Mr Brian Li, Co-Chief Executives of BEA (3rd and 4th from the left), along with other senior management at the 2024 Interim Results media briefing.

About The Bank of East Asia, Limited

Incorporated in Hong Kong 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\$875.2 billion (US\$112.1 billion) as of 30 June 2024.

BEA provides a comprehensive range of wholesale banking, personal banking, wealth management and investment services to customers through an extensive network of about 130 outlets covering Hong Kong, the Chinese Mainland, Macau, Taiwan, Southeast Asia, the United Kingdom, and the United States. For more information, please visit: www.hkbea.com.

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Media enquiries:

Ms Judy Kwan
Head of Corporate Communications
The Bank of East Asia, Limited
Tel.: +852 3608 5830
Email: kwanjtm@hkbea.com

Mr Mill Seen
Senior Corporate Communications Manager
The Bank of East Asia, Limited
Tel.: +852 3608 5829
Email: seenmsl@hkbea.com