

The Bank of East Asia, Limited

Lianhe Ratings Global Limited has affirmed 'A' global scale Long-term Issuer Credit Rating with Stable Outlook to The Bank of East Asia, Limited ("BEA")

Summary

Issuer Rating	A
Outlook	Stable
Location	Hong Kong
Industry	Banking
Date	16 October 2026

Summary

The Issuer Rating reflects BEA's established market position, strong capitalization, and adequate funding and liquidity profile. The rating also considers its moderate profitability and stable asset quality, thanks to its prudent risk appetite and ongoing efforts in resolving problem loans. In addition, we expect a moderate possibility of extraordinary support to be provided by the Hong Kong government, if needed, considering BEA's significant asset market share in Hong Kong's banking system.

The Stable Outlook reflects our expectation that BEA will maintain its prudent risk control and capital position to withstand unfavorable market movements.

Key Figures of BEA

(HKD billion)	2025	June 2026
Total Assets	921.0	936.9
Loans and Advances to Customers	549.3	549.8
Common Equity Tier 1 Ratio	24.7%	25.0%
Total Capital Adequacy Ratio	28.2%	28.4%
Impaired Loans to Gross Loans	2.69%	2.71%
Return on Assets (Annualized)	0.4%	0.5%
Gross Loans and Advances to Customer Deposits	77.7%	79.3%

Source: BEA and Lianhe Global's calculations

Rating Rationale

Broadening Income Base for Sustainable Growth: BEA is pursuing resilient and sustainable growth by broadening its income base, with an emphasis on non-interest income. As Hong Kong has become a funding hub for Mainland Chinese corporates and a wealth management center for affluent individuals, BEA is committed to strengthening its wealth management business and deepening corporate relationships beyond lending to seize the growing opportunities. The bank remained prudent in loan growth, with gross loans and advances to customers increasing to HKD549.8 billion as of end-June 2026 from HKD532.9 billion at end-2024.

Further Reduction in Real Estate-Related Exposure: BEA continued to enhance asset quality amid challenges in the property markets of both the Chinese Mainland and Hong Kong. About two-thirds of its loan portfolio were corporate loans, while real estate-related exposure declined further, with loans for property development and investment representing about 17.2% of gross loans at end-June 2026. Meanwhile, 47.1% of gross loans were for use in Hong Kong, while the Chinese Mainland accounted for 29.3%.

Strong Capitalization and Stable Quality: BEA has maintained strong capitalization to withstand unfavorable economic conditions and market movements. As of end-June 2026, the bank's total capital ratio and common equity tier 1 capital ratio stayed at 28.4% and 25.0%, respectively, reflecting the implementation of the Basel III final reform on 1 January 2025. Its impaired loan ratio remained stable at 2.71% at end-June 2026, thanks to its prudent risk appetite and ongoing efforts in resolving problem loans.

Growing Non-interest Income Underpins Profitability: BEA reported moderate profitability with annualized return on assets staying at about 0.5% in 2025 and 1H2026. Growth in non-interest income mitigated the impact of narrowed interest margin and supported the bank's earnings performance despite still significant loan loss provisions. The bank delivered strong growth in fee and commission income, driven by sales of third-party insurance policies, investment activities, and lending-related activities.

Adequate Funding Structure and Liquidity: BEA has maintained a stable funding profile with its loans-to-customer deposits ratio staying at around 80% as of end-June 2026. Total deposits from customers were HKD693.4 billion at end-June 2026, including HKD444.1

Analysts

Joyce Huang, CFA
(852) 3462 9586
joyce.huang@lhratingsglobal.com

Chris Cao
(852) 3462 9579
chris.cao@lhratingsglobal.com

Applicable Criteria

Banking Rating Criteria
(20 March 2023)

billion of time deposits. BEA also issued certificates of deposit and other debt securities for funding. Its liquidity coverage ratio remained well above the statutory minimum of 100% in 1H2026, which was 167.9% for the second quarter of 2026.

Rating Sensitivities

We would consider downgrading BEA's rating if there is 1) significant deterioration in capital adequacy and liquidity, or 2) notable deterioration in asset quality and profitability, or 3) weakened funding structure, or 4) perceived lower possibility of government support.

We would consider upgrading BEA's rating if it 1) improves profitability and asset quality, and 2) improves the diversification of business profile and loan portfolio.

Company Profile

Incorporated in 1918, BEA is a Hong Kong-based bank listed on the Stock Exchange of Hong Kong. The bank is dedicated to providing comprehensive wholesale banking, personal banking, wealth management, and investment services to its customers in Hong Kong, the Chinese Mainland, and other major markets, with total consolidated assets of HKD936.9 billion as of end-June 2026.

BEA has 47 branches, 41 SupremeGold Centres, and 3 i-Financial Centres throughout Hong Kong, alongside outlets in 38 cities nationwide in the Chinese Mainland. Overseas, BEA has established a presence in Southeast Asia, the United Kingdom, and the United States. BEA totally operates about 120 outlets and employs around 8,000 people worldwide.

Disclaimer

Ratings (including credit ratings and other rating products) and research reports published by Lianhe Ratings Global Limited ("Lianhe Global" or "the Company" or "us") are subject to certain terms and conditions. Please read these terms and conditions at the Company's website: www.lhratingsglobal.com

A rating is an opinion which addresses the creditworthiness of an entity or security or the assessment of an instrument. Ratings are not a recommendation or suggestion to buy, sell, or hold any security or instrument. Ratings do not address market price, marketability, and/or suitability of any security nor its tax implications or consequences. Ratings may be subject to upgrades or downgrades or withdrawal at any time for any reason at the sole discretion of Lianhe Global.

All ratings are the products of a collective effort by accredited analysts through rigorous rating processes. No individual is solely responsible for a rating. All ratings are derived by a rating committee vesting process. The individuals identified in the reports are solely for contact purpose only.

Lianhe Global conducts its rating services based on third-party information which we reasonably believe to be true. Lianhe Global relies on information generally including audited financial statements, interviews, management discussion and analysis, relevant third-party reports, and publicly available data sources to conduct our analysis and uses reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a credible rating. However, Lianhe Global has not conducted any audit, investigation, verification or due diligence. Lianhe Global does not guarantee the accuracy, correctness, timeliness, and/or completeness of the information. Ratings may contain forward-looking opinions of Lianhe Global which may include forecasts about future events which by definition are subject to change and cannot be considered as facts. Please see Lianhe Global's website for the last rating action and the rating history. Please see Lianhe Global's website for the methodologies used in determining ratings, further information on the meaning of each rating category, and the definition of default.

Under no circumstances shall Lianhe Global, its directors, shareholders, employees, officers and/or representatives or any member of the group of which Lianhe Global forms part be held liable to any party for any damage, loss, liability, cost, expense or fees in connection with any use of the information published by the Company.

Lianhe Global receives compensation from issuers, underwriters, obligors, investors or principals for conducting rating services for solicited ratings. An unsolicited rating is a rating that is initiated by the Company and not requested by the issuer, underwriters, obligors, investors or principals.

Ratings included in any rating reports are disclosed to the rated entity (and/or its agents) prior to publishing. Rating reports and research reports published by Lianhe Global are not intended for distribution to, or use by, any person in any jurisdiction where such use would infringe local laws and regulations. Any user relying on information available through rating reports and research reports is responsible for consulting the relevant agencies or professionals accordingly to comply with the applicable local laws and regulations.

All published rating reports and research reports are the intellectual property of Lianhe Global. Any reproduction, redistribution, or modification, in whole or part, in any form by any means is prohibited unless such user has obtained prior written consent from Lianhe Global.

Lianhe Global is a subsidiary of China Lianhe Credit Rating Co., Ltd. The rating committee of Lianhe Global has the ultimate power of interpretation of any methodology or process used in the Company's independent ratings and research.

Copyright © Lianhe Ratings Global Limited 2026.