

CHAIRMAN'S STATEMENT

The financial tsunami that swept over the global economy in September 2008 has left a bleak economic landscape in its wake. This has led to a sudden and sharp plunge in new business for local and regional companies and the unprecedented scale of the decline is destined to have a significant impact well into 2009. The economic outlook for the second half of the year very much depends on the ability of the United States to recover from the deepening housing market crisis and credit squeeze. Until the United States is able to engineer a recovery, all eyes will be on China as a pillar of economic stability.

During the coming year, BEA will continue to leverage its strong position on the Mainland to provide new growth opportunities and to cushion the Bank from the impact of the recession in the United States. The Bank is uniquely placed to execute this strategy, having taken steps to further enhance its franchise on the Mainland during 2008. Significantly, The Bank of East Asia (China) Limited launched both RMB debit cards and RMB credit cards during the past year, becoming the first foreign

bank operating on the Mainland to do so. The Bank also further expanded and strengthened its branch network, and will maintain an aggressive branch expansion strategy during 2009. In addition, the Bank will adhere to an ambitious timetable for the roll out of new products and services for Mainland customers, expanding its product range in the areas of local and foreign currency business, trade finance, personal cyber-banking, SupremeGold and private banking, and corporate wealth management.

In Hong Kong, BEA will place more emphasis on traditional banking business and products, including corporate banking, small-and-medium-size enterprise business, and consumer finance. Management will continue to manage the asset and liability mix proactively, in order to boost interest income and diversify revenue streams. In addition, the Bank will further leverage cross-selling opportunities with Group companies, Tricor Group, Blue Cross (Asia-Pacific) Insurance Limited and BEA Life, in order to raise fee-based income. BEA will also continue to identify and explore new acquisitions and strategic alliances.



Dr. The Hon. Sir David LI Kwok-po
Chairman & Chief Executive
主席兼行政總裁
李國寶爵士

主席報告書

2008年9月，金融海嘯席捲全球，令環球經濟急轉直下，本地和區內公司新生意因而銳減。經濟下滑規模前所未有，勢將於2009年持續帶來衝擊，而下半年的經濟前景則主要視乎美國能否擺脫正在日益惡化的樓市危機和信貸緊縮，在美國復蘇經濟之前，中國仍然是穩定經濟的支柱。

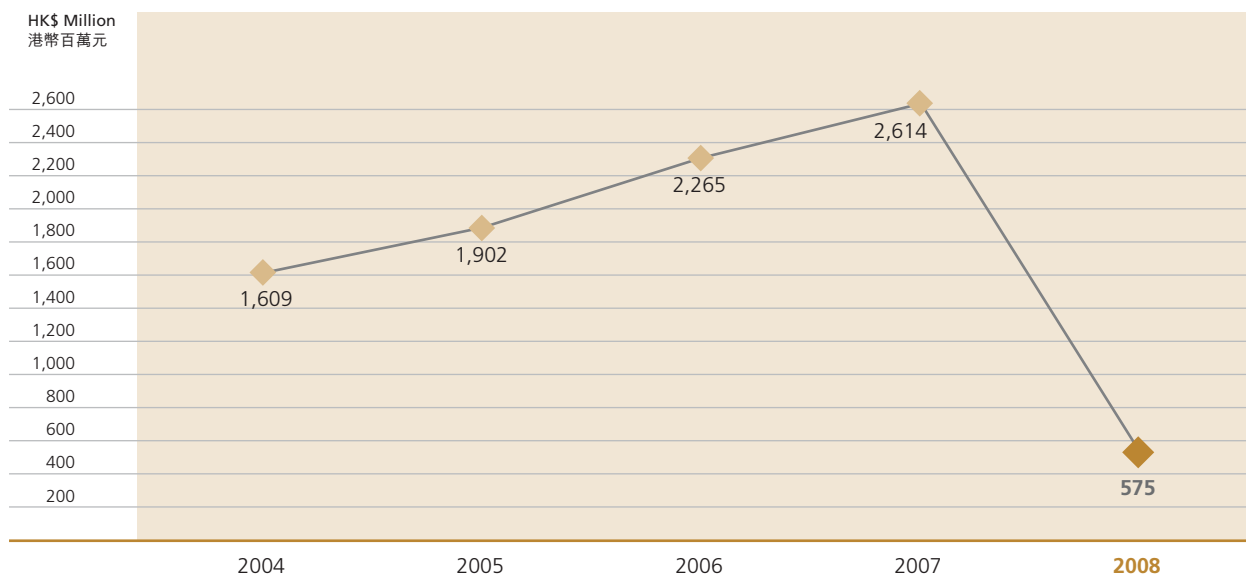
來年，本行將會堅守一貫策略，利用在內地的市場優勢不斷開拓發展機遇，同時緩和美國經濟衰退對本行的影響。我們採取積極政策，於2008年內已推行多項措施，進一步拓展內地業務，成績斐然。東亞銀行（中國）有限公司於年內發行人民幣借記卡和信用卡，在內地外資法人銀行中獨創先河。本行亦持續拓展和強化分行網絡，於2009年仍會積極擴展分行業務。此外，本行按照既定時間表，致力為內地客戶推出新產品和服務，拓展人民幣和外匯業務、貿易融資、個人電子網絡銀行服務、顯卓理財及私人銀行、企業財富管理等各個產品範疇。

在香港，本行將會加強拓展傳統銀行業務和產品，包括企業銀行、中小型企業業務和私人貸款。管理層會繼續著力施行有效的資產和負債管理，從而增加利息收入和拓展收入來源。另外，本行還會致力加強與集團成員，包括卓佳集團、藍十字（亞太）保險有限公司和東亞人壽的交叉銷售機會，以增加服務費收入。本行亦會不斷發掘收購和結盟的良機。

在海外市場，本行仍會於華人社區發揮獨特的市場優勢，利用其與復蘇中內地經濟的聯繫，以期在北美和英國經濟低迷的情況下繼續拓展業務。

提升營運效率是本行於2009年取得成功的主要動力，我們會迅速施行新計劃以改善營運程序和控制成本。本行亦會進一步提升風險管理和加強管理架構及企業管治，確保能在目前的經濟環境下鞏固和加強業務基礎，掌握新發展機遇。

DIVIDENDS FOR THE LAST 5 YEARS 過往5年股息記錄



Chairman's Statement (continued)

In overseas markets, BEA will maintain its focus on its niche market position with overseas Chinese communities, taking advantage of links to the resilient Mainland economy to promote new business despite the weak economic environment in North America and Britain.

Enhanced operating efficiency will be a key driver of success in 2009. The Bank will fast track new initiatives to improve operating processes and to control costs. BEA will further enhance its risk assessment capability, and strengthen both the management framework and corporate governance to ensure that the Bank is well-positioned to emerge from the current economic conditions stronger and better able to take advantage of new opportunities.

I was greatly saddened by the passing of Mr. Tan Man-kou, Independent Non-executive Director, on 14th August, 2008. To fill the vacancy left by Mr. Tan, the Board of Directors appointed Mr. Valiant Cheung Kin-piu as an Independent Non-executive Director effective from 15th December, 2008. With Mr. Cheung's wealth of experience, I am confident that his contribution to the Board will lead to the further success of the BEA Group.

Mr. Joseph Pang Yuk-wing, Executive Director & Deputy Chief Executive of the Bank, will retire and resign as a Director of the Bank upon the conclusion of the Annual

General Meeting to be held on Thursday, 16th April, 2009. Mr. Pang has spent his entire working career with the Bank. He joined BEA in 1973 and was appointed an Executive Director and Deputy Chief Executive in 1995. He has served the Bank loyally for over 35 years, playing a significant role in its growth. On behalf of the Board, I would like to express our heartfelt gratitude to Mr. Pang for his invaluable contribution to BEA over the past 35 years, and I wish him great happiness, good health and success for the future.

In this our 90th year, we celebrate nine decades of partnership with the people of Hong Kong. Throughout our history, we have worked together with the local community to help individuals realise their dreams; to help families prosper; and to help businesses grow. I take this opportunity to express our sincere thanks to our valued customers, friends and business associates for their loyal patronage and support through the years. With their support together with the wisdom and experience of our Board and the professionalism of our colleagues, we look forward to even greater success in the decades to come.

David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 17th February, 2009

主席報告書（續）

本人對獨立非執行董事陳文裘先生於2008年8月14日離世深表哀痛。為填補陳先生的空缺，董事會委任張建標先生為獨立非執行董事，由2008年12月15日起生效。本人深信張先生憑藉豐富經驗，定能對董事會提出真知灼見，帶領東亞銀行集團續創佳績。

執行董事兼副行政總裁彭玉榮先生將於2009年4月16日星期四舉行的股東周年常會後榮休並辭任本行董事。彭先生奉獻一生事業於本行。他於1973年加入本行，在1995年獲委任為執行董事兼副行政總裁，服務本行逾35年，對於本行的業務增長貢獻良多。本人謹代表董事會向彭先生逾35年來對本行的貢獻致衷心感謝，也特此祝願彭先生退休後生活愉快、身體健康、事事順利。

今年是東亞銀行90周年誌慶，我們非常榮幸能在過去90年與港人並肩奮鬥，共同成長。多年來，本行與社會各界協力同心，緊密合作，曾幫助無數人士實現夢想，令不少家庭得以安居創富及眾多公司建基立業。本行一直獲得各位尊貴客戶、朋友和商業夥伴的支持，本人衷心致謝。有賴各位的鼎力支持，加上董事會的卓見、經驗和同事的專業服務，我們充滿信心，在未來再創高峰。

主席兼行政總裁

李國寶

香港，2009年2月17日