

CHAIRMAN'S STATEMENT

For the year 2009, the BEA Group recorded a profit after tax of HK\$2,638 million, representing an increase of HK\$2,534 million, or 2,445.1%, compared to the HK\$104 million earned in 2008. Basic earnings per share reached HK\$1.36. Return on average assets and return on average equity were 0.6% and 7.7%, respectively.

As at 31st December, 2009, total consolidated assets stood at HK\$434,082 million, an increase of HK\$18,828 million over the position at the end of 2008. Advances to customers stood at HK\$247,654 million. Customer deposits were HK\$342,528 million, while certificates of deposit and subordinated debt issued stood at HK\$15,171 million. Total equity increased by 21.7% to HK\$39,523 million.

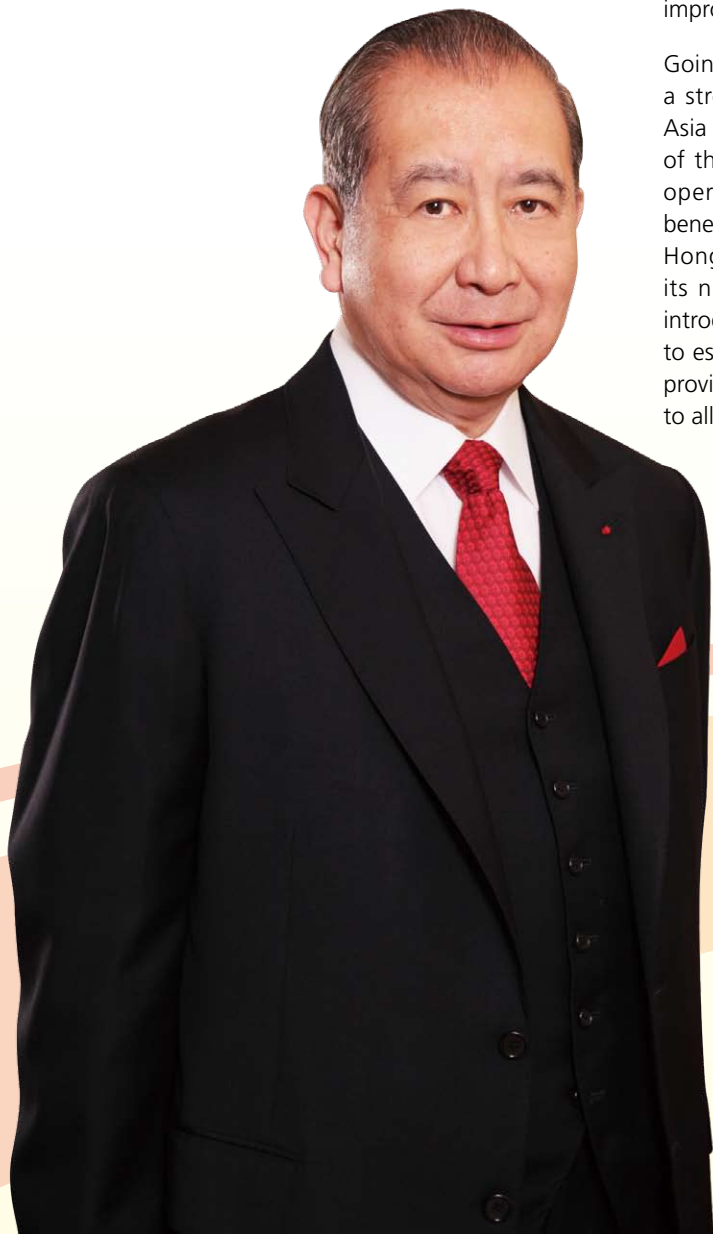
At the forthcoming Annual General Meeting to be held on Thursday, 22nd April, 2010, the Directors will propose a final dividend of HK\$0.48 per share, which, together with the interim dividend of HK\$0.28 per share paid in

October 2009, will constitute a total dividend of HK\$0.76 per share for the full year. This represents an increase of 230.4% over the total dividend of HK\$0.23^{Note} per share for the year 2008.

The global deleveraging that followed the dramatic events of September 2008 resulted in weak demand for local banking services in the early part of 2009. After bottoming-out in March and spurred by the unprecedented support measures introduced by governments worldwide, the global economy returned to growth in the second half of the year. However, with most advanced economies suffering from high government debt and weak domestic demand, the outlook will remain challenging in 2010.

Against this backdrop, China will continue to be the leading engine of growth for the global economy. Hong Kong should benefit from the Mainland's strength and the emerging recovery elsewhere in the world, providing new business opportunities for local companies and steadily improving business prospects for the Bank.

Going forward, BEA will maintain its focus on building a strong franchise in Greater China. The Bank of East Asia (China) Limited ("BEA China") has established one of the strongest branch networks among foreign banks operating on the Mainland, and is ideally placed to benefit from closer cross-boundary financial ties between Hong Kong and the Mainland. To further strengthen its network, BEA China will take advantage of newly introduced measures that permit Hong Kong-based banks to establish "cross-location" sub-branches in Guangdong province. These measures will allow BEA China to expand to all major municipalities within the province.



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

在2009年度，東亞銀行集團錄得除稅後溢利港幣26億3,800萬元，相比2008年度溢利港幣1億400萬元，增加港幣25億3,400萬元，或2,445.1%。每股基本盈利上升至港幣1.36元。平均資產回報率為0.6%，而平均股本回報率為7.7%。

2009年12月31日，本集團綜合資產總額為港幣4,340億8,200萬元，比較2008年年底總額增加港幣188億2,800萬元。客戶貸款為港幣2,476億5,400萬元。客戶存款為港幣3,425億2,800萬元。存款證和後償債項總額為港幣151億7,100萬元。股東權益總額上升21.7%，至港幣395億2,300萬元。

董事會將於2010年4月22日星期四舉行股東周年常會，並建議派發末期股息每股港幣0.48元。連同2009年10月派發的中期股息每股港幣0.28元，全年合共派發股息每股港幣0.76元，相比2008年全年派發股息每股港幣0.23元^{附註}，升幅為230.4%。

2008年9月金融海嘯發生後全球減債，致使2009年初期本地市場對銀行服務的需求疲弱。及至3月，全球經濟見底回升，加上多國政府推行規模前所未有的救市措施，全球經濟於下半年回復增長。然而，鑒於大部分已發展經濟體系均受到龐大的政府債務和疲弱的當地需求困擾，預期2010年世界經濟依然充滿挑戰。

DIVIDENDS FOR THE LAST 5 YEARS 過往5年股息紀錄



CHAIRMAN'S STATEMENT (CONTINUED)

In Hong Kong, the Bank will continue to focus on a full range of banking business and products for large corporate customers, Small and Medium Enterprises and retail customers. The Bank will also further broaden its fee-based services in order to generate new revenue streams. Efforts to maximise cross-selling opportunities via the Bank's subsidiaries, including Tricor Group, Blue Cross and BEA Life, will be stepped up. The Bank will also enhance its investment and financial products to further improve sales performance and returns.

In parallel with the above organic growth strategies, the Bank will maintain its ongoing effort to identify and explore the potential for expansion through acquisitions and strategic alliances. In June 2009, the Bank reached an agreement with the Industrial and Commercial Bank of China ("ICBC") to acquire the entire 75% interest in ICEA Finance Holdings Limited formerly held by ICBC, with a view to further reinforcing the Bank's position in the securities broking business. In addition, the Bank completed the acquisition of the former AIG wealth management business in Taiwan, and renamed the company BEA Wealth Management Services (Taiwan) Limited.

BEA entered into a wide-ranging co-operation agreement with la Caixa Group in June 2009 and established a strategic partnership with Hana Bank of South Korea in July 2009. The alliances with la Caixa Group and Hana Bank will enhance the Bank's access to the markets in which its strategic partners operate, and further facilitate the growth of the international business of the Bank.

BEA enters 2010 with a healthy capital position, following the successful launch of the landmark Hybrid Tier 1 Capital Issue in November 2009, and the completion of the share placement to strategic partners Criteria CaixaCorp., S.A. and Sumitomo Mitsui Banking Corporation ("SMBC"), which was announced on 30th December, 2009. SMBC and BEA have a longstanding business relationship, and concluded a strategic co-operation agreement in November 2008.

The new management structure implemented on 1st April, 2009, has further strengthened the capability of the Bank's various business and operation units by introducing more effective executive leadership and greater accountability. Through this reorganisation, the Bank has reinforced its commitment to improving both the top and bottom lines. At the same time, control functions have been further enhanced through the allocation of additional resources to risk management, corporate governance and information technology.

Mr. Joseph Pang Yuk-wing resigned as a Director of the Bank upon the conclusion of the Annual General Meeting held on 16th April, 2009. Mr. Pang served the Bank for over 35 years, and played an instrumental role in the Bank's growth. The Bank has been fortunate to retain Mr. Pang's services upon his retirement, and has appointed him as a Senior Advisor to the Bank.

Dr. Isido Fainé Casas was appointed as a Non-executive Director of the Bank in June 2009. Dr. Fainé is a highly accomplished business leader. He is the chairman of Criteria CaixaCorp, the largest industrial and financial investment group in Spain, and la Caixa, a leading savings bank in Spain. With Dr. Fainé's wealth of experience and international exposure, I am confident that his wise counsel and guidance to the Board will lead to the further success of the BEA Group.

Your Management is confident that, with a unique market position, focussed strategy and performance-based outlook, BEA is entering a new era of achievement and growth.

David LI Kwok-po

Chairman & Chief Executive

Hong Kong, 11th February, 2010

Note: For ease of comparison, the stated dividend for the year 2008 has been adjusted downward from HK\$0.25 per share to HK\$0.23 per share to reflect the effect of the bonus issue in celebration of the Bank's 90th Anniversary.

在此形勢下，中國仍然是推動全球經濟增長的主要引擎。由此，香港應可受惠於內地強大的經濟實力和其他地區經濟日漸復蘇的機遇，為本地公司帶來新商機，同時本行也能藉機穩定地改善營運前景。

展望未來，本行將會繼續加強拓展大中華區業務領域。東亞銀行（中國）有限公司（「東亞中國」）建立的分行網絡，為內地外資銀行網絡中最強大之一，相信必能受惠於香港與內地日趨緊密的跨境金融聯繫。為進一步加強業務網絡，東亞中國也會借助港資銀行可以在廣東省設立異地支行的多項新措施，致力在省內各主要城市拓展業務。

在香港，本行將會一如既往，著重拓展以大型企業客戶、中小型企業和零售客戶為對象的各項銀行業務和產品，亦會致力拓展收費服務，從而增闊收入來源。此外，本行在通過附屬公司——包括卓佳集團、藍十字和東亞人壽——以增加交叉銷售機會之餘，也會著力加強投資和金融產品，不斷提升銷售表現和回報。

在推行業務自然增長策略的同時，本行將會通過收購和結盟，不斷開拓擴張業務的機會。2009年6月，本行與中國工商銀行股份有限公司（「工商銀行」）簽署協定，收購工商銀行持有的工商東亞金融控股有限公司全數75%股權，以鞏固本行在證券經紀業務的市場地位。另外，本行於年內完成收購台灣友邦證券股份有限公司，並將之更名為東亞證券股份有限公司。

本行於2009年6月與la Caixa Group達成範圍廣泛的合作協議後，也於同年7月與南韓的韓亞銀行簽訂策略合作備忘錄。與la Caixa Group和韓亞銀行結盟，有助本行進一步拓展新策略夥伴所經營的市場，亦有利於本行擴展國際業務。

本行繼於2009年11月成為香港首家銀行，成功發行混合一級資本工具，又於同年12月30日宣佈完成配售股份予策略夥伴Criteria CaixaCorp, S.A.和三井住友銀行。此等計劃令本行於2010年的資本狀況更為穩健。三井住友銀行與本行早於2008年11月結盟，開展長遠的業務聯繫。

本行於2009年4月1日施行新管理架構，通過更有效的行政領導和問責程序，進一步加強各個業務和營運部門的管理。本行藉著是次架構重組，實現提高收入和盈利的目標。與此同時，本行也增撥資源提升風險管理、企業管治和資訊科技，加強整體控制功能。

彭玉榮先生於2009年4月16日股東周年常會結束後辭任本行董事。彭先生服務本行逾35年，對本集團業務取得長足進展貢獻良多。本行已委任彭先生為高級顧問，俾能為本行日後的發展提供寶貴意見。

范禮賢博士於2009年6月獲委任為本行非執行董事。范博士是傑出的商界領袖，現任西班牙最大工業和金融投資集團Criteria CaixaCorp及儲蓄存款銀行翹楚la Caixa的主席，在銀行界經驗豐富。本人深信憑藉范博士的國際視野及其對董事會提出的真知灼見，定能帶領東亞銀行集團續創佳績。

管理層深信，憑藉獨特的市場地位、明確的發展策略和表現為本的營運方針，本行現正邁進新紀元，在未來取得更大的成就和業績增長。

主席兼行政總裁

李國寶

香港，2010年2月11日