

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	2023	2022
	HK\$ Mn	HK\$ Mn
ASSETS		
Cash and balances with banks	45,903	54,579
Placements with and advances to banks	43,691	60,203
Trade bills	373	529
Trading assets	3,049	1,530
Derivative assets	9,056	11,092
Loans and advances to customers	526,984	542,394
Investment securities	167,270	147,007
Investments in associates and joint ventures	8,384	9,061
Fixed assets	13,493	13,476
- Investment properties	5,105	5,166
- Other properties and equipment	7,603	7,593
- Right-of-use assets	785	717
Goodwill and intangible assets	1,852	1,870
Deferred tax assets	1,836	1,849
Other assets	38,470	39,235
Total assets	860,361	882,825

EQUITY AND LIABILITIES

Deposits and balances of banks	25,619	25,478
- Designated at fair value through profit or loss	3,199	4,545
- At amortised cost	22,420	20,933
Deposits from customers	628,598	648,093
- Demand deposits and current accounts	65,643	65,899
- Savings deposits	118,163	145,107
- Time, call and notice deposits	444,792	437,087
Trading liabilities	-	5
Derivative liabilities	4,007	4,145
Certificates of deposit issued	27,618	32,662
- Designated at fair value through profit or loss	9,415	19,001
- At amortised cost	18,203	13,661
Current taxation	1,602	1,252
Debt securities issued	844	2,892
- Designated at fair value through profit or loss	688	811
- At amortised cost	156	2,081
Deferred tax liabilities	468	226
Other liabilities	47,312	49,799
Loan capital - at amortised cost	15,967	11,927
Total Liabilities	752,035	776,479
Share capital	41,915	41,856
Reserves	56,058	54,131
Total equity attributable to owners of the parent	97,973	95,987
Additional equity instruments	10,090	10,090
Non-controlling interests	263	269
Total Equity	108,326	106,346
Total Equity and Liabilities	860,361	882,825

Distribution / Dividends:

	2023	2022
	HK\$ Mn	HK\$ Mn
Dividends attributable to the year		
Interim dividend declared and paid	957	430
Special dividend declared and paid	-	1,294
Second interim dividend	477	456
	1,434	2,180

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE BANK OF EAST ASIA, LIMITED**
 (Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 188 to 377, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Certified Public Accountants
 8th Floor, Prince's Building
 10 Chater Road
 Central, Hong Kong

21 February 2024

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	HK\$ Mn	HK\$ Mn
Interest income		
Interest income calculated using the effective interest method	36,788	24,871
Related interest income / (expense)	2,897	(23)
Interest expense	(22,811)	(11,340)
Net interest income	16,874	13,508
Fee and commission income	3,361	3,372
Fee and commission expense	(721)	(619)
Net fee and commission income	2,640	2,753
Net trading profit	1,225	943
Net result on financial instruments at FVTPL	(262)	(68)
Net result on financial assets measured at FVOCI	(26)	175
Net loss on sale of financial assets measured at amortised cost	(22)	(6)
Net hedging profit	30	201
Other operating income	287	448
Non-interest income	3,872	4,446
Operating income	20,746	17,954
Operating expenses	(9,432)	(9,224)
Operating profit before impairment losses	11,314	8,730
Impairment losses on financial instruments	(5,483)	(5,923)
Impairment losses on associate	(726)	-
Impairment losses on other assets	(6)	(3)
Impairment losses	(6,215)	(5,926)
Operating profit after impairment losses	5,099	2,804
Net profit on sale of assets held for sale	2	1,445
Net loss on disposal of subsidiaries / associates	(12)	(1)
Net profit on disposal of fixed assets	14	17
Valuation losses on investment properties	(86)	(179)
Share of profits less losses of associates and joint ventures	293	855
Profit for the year before taxation	5,310	4,941
Income tax	(1,174)	(563)
Profit for the year	4,136	4,378

Attributable to:

	2023	2022
	HK\$ Mn	HK\$ Mn
Owners of the parent	4,118	4,359
Non-controlling interests	18	19
Profit for the year	4,136	4,378

Earnings per share

	HK\$	HK\$
Basic	1.32	1.32
Diluted	1.32	1.32

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

	2023	2022
	%	%
Capital Adequacy Ratio		
Common Equity Tier 1 capital ratio	17.3	15.8
Tier 1 capital ratio	19.4	17.7
Total capital ratio	22.0	20.1

Capital adequacy ratios are compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and securities and insurance companies that are authorised and supervised by a regulator and subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Common Equity Tier 1 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules.

BOARD OF DIRECTORS
SPECIAL ADVISOR TO THE BOARD Dr. Isidro FAINÉ CASAS

Executive Directors

Dr. the Hon. Sir David Li Kwok-po
 (Executive Chairman)

Mr. Adrian David Li Man-kiu
 (Co-Chief Executive)

Mr. Brian David Li Man-bun
 (Co-Chief Executive)

Non-executive Directors

Professor Arthur Li Kwok-cheung
 (Deputy Chairman)

Mr. Aubrey Li Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles Li Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
 (Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre Li Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO

Dr. David MONG Tak-yeung

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The notes of the accounts from an integral part of the audited financial statements and a full understanding of the statements and state of affairs of the bank cannot be achieved without reference to the complete set of the bank's audited financial statements, which is available at the bank's website at: <https://www.hkbea.com/html/en/bea-about-bea-investor-communication-annual-and-interim-reports.html>

In the event of receivership, winding up proceedings or such equivalent proceedings of the bank, the regulatory authority in the country where the bank is incorporated requires its head office to confer a lower priority in the repayment of deposits, to depositors of the branches of the bank located outside of the home country, as compared to depositors of the bank in its home country.