26-I-0069
September 16, 2026

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

The Bank of East Asia, Limited (security code: -)

<Affirmation>

Foreign Currency Long-term Issuer Rating:	A+
Outlook:	Stable
Notes (Non-Preferred Loss Absorbing Notes):	A
EMTN Program:	
Senior (Preferred) Notes:	A+
Non-Preferred Loss Absorbing Notes:	A

Rationale

(1) The Bank of East Asia, Limited (BEA) is a major independent Hong Kong bank with a deposit volume of around HKD 742 billion at the end of June 2026. In addition to its personal banking and wholesale banking businesses mainly in Hong Kong and Chinese Mainland, it engages in wealth management, treasury markets and other businesses. The ratings reflect BEA's strong business base in Hong Kong, stable profitability supported by its customer base, and high capital adequacy. Some uncertainty remains in the property market in the Chinese mainland, warranting attention to trends in credit costs. JCR focuses on BEA's initiatives to enhance profitability through digitalization and the expansion of its wealth-related businesses, as well as its efforts to build a portfolio that is less susceptible to property market conditions. Based on the above, JCR has affirmed the ratings with Stable outlook.

(2) BEA's consolidated assets stood at HKD 937 billion at the end of June 2026, making it the fifth-largest among Hong Kong financial groups and the largest among local independent banks. It has business alliances involving equity investments by Japan's Sumitomo Mitsui Banking Corporation and Spain's CAIXA. The regional composition of its total assets before deducting internal transactions at the end of June 2026 was 58.1% for Hong Kong, 27.6% for the Chinese Mainland, and 14.3% for other regions, with a high weight on Hong Kong operations. BEA positions wealth management as its priority business area. It has been expanding its customer base by establishing service centers for high-net-worth individuals at many of its branches in Hong Kong and increasing the number of relationship managers serving affluent customers. BEA is strengthening its wealth management services in both the Chinese Mainland and Hong Kong and both sides collaborate to generate synergies by providing seamless services to customers.

(3) BEA's net interest margin fell slightly to 1.85% in the first half of 2026 from 1.90% in 2025 due mainly to the low interest rates in the Chinese Mainland. However, it remains relatively high compared to those of peers in Hong Kong. BEA's pre-provision operating profit stayed flat in 2025 supported by its stable loan balance. In the first half of 2026, pre-provision operating profit grew 16.5% year-on-year, supported by resilience in net interest income, increase in non-interest income, and discipline in expenses. In addition to loan fees, income from wealth-related services and insurance sales is on an upward trend, contributing to the growth of its non-interest income. JCR expects stable net interest income supported by a diversified loan portfolio and a solid deposit base, together with the expansion of non-interest income primarily from wealth-related services, to continue to underpin BEA's earnings.

(4) The quality of BEA's loan assets warrants attention. Its nonperforming loan ratio has remained at around 2.7% since the end of 2023. While the proportion of loans to property developers and property investment companies relative to total loans was high at 35% at the end of 2022, it was lowered significantly to 17% at the end of June 2026 through the application of tighter credit screening and a reduction in exposure. As part of this risk-reduction process, BEA increased provisions and made write-offs, resulting in credit costs of approximately 1% of total credit exposure in each year since 2022. An uncertain outlook for the property market in the Chinese Mainland persists, and credit costs related to loans to the property-related sector may continue to arise for the time being.

(5) BEA's capital position is sufficiently robust relative to its risk exposure. It has been improving its capital adequacy ratio by reinforcing capital through reduction of risk-weighted assets and accumulation of retained earnings. Risk-weighted assets declined following the implementation of the finalized Basel III framework in 2025. BEA's common equity tier 1 (CET1) ratio stood at 25.0% at the end of June 2026, remaining the highest among major banks in Hong Kong. The Bank's loan-to-deposit ratio stood

at an appropriate level of 77.1%. BEA has limited its reliance on market funding and maintains ample liquidity.

Atsushi Masuda, Shinya Iwasaki

Rating

Issuer: The Bank of East Asia, Limited

<Affirmation>

Foreign Currency Long-term Issuer Rating: A+ Outlook: Stable

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
JPY5,000,000,000 Non-Preferred Loss Absorbing Notes due 2029	JPY 5.0	Nov. 13, 2025	Nov. 13, 2029	(Note)	A

Note: Fixed interest rate of 2.64% until but excluding November 13, 2028. 1 year TONA Swap Mid-Rate and the spread at the time of the note issue after that date.

Program Name:	U.S.$6,000,000,000 Medium Term Note Programme
Maximum Issuable Amount:	Equivalent of USD 6 billion
Status:	(Senior (Preferred) Notes) Unsecured and unsubordinated debts ranking pari passu with other unsecured and unsubordinated debts (Non-Preferred Loss Absorbing Notes) Unsecured and unsubordinated debts ranking subsequent in right of payment to, and of, all claims of all unsubordinated creditors of the Issuer (including its depositors) only
Credit Enhancement:	NA
Covenants:	(Senior (Preferred) Notes) Negative Pledge and Cross Default Clauses
Rating:	A+ for Senior (Preferred) Notes; A for Non-Preferred Loss Absorbing Notes

Rating Assignment Date: September 11, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024), "Banks" (October 1, 2021) and "Rating Methodology for Financial Institutions' Capital and TLAC Instruments" (April 1, 2026) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

A program rating is assigned to evaluate the creditworthiness of a program. The credit standing of an individual note issued under the program may be regarded as the same as that of the rated program. However, JCR does not consider the credit standing of the individual note as the same as that of the program, in the cases where the principal and interest payments of the individual note rely on the credit standing of a third party rather than the issuer of the program and notes (e.g. credit linked notes and exchangeable notes). JCR usually does not assign a rating to the individual note issued under the program, unless the issuer solicits a rating.

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	The Bank of East Asia, Limited
Rating Publication Date:	September 16, 2026

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

A) Audited financial statements presented by the rating stakeholders

B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer
The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract
The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets
The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events
The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12 Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:
https://www.jcr.co.jp/en/service/company/regu/nrsro/

13 Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases
The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality
The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but

possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14 Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

・ The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
The Bank of East Asia, Limited	Issuer(Long-term)(FC)	August 25, 2023	A+	Stable
The Bank of East Asia, Limited	Issuer(Long-term)(FC)	September 30, 2024	A+	Stable
The Bank of East Asia, Limited	Issuer(Long-term)(FC)	October 17, 2025	A+	Stable
The Bank of East Asia, Limited	JPY5,000,000,000 Non-Preferred Loss Absorbing Notes due 2029	November 7, 2025	A	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Senior	August 25, 2023	A+	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Senior	September 30, 2024	A+	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Senior	October 17, 2025	A+	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Non-Preferred Loss Absorbing Notes	August 25, 2023	A	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Non-Preferred Loss Absorbing Notes	September 30, 2024	A	
The Bank of East Asia, Limited	U.S.$6,000,000,000 Medium Term Note Programme Non-Preferred Loss Absorbing Notes	October 17, 2025	A	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Kiichi Sugiura, have responsibility to this Rating Action and to the best of my knowledge:

A) No part of the credit rating was influenced by any other business activities.

B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.

C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

杉浦輝一

Kiichi Sugiura
General Manager of International Department

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