

# THE BANK OF EAST ASIA

## BK OF EAST ASIA 4% 03 Nov 2026 - XS1508842256

Indicative Price	Yield-to-Call (%)	Modified Duration	NAICS
<b>USD 100.30</b>	<b>3.8</b>	<b>1.4</b>	<b>Finance &amp; Insurance</b>

### BOND CHARACTERISTICS

ISIN	<b>XS1508842256</b>
Currency	<b>USD</b>
Coupon & Type	<b>4% (Variable)</b>
Coupon Reset Date	<b>03 Nov 2021</b>
Reset Formula	<b>5Y USD T-Bill + 270bps</b>
Call Date	<b>03 Nov 2021</b>
Call Price	<b>100</b>
S&P Rating & Outlook	<b>BBB- (Stable)</b>
Moody's Rating & Outlook	<b>Baa3u (Stable)</b>
Fitch Rating & Outlook	<b>-</b>
Rank	<b>Subordinated</b>
Amount Outstanding (mn)	<b>500</b>
Minimum Amount	<b>200,000</b>
Increments	<b>1,000</b>

### ISSUER COMPANY DESCRIPTION

The Bank of East Asia Ltd (bond ticker "BNKEA") is the 5th largest bank and the largest independent local bank in Hong Kong.

The bank accounts for c3.5% of loans and c4% of customer deposits in Hong Kong, and is designed as one of six D-SIBs by HKMA.

Country of risk

**Hong Kong**

Country of Incorporation

**Hong Kong**

### INVESTMENT CASE & RISKS

The bank reported 15.6% of CET1 ratio, providing room for growth and buffer against unexpected losses which should well position it against the current weak macroeconomic backdrop. Current level is also above the 13% threshold by Moody's. NPL of 1.2% has been trending down from 1.6% in Jun-19, and is well below Moody's downgrade trigger of 2.5%.

#### Key risks

Rising NPL from large mainland exposure, Covid-19 and ongoing protests in HK and lower than peers profitability.

For illustration purpose only, the information, prices or recommendation are indicative and may change depending on market's conditions. Past performance or forecasts are not an indication or a guarantee of future performance. Changes in foreign-exchange rates may also cause the value of your investment to go up or down.

Data source: Bondlinc, S&P, The ICE

Last updated: 22 Aug 2020

