



Brian Li

**EDITORS' NOTE** Brian Li joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division for the Bank from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive and further appointed Executive Director in August 2014. He serves as a director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members. Li is currently an independent nonexecutive director of Towngas China Company Limited, Hopewell Highway Infrastructure Limited, and China Overseas Land & Investment Limited. Li holds an M.B.A. degree from Stanford University as well as M.A. and B.A. degrees from the University of Cambridge.

**COMPANY BRIEF** The Bank of East Asia ([hkbea.com](http://hkbea.com)) was incorporated in 1918, and provides corporate and personal banking services to customers in Hong Kong, the rest of Greater China, and overseas. As the largest independent local bank in Hong Kong, BEA is listed on the Hong Kong Stock Exchange and is one of the constituent stocks of the Hang Seng Index. The bank employs more than 13,000 people worldwide and maintains over 240 branches.

**China is a key market for BEA. Would you discuss BEA's history in the China market and how the business has grown there?**

BEA was founded in Hong Kong in 1918 to serve the local community and its trade between China and the world. We opened our first branch in Shanghai in 1920 and are the only foreign bank to have operated without interruption on the Mainland since. When China reopened its economy in the late 1970s, BEA pioneered inward investment as an equity investor in the very first Sino-foreign joint venture: Beijing Air Catering Limited. Our business on the Mainland has grown steadily since and to recognize its importance, in 2007, we established our wholly owned subsidiary, The Bank of East Asia (China) Limited. It is a bank in its own right under Mainland

# Supporting China's Economic Development

An Interview with Brian Li,  
Executive Director & Deputy Chief Executive, The Bank of East Asia, Limited (BEA)

law. We may not be the largest player but I believe our early support of China's economic development has won us a special place in the market.

**Would you provide an overview of your service offerings in China and your outlook for growth for each of these offerings?**

Through its 29 nationwide branches and 98 subbranches in 42 cities, BEA China offers our customers on the Mainland the same quality financial services and products that have made BEA a trusted franchise at home. Reflecting how we followed many of our business relationships onto the Mainland, our strength in China today is primarily in corporate banking. As the economy restructures and the banking industry is further liberalized, retail banking has become an increasingly important part of our business as we seek more personal deposits and higher yielding assets. We hope to make this segment an important engine of our future growth, especially through the use of technology, the Internet, and mobile platforms.

**What is your view on the state of the China economy?**

We are very positive about China's long-term potential but recognize that it is undergoing a critical transformation at a time of heightened financial risk. In order to accelerate its economic development, the Chinese state has basically subsidized industry for the past 35 years at the expense of the consumer. This model has proven tremendously successful in lifting the country from low to middle-income status but has also resulted in excessive leverage, overcapacity, and a series of financial bubbles. The next leg of development must come from innovation, productivity, and efficient capital allocation, all of which are ultimately the result of competition in an open market. We are highly supportive of the Xi administration's resolve to champion reform in this direction.

**What advice would you give to companies that are interested in doing business in China?**

In my observation, the foreign firms that succeed in China have typically shown two traits: the first is a differentiated product. This can be the result of tangibles like technology and design, or intangibles like a brand and reputation for safety. The

market is simply too competitive otherwise, and supply too responsive to rely on scarcity alone. The second is a willingness to listen to Chinese consumers and the ability to react quickly to their needs. I believe the companies that do this best are those that send Chinese managers overseas for training and then provide them with a high degree of autonomy upon their return.

**BEA places great importance on corporate responsibility and community engagement. Would you highlight the efforts you are making?**

We strive to build a sustainable business and environmental, social, and governance considerations are at the heart of our approach. We are fortunate to operate in a market as attractive as China and proudly give back to the community through an active corporate social responsibility program focusing on social welfare, education, and environmental protection. In particular, our BEA Charity Fund has partnered with the Soong Ching Ling Foundation in Shanghai to launch 51 'Firefly Centres' equipped with computers and Internet access for underprivileged children in impoverished rural areas. In our experience, these facilities have greatly enriched the children's education and opened them to the opportunities of the outside world.

In Hong Kong, we support the community through a variety of channels including The Bank of East Asia Charitable Foundation, which is dedicated to the advancement of higher education and helping under-resourced and vulnerable members of our society.

**In addition to China, BEA has a growing global footprint. Would you provide an overview of BEA's international operations and businesses?**

Our strength has always come from our engagement with our customers and our willingness to meet their changing needs. For this reason, we have followed our customers abroad to provide financial services in the markets and financial centers critical to them: Macau, Taiwan, Singapore, Malaysia, London, New York, and Los Angeles. We believe this international platform will be another source of growth as China deepens its integration with the world, and more business and capital flows between them. ●