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PRESS RELEASE

FOR IMMEDIATE RELEASE

Fubon Bank Lifts Profit 41% to Record HK$461 million

Profits attributable to shareholders grew 41% or HK$134 million to HK$461 million

(Hong Kong: 11 March 2008) Fubon Bank (Hong Kong) Limited and its subsidiaries ("the Bank") recorded 41% growth in its full-year 2007 net profit to a record of HK$461 million. The strong financial performance in 2007 was underpinned by broad-based business growth and improved asset mix which brought net interest income and fee income to new highs. The encouraging results also reflected effective execution of the Bank's business strategies and the tighter integration with its parent company, Fubon Financial Holding Co., Ltd. ("Fubon Financial"). Earnings per share rose to 39.33 Hong Kong cents, compared to 27.91 Hong Kong cents per share in 2006.

Net interest income up 23% to HK$854 million

Gross interest income rose 12% to HK$2,826 million for 2007, whereas gross interest expense increased 8% to HK$1,972 million over the corresponding period. As a result, net interest income grew by HK$157 million or 23% to HK$854 million. The increase in net interest income was bolstered by strong demand for advances with better interest margin such as trade finance and SME loans, improvement in investment yield and enhanced balance sheet mix, which outweighed the unfavourable impact of narrowing Prime-HIBOR spreads. Effective net interest margin ("NIM") improved by 21 bps to 1.65% from 1.44% for 2006, which aptly reflected the Bank's relentless efforts in enhancing its assets and deposits mix, controlling funding costs and improving assets yield.

Other operating income rose 32% to HK$568 million. Wealth management-related fee income soared 78% to HK$405 million

Other operating income including net fees and commission income reached HK$658 million, which soared by 53% or HK$227 million compared to 2006. After taking into account the mark-to-market losses of HK$90 million for CDOs held on the investment books, other operating income was recorded at HK$568 million, representing a 32% or HK$137 million increase compared to 2006. In the past two years, the Bank invested in building out its wealth management platform, enhancing its product capabilities and strengthening its customer franchise. The above initiatives have proven to be successful. A robust growth of 78% or HK$177 million in wealth management-related fee income to HK$405 million was recorded from the sales of wealth management products, encompassing financial markets investment and structured products, unit trusts and insurance. Benefiting from the buoyant Hong Kong equity market and strong initial public offering ("IPO") activities, brokerage-related commission income surged 90% or HK$51 million.

Cost to income ratio dropped to 59% from 64%, resulting from stringent cost management control. Operating profits before gains and impairment losses rose 43% to HK$587 million

Operating expenses rose 17% from HK$717 million to HK$835 million. This increase was primarily due to higher compensation and other staff expenses related to hiring of new staff for supporting business growth and surging wage pressure, higher IT expenses and increased premises costs for renting new office space at Central Tower to support business expansion. Nevertheless, the strong growth in net interest income and other operating income outpaced the increase in operating expenses. The Bank managed to lower its cost to income ratio by 5% to 59% for 2007. Operating profits before gains and impairment losses rose 43% or HK$176 million to HK$587 million compared with HK$411 million in 2006.

Return on average equity improved significantly from 8.47% to 11.43%

In line with continued growth of the domestic economy which supported corporate profitability and household income, the Bank recorded a net charge of impairment losses on advances to customers of HK$38 million, a decrease of HK$28 million when compared to HK$66 million in 2006. Asset quality remained benign as evidenced by the impaired loans ratio declining to 0.55% as of 31 December 2007 from 0.93% as of 31 December 2006. Impairment losses on available-for-sale securities of HK$162 million were provided for income notes issued by SIVs. The HK$162 million impairment losses on SIVs represented approximately 60% of our US$35 million SIVs holdings as at 31 December 2007. Net gains from the disposal of available-for-sale securities rose to HK$132 million from HK$47 million in 2006 as conditions were conducive for profit-taking on some equity investments. After accounting for impairment charges, other gains and tax charge, profit attributable to shareholders amounted to HK$461 million, representing a 41% increase from HK$327 million for 2006. Return on average assets and return on average equity improved significantly from 0.63% to 0.81% and from 8.47% to 11.43% respectively when compared with 2006.

Total assets up 14% to HK$60.6 billion. Loan growth was strong at 22%

With diversified sources of funding and growth in customer deposits, the Bank was able to support asset growth of 14% or HK$7.3 billion to HK$60.6 billion as at 31 December 2007. Customer deposits grew 23%, reaching HK$41.5 billion as at 31 December 2007. Net loans portfolio reached HK$31.5 billion, an increase of 22% or HK$5.7 billion over 2006 year-end balances. Trade finance increased 130% or HK$1.2 billion on the back of robust merchandise exports and strong domestic demands. Loans for use outside Hong Kong grew by 63% or HK$3.4 billion, mainly arising from the strong momentum of Taiwan-related corporate lending and hire purchase loans for use in Mainland China. The Group's capital and liquidity positions remained strong. Consolidated Capital Adequacy Ratio was 14.42% at the end of December 2007 and average liquidity ratio for 2007 was at 44.35%.

Taiwan-related business continued to deliver impressive growth

Taiwan-related business continued to demonstrate impressive growth during 2007. As at 31 December 2007, the loan and customer deposit balances of Taiwan-related business represented 18% (2006 year-end: 10%) and 21% (2006 year-end: 16%) of the total loan and deposit balances of the Bank respectively. For 2007, Taiwan-related business contributed 34% (2006: 12%) of the Bank's operating profits before gains and impairment losses.

Creating the fundamentals for sustainable growth

The Bank will vigorously pursue its expansion into the Mainland. Backed by strong ties from Fubon Financial, the Bank is well positioned to capture growing trade and investment flows between Taiwan, Hong Kong and Mainland China. The Bank will continue to harness the collective strength within the Fubon Group, strengthen its customer franchise, and extend and deepen its product range and expertise. All these initiatives will enable the Bank to serve its clients more effectively and create the fundamentals for sustainable growth.

Proposed 2007 Final Dividend at 13 Hong Kong cents per ordinary share

The Board of Directors proposes the payment of a final dividend of 13 Hong Kong cents per ordinary share in respect of year ended 31 December 2007, subject to approval at the forthcoming Annual General Meeting to be held on 29 April 2008.

Fubon Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited ("Fubon Bank") is a subsidiary of Fubon Financial Holding Co., Ltd., a leading financial services group in Taiwan which is engaged in corporate and investment banking, financial markets, consumer finance, wealth management, investment management and insurance. Fubon Bank operates 25 retail outlets in Hong Kong including 22 branches and 3 Securities Services Centres, and provides a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, hire purchase, securities brokerage and investment services. Fubon Bank is listed on the Stock Exchange of Hong Kong (stock code: 636) and holds an A-2 short-term, BBB+ long-term rating from Standard & Poor's. The rating reflects Fubon Bank's strong capitalization, good liquidity and sound asset quality.

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