



PRESS RELEASE

FOR IMMEDIATE RELEASE

Fubon Bank (Hong Kong) to Acquire a 19.99% stake in Xiamen City Commercial Bank

(10 June 2008) Fubon Bank (Hong Kong) Limited (“Fubon Bank”) announces that on 10 June 2008, it entered into a Share Subscription Agreement to subscribe to newly issued shares, representing 19.99% of the enlarged issued share capital of Xiamen City Commercial Bank (“XCCB”) for a cash consideration of approximately RMB230 million (approximately HK\$260 million*). This transaction represents the largest single equity holding and investments so far in a Mainland bank by a Taiwanese owned bank.

Mr. Ming-Hsing Richard Tsai, Chairman of Fubon Bank (Hong Kong) Limited, said, “Fubon Bank is very pleased to establish a strategic partnership with Xiamen City Commercial Bank and honoured to be working with its talented management team. This transaction is an important breakthrough for a Taiwanese owned bank to obtain a substantial ownership and assume an active management role in a Mainland commercial banking institution. The signing of the agreement marks a major milestone in Fubon Financial’s expansion plan for Mainland China. It underscores our commitment to making China a key market for our growth, and reinforces Fubon Bank’s vision in becoming the regional financial platform for Fubon Financial.”

As part of the transaction, Fubon Bank also entered into a Strategic Cooperation and Technology Transfer Agreement with XCCB to fulfill its responsibility as the foreign strategic investor in introducing international best banking practices and providing XCCB with necessary assistance in restructuring and upgrading its existing business and operations.

Headquartered in Xiamen City, Fujian Province, XCCB is a city joint-stock commercial bank and operates 32 business outlets including 31 sub-branches across Xiamen metropolitan area. It ranks fifth among all commercial banks in Xiamen in terms of number of outlets. For the year ended 31 December 2007, XCCB registered a net profit after taxes of RMB10 million on revenue of RMB595 million. The audited net tangible asset value was RMB433 million.

Following completion, Fubon Bank is entitled to appoint three directors to the new and expanded board of XCCB which will comprise eleven directors. In addition to the cash consideration of approximately RMB230 million or RMB2.3025 per share, which Fubon Bank intends to finance from internal surplus funds, it has further agreed to give its share of future dividends from XCCB to the existing shareholders of XCCB on a pro rata basis at any financial year for which distribution of dividends



will be declared, with a total amount of up to RMB20 million as deferred payment of part of the consideration.

Mr. Jin-Yi Lee, Managing Director and Chief Executive Officer of Fubon Bank (Hong Kong) Limited, said, "This transaction offers a mutually beneficial relationship between Fubon Bank and Xiamen City Commercial Bank. Our partnership with Xiamen City Commercial Bank will give us an established banking franchise and knowledge of the PRC market, instant RMB access, and a distribution network to better serve the banking and wealth management needs of Taiwanese and Hong Kong businessmen and their families on the Mainland. In return, we offer Xiamen City Commercial Bank the opportunity to draw on our regional network and product capability and to work with us closely with a view to improving risk management and internal controls, upgrading information technology infrastructure and developing new businesses. Together we are well positioned to capture a greater share of the rapidly growing trade and investment flows in the Greater China region."

The Share Subscription Agreement and the proposed transaction are conditional upon obtaining the consents and approvals from all relevant regulators. At the time of the signing of the Share Subscription Agreement, approval from the Hong Kong Monetary Authority has been obtained. Approvals have also been obtained from the Financial Supervisory Commission of Taiwan and the Investment Commission of Ministry of Economic Affairs of Taiwan for Fubon Financial Holding Co., Ltd. to invest in XCCB through Fubon Bank, its Hong Kong subsidiary.

Notes to editors:

*based on RMB/HKD exchange rate as of 10 June 2008.

Xiamen City Commercial Bank

Established on 30 November 1996, Xiamen City Commercial Bank ("XCCB") is a city joint-stock commercial bank. Headquartered in Xiamen, Fujian Province, XCCB operates 32 business outlets, including 31 sub-branches across Xiamen metropolitan area. It ranks fifth among all commercial banks in Xiamen in terms of number of outlets. Based on audited financials for the year ended 31 December 2007 prepared under PRC GAAP, XCCB's total assets amounted to RMB17.7 billion with net shareholders' equity of RMB433 million. The net profit before taxes was RMB83 million and RMB104 million, with a net profit after taxes of RMB10 million and RMB56 million for the years ended 31 December 2007 and 2006 respectively on revenue of RMB595 million and RMB410 million for the years ended 31 December 2007 and 2006 respectively. The Bank's non-performing loan ratio, based on the five-tier classification standard, was at 4.25% as at 31 December 2007, slightly below national average of 4.5% for city commercial banks.



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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 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 wealth management, consumer and wholesale banking, 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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