PRESS RELEASE

FOR IMMEDIATE RELEASE

Fubon Bank's Net Profit Surging 24% to HK$887 Million for the First Half of 2026

(Hong Kong: 11 August 2026) Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries ("the Group") delivered an outstanding performance in the first half of 2026, achieving a net profit of HK$887 million, representing a 24% year-on-year increase and the strongest half-year result in recent years. This achievement reflects the Group's successful execution of its growth strategy, strong business momentum and disciplined cost management amidst a challenging operating environment. Consequently, return on average equity improved notably to 9.78% from 8.47%, while return on average assets increased to 0.89% from 0.86% in the corresponding period of 2025.

The Group continued to achieve robust balance sheet growth, driving strong revenue expansion. Net interest income increased by 16% year-on-year to HK$1,564 million, supported by a 17% growth in average interest-earning assets. Average loans expanded by an impressive 28%, while average holdings of debt securities grew by 22%. At the same time, average customer deposits recorded a healthy growth of 18%. Despite a declining interest rate environment and the resulting pressure on asset yields, the Group's net interest margin remained relatively resilient at 1.70%, declining by only 2 basis points compared with the first half of 2025, reflecting the effectiveness of the Group's asset and liability management strategy. Looking ahead, net interest margin is expected to remain under pressure amid the continuing low interest rate environment.

The Group's diversified income streams continued to gain momentum. Non-interest income rose by 16% to HK$274 million, driven by strong performances across multiple business lines. Insurance services income surged by 50%, credit-related fee income increased by 40%, and net gain from treasury marketing activities grew by 29%, reflecting the Group's ability to capture business opportunities and deepen customer engagement. These encouraging results were partially offset by mark-to-market losses on hedging instruments arising from market volatility.

Operating expenses increased moderately by 5% year-on-year to HK$694 million, primarily driven by talent acquisition initiatives and strategic investments in technology to support future growth. While the Group continued to strengthen its workforce, IT-related expense rose by 17%, outpacing the overall growth in operating expenses and reflecting our commitment to digital transformation and system enhancement. Nevertheless, revenue growth exceeded expense growth, demonstrating the Group's continued focus on operational efficiency and cost discipline. As a result, the cost-to-income ratio improved markedly to 37.8%, compared with 41.9% in the first half of 2025.

While the operating environment remained challenging, the Group maintained a prudent and proactive approach to risk management. Total impairment losses increased by 40% to HK$96 million, reflecting a cautious stance amid ongoing economic uncertainties. Nevertheless, the Group's asset quality remained sound, with an impaired loan ratio (including trade bills and advances to banks) of 0.76% and a coverage ratio of 77.4% as at 30 June 2026, demonstrating the strength of our credit risk management framework and the resilience of our loan portfolio. The Group will continue to closely monitor credit quality developments, while impairment provisions may remain elevated given the volatile economic environment.

The Group's balance sheet continued to grow from a position of strength. Total assets increased by HK$15.3 billion, or 8%, to HK$206 billion as at 30 June 2026. The debt securities portfolios expanded by 21% to HK$89.8 billion, while total loan portfolio increased by 11% to HK$95.6 billion. Customer deposits rose steadily to HK$174.6 billion, up by 7% from the end of 2025. Including trade bills and advances to banks, the loan-to-deposit ratio increased from 53.5% to 55.0%, reflecting balanced and sustainable growth in both assets and funding.

The Group also maintained a strong capital and liquidity position, providing a solid foundation for sustainable growth. As at 30 June 2026, the Common Equity Tier 1 Capital Ratio and Tier 1 Capital Ratio both stood at 16.86%, while the Total Capital Ratio was 18.25%, all well above the statutory minimum requirements. In July 2026, the Group successfully issued US$300 million Tier 2 subordinated notes, further strengthening the capital base and enhancing our capacity to support future business growth. Meanwhile, the Average Liquidity Maintenance Ratio remained robust at 110.14%, reflecting the Group's prudent liquidity management and strong funding profile.

Global economic growth is expected to remain uneven through 2026, shaped by lingering geopolitical tensions in the Middle East and diverging trajectories within the AI-driven technology sector. Economic prospects across different regions will vary, subject to individual markets' exposure to geopolitical risks and their respective positions within global technology supply chains. The Chinese Mainland economy continues to recover amid structural adjustments, while Hong Kong's local economy has staged a notable rebound backed by improved external trade and domestic consumption, with the Hong Kong SAR Government maintaining a positive full-year growth outlook for 2026.

In light of this volatile market environment, we have concentrated on strengthening our core foundations to drive sustainable long-term growth. This momentum is underscored by the successful issuance of our USD 300 million Tier 2 subordinated notes due 2036, which achieved an order book exceeding USD 1.5 billion, or over five times oversubscribed, while further diversifying our international investor base. Meanwhile, we have broadened our regional footprint and customer coverage, with the opening of our Shenzhen Branch and the launch of the iN ShopBack Card further deepening our connection with digital customers and strengthening the Greater Bay Area presence.

On the business front, we continue to capture wealth management business opportunities by acquiring high-net-worth clients, while maintaining a strong focus on large corporate and syndicated lending. Our ongoing support for empowering SMEs includes initiatives such as our newly launched Fubon Corp+ Corporate Mobile Banking, and the streamlining of our SME loan approval process. Looking ahead, we will accelerate our digital transformation and further advance the adoption of innovative technologies, including AI, to enhance operational efficiency and elevate the customer experience. These efforts are vital to reinforcing our local presence, strengthening our regional connectivity, and reaffirming our commitment to delivering premium banking services as the preferred provider for our customers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2026

	For the six months ended 30 June 2026 HK$'000	30 June 2025 HK$'000
Interest income calculated using effective interest method	**3,930,404**	3,764,273
Other interest income	**4,490**	752
Interest income	**3,934,894**	3,765,025
Interest expense	**(2,370,696)**	(2,419,985)
Net interest income	**1,564,198**	1,345,040
Fee and commission income	**351,679**	273,787
Fee and commission expense	**(47,543)**	(51,525)
Net fee and commission income	**304,136**	222,262
Other operating (loss) / income	**(30,491)**	12,852
Operating income	**1,837,843**	1,580,154
Operating expenses	**(693,836)**	(662,578)
Operating profit before other gains and impairment losses	**1,144,007**	917,576
Impairment losses on advances to customers	**(96,887)**	(42,438)
Impairment losses on other financial instruments	**(506)**	(25,192)
Impairment losses on other assets	**(20)**	(611)
Write back of / (charge for) impairment losses on assets acquired under lending agreements	**1,300**	(300)
Impairment losses	**(96,113)**	(68,541)
Loss on revaluation of investment properties	**(2,000)**	-
Net gains / (losses) on disposal of financial assets measured at amortized cost	**117**	(81)
Net losses on disposal of fixed assets	**(99)**	(242)
Profit before taxation	**1,045,912**	848,712
Taxation	**(159,114)**	(135,068)
Profit for the period	**886,798**	713,644
Other comprehensive income for the period, net of tax:		
Items that will not be reclassified to profit or loss:		
Premises: net movement in premises revaluation reserve	**3,913**	3,775
Equity securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (non-recycling)	**35,687**	(4,368)
	39,600	(593)
Items that will be reclassified to profit or loss:		
Debt securities measured at fair value through other comprehensive income: net movement in investment revaluation reserve (recycling)	**(86,561)**	84,011
	(46,961)	83,418
Total comprehensive income for the period	**839,837**	797,062

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2026

	30 June 2026 HK$'000	31 December 2025 HK$'000
ASSETS		
Cash and short-term funds	**3,354,487**	5,002,214
Balances with banks and other financial institutions	**7,765,817**	14,425,351
Trading assets	**2,548,164**	2,460,418
Derivative financial instruments	**1,664,165**	1,301,021
Advances to customers	**78,129,595**	71,084,844
Advances to banks	**17,485,325**	15,137,000
Trade bills	**10,009**	664,776
Accrued interest and other assets	**2,115,705**	3,020,433
Debt securities measured at amortized cost	**43,919,353**	38,842,869
Debt securities measured at fair value through other comprehensive income	**45,878,593**	35,669,375
Investment funds measured at fair value through profit or loss	**22,038**	21,201
Equity securities designated at fair value through other comprehensive income	**115,342**	72,495
Fixed assets	**2,971,600**	2,957,785
Investment properties	**59,500**	61,500
Total assets	**206,039,693**	190,721,282
LIABILITIES		
Deposits and balances of banks and other financial institutions	**5,905,277**	4,013,695
Deposits from customers	**174,550,774**	162,892,400
Trading liabilities	**2,548,164**	2,460,418
Derivative financial instruments	**231,216**	304,600
Other liabilities	**3,828,471**	2,783,639
Current tax liabilities	**246,461**	89,577
Deferred tax liabilities	**319,257**	330,983
Total liabilities	**187,629,620**	172,875,312
EQUITY		
Share capital	**4,830,448**	4,830,448
Reserves	**13,579,625**	13,015,522
Total equity	**18,410,073**	17,845,970
Total equity and liabilities	**206,039,693**	190,721,282

Note: The financial information relating to the financial year ended 31 December 2025 that is included in this press release as comparative information does not constitute the Group's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The Bank has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Bank's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

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Fubon Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited ("Fubon Bank") is a wholly owned subsidiary of Fubon Financial Holding Co., Ltd. ("Fubon Financial Holdings"), one of the largest financial holding companies in Taiwan. Committed to becoming one of Asia's first-class financial institutions, Fubon Financial Holdings has built a strong lineup of financial service companies. Fubon Bank operates 15 branches and 3 SME Banking Services Centres in Hong Kong, alongside a branch in Shenzhen to support cross-border banking. The Bank provides a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, and investment services. Fubon Bank holds an A-2 short-term, A- long-term rating from Standard & Poor's. The rating reflects Fubon Bank's strong capitalization, good liquidity and sound asset quality.

For more information about Fubon Bank, please visit Fubon Bank's website www.fubonbank.com.hk.