



Q3 2014 Results Update

2014/11/06

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Figures in this presentation and the presentation materials distributed herewith are preliminary numbers.

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- Life Premium Summary

SKFH – 9M 2014 Overview

- SKFH recorded consolidated after-tax profit of NT\$7.66bn for 9M 2014; profit attributable to SKFH was NT\$6.95bn. EPS was NT\$0.71. Shareholders' equity increased 3.9% YoY to NT\$102.05bn, and book value per share was NT\$10.38.
- Subsidiaries' core business remained solid.
 - SKL:
 - ◆ FYP for 9M 2014 reached NT\$67.82bn, up 90.4% YoY, reducing cost of liability by 11 bps to 4.67% as of end of Q3.
 - ◆ Driven by properly-managed FX hedging, annualized hedging cost and investment return were 0.75% and 4.32% in 9M 2014, respectively.
 - SKB:
 - ◆ Driven by net interest income up 16.1% YoY, net fee income up 13.4% YoY, and TMU income up 141.4% YoY, pre-provision profit reached NT\$6.10bn, up 36.9% YoY.
 - ◆ Amid effort to adjust loan structure and enhance customers' overall contribution, NIS and NIM rose to 1.88% and 1.42%, respectively.
- SKFH has employed a Chief Marketing Officer to integrate marketing efforts across subsidiaries and further strengthen SKB's wealth management and credit card business.

Financial Highlights – 9M 2014

| | 9M 2013 | 9M 2014 | YoY Growth |
|-------------------------------------|-----------|-----------|------------|
| NT\$m (except per share data), % | | | |
| Consolidated net income | 11,356 | 7,655 | -32.6% |
| Net income attributable to SKFH | 10,969 | 6,949 | -36.6% |
| First year premium (Insurance) | 35,628 | 67,819 | 90.4% |
| Loans (Bank) | 445,163 | 472,838 | 6.2% |
| Total assets | 2,460,418 | 2,697,103 | 9.6% |
| Shareholders' equity ⁽¹⁾ | 98,203 | 102,046 | 3.9% |
| ROA (unannualized) | 9.70% | 5.56% | |
| ROE (unannualized) | 12.13% | 6.85% | |
| Earnings per share | 1.17 | 0.71 | -39.3% |

Note:

(1) Consolidated shareholders' equity for 9M 2013 and 9M 2014 were NT\$111,825mn and NT\$116,342mn, respectively

Net Income – 9M 2014

Net income contribution

NT\$bn

| Subsidiaries | 9M 2013 | 9M 2014 | YoY Growth |
|-------------------------------------|--------------|-------------|---------------|
| Shin Kong Life | 8.40 | 3.00 | -64.3% |
| Shin Kong Bank | 3.20 | 3.97 | 23.9% |
| Shin Kong Investment Trust | 0.02 | 0.02 | 27.6% |
| Shin Kong Venture Capital Int'l | 0.01 | -0.01 | -294.5% |
| Shin Kong Property Insurance Agency | 0.00 | 0.03 | 3,558.5% |
| Others ⁽¹⁾ | -0.66 | -0.06 | - |
| Net income | 10.97 | 6.95 | -36.6% |

Note:

(1) Includes other income of SKFH, income taxes, and profit from MasterLink Securities

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SKL – 9M 2014 Overview

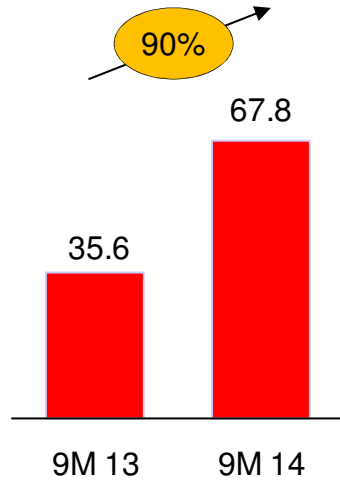
- FYP for 9M 2014 reached NT\$67.82bn, up 90.4% YoY, reducing cost of liability by 11 bps to 4.67% as of end of Q3. Consolidated after-tax profit was NT\$3.01bn; shareholders' equity increased by 1.9% YoY to NT\$62.37bn.
- FX traditional whole life products remained marketing focus in 2014. Sales in 9M reached NT\$21.87bn, accounting for 32.2% of total FYP.
- FYP of long-term care health policies sold in 9M was NT\$1.35bn, resulting in health insurance FYP amounting to NT\$2.64bn, 81.3% higher YoY. SKL's market share in health insurance reached 12.9%.
- Driven by properly-managed FX hedging, annualized hedging cost and investment return were 0.75% and 4.32% in 9M 2014, respectively.
- By actively selling FX policies and investing in international bonds listed in domestic OTC, SKL deployed funds in FX assets providing higher yield. Recurring yield before hedging increased 10 bps YoY.

Financial Highlights – 9M 2014

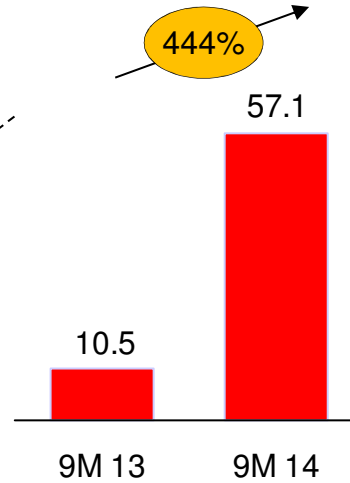
| | 9M 2013 | 9M 2014 | YoY Growth |
|---|-----------|-----------|------------|
| NT\$mn, % | | | |
| First year premium | 35,628 | 67,819 | 90.4% |
| Total premium | 116,452 | 151,033 | 29.7% |
| Investment income | 56,658 | 58,341 | 3.0% |
| Consolidated net income | 8,410 | 3,007 | -64.2% |
| Consolidated total assets | 1,755,149 | 1,908,014 | 8.7% |
| Consolidated total shareholders' equity | 61,196 | 62,367 | 1.9% |
| ROE (unannualized) | 14.61% | 4.72% | |
| ROA (unannualized) | 0.49% | 0.16% | |

First Year Premium – 9M 2014

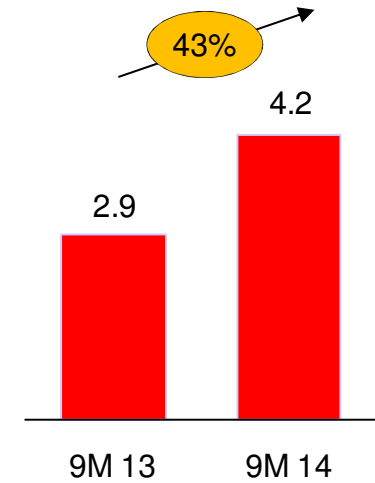
NT\$bn



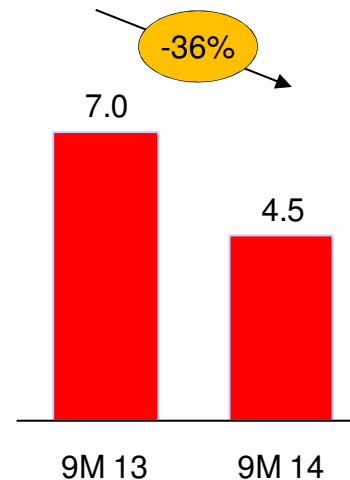
Traditional



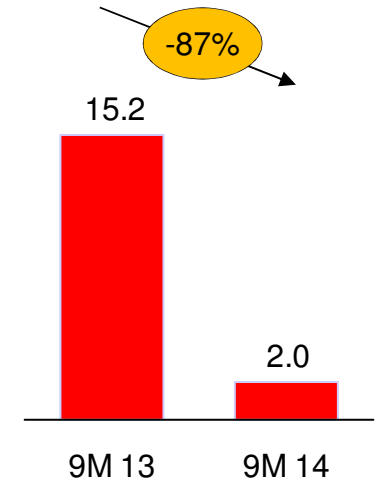
PA, Health and Group



Investment-linked



Interest-sensitive

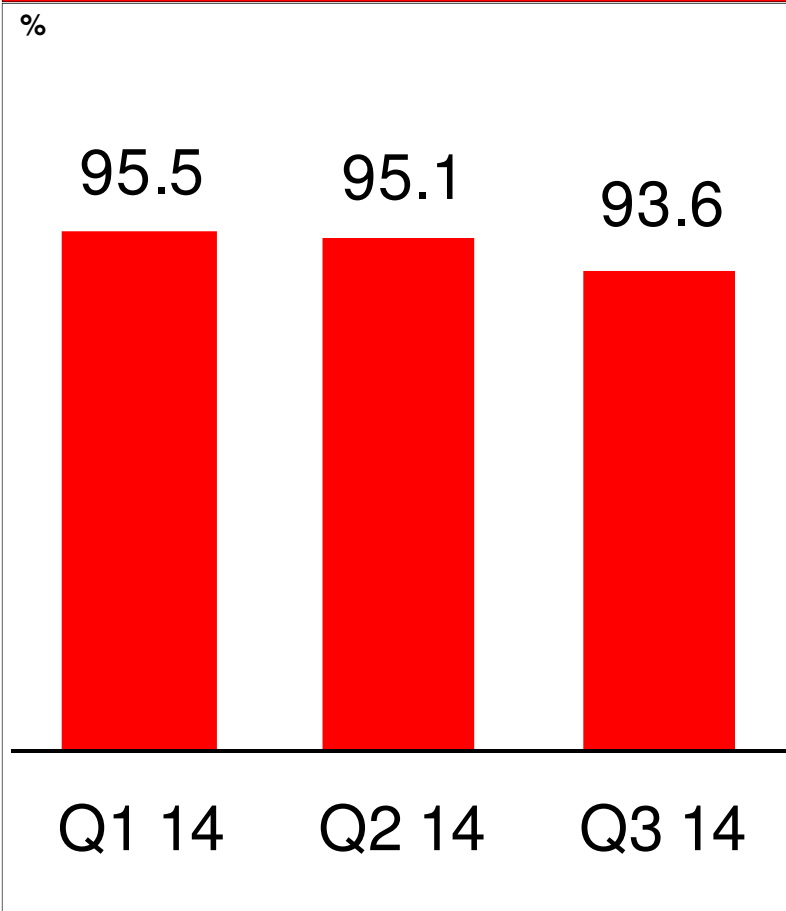


Comments

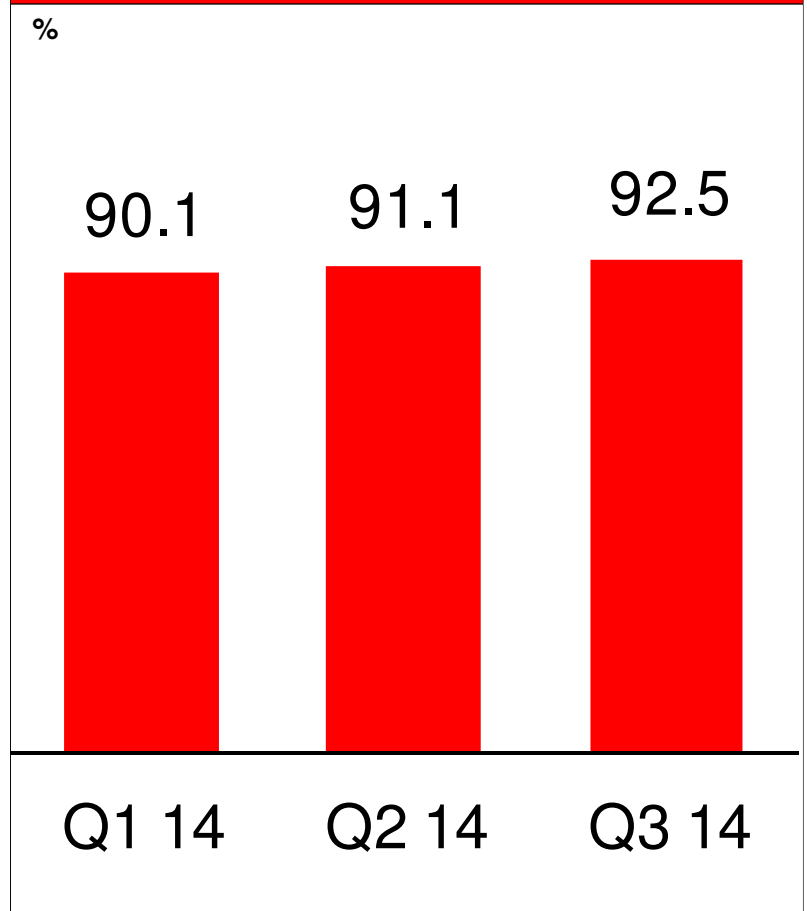
- FYP reached NT\$67.8bn, up 90% YoY, with strong sales of FX traditional whole life and NTD interest sensitive life products in Q3
- FX traditional whole life products remained marketing focus in 2014. Sales in 9M reached NT\$21.9bn, accounting for 32% of total FYP. Such products brought SKL stable interest spread with proper asset-liability match and no hedging cost
- FYP of long-term care health policies sold in 9M was NT\$1.35bn, resulting in health insurance FYP amounting to NT\$2.64bn, 81.3% higher YoY. SKL's market share in health insurance reached 12.9%
- Whole life products including foreign currency savings, long-term care health insurance and VULs continuously promoted for VNB growth

Persistency Ratio

13 month persistency ⁽¹⁾



25 month persistency ⁽¹⁾

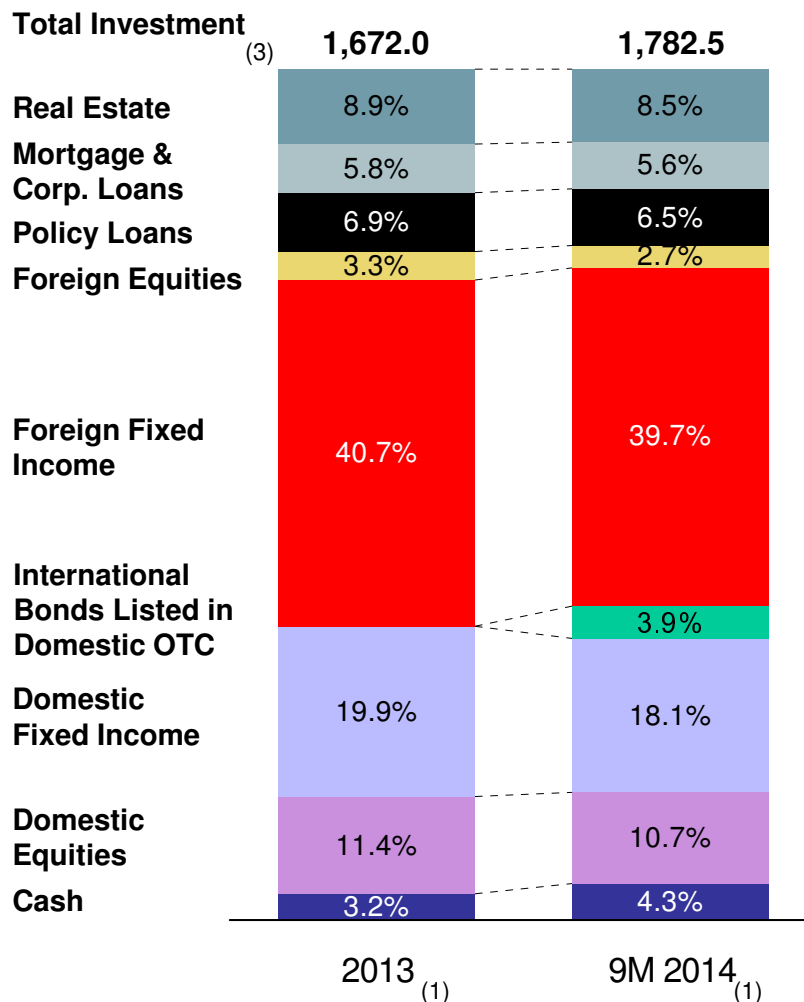
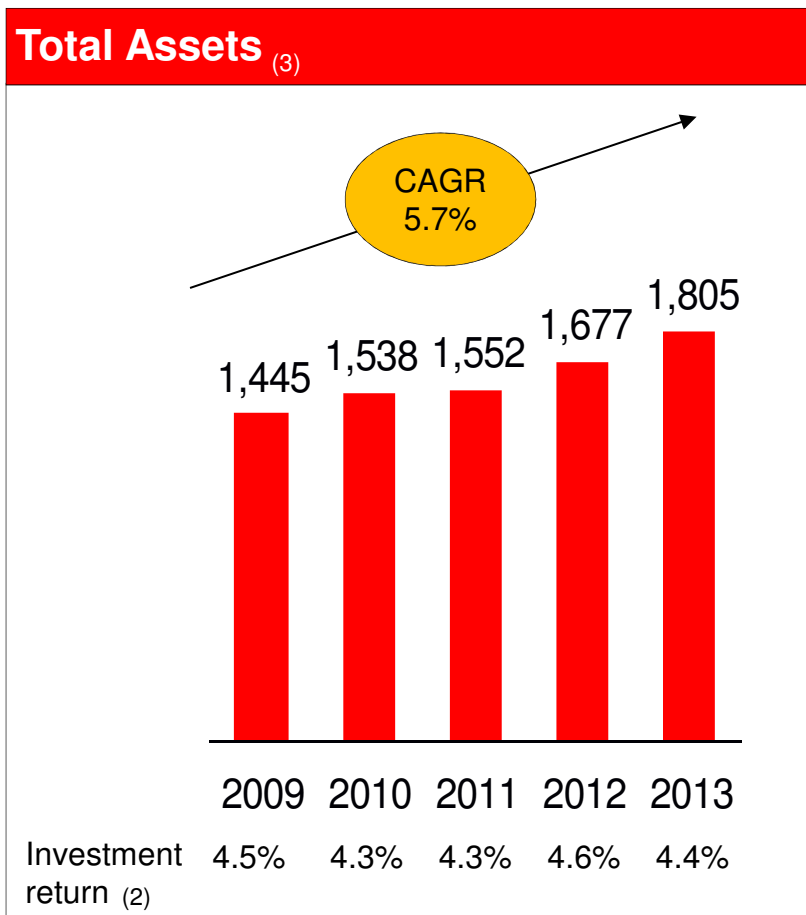


Note :

(1) Since Q2 2014, the data of persistency ratios include foreign currencies denominated traditional products

Investment Portfolio

NT\$bn



Note:

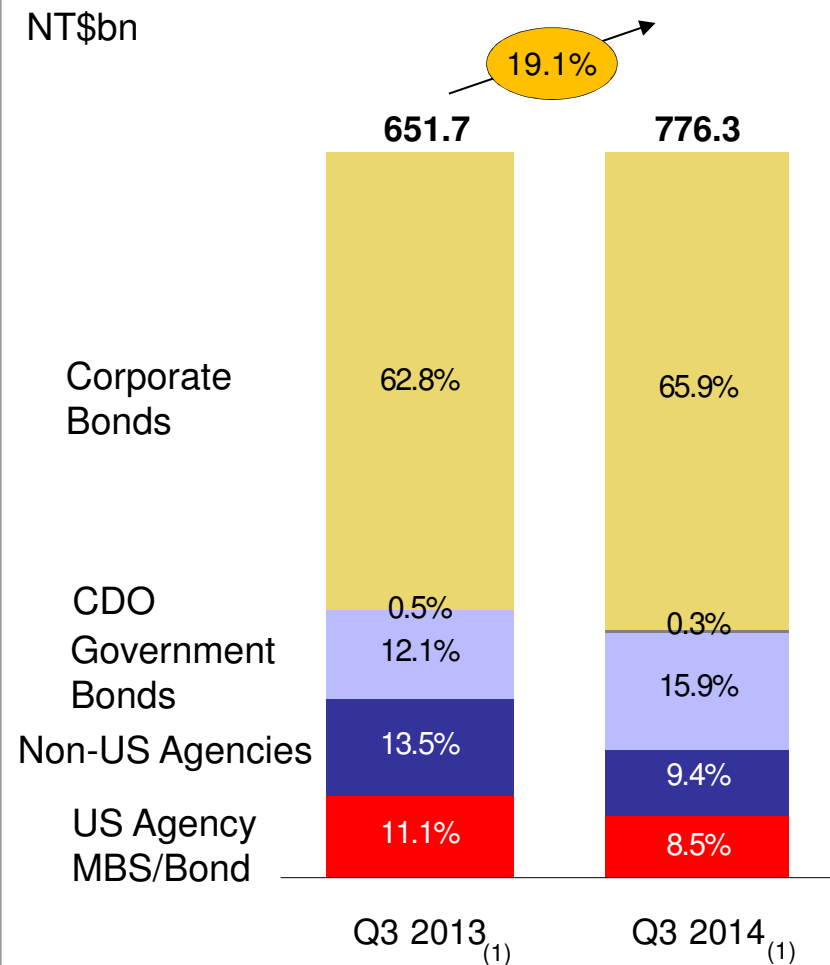
(1) Due to rounding, asset allocation figures may not add up to 100%

(2) Includes capital gains and FX hedging cost

(3) Since 2012, total assets and total investment include impact on investment real estate from first time adoption of IFRSs

Overseas Fixed Income

Overseas Fixed Income Portfolio ⁽²⁾



Comments

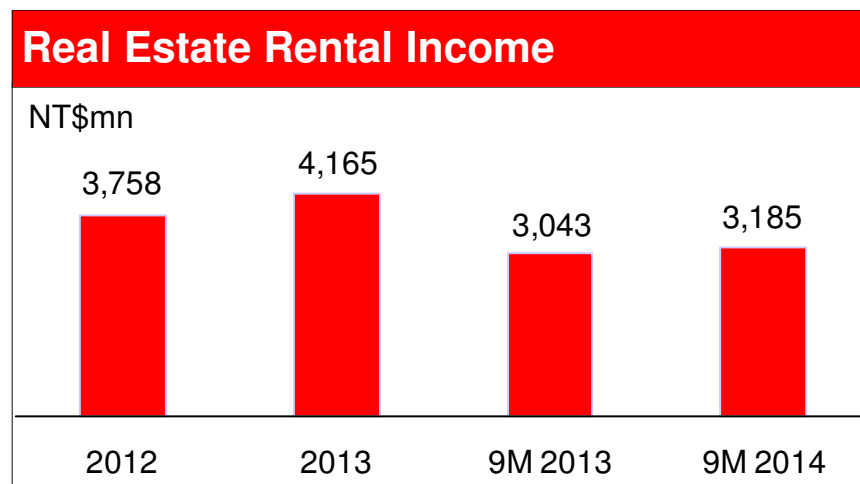
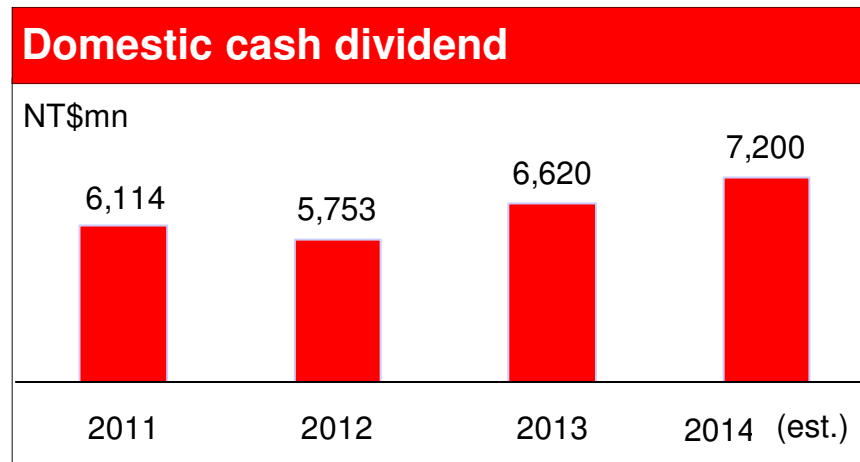
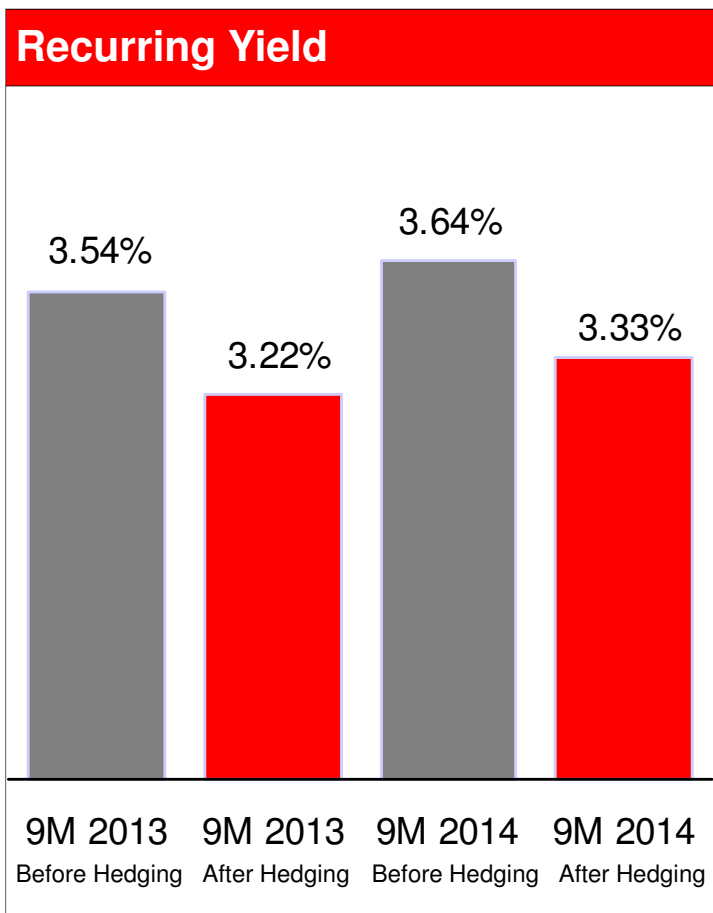
- High-quality corporate bonds and emerging market USD sovereign debts gradually deployed and mainly classified as no active market and held to maturity
- Since June, 2014, holdings in international bonds listed in domestic OTC has been exempted from foreign investment quota. As of the end of October, SKL has invested NT\$93.9bn in such bonds with average yield before hedging of 4.46%, which after hedging is still higher than domestic bond. Position expected to continuously increase
- Portfolio reallocation enhanced interest rates. Recurring yield before hedging in 9M 2014 grew 10 bps YoY

Note :

(1) Due to rounding, asset allocation figures may not add up to 100%

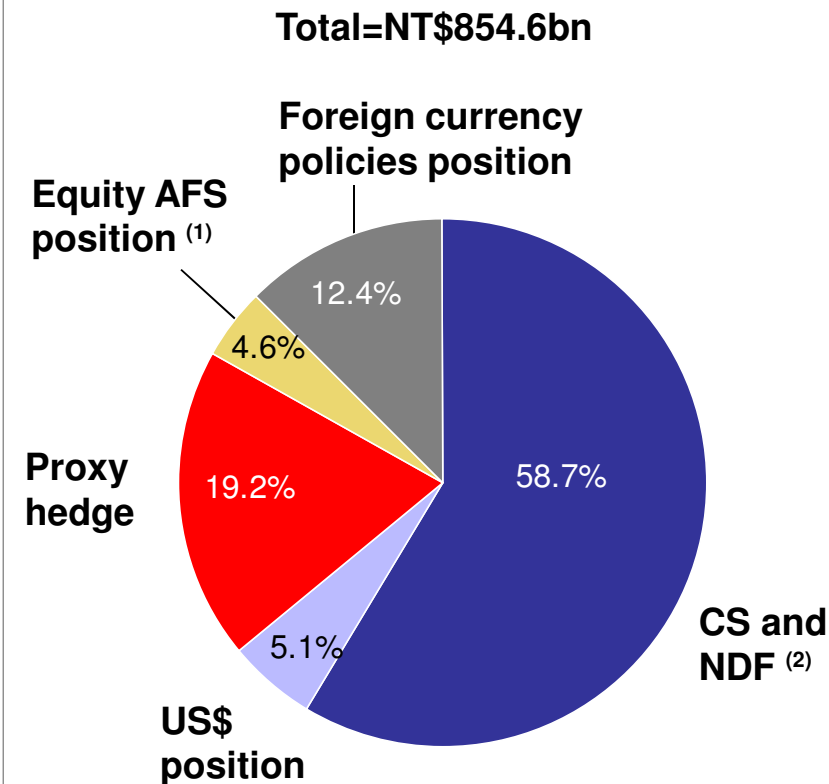
(2) Includes international bonds listed in domestic OTC

Recurring Yield



Hedging Strategy

Mix of Hedging Strategies Used



Comments

- Annualized hedging cost for 9M 2014 was 0.75%
- Hedging ratio was 71.1%, including CS, NDF, and naturally-hedged foreign currency policies position. Mid- to long-term target of hedging ratio ranges from 65% to 90% under stringent risk management
- Among traditional hedges, CS and NDF accounted for 83% and 17%, respectively
- AFS⁽¹⁾ position in foreign equities accounted for 4.6% of the portfolio and was not marked to market in income statement

Note:

(1) Available for sale position

(2) Currency swaps and non-delivery forwards

Investment Strategy

Strong ALM Discipline

- Develop Strategic Asset Allocation based on liability profile and capital budget
- Build core portfolio of recurring income
- Achieve diversification and yield pick-up through overseas investments. Gradually deploy in high-quality corporate bonds and emerging market USD-denominated sovereign debts to enhance recurring income

Well-diversified Portfolio

- Diversification by asset class (equity, credit, currency, commodity, real estate)
- Diversification by strategy for uncorrelated sources of alpha

Cost-effective Currency Hedging

- Dynamically adjust FX hedging ratio. Mid- to long-term target of CS, NDF, and naturally-hedged foreign currency policies position ranges from 65% to 90% all together
- Target hedging cost at 100 bps or below in the mid- to long-term

Enhance Investment Risk Management

- Highlight importance of asset allocation and control investment risk by prudent SAA and TAA ranges
- Enhance risk management of financial products including equities and foreign currencies by advancing functions controlling country-risk early warning and VaR models under ALGO risk management system

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SKB – 9M 2014 Overview

- Consolidated after-tax profit for 9M 2014 reached NT\$3.97bn; annualized ROE was 13.8%. Driven by net interest income up 16.1% YoY, net fee income up 13.4% YoY, and TMU income up 141.4% YoY, pre-provision profit reached NT\$6.10bn, up 36.9% YoY.
- Amid effort to adjust loan structure, loan balance was NT\$472.84bn, up 4.9% YTD while deposit balance totalled NT\$646.54bn, up 5.2% YTD. L/D ratio (incl. credit cards balance) increased from 71.0% to 72.4%.
- Driven by pricing loans based on customers' overall contribution, NIS increased 4 bps to 1.88% and NIM rose 2 bps to 1.42% QoQ.
- Wealth management income for 9M 2014 amounted to NT\$1.46bn, up 11.8% YoY. With a view to strengthening bancassurance business, wealth management consultants have directly registered as agents of SKL since April to promote joint marketing. Fee income from bancassurance reached NT\$0.76bn, up 150.9% YoY. SKB achieved bancassurance cross-sales of NT\$13.36bn in 9M 2014, representing 37.8% of SKL's bancassurance premium.
- Asset quality remained solid with only NT\$93mn new NPL generated in Q3 2014. NPL ratio decreased from 0.36% to 0.32% and coverage ratio increased from 324.27% to 384.10%. SKB will continue to strictly control asset quality and boost loan loss provisioning. By year end, NPL ratio and coverage ratio expected to improve to 0.26% and over 400%, respectively.

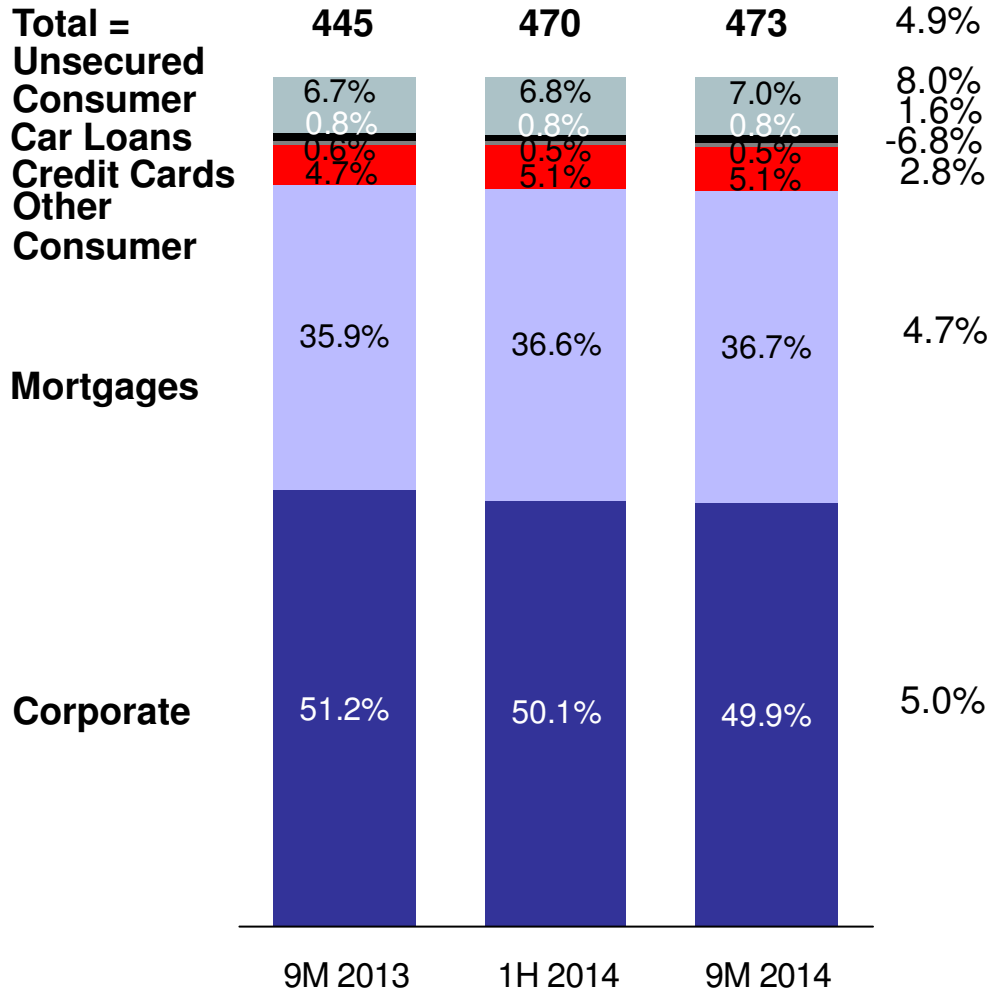
Net Income – 9M 2014

| | 9M 2013 | 9M 2014 | YoY Growth |
|------------------------------------|--------------|--------------|--------------|
| NT\$mn, % | | | |
| Net interest income | 6,180 | 7,176 | 16.1% |
| Net fee income | 2,071 | 2,347 | 13.4% |
| Investment income and other income | 1,072 | 1,978 | 84.5% |
| Operating expense | -4,866 | -5,398 | 10.9% |
| Pre-provision operating income | 4,457 | 6,103 | 36.9% |
| Provision expense | -730 | -1,416 | 94.0% |
| Income tax benefit (expense) | -527 | -722 | 37.1% |
| Consolidated net Income | 3,201 | 3,965 | 23.9% |

Loan Mix

NT\$bn

YTD Growth

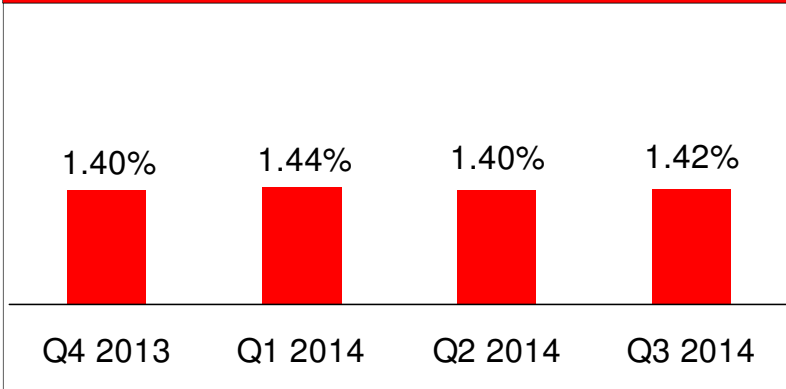


Comments

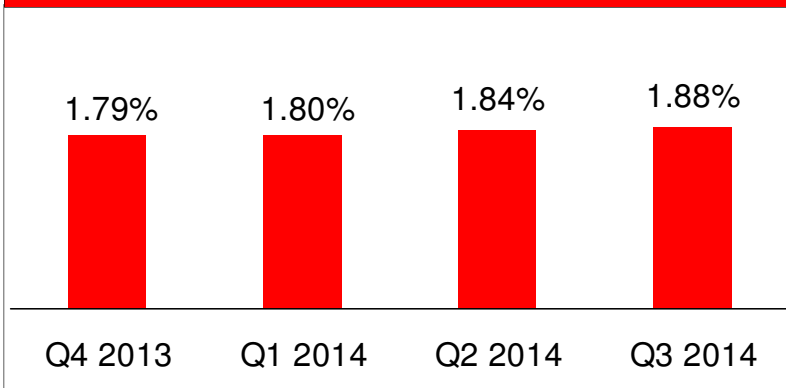
- Loan balance reached NT\$472.84bn. As profitability of corporate loans and mortgage continued to improve, NIS rose 4 bps to 1.88% QoQ
- Mortgages grew under stringent risk control. NPL ratio for mortgages was 0.24%, indicating stable asset quality
- Unsecured consumer loans grew 8.0%, with aim to balance consumer and corporate lending, as well as raise loan yields

Interest Income

Net Interest Margin



Net Interest Spread

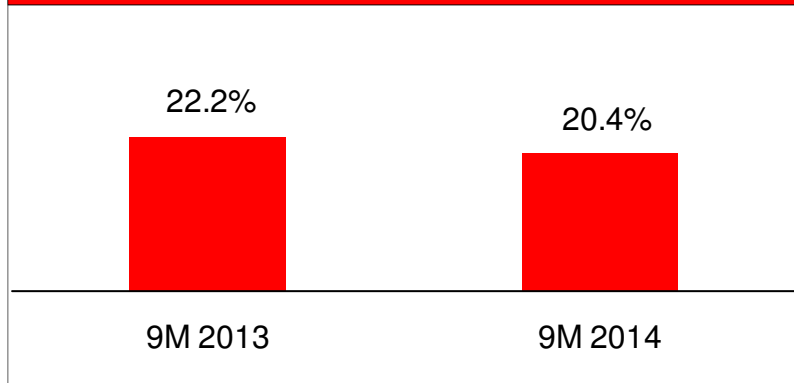


Comments

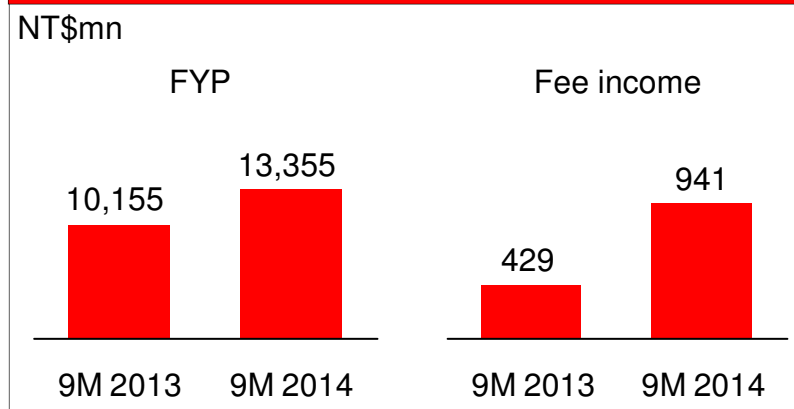
- NIS increased 4 bps to 1.88% QoQ with average loan yield rising 3 bps driven by pricing loans based on customers' overall contribution and lowering deposit rate by 1 bp QoQ
- As NIS improved and L/D ratio (incl. credit cards balance) increased to 72.4%, NIM rose 2 bps to 1.42% QoQ
- SKB will continue to :
 - Strengthen cash management business and increase demand deposits to lower cost of funds, and
 - Develop SME and consumer loans with stringent risk control to enhance interest income

Fee Income

Net Fee Income / Total Income

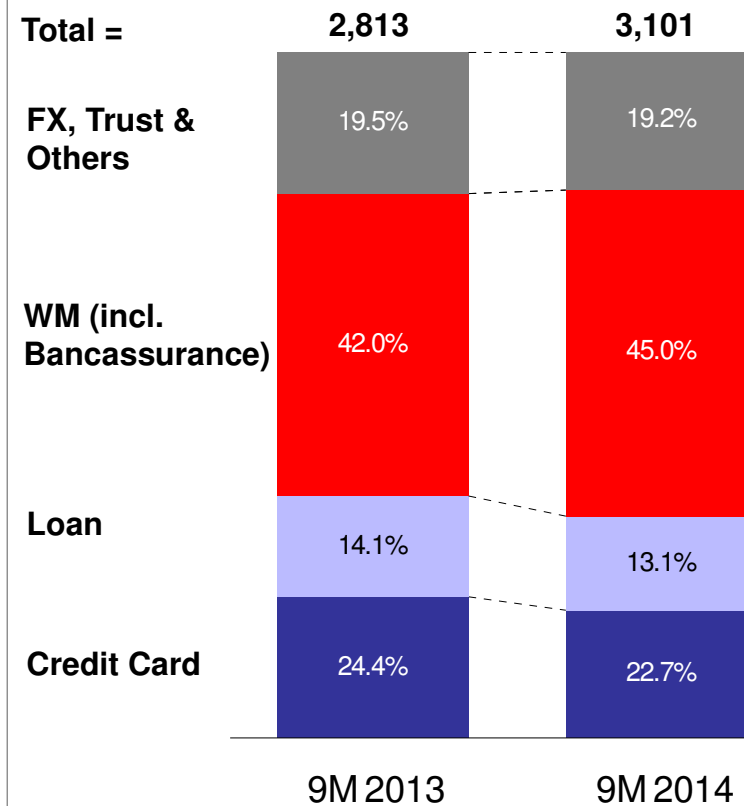


Bancassurance (SKL)



Fee Income Breakdown

NT\$m

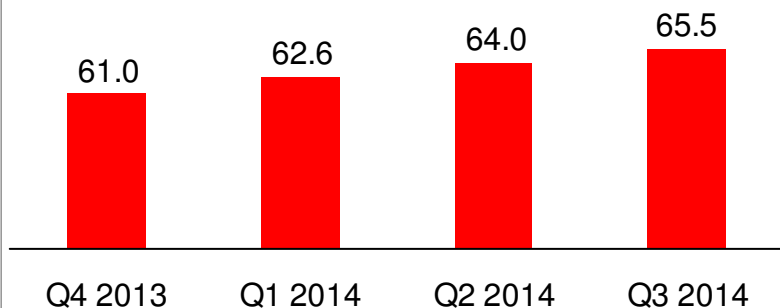


Note: Due to rounding, fee income breakdown may not add up to 100%

Wealth Management

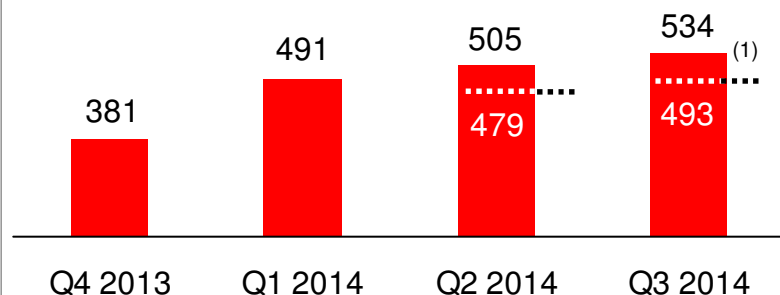
AUM

NT\$bn



WM Income

NT\$m



Note:

(1) WM income for Q3 2014 was NT\$493mn. As WM consultants have registered as agents of SKL since April, 2014, commissions deducted from WM income and paid to WM consultants directly. Pro-forma WM income for Q3 2014 would have been NT\$534mn including commissions

(2) Wealth management income includes income from structured deposits

(3) Income figure for each quarter is adjusted due to rounding

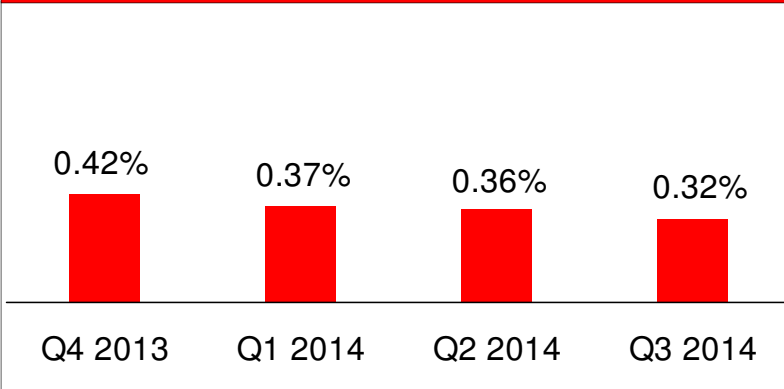
Wealth Management Center



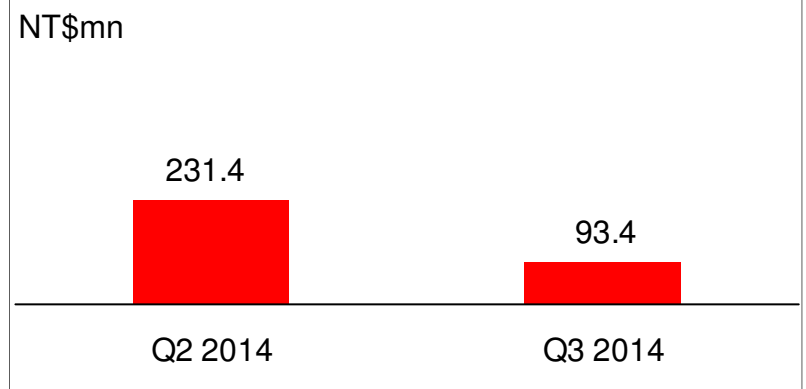
- Wealth management income for 9M 2014 climbed to NT\$1.46bn, up 11.8% YoY
- Since April, wealth management consultants have directly registered as agents of SKL, sharing access to its training resources and marketing tools. Fee income from bancassurance reached NT\$0.76bn, up 150.9% YoY
- To increase sales of mutual funds, SKB introduced investment efficiency system, employing profit taking and reinvestment mechanisms to help clients automatically switch between bond and equity funds

Asset Quality

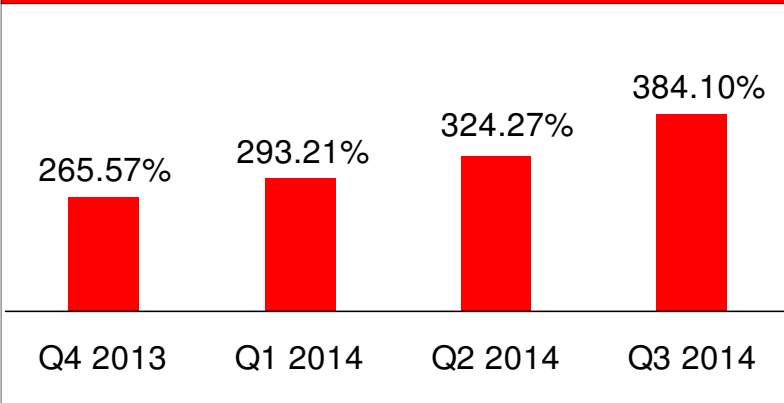
NPL Ratio



New NPL Generation



Coverage Ratio



- NPL ratio decreased to 0.32% and coverage ratio increased to 384.10%. SKB met the 1% general provision requirement in Q3
- New NPL generated in Q3 2014 was NT\$93mn, down 59.6% QoQ
- New NPL mainly came from NT\$50mn loans to Taiwan Polysilicon. SKB has no exposure to Wintek.

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SP / RP Breakdown

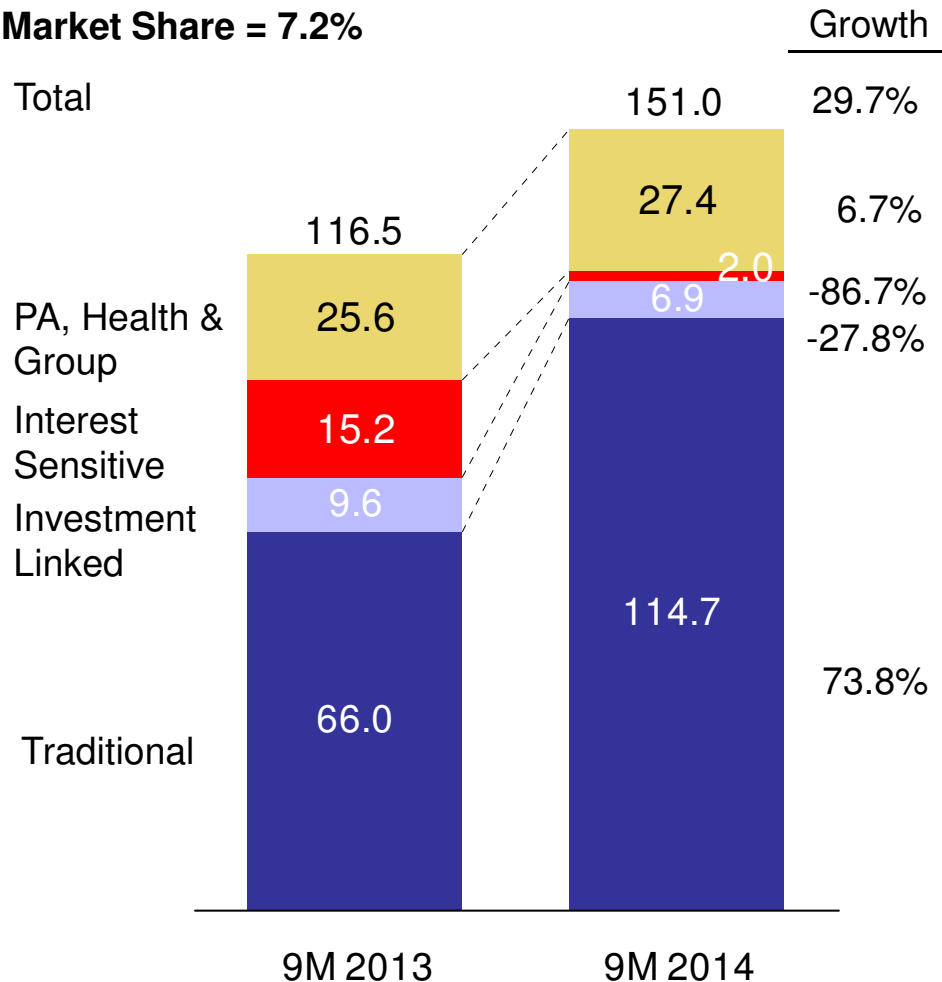
NT\$bn

| 2014 9M FYP | Single Premium | Regular Premium | Flexible Payment | Total |
|-----------------------|----------------|-----------------|------------------|---------------|
| Traditional | 26.00 | 31.12 | | 57.12 |
| Investment-linked | | | | |
| VUL | | 0.41 | 0.14 | 0.55 |
| Structured note | 3.92 | | | 3.92 |
| Interest Sensitive | | | | |
| Annuity | 1.95 | | 0.07 | 2.02 |
| Life | | | | |
| PA, health and others | | 4.21 | | 4.21 |
| Total | 31.88 | 35.73 | 0.21 | 67.82 |
| Share | 47.0% | 52.7% | 0.3% | 100.0% |

Total Premium – 9M 2014

NT\$bn

Market Share = 7.2%



Comments

- Driven by FYP of FX traditional products up 278.0% YoY and strong sales of NTD interest sensitive life products, total premium of traditional products grew 73.8% YoY and overall total premium grew 29.7% YoY
- Total investment-linked premium declined 27.8% YoY without aggressive marketing of single premium products. Moreover, VUL promoted by unit-cost-averaging method, with higher VNB but lower premium
- PA, Health & Group products grew steadily YoY due to strong sales of long-term care health insurance



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Shin Kong Financial HoldingFinancial Summary
(NT\$mn)

| Income Statement Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 14/Q3 13 | |
|--|-------------|----------------|----------------|--------------------|----------------|--------------------|-----------------|
| | | | | % change | Q3 2013 | Q3 2014 | % change |
| Net interest income | (90) | (84) | (134) | 60.3% | (11) | (45) | 310.5% |
| Income from subsidiaries | | | | | | | |
| Shin Kong Life | 6,525 | 8,404 | 2,999 | -64.3% | 2,866 | 2,590 | -9.6% |
| Shin Kong Bank | 4,062 | 3,201 | 3,965 | 23.9% | 1,027 | 1,578 | 53.7% |
| MasterLink Securities | 273 | 182 | 330 | 81.2% | 60 | 33 | -45.1% |
| Shin Kong Insurance Brokers | (3) | 17 | (3) | -119.0% | 7 | (0) | -106.4% |
| Shin Kong Investment Trust | 29 | 16 | 20 | 27.6% | 5 | 6 | 21.3% |
| Shin Kong Venture Capital International | 12 | 6 | (12) | -294.5% | 6 | (13) | -337.5% |
| Shin Kong Property Insurance Agency | 0 | 1 | 27 | 3558.5% | 1 | 8 | 898.6% |
| Total income from subsidiaries | 10,898 | 11,826 | 7,326 | -38.1% | 3,971 | 4,202 | 5.8% |
| Other income | 104 | 85 | 9 | -89.3% | 39 | 72 | 84.9% |
| Administrative and general expenses | (272) | (196) | (191) | -2.2% | (86) | (72) | -16.2% |
| Income tax benefit (expense) | (654) | (663) | (61) | -90.9% | 43 | 68 | 59.2% |
| Cumulative effect of changes in accounting principle | 0 | 0 | 0 | | 0 | 0 | |
| Net income | 9,986 | 10,969 | 6,949 | -36.6% | 3,956 | 4,225 | 6.8% |
| Other comprehensive income (loss), after tax | 2,080 | (1,608) | (5,623) | 249.7% | (3,202) | (8,460) | 164.2% |
| Total comprehensive income (loss) | 12,067 | 9,360 | 1,325 | -85.8% | 755 | (4,235) | -661.2% |

| Balance Sheet Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 14/Q3 13 | |
|---------------------------------------|-------------|----------------|----------------|--------------------|----------------|--------------------|-----------------|
| | | | | % change | Q3 2013 | Q3 2014 | % change |
| Long term investment | 110,233 | 105,473 | 112,179 | 6.4% | 105,473 | 112,179 | 6.4% |
| Total assets | 2,535,233 | 2,460,418 | 2,697,103 | 9.6% | 2,460,418 | 2,697,103 | 9.6% |
| Shareholders' equity (excl. minority) | 100,948 | 98,203 | 102,046 | 3.9% | 98,203 | 102,046 | 3.9% |

Note:

(1) Numbers have not been reviewed by the auditors.

Shin Kong Life
Financial Summary
(NT\$m)

| Income Statement Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 2013 | Q3 2014 | Q3 14/Q3 13 | |
|--|-------------|----------------|----------------|--------------------|-----------------|----------------|----------------|--------------------|--|
| | | | | % change | % change | | | | |
| Premium income | 157,192 | 108,163 | 142,818 | 32.0% | | 37,190 | 57,148 | 53.7% | |
| Investment income | | | | | | | | | |
| Interest income | 46,924 | 34,688 | 38,143 | 10.0% | | 11,802 | 12,942 | 9.7% | |
| Gains on investments in securities | 17,961 | 14,945 | 21,378 | 43.0% | | 8,885 | 8,485 | -4.5% | |
| Gains on real estate investments | 11,717 | 10,608 | 3,109 | -70.7% | | 962 | 1,016 | 5.6% | |
| FX | (3,916) | (4,134) | (3,311) | -19.9% | | (3,811) | (491) | -87.1% | |
| FX gain or loss | 13,408 | 7,986 | 9,187 | 15.0% | | (9,439) | 9,472 | -200.3% | |
| Hedging | (17,324) | (12,120) | (12,497) | 3.1% | | 5,628 | (9,963) | -277.0% | |
| FX Reserve | (329) | 460 | (1,047) | -327.3% | | 1,343 | (599) | -144.6% | |
| Impairment loss | 6 | 91 | 69 | -24.8% | | 89 | 49 | -45.5% | |
| Total Investment income | 72,363 | 56,658 | 58,341 | 3.0% | | 19,271 | 21,402 | 11.1% | |
| Other operating income | 2,241 | 1,724 | 1,965 | 14.0% | | 801 | 632 | -21.2% | |
| Provisions for reserves | | | | | | | | | |
| Provisions | (197,593) | (131,427) | (168,419) | 28.1% | | (44,966) | (64,425) | 43.3% | |
| Recoveries | 85,564 | 55,929 | 49,910 | -10.8% | | 17,420 | 16,880 | -3.1% | |
| Total provisions for reserves, net | (112,030) | (75,498) | (118,509) | 57.0% | | (27,546) | (47,545) | 72.6% | |
| Insurance payments | (93,201) | (68,686) | (62,764) | -8.6% | | (22,034) | (21,329) | -3.2% | |
| Commission expenses | (5,376) | (3,613) | (6,586) | 82.3% | | (1,231) | (2,642) | 114.5% | |
| Separate account revenues | 13,848 | 8,906 | 10,496 | 17.8% | | 4,499 | (1,205) | -126.8% | |
| Separate account expenses | (13,848) | (8,906) | (10,496) | 17.8% | | (4,499) | 1,205 | -126.8% | |
| General and administrative expenses | (13,168) | (9,068) | (10,817) | 19.3% | | (3,223) | (4,197) | 30.2% | |
| Other operating costs and expenses | (1,212) | (894) | (899) | 0.6% | | (325) | (297) | -8.6% | |
| Operating income | 6,809 | 8,786 | 3,549 | -59.6% | | 2,902 | 3,171 | 9.3% | |
| Non-operating income and expenses | 313 | 185 | 194 | 4.5% | | 144 | 11 | -92.4% | |
| Income taxes | (590) | (561) | (736) | 31.2% | | (176) | (590) | 234.7% | |
| Cumulative effect of changes in accounting principles | 0 | 0 | 0 | | | 0 | 0 | | |
| Net income | 6,532 | 8,410 | 3,007 | -64.2% | | 2,870 | 2,592 | -9.7% | |
| Other comprehensive income (loss) | | | | | | | | | |
| Exchange differences on translation of foreign operations financial statements | 28 | 21 | (1) | -106.7% | | (5) | 5 | -199.7% | |
| Unrealized gains (losses) on available-for-sale financial assets | 3,132 | (2,096) | (6,281) | 199.6% | | (3,320) | (9,395) | 183.0% | |
| Gains (losses) on effective portion of cash flow hedges | 0 | 0 | 0 | | | 0 | 0 | | |
| Actuarial gains (losses) on defined benefit plans | (1,004) | 0 | 0 | | | 0 | 0 | | |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method | 4 | 5 | 99 | 2061.0% | | 3 | (54) | -1964.7% | |
| Income tax relating to components of other comprehensive income | 325 | 884 | 693 | -21.6% | | 273 | 1,106 | 304.9% | |
| Total comprehensive income (loss) | 9,017 | 7,223 | (2,482) | -134.4% | | (179) | (5,746) | 3112.1% | |
| | | | | | | | | | |
| Balance Sheet Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 2013 | Q3 2014 | Q3 14/Q3 13 | |
| Total assets | 1,804,637 | 1,755,149 | 1,908,014 | 8.7% | | 1,755,149 | 1,908,014 | 8.7% | |
| Total shareholders' equity | 64,990 | 61,196 | 62,367 | 1.9% | | 61,196 | 62,367 | 1.9% | |

Note:

(1) Numbers have not been reviewed by the auditors.

Shin Kong Bank
Financial Summary
(NT\$m)

| Income Statement Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 14/Q3 13 | |
|--|---------|---------|---------|-------------|---------|-------------|----------|
| | | | | % change | Q3 2013 | Q3 2014 | % change |
| Interest income | 13,500 | 9,959 | 11,439 | 14.9% | 3,413 | 3,891 | 14.0% |
| Interest expense | (5,102) | (3,778) | (4,264) | 12.8% | (1,290) | (1,441) | 11.7% |
| Net interest income | 8,398 | 6,180 | 7,176 | 16.1% | 2,122 | 2,449 | 15.4% |
| Fee income | 3,754 | 2,813 | 3,101 | 10.2% | 893 | 1,027 | 15.0% |
| Fee expense | (1,037) | (743) | (754) | 1.5% | (254) | (244) | -3.9% |
| Net fee income | 2,716 | 2,071 | 2,347 | 13.4% | 639 | 783 | 22.5% |
| Gains on bill & securities | 843 | 807 | 1,225 | 51.8% | 267 | 491 | 84.0% |
| Gains on foreign exchange, net | 304 | 131 | 231 | 76.7% | 69 | 167 | 143.2% |
| Other gains or losses, net | 180 | 134 | 522 | 288.7% | 52 | 510 | 871.8% |
| Operating expense | (6,526) | (4,866) | (5,398) | 10.9% | (1,664) | (1,926) | 15.7% |
| Pre-provision income or loss | 5,915 | 4,457 | 6,103 | 36.9% | 1,485 | 2,474 | 66.6% |
| Provision expense | (1,167) | (730) | (1,416) | 94.0% | (287) | (612) | 113.5% |
| Income tax (expense) benefit | (686) | (527) | (722) | 37.1% | (172) | (284) | 64.9% |
| Net income | 4,062 | 3,201 | 3,965 | 23.9% | 1,027 | 1,578 | 53.7% |
| Other comprehensive income (loss) | | | | | | | |
| Exchange differences on translation of foreign operations financial statements | 7 | (5) | 17 | -483.1% | (16) | 19 | -222.2% |
| Unrealized gains (losses) on available-for-sale financial assets | (345) | (486) | (232) | -52.2% | (150) | (191) | 27.1% |
| Actuarial gains and losses on defined benefit plans | (193) | | | | | | |
| Income tax relating to components of other comprehensive income | 32 | | | | | | |
| Other comprehensive income (loss), after tax | (498) | (491) | (215) | -56.2% | (166) | (171) | 3.2% |
| Total comprehensive income (loss) | 3,563 | 2,710 | 3,750 | 38.4% | 861 | 1,407 | 63.5% |

| Balance Sheet Data | 2013 | 9M 2013 | 9M 2014 | 9M 14/9M 13 | | Q3 14/Q3 13 | |
|---------------------------------|---------|---------|---------|-------------|---------|-------------|----------|
| | | | | % change | Q3 2013 | Q3 2014 | % change |
| Total assets | 693,244 | 667,682 | 740,394 | 10.9% | 667,682 | 740,394 | 10.9% |
| Total shareholders' equity | 36,630 | 35,777 | 39,880 | 11.5% | 35,777 | 39,880 | 11.5% |
| Total loans, net ⁽¹⁾ | 444,642 | 439,482 | 465,970 | 6.0% | 439,482 | 465,970 | 6.0% |
| Total deposits | 614,517 | 584,765 | 646,541 | 10.6% | 584,765 | 646,541 | 10.6% |

| Operating Metrics | 2013 | 9M 2013 | 9M 2014 | Q3 2013 | | Q3 2014 | |
|--|--------|---------|---------|---------|-------|---------|--|
| | | | | | | | |
| Fee income ratio | 21.8% | 22.2% | 20.4% | 20.3% | 17.8% | | |
| Cost income ratio | 52.0% | 51.8% | 46.5% | 52.4% | 43.4% | | |
| Loan/deposit ratio (excl. credit card) | 72.3% | 75.1% | 72.0% | 75.1% | 72.0% | | |
| Loan/deposit ratio (incl. credit card) | 72.7% | 75.5% | 72.4% | 75.5% | 72.4% | | |
| Net interest margin | 1.40% | 1.41% | 1.42% | 1.39% | 1.42% | | |
| Net interest spread | 1.80% | 1.80% | 1.84% | 1.80% | 1.88% | | |
| Pre-provision earnings/assets | 0.89% | 0.68% | 0.85% | 0.23% | 0.35% | | |
| Pre-provision earnings/equity | 17.35% | 13.24% | 15.95% | 4.41% | 6.47% | | |

Note:

(1) Excludes credit cards but include overdue receivables.

(2) Numbers have not been reviewed by the auditors.