



King's Town Bank Operating Results of 2Q17

Stock Code : 2809.TW



Disclaimer

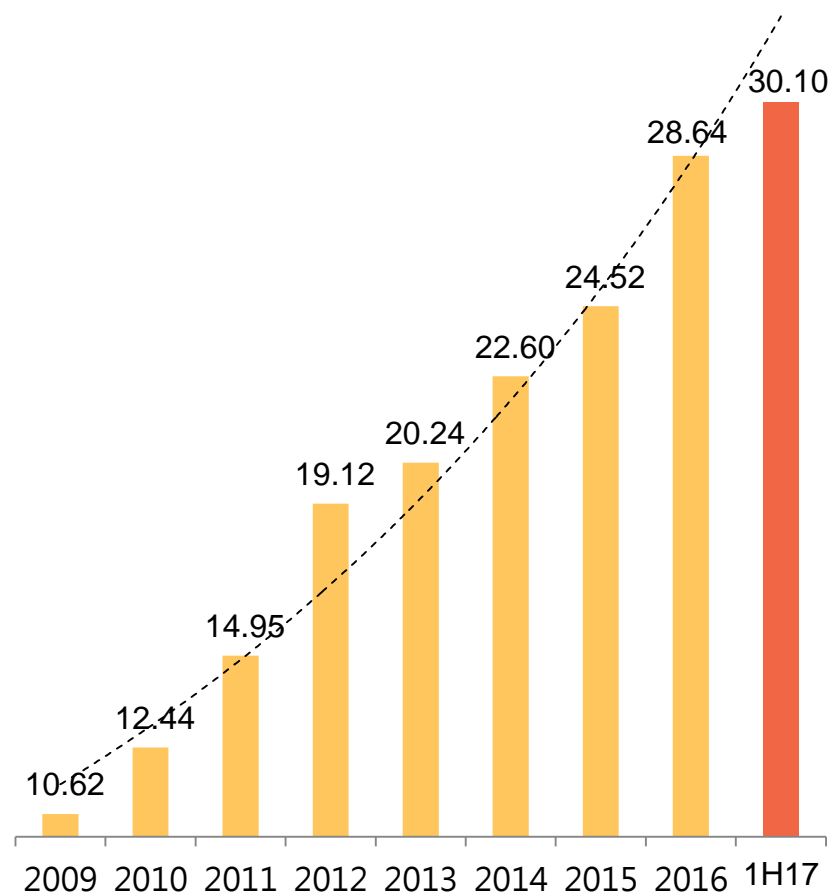
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual results or developments may differ from those indicated by these forward-looking statements as a result of various factors and uncertainties which are beyond our control. In addition, King's Town Bank makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.
- The operating results still need to be audited by accountants.



1H/17 Financial Review

	2017.06	2016.06
Total Assets (NT\$ mm)	249,214	236,219
Book Value/share (NT\$)	30.10	26.81
ROE (pretax)	19.50%	18.06%
ROA (pretax)	2.66%	2.26%
BIS Ratio	15.54%	15.32%
NPL Ratio	0.03%	0.03%
Coverage Ratio	5,667.76%	4,663.97%
Loan-loss Provision Coverage Ratio	1.65%	1.54%
QFII Holdings	22.81%	20.06%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1H/17 Business Summary Updates

Financial Performance

- Reported after-tax net income for 1H/17 of NT\$ 2,798 million or NT\$ 2.44 per share after tax (EPS), increased by 27.5% and 27.1 year-to-year respectively.
- Reported ROE of 19.5% and ROA of 2.66% for 1H/17.

Financial Strength

- Fee income continues to exhibit stable growth momentum, increased by 0.96% compared to same period last year.
- Asset quality remains sound with NPL ratio at 0.03%, coverage ratio at 5667.76% and loan-loss provision coverage ratio at 1.65% .
- Total deposit for 1H/17 increased NT\$ 1.8 billion to NT\$ 174.5 billion versus NT\$ 172.7 billion in 2016. Loan-to-deposit ratio for 1H/17 increased 3.6 percentage point to 76.0% versus 72.4% in 2016.

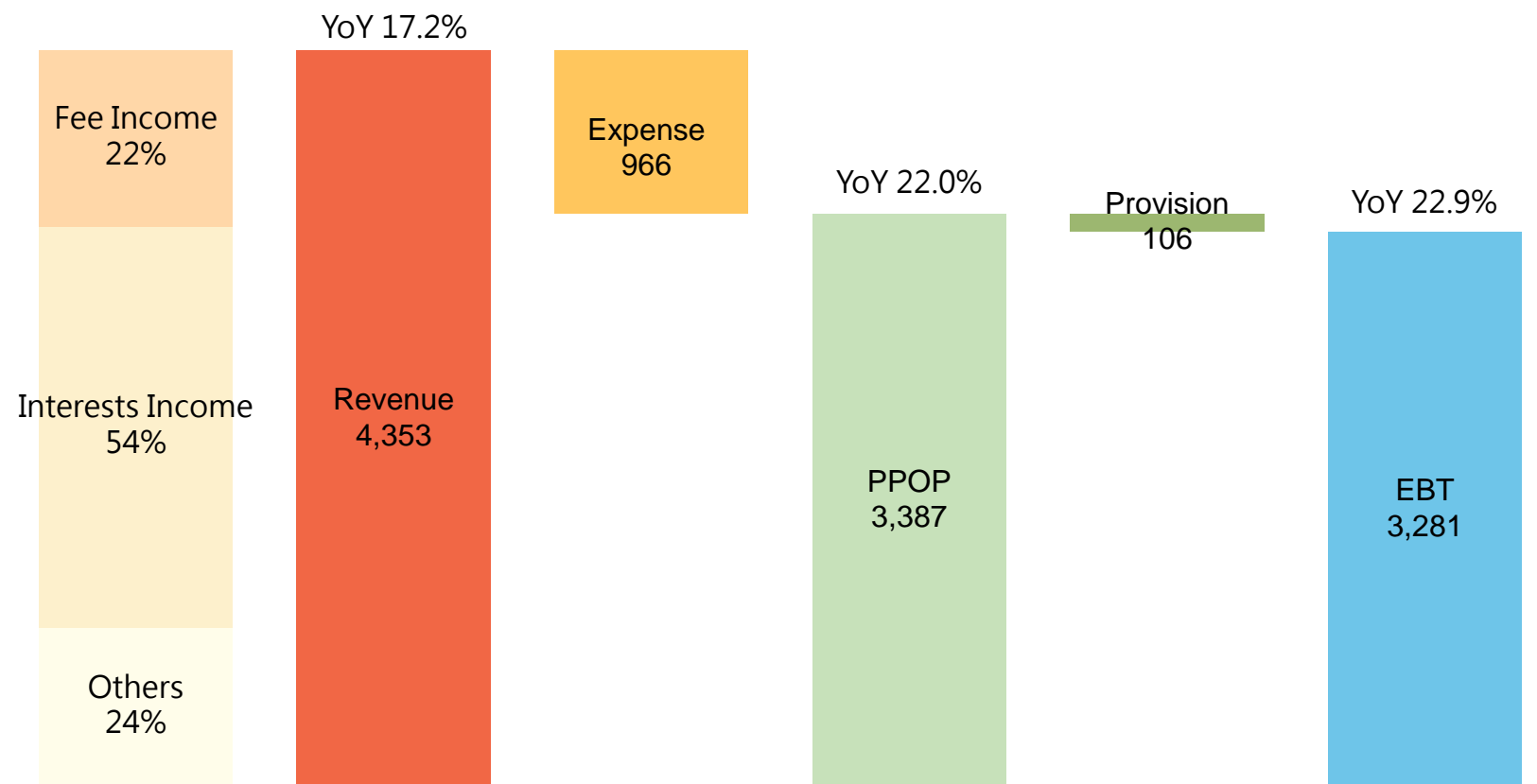
Operation Highlights

- Each employee at King's Town Bank generated an average of NT\$5.79 million in profit .
- Pioneer in lending to green energy related business in Taiwan. Existing outstanding loan amount to green energy business is over NT\$ 7 billion (>5% of total outstanding loan amount). This business has been performing well with zero NPL ratio over the past 6 years.
- Outstanding ROE performance with average of 19.01% over the past 3 years – one of the few domestic banks in Taiwan to qualify for opening up new branches.



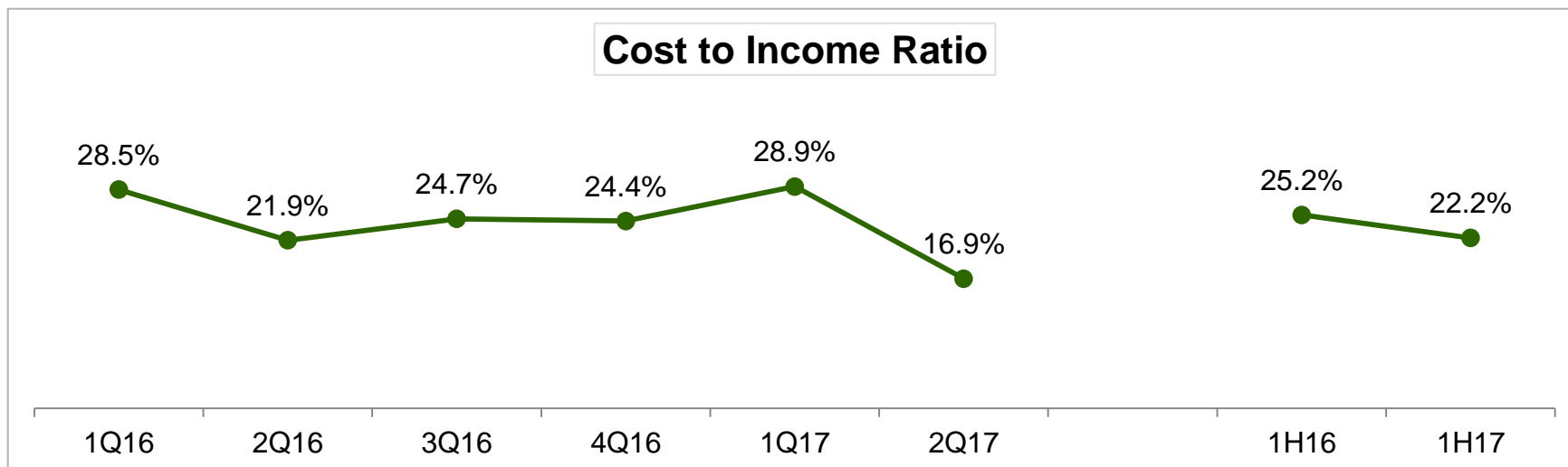
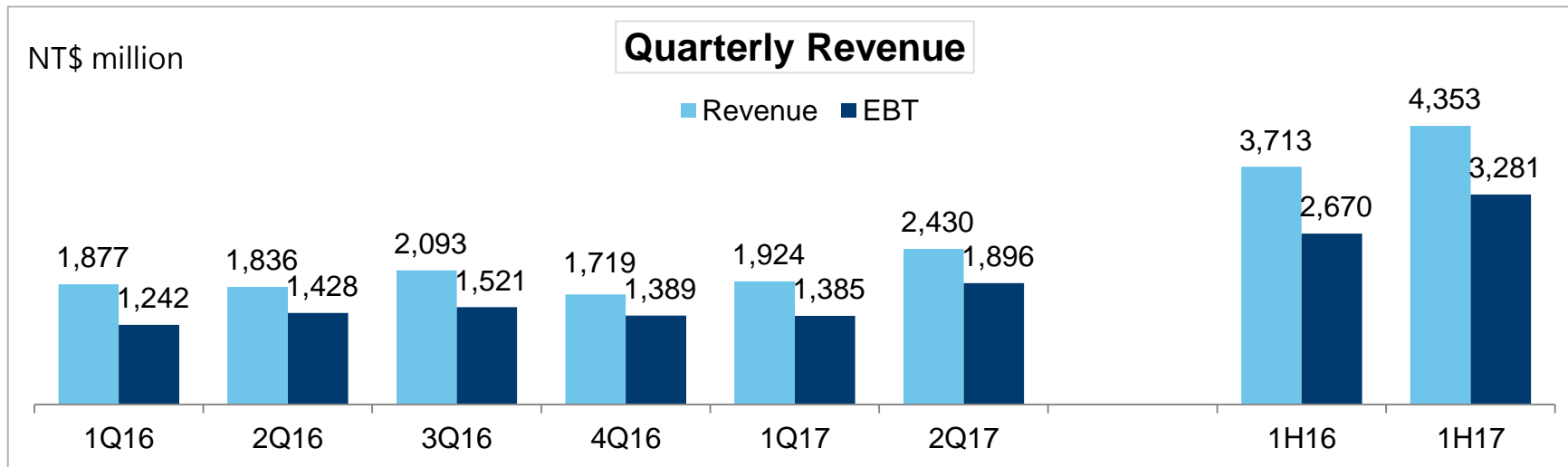
1H/17 Revenue Breakdown

NT\$ million



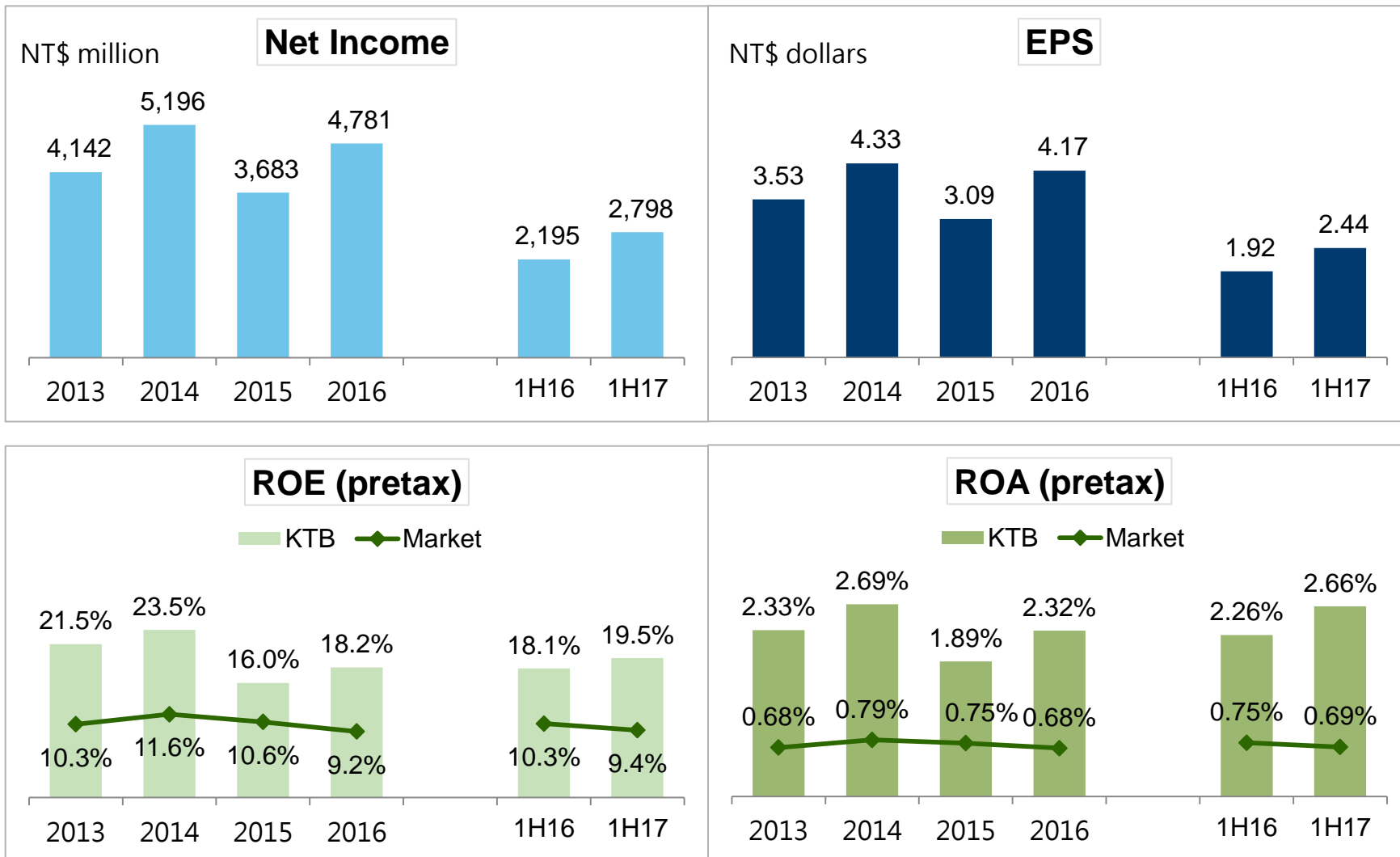


Quarterly Revenue and Expense



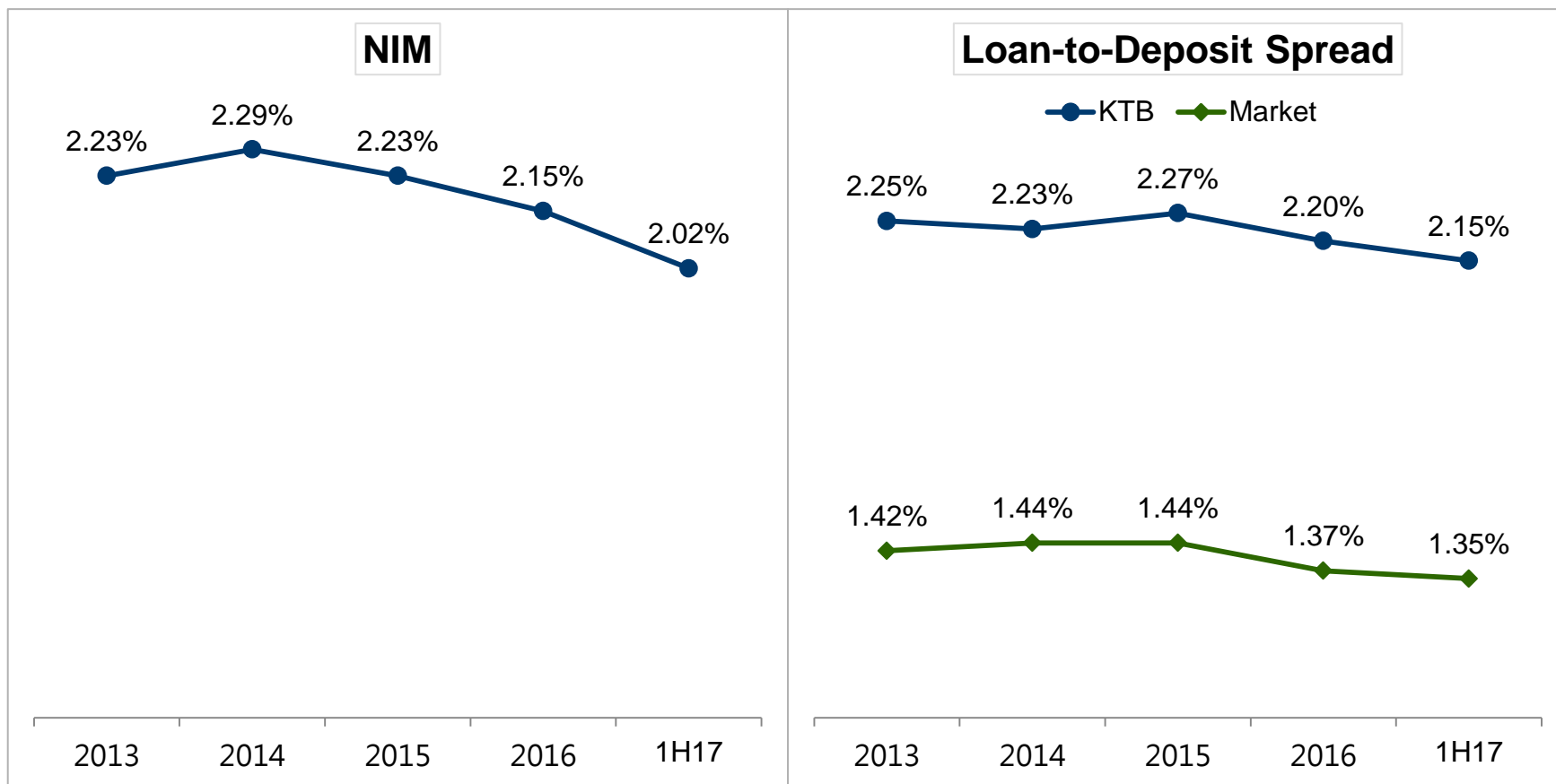


Profitability



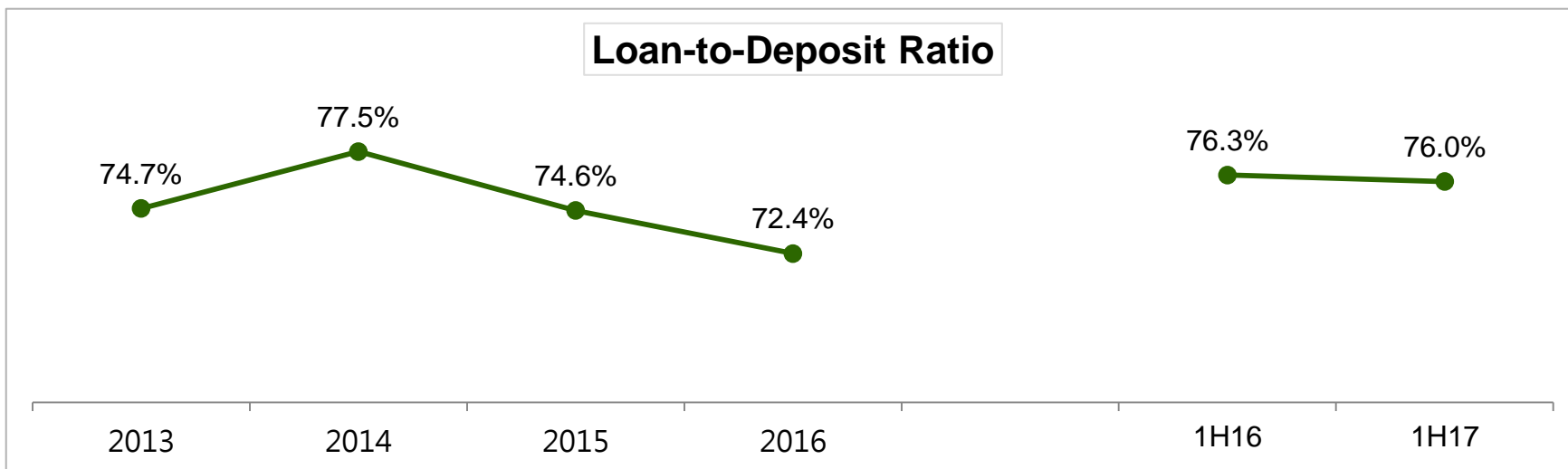
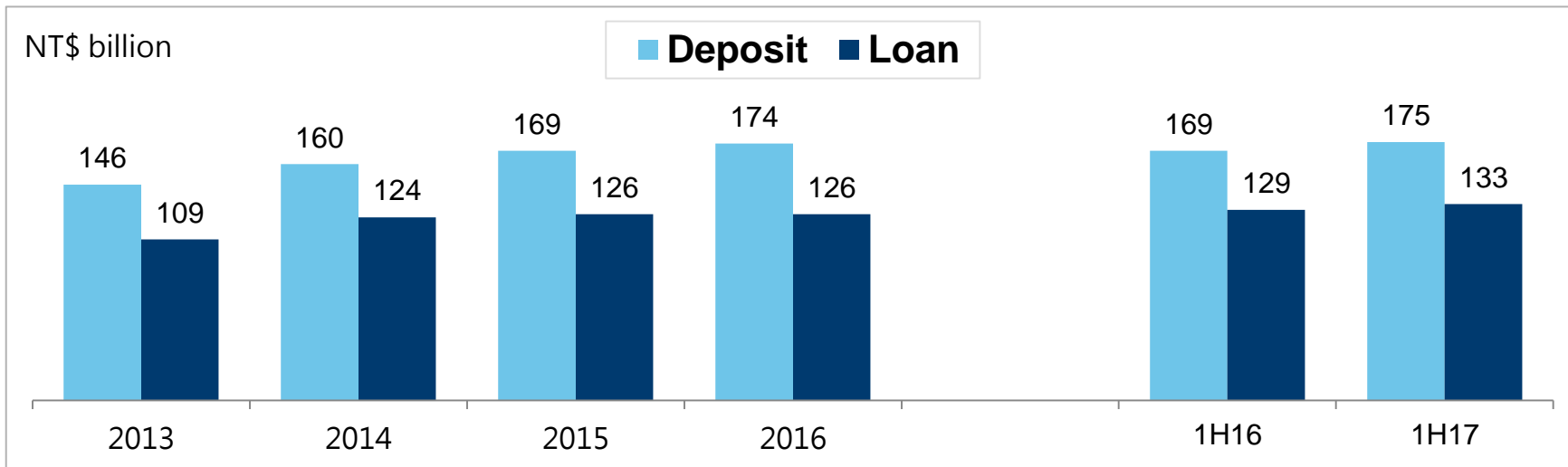


NIM and Spreads



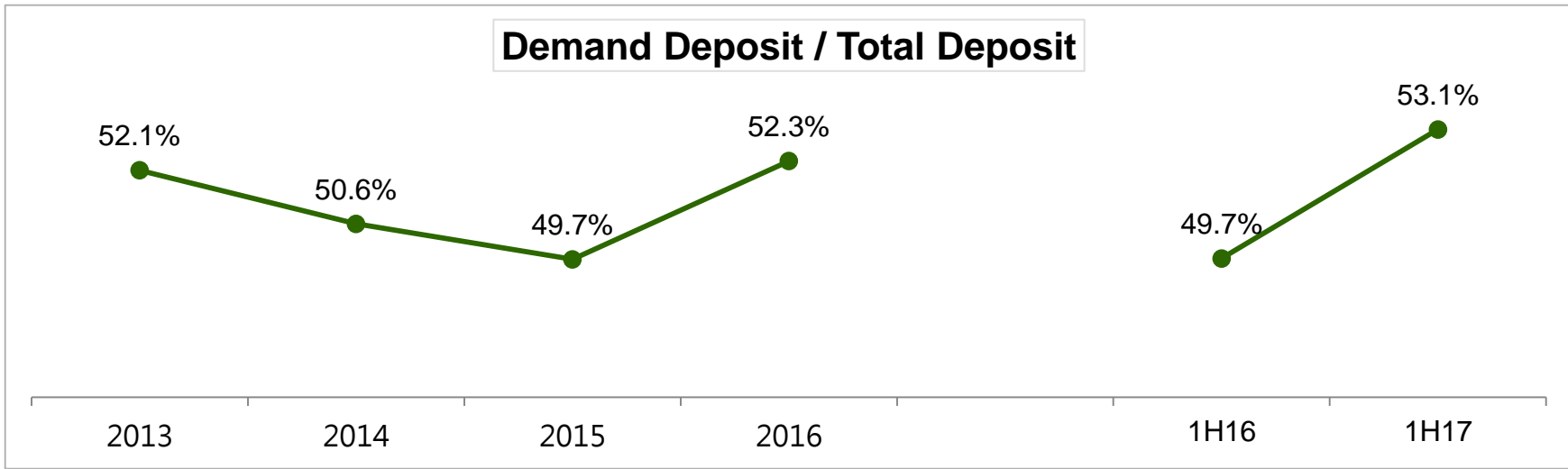
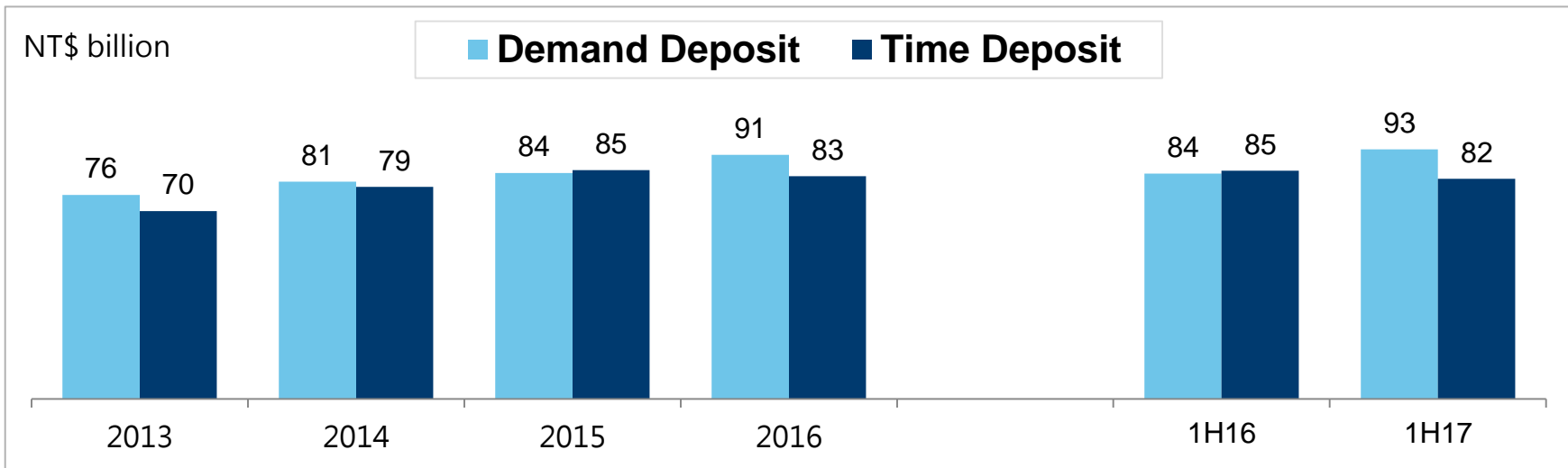


Loan and Deposit





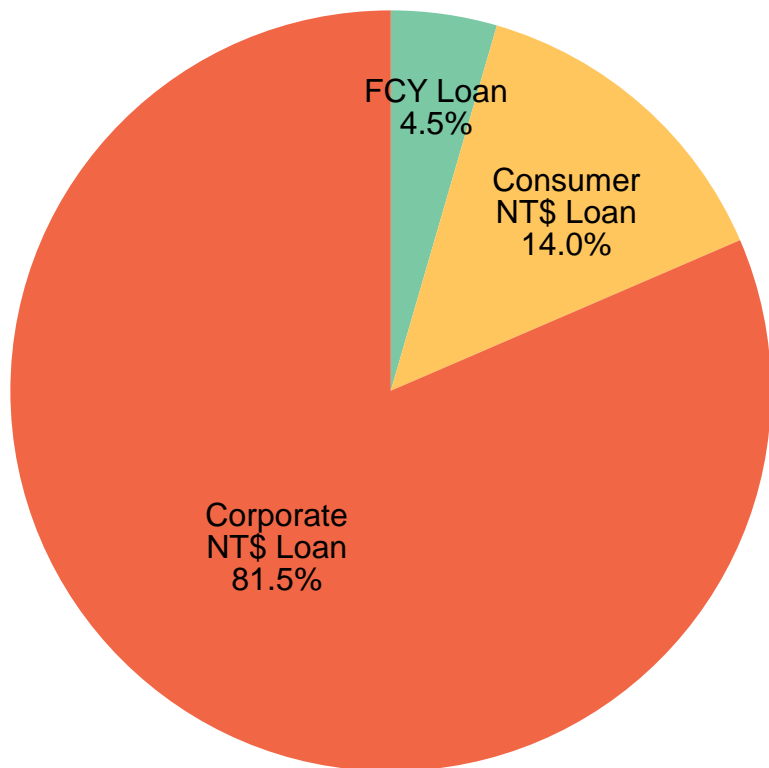
Deposit Breakdown



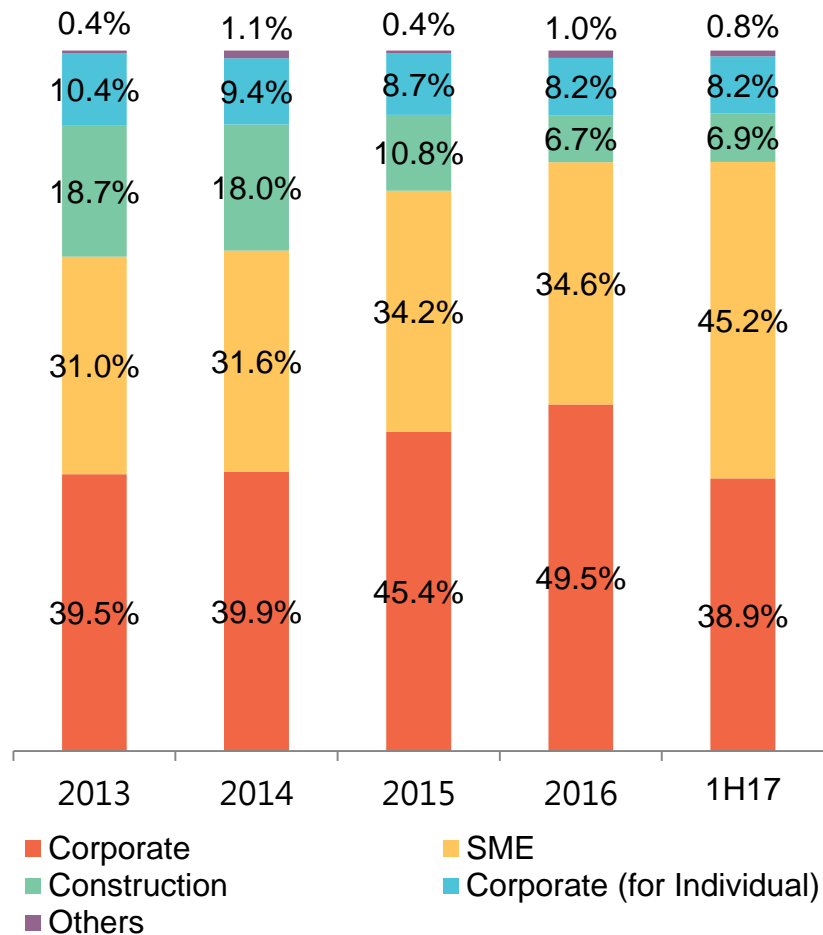


Loan Breakdown

Loan Composition (1H17)

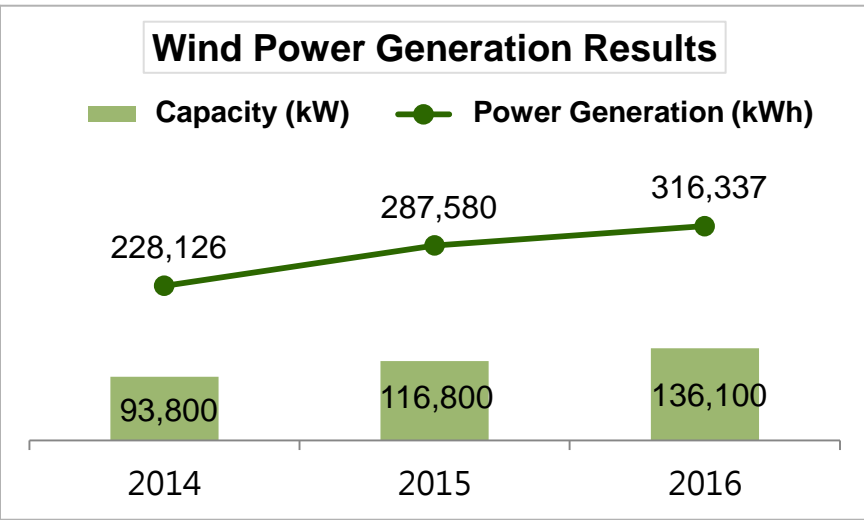
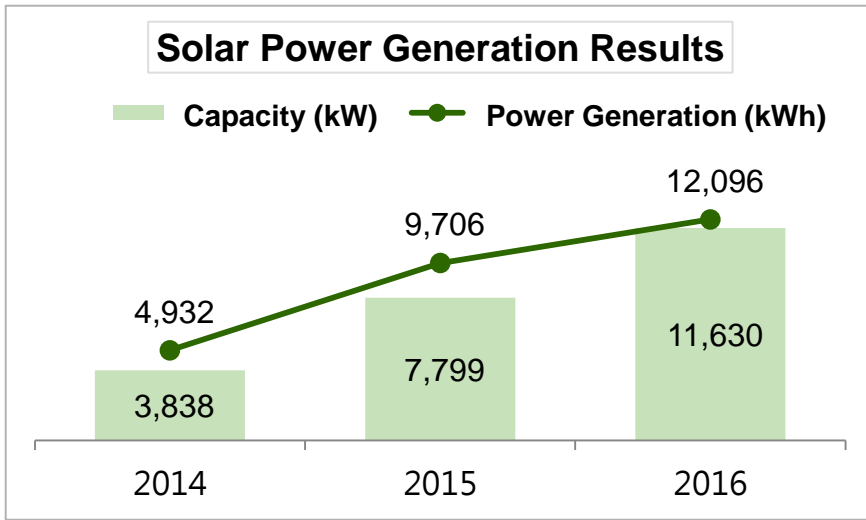
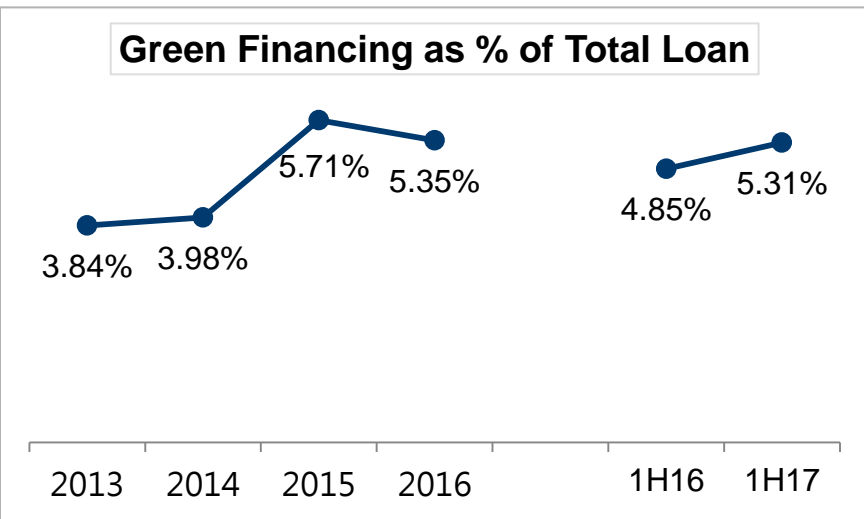
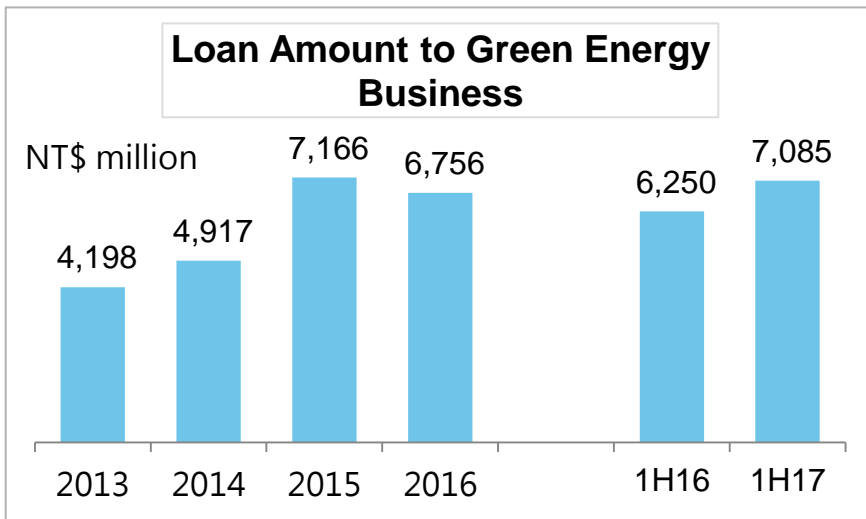


Corporate Loan by Type



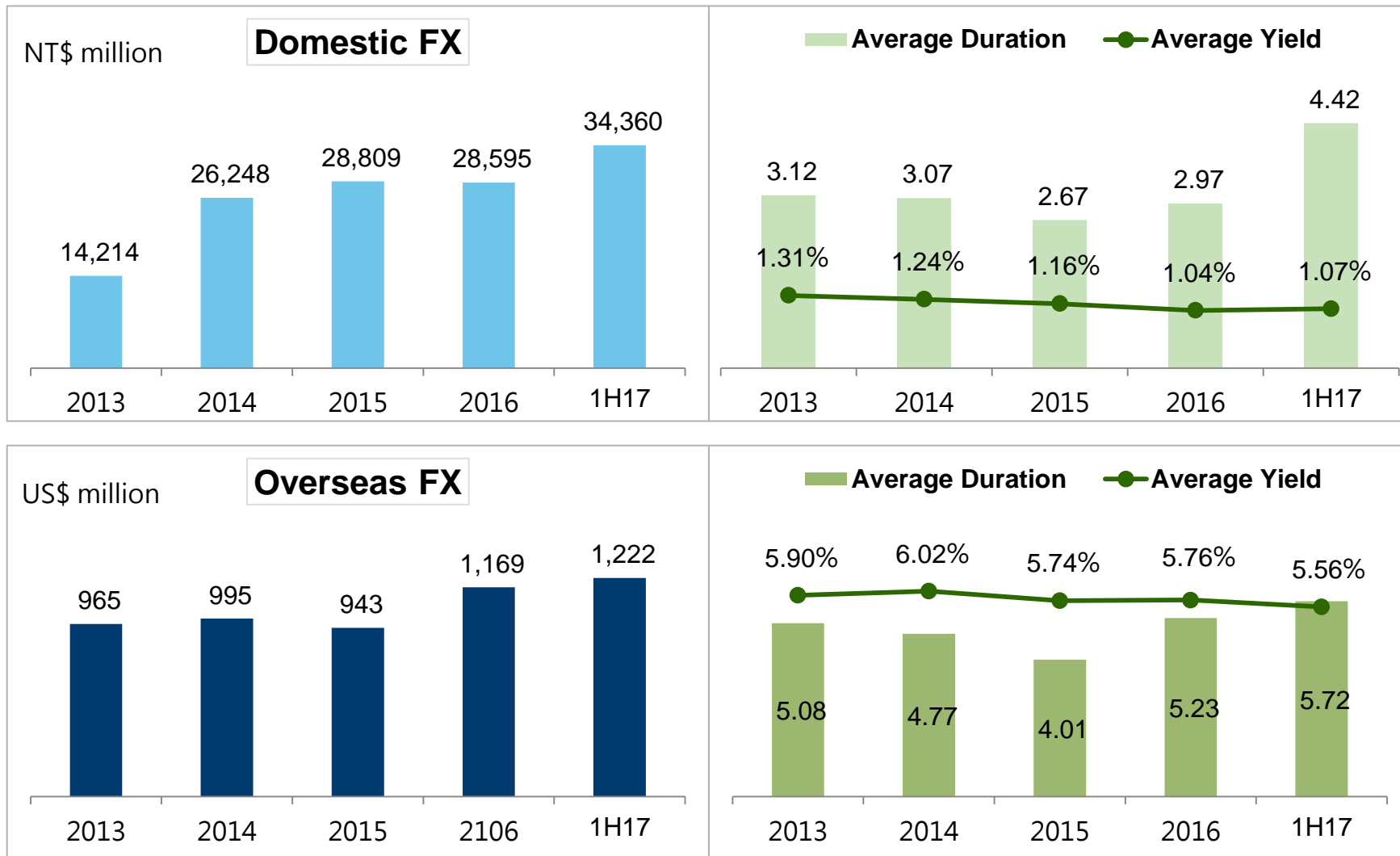


Green Financing



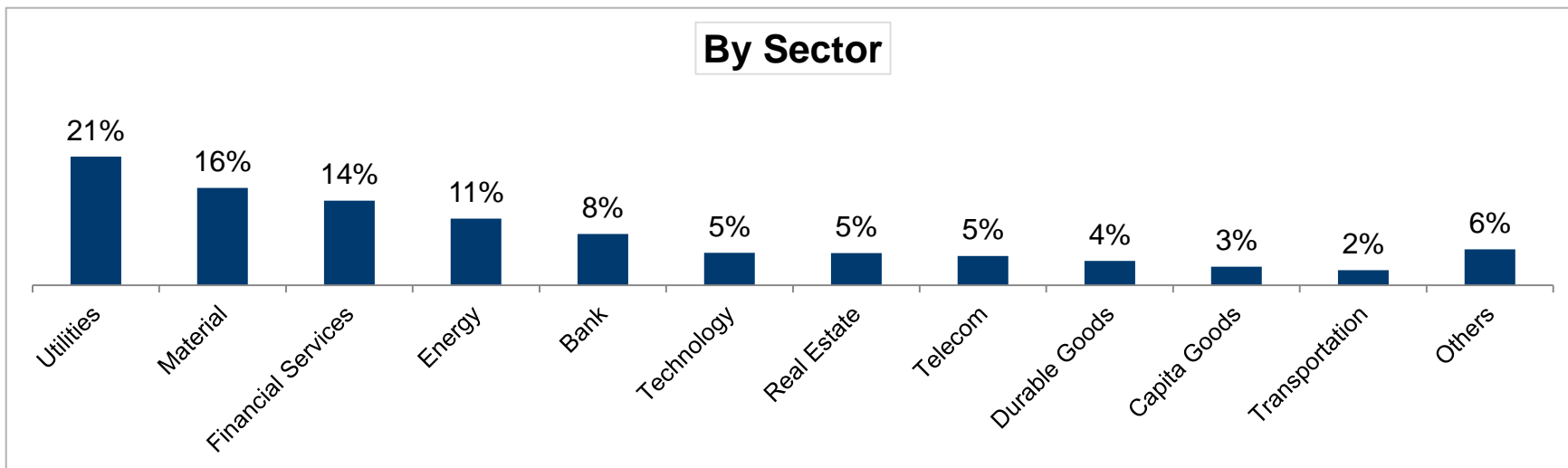
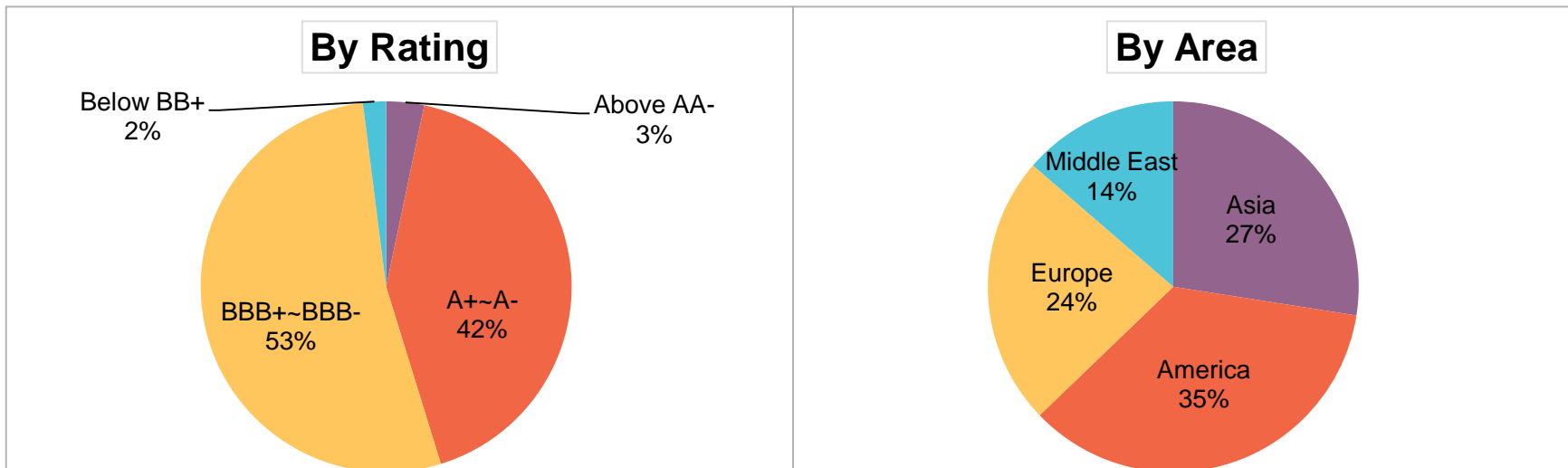


Financial Asset - Fixed Income Investment



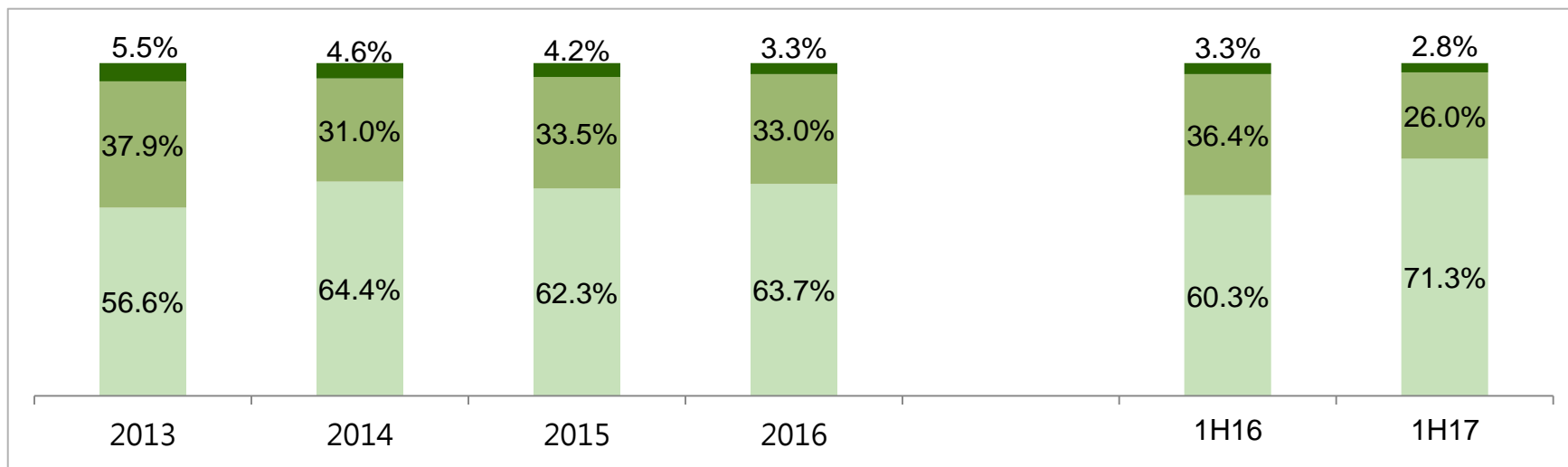
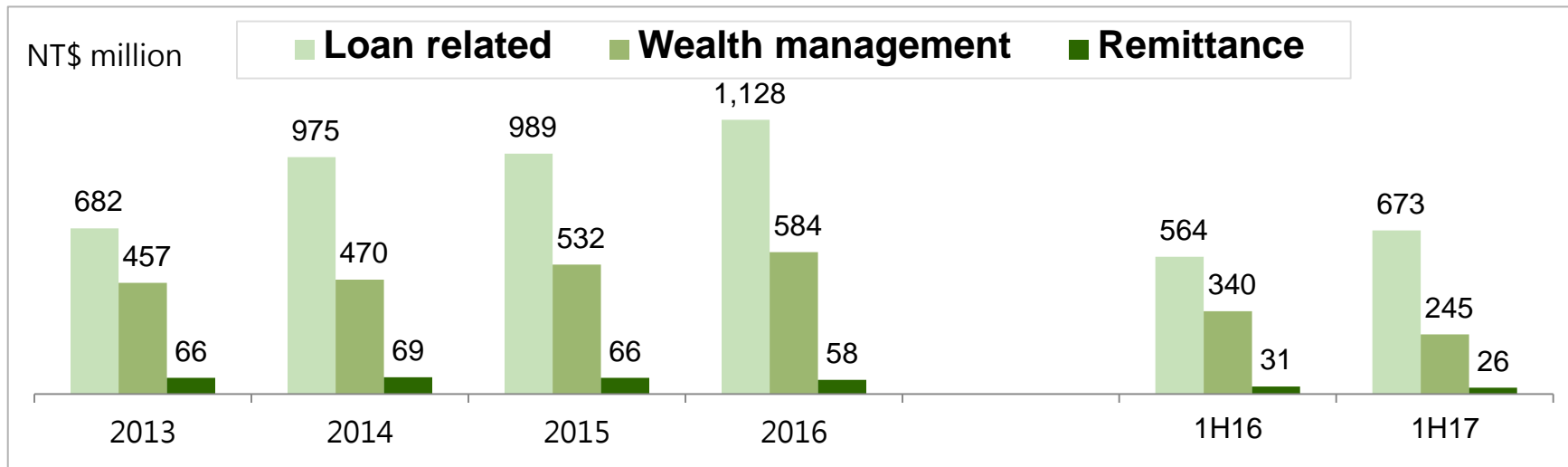


Financial Asset – Overseas FX Mix (2Q17)



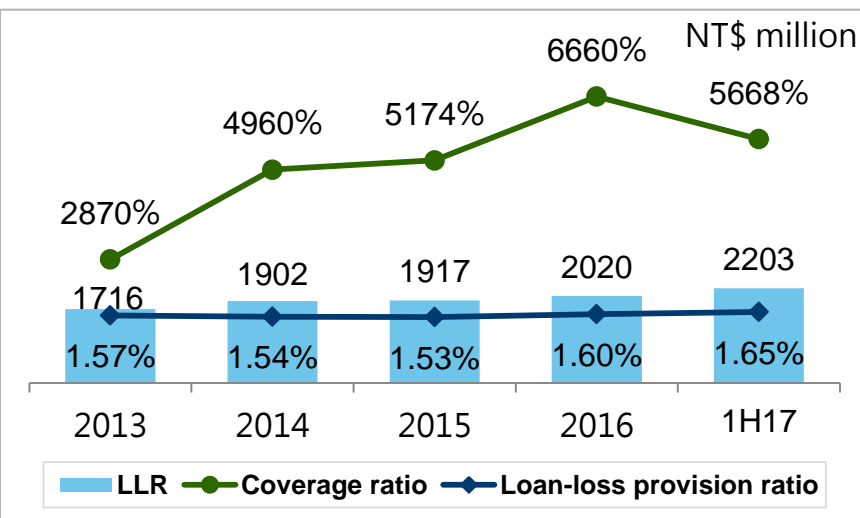
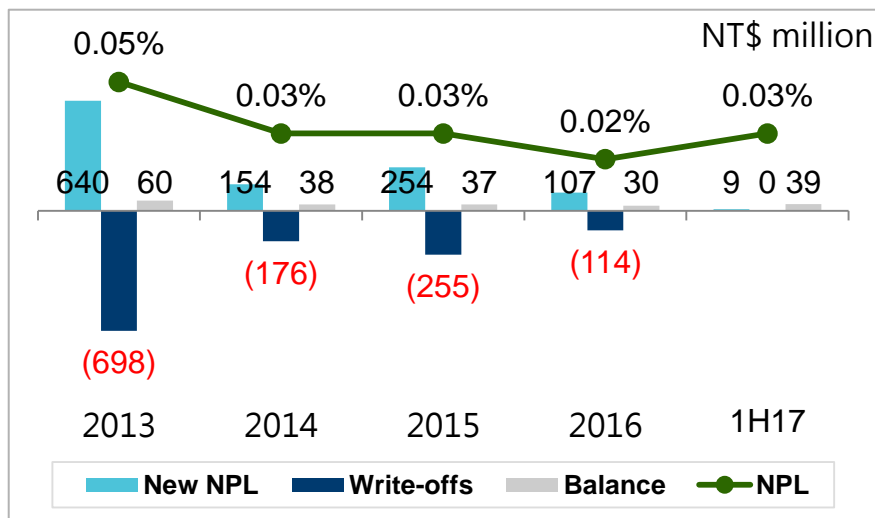
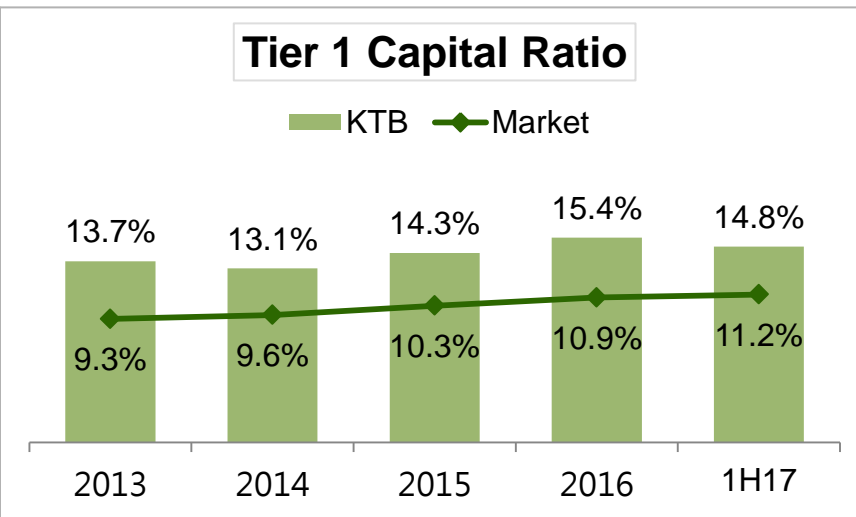
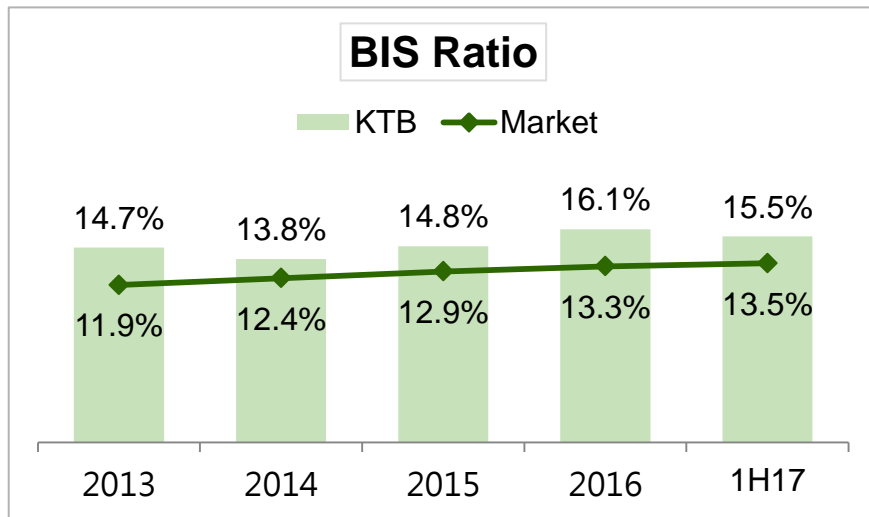


Fee Income





Capital Adequacy and Asset Quality





Top 1,000 World Banks 2016 - The Banker

Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Asset (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
754	25	815	2.66%	7,222	-2.97%	855	28

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
11.28%	159	2	16.65%	285	1	1.88%	138	1

HONOR



2015、2016 《WORLD FINANCE》

★★★ Wealth Management Awards -Taiwan ★★★



2016、2017 《GLOBAL BANKING & FINANCE REVIEW》

★★★ Best Wealth Management Bank Taiwan ★★★

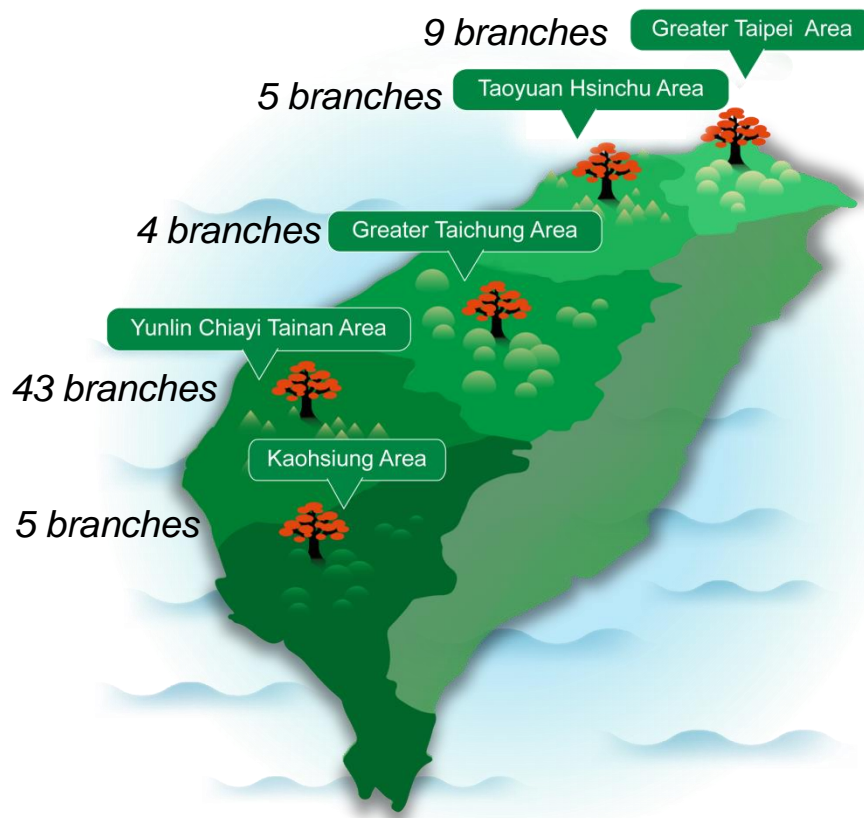


Thank you



Introduction

- Established in 1948, formerly known as the Tainan Business Bank.
- Headquartered in Tainan City, a city with 1.9 million population.
- Total 66 branches with approx. 73% in Southern Taiwan.
- Paid-in capital of NT\$ 11.5 billion.
- 23 Metro branches, contributing
 - 12% of deposits
 - 85% of loans
- 43 Non-metro branches, contributing
 - 88% of deposits
 - 15% of loans





Appendix - Income Statement

NT\$ million

Items	1H/17	1H/16	YoY
Net Interest Income	2,365	2,483	-5%
Net Fee Income	944	935	1%
Other Income	1,044	295	254%
Revenue	4,353	3,713	17%
Operating Expense	(966)	(937)	3%
PPOP	3,387	2,776	22%
Provision for Loan Loss	(106)	(106)	-
Earning Before Tax	3,281	2,670	23%
Net Income	2,798	2,195	27%
EPS(Cumulative)(NT\$)	2.44	1.92	27%



Appendix - Balance Sheet

NT\$ billion

Items	2017.06	2016.06	YoY	Items	2017.06	2016.06	YoY
Cash, NCD, Interbank Deposits, and R/S	14.9	34.4	-57%	Interbank Deposits , Interbank Borrowings	19.2	13.2	45%
Securities	98.1	70.2	40%	Deposits	174.5	169.4	3%
Loans	131.2	127.0	3%	R/P	17.2	19.6	-12%
Property and Equipment	2.4	2.5	-4%	Other Liabilities	3.8	3.3	15%
Other Assets	2.6	2.1	24%	Total Liabilities	214.7	205.5	4%
Total Assets	249.2	236.2	6%	Shareholder's Equity	34.5	30.7	12%