



King's Town Bank

Fiscal Year 2021 Results Conference



Stock Code : 2809.TW



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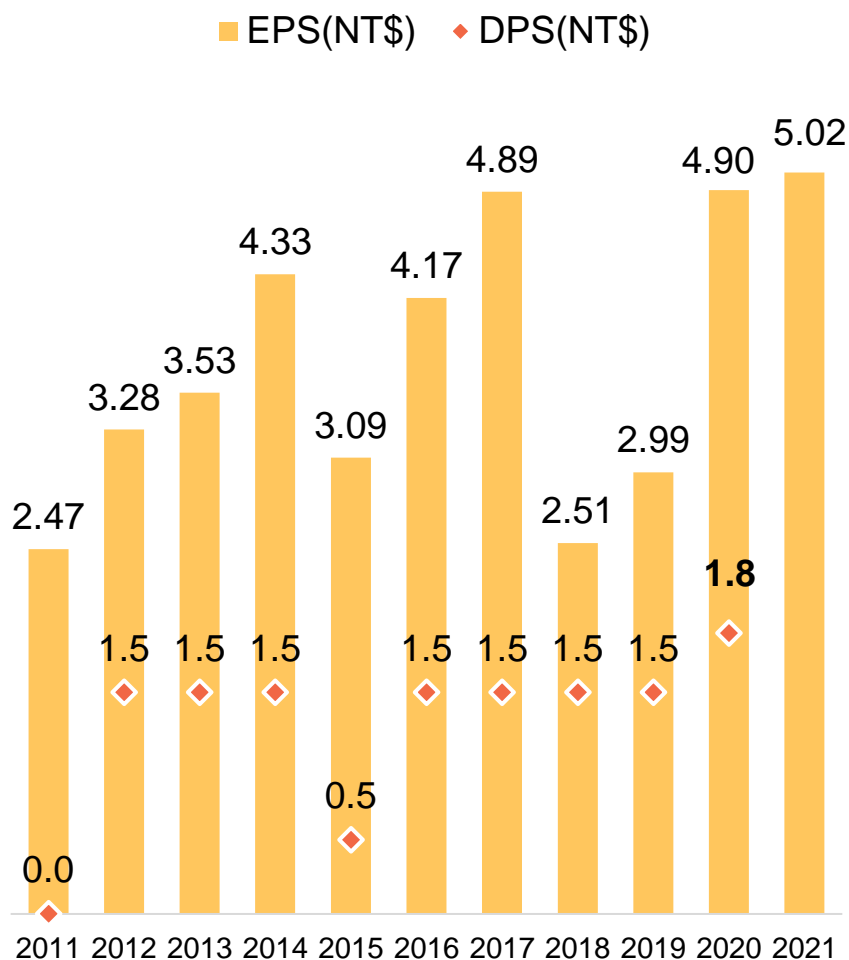
OPERATING HIGHLIGHTS





Operating Highlights

- **2021 preliminary EPS reached NT\$5.02**
 - 2021 EPS hit a new record high
- **Maintained Outstanding Asset Quality and Capital Adequacy Ratios**
- **Provide stable and growing annual cash dividend-per-share**
 - Aiming to increase or maintain 2021 cash dividend-per-share compared to the level of 2020.
- **We value ESG Highly and are Dedicated to Further Improvement:** KTB was again added to Bloomberg's Gender-Equality Index this year, one of only 7 companies in Taiwan to achieve this designation.

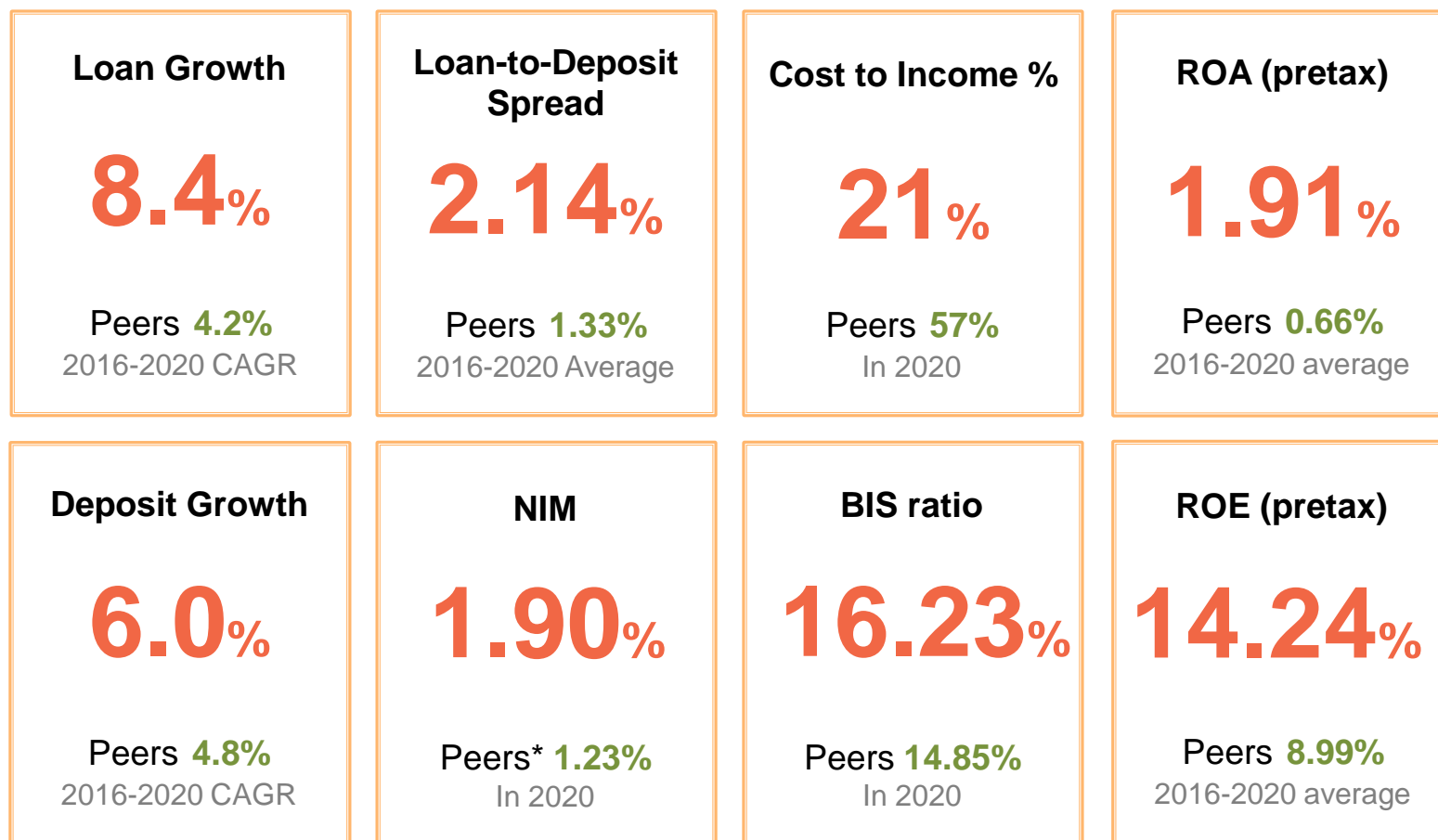


A DIFFERENT KIND OF BANK





How we are 'Different'



Note: Except for NIM, peer data are the average of all local peers. Source is CBC database.

*Peers for NIM are the top 5 private banks by asset size, based on company presentation data.



Why we are 'Different'



Alignment of Interests

- Owner-operated – Management team owns a 40%+ stake.
- Most employees are owners via our ESOP plan.
- One bank culture, with strong collaboration across business units.



Growth Opportunities in Southern Taiwan

- Many Tech companies have recently announced capex plans in southern Taiwan. The “Semi S corridor” is gradually taking shape.
- We have advantages as 73% of our branches are in this area.
- Close relationship with the community.



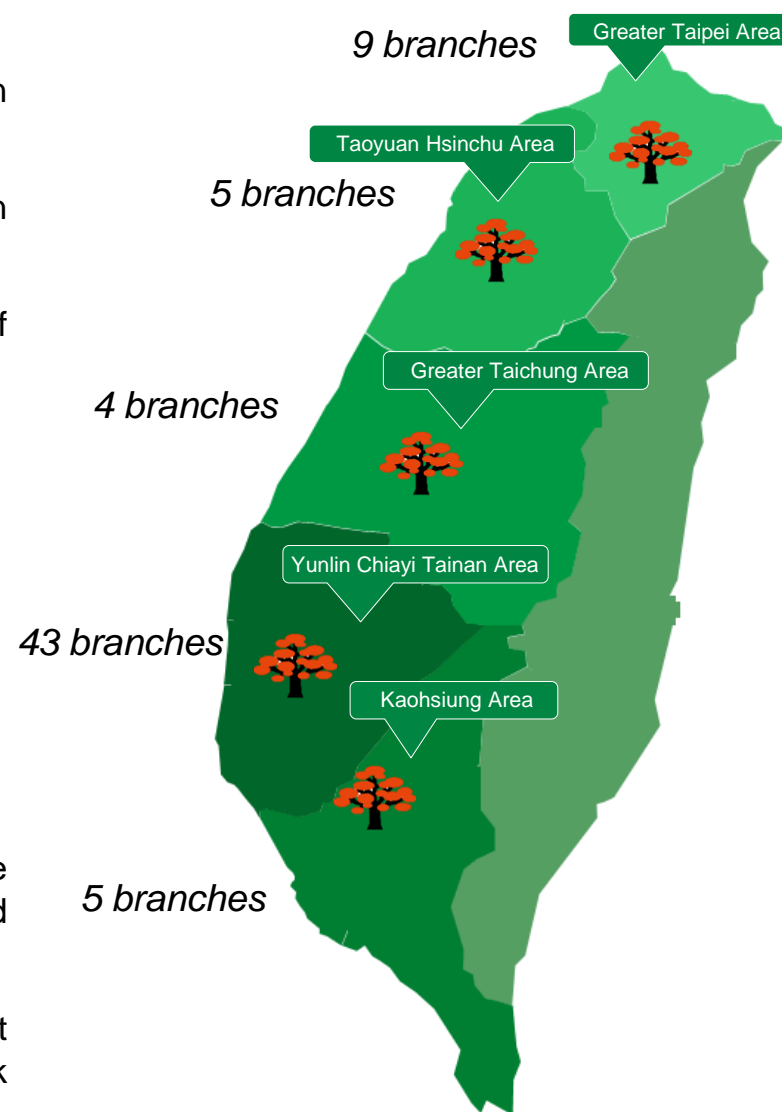
Focus on Sustainable Profitability

- Minimizing risks through reducing internal conflicts of interest.
- Building long-term partnerships with customers.
- Viewing employees as assets and partners.



King's Town Bank at a Glance

- Established in 1948, formerly known as the Tainan Business Bank.
- Headquartered in Tainan City, a city with a population of 1.9 million.
- A total of 66 branches, with approximately 73% of branches located in Southern Taiwan.
- Paid-in capital of NT\$ 11.2 billion.
- 23 Metro branches, contributing
 - 19% of deposits
 - 86% of loans
- 43 Non-metro branches, contributing
 - 81% of deposits
 - 14% of loans
- Ranked in the Top 5% in terms of “Corporate Governance Best-Practice for TWSE Listed Companies” for four consecutive years.
- Credit rating affirmed by Fitch at BBB · local rating at A+(tw) · F1(tw) for 8 consecutive years. Outlook stable in 2021.



2021 FINANCIAL REVIEW

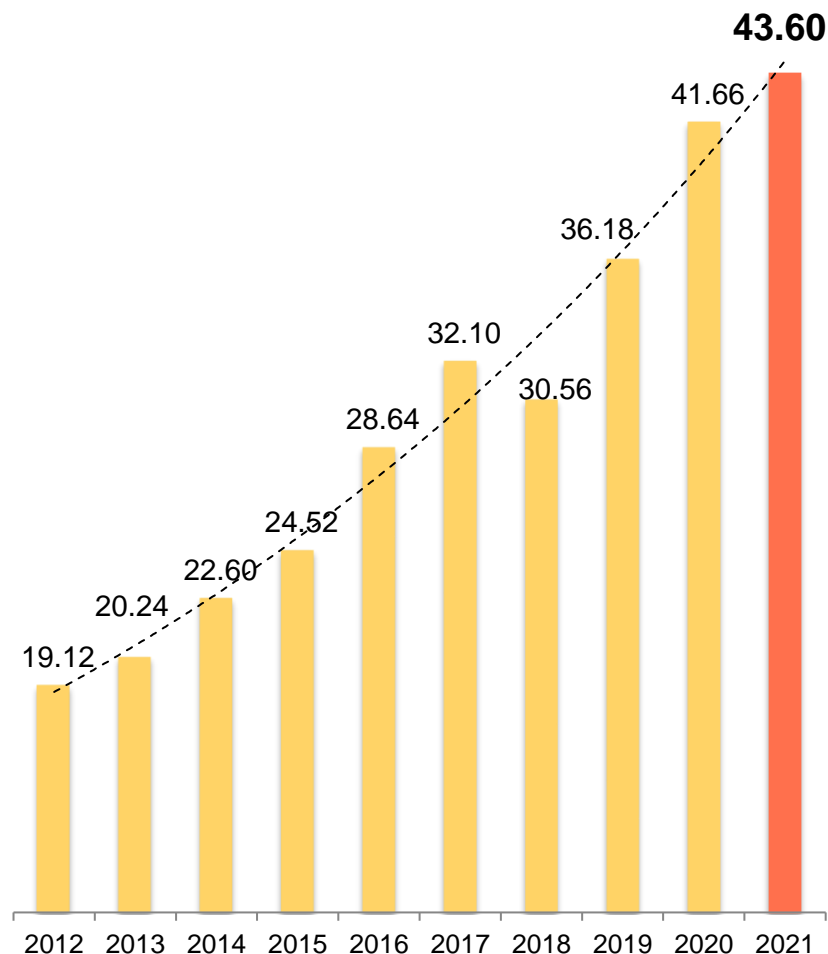




FY21 Financial Review

	2021	2020
Total Assets (NT\$ mm)	343,149	325,458
Book Value/share (NT\$)	43.60	41.66
ROE (pretax)	13.63%	14.31%
ROA (pretax)	1.95%	2.06%
BIS Ratio	16.62%	16.23%
NPL Ratio	0.02%	0.01%
Coverage Ratio	8,278%	11,760%
Loan-loss Provision Coverage Ratio	1.51%	1.57%
FINI Holdings	18.43%	16.27%
Fitch Rating	A+(twn) 、 F1(twn)	

Book Value per Share





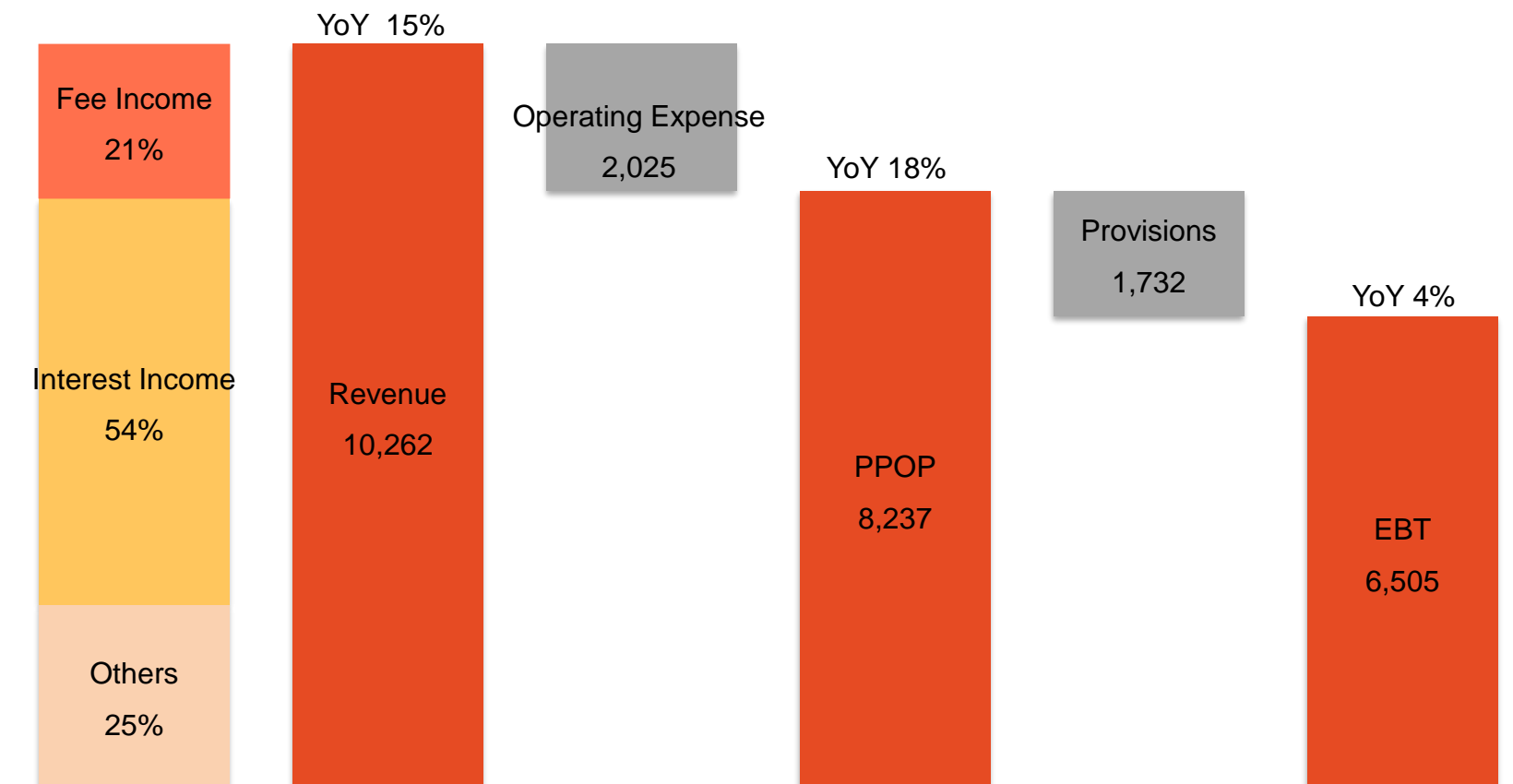
2021 Operating Highlights

- 2021 net revenue increased by 15% compared to 2020, with net interest income rising by 7% YoY, net fee income increasing by 12% and other income increasing by 45%.
- The increase in net interest income was mainly due to the 11% growth in our loan book in 2021. The growth in net fee income was also driven by loan-related fee. 2021 Other income was due strong performance in the capital markets, portfolio adjustment and mark-to-market reversals of expected credit losses under IFRS accounting rules.
- 2021 Provisions for Loan Loss was NT\$1,732mn. KTB has recognized all of the NT\$2,297mn outstanding lending exposure to Taiwan Land Development Corporation as loss. In addition, a recovery of NT\$768mn Green Energy bad loan provision via the sale of collateral was booked.
- Loan-loss provision ratio was 1.51% at the end of 2021 versus the median value of 1.30% for the Taiwan banking industry.



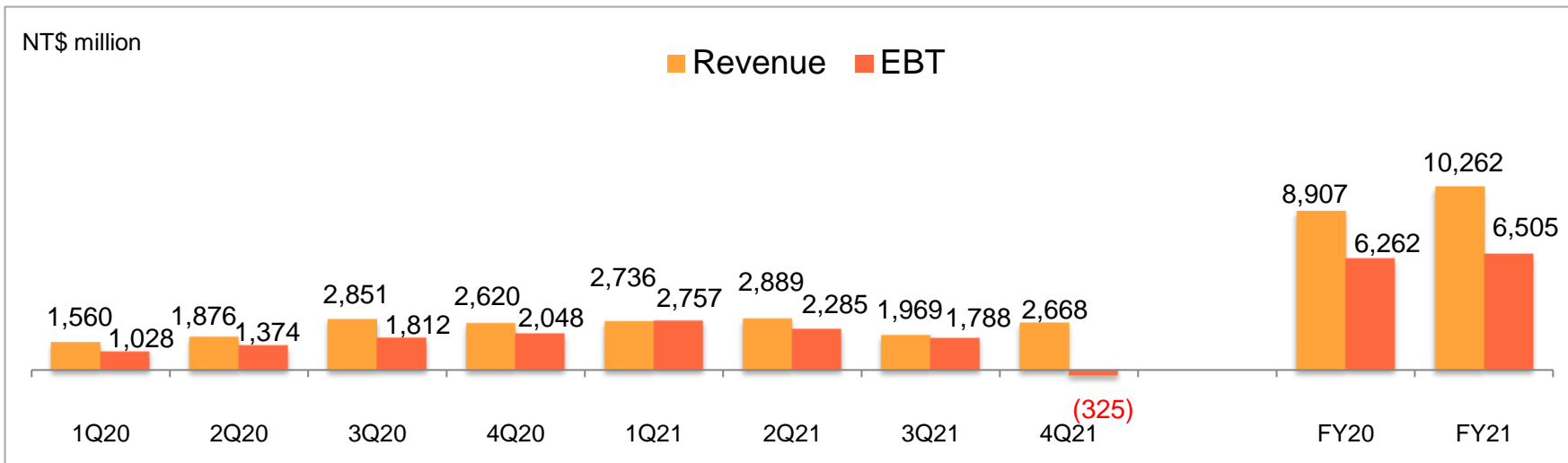
FY21 Revenue Breakdown

NT\$ million

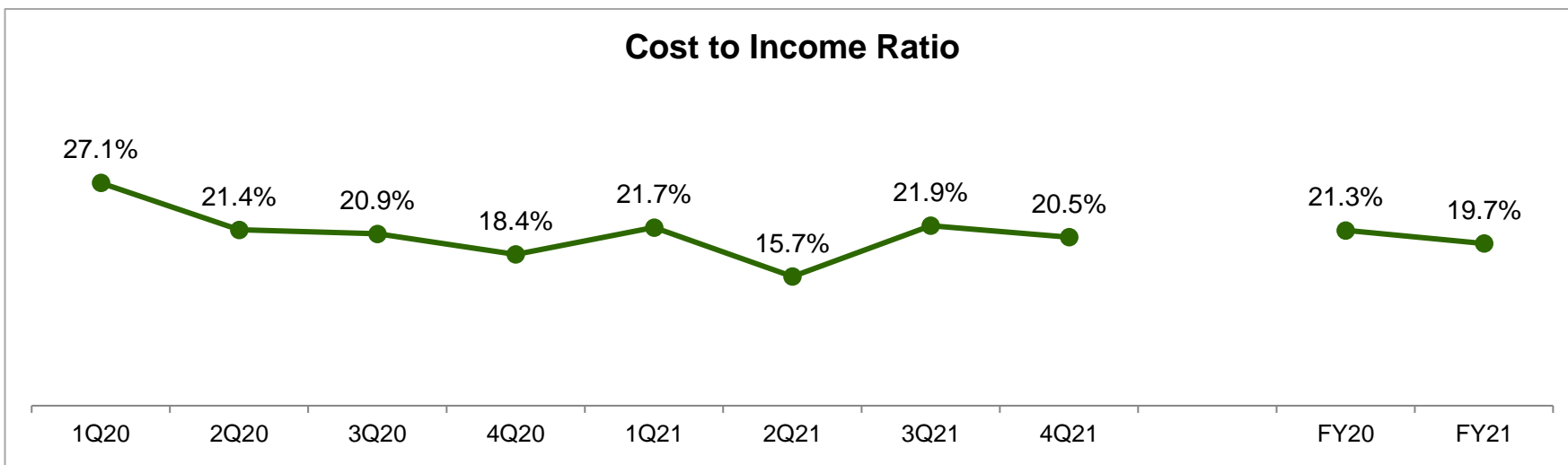




Quarterly Revenue and Expenses

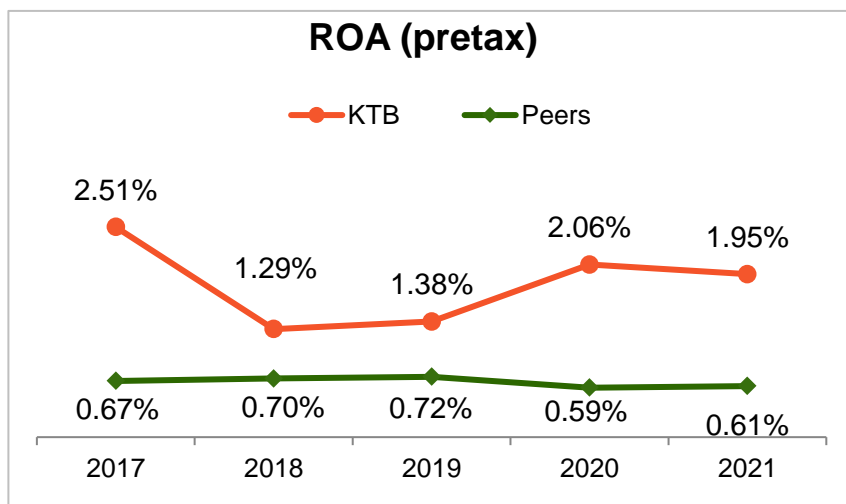
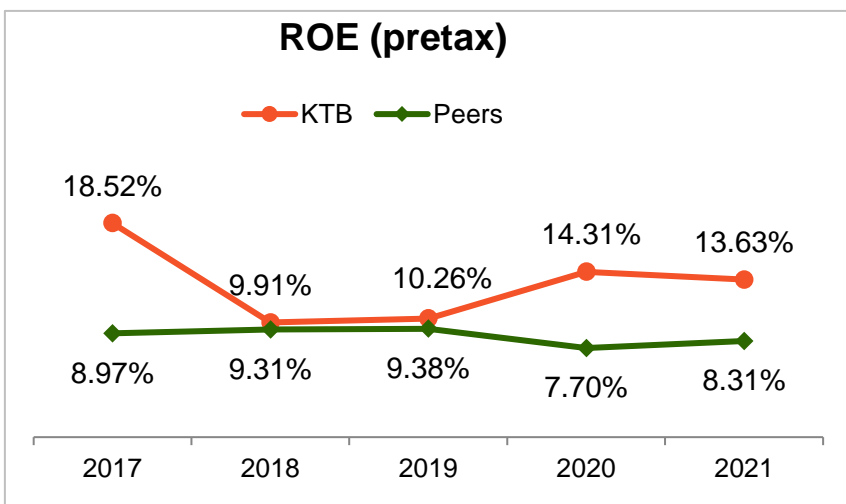
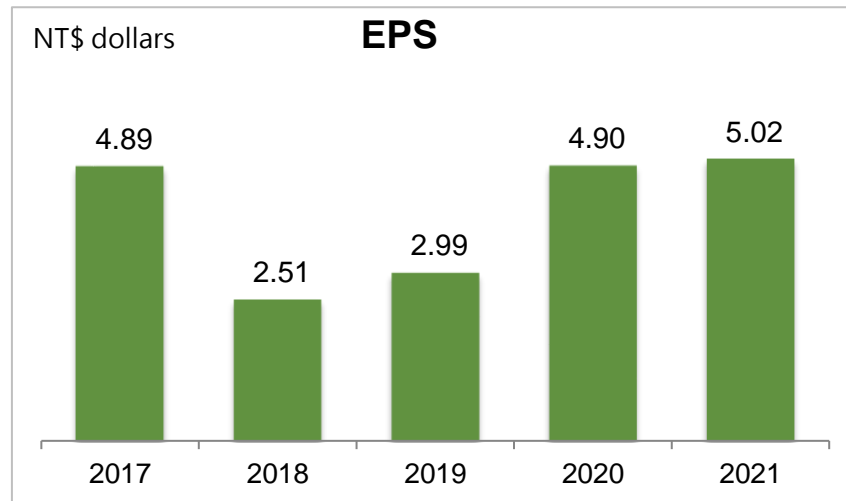
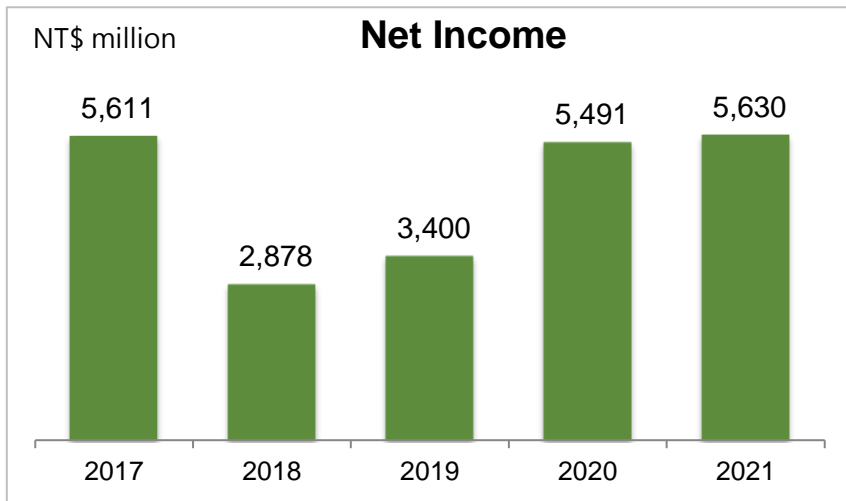


Cost to Income Ratio





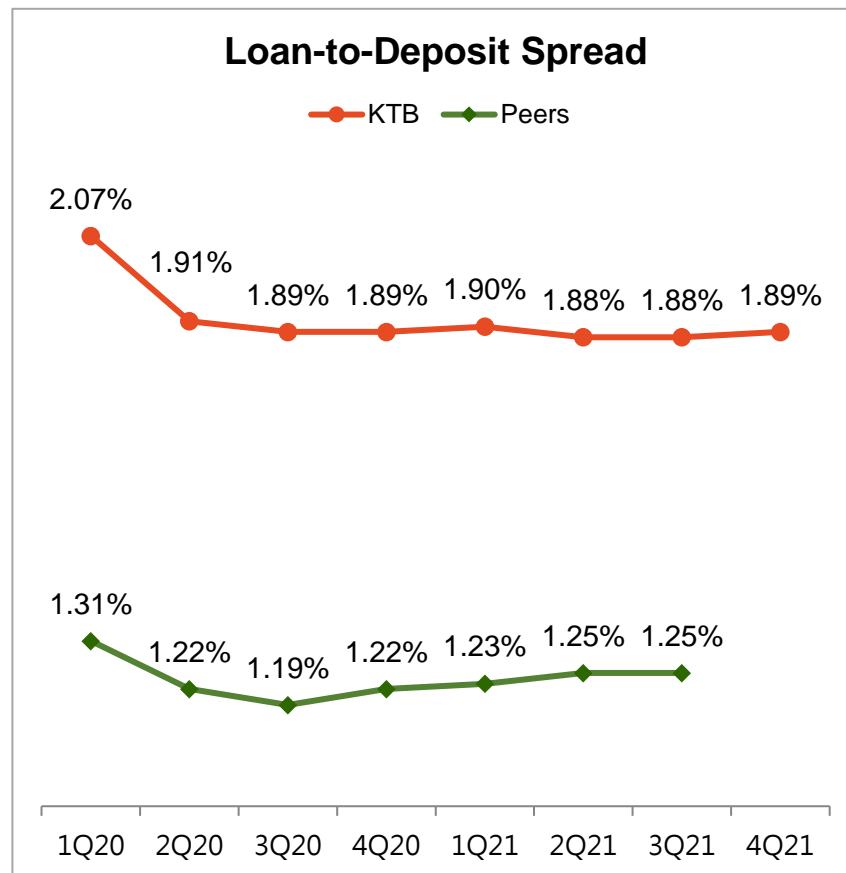
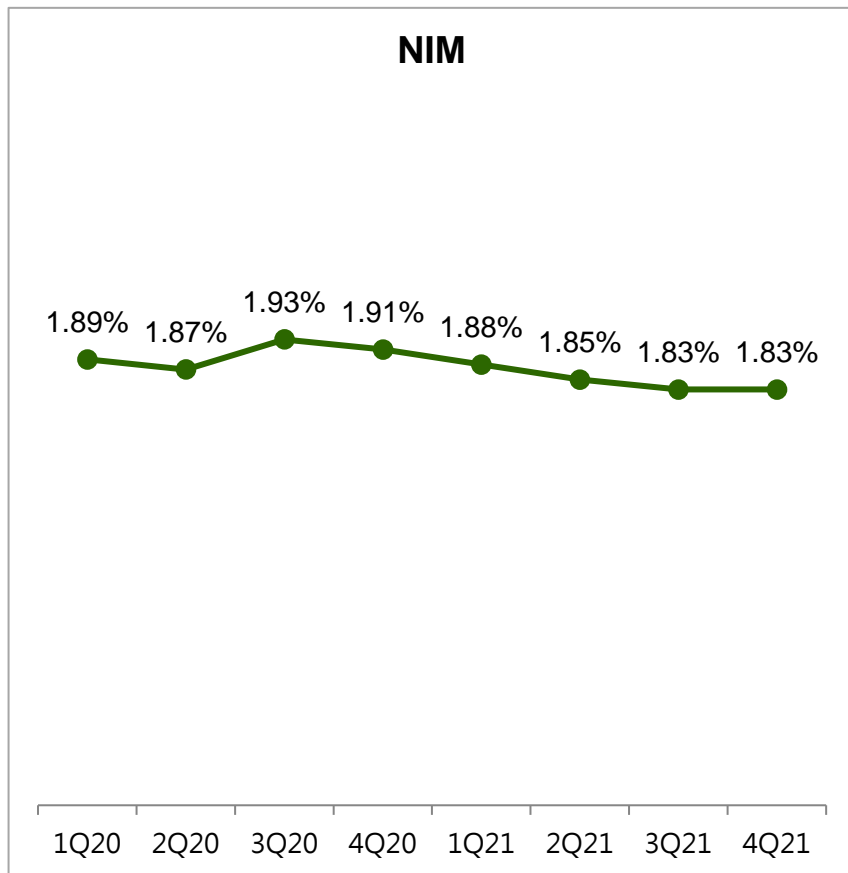
Profitability



Note: Peers data updated to Nov. 2021 (annualized)



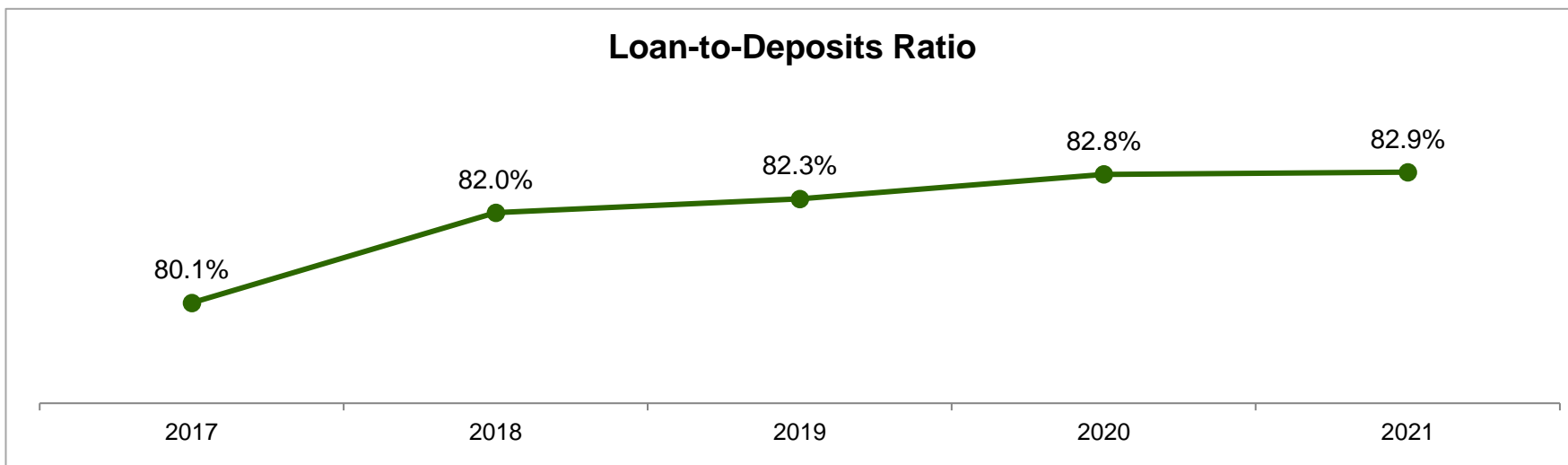
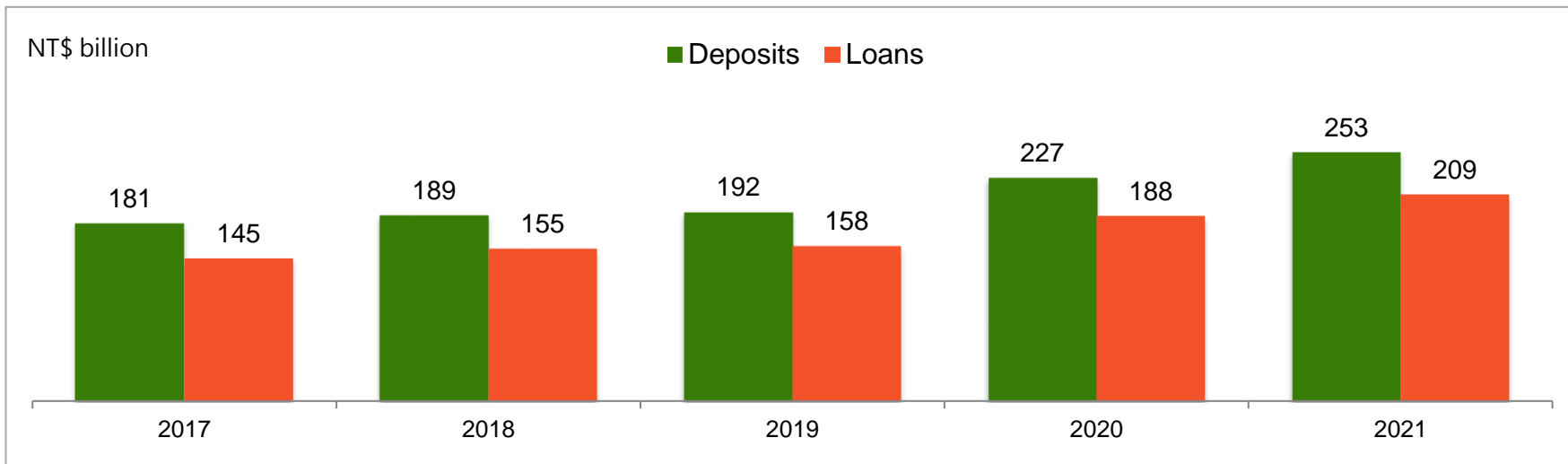
NIM and Spreads



Note: Peers data updated to 3Q 2021

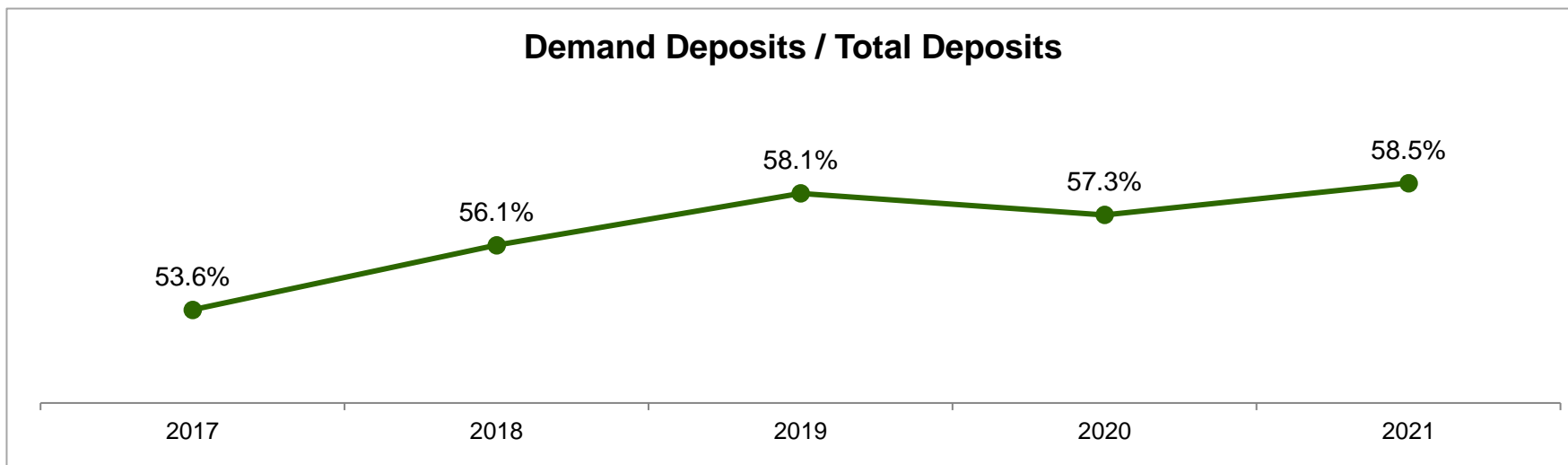
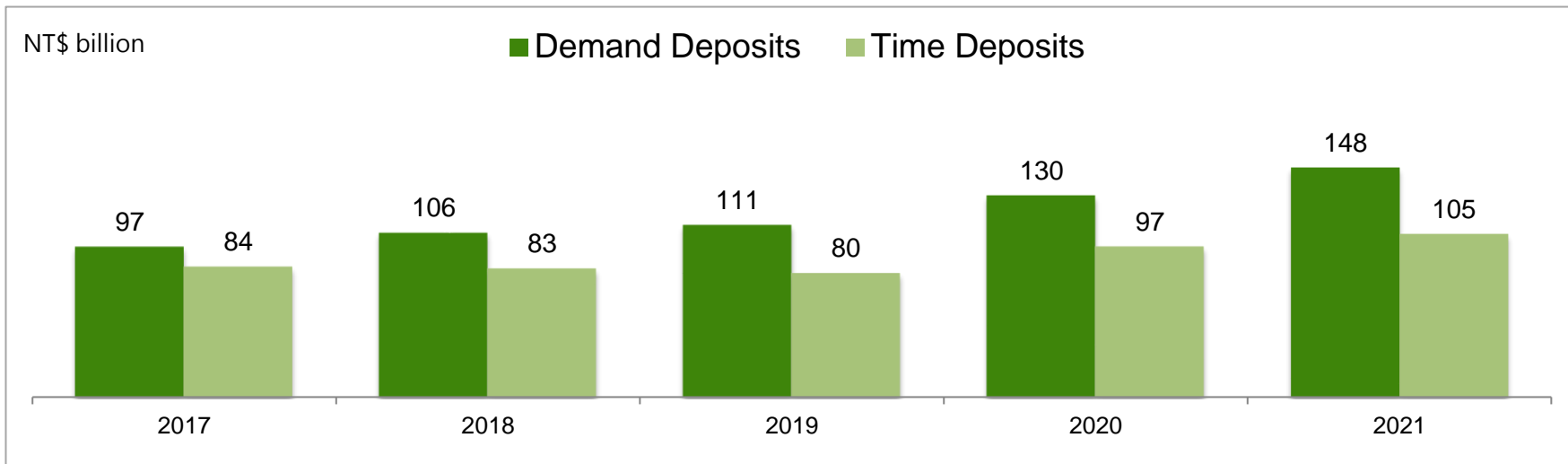


Loans and Deposits





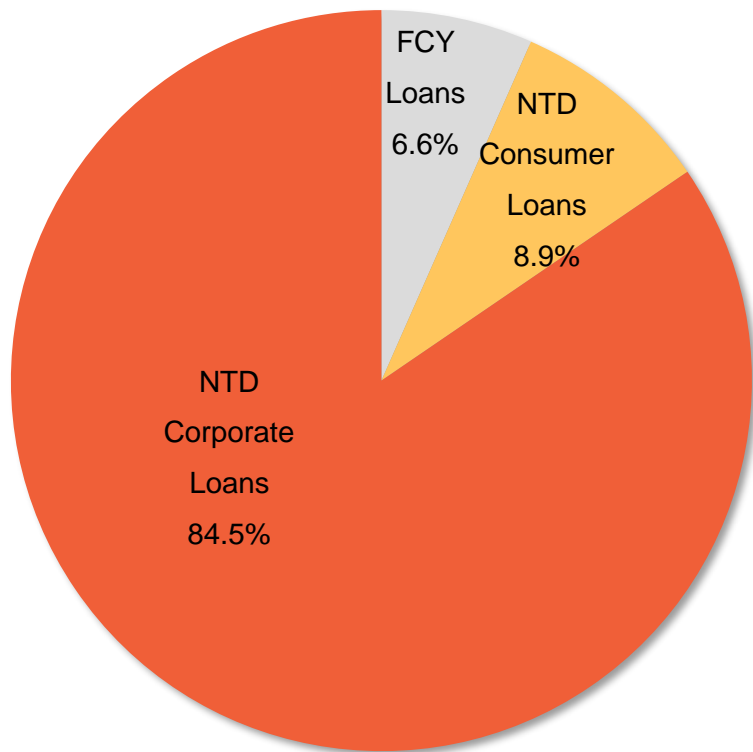
Deposits Breakdown



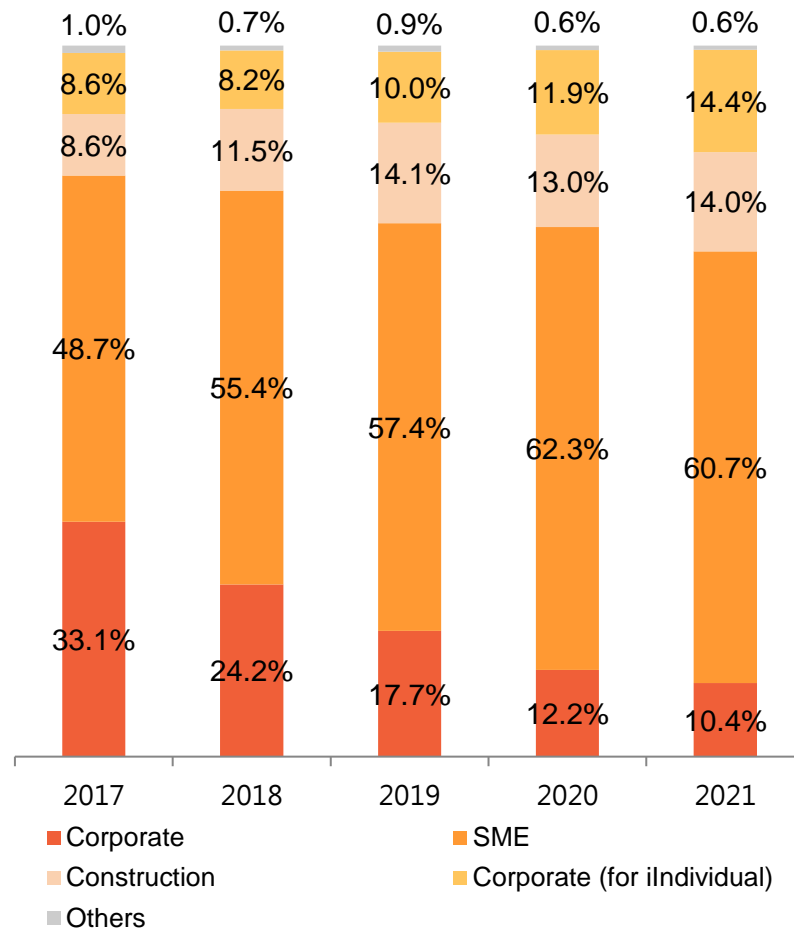


Loan Breakdown

Loan Composition FY21

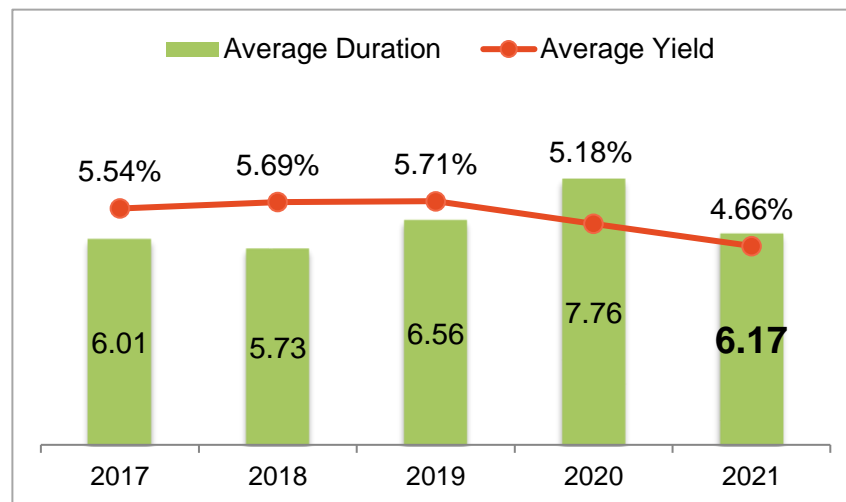
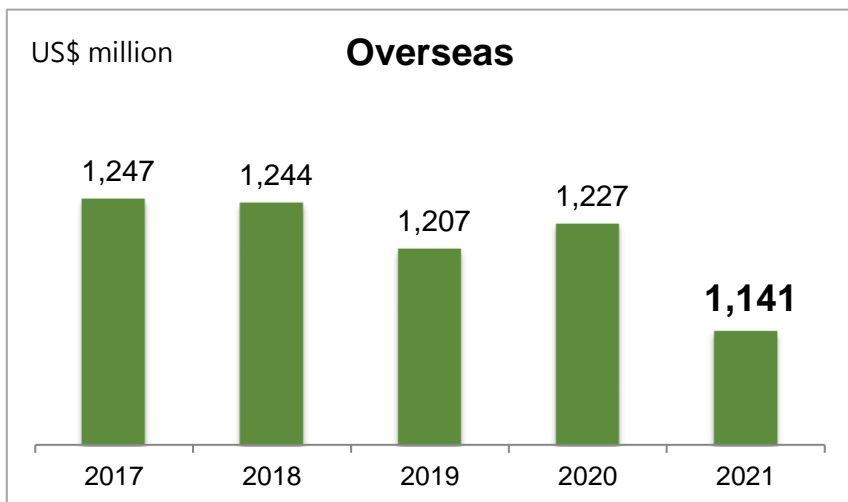
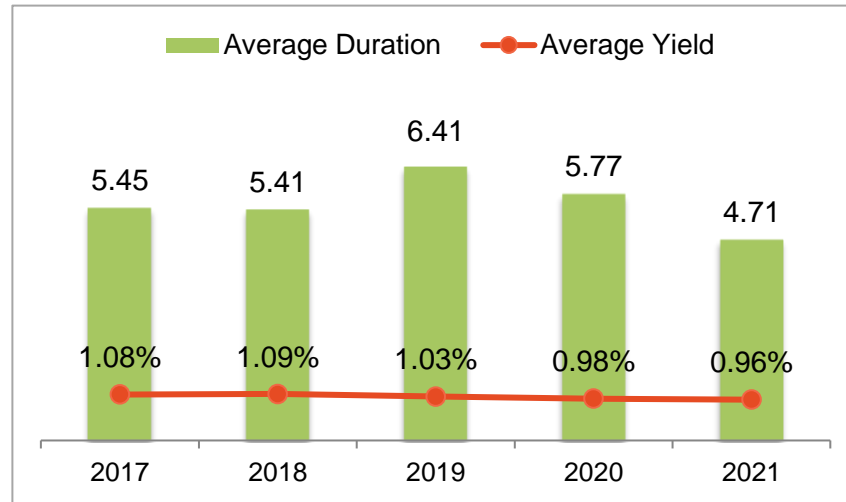
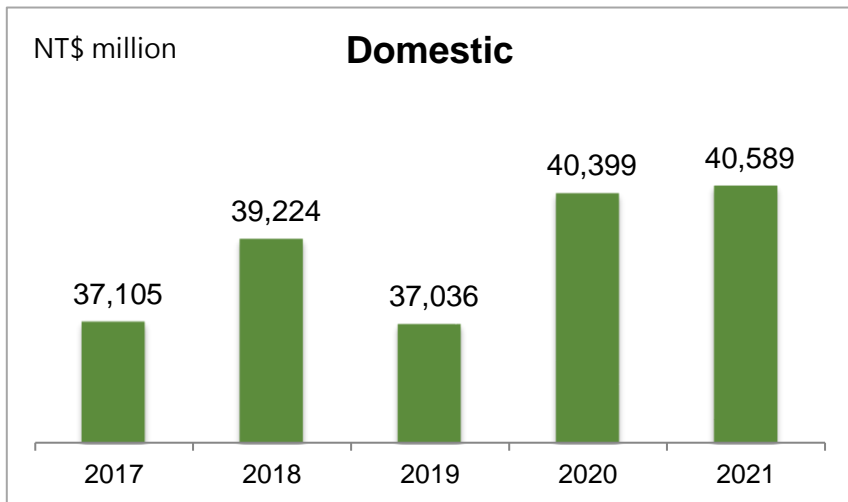


Corporate Loan by Type





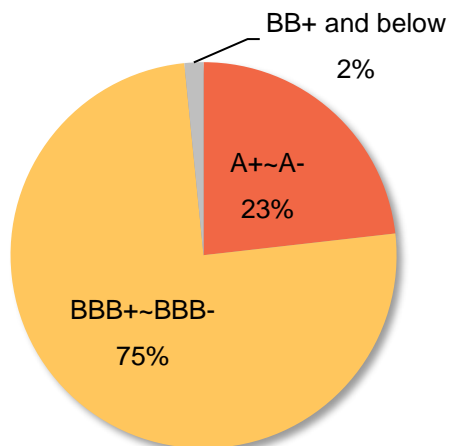
Financial Assets - Fixed Income Investments



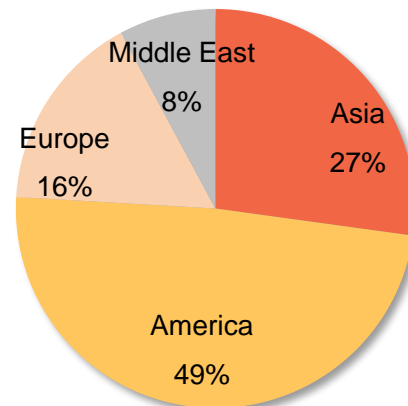


Financial Assets – Overseas Fixed Income Portfolio (FY21)

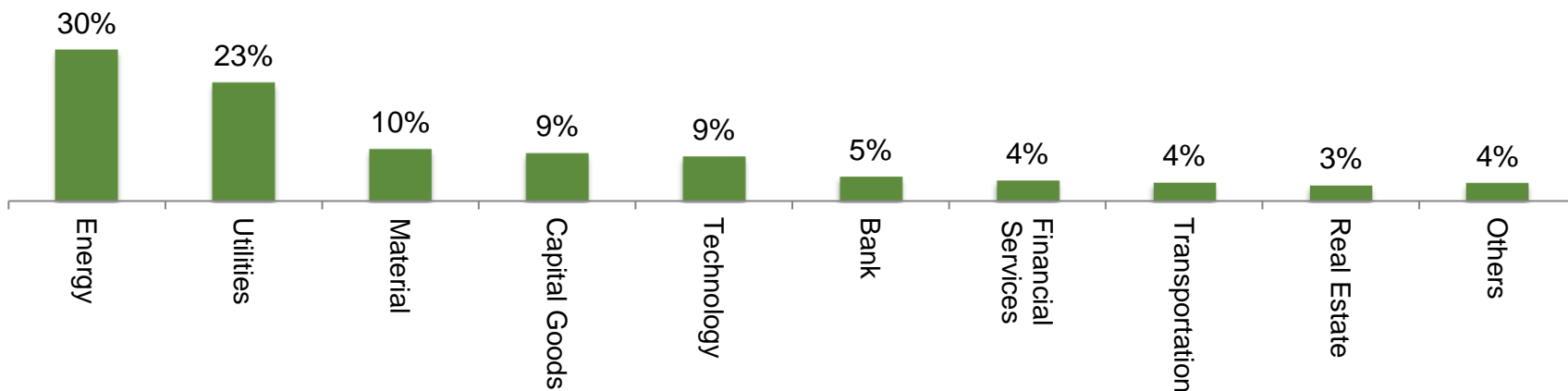
By Rating



By Area

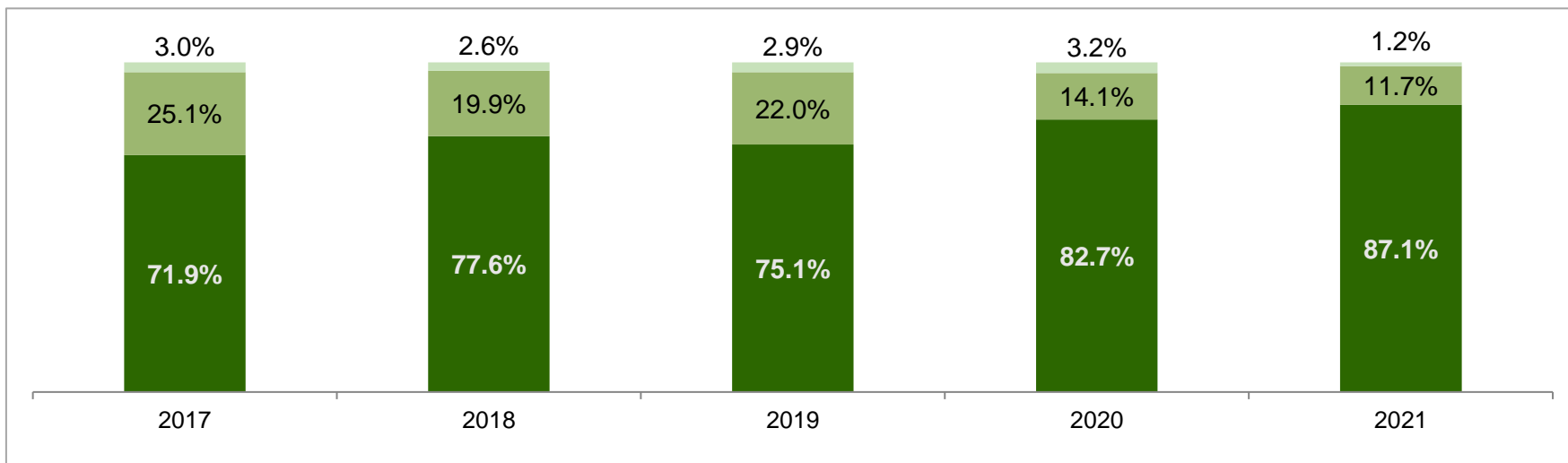
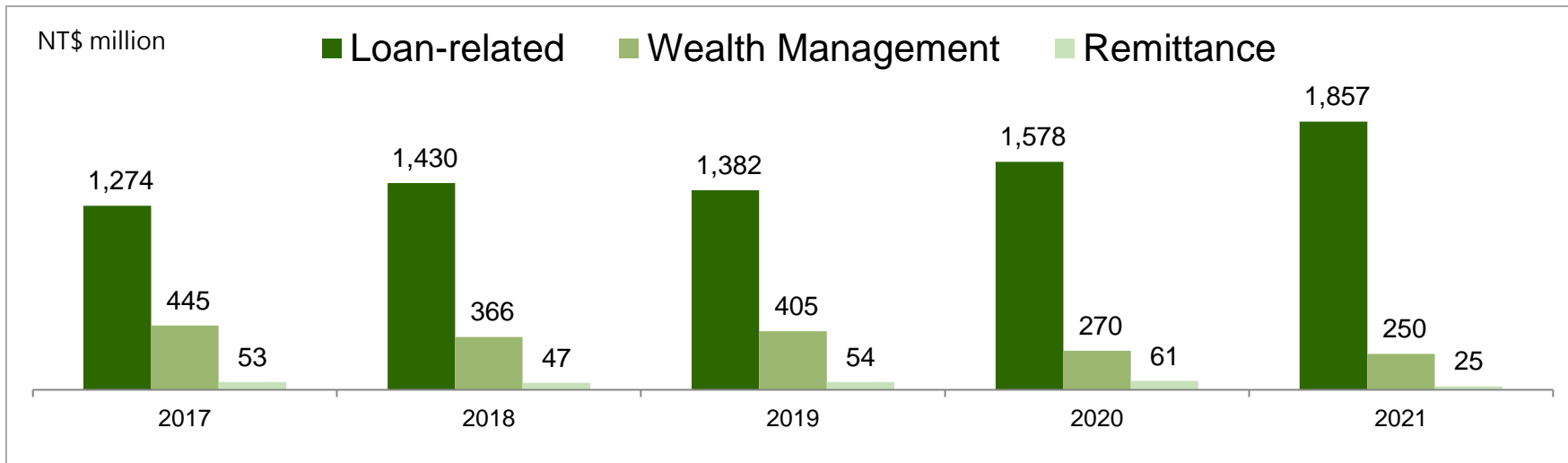


By sector



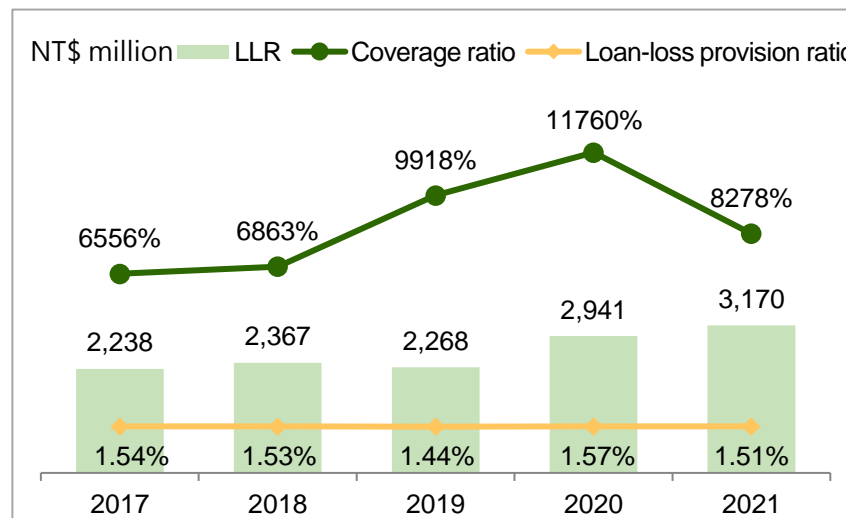
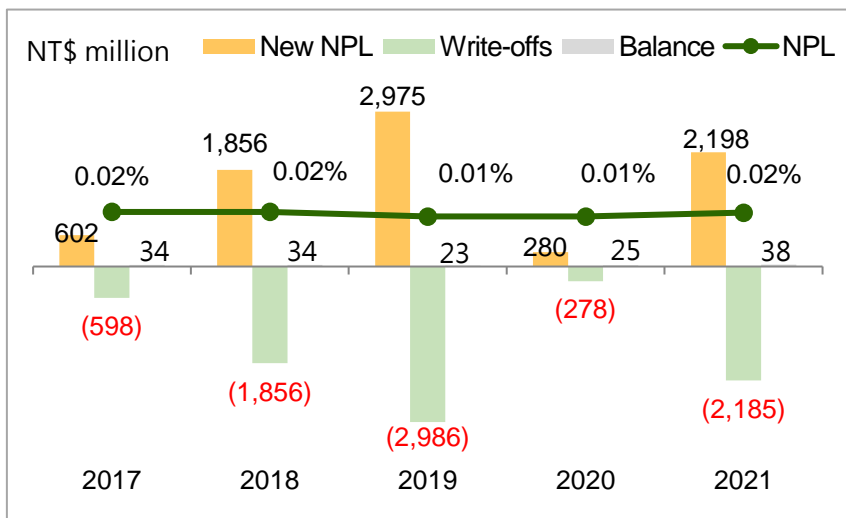
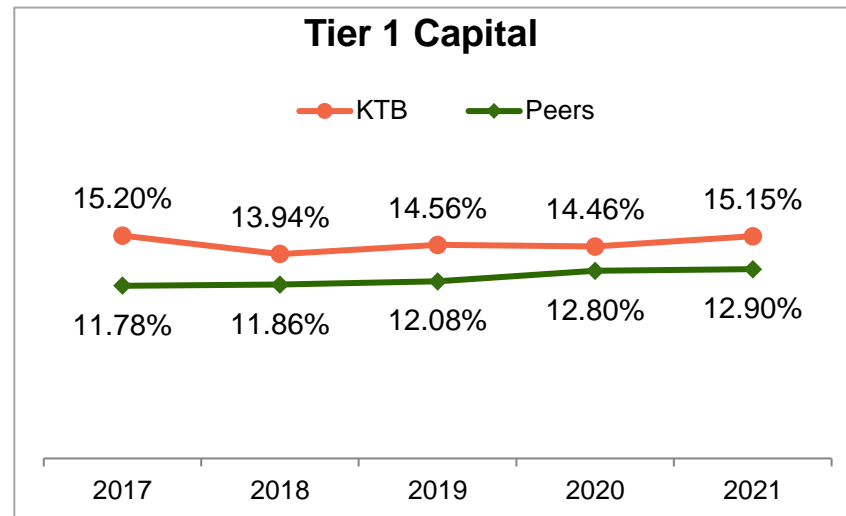
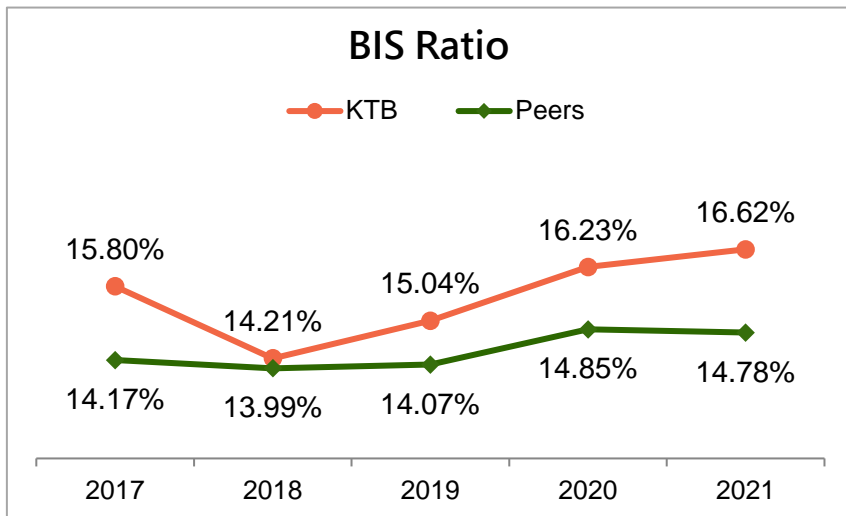


Fee Income





Capital Adequacy and Asset Quality



Note: Peer data updated to September 2021.



Income Statement

NT\$ million

Items	2021	2020	YoY
Net Interest Income	5,593	5,246	7%
Net Fee Income	2,131	1,909	12%
Other Income	2,538	1,752	45%
Revenue	10,262	8,907	15%
Operating Expense	(2,025)	(1,900)	7%
PPOP	8,237	7,007	18%
Provision for Loan Loss	(1,732)	(745)	132%
Earnings Before Tax	6,505	6,262	4%
Net Income	5,630	5,491	3%
EPS (Cumulative) (NT\$)	5.02	4.90	2%

Note: Unaudited data.



Balance Sheet

NT\$ billion

Items	2021	2020	YoY	Items	2021	2020	YoY
Cash, CDs, Interbank Deposits, and R/S	17.6	16.7	5%	Interbank Deposits	23.2	25.7	-10%
				Interbank Borrowings			
Securities	104.7	112.7	-7%	Deposits	251.0	226.9	11%
Loans	206.4	184.9	12%	R/P	12.1	22.0	-45%
Property and Equipment	3.6	3.4	6%	Other Liabilities	7.9	4.2	88%
Other Assets	10.9	7.7	42%	Total Liabilities	294.2	278.8	6%
Total Assets	343.2	325.4	5%	Shareholder's Equity	48.9	46.6	5%

Note: Unaudited data.

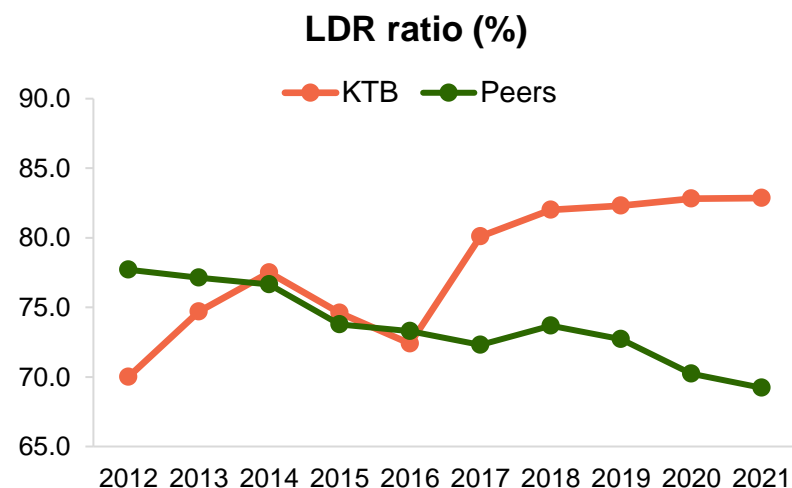
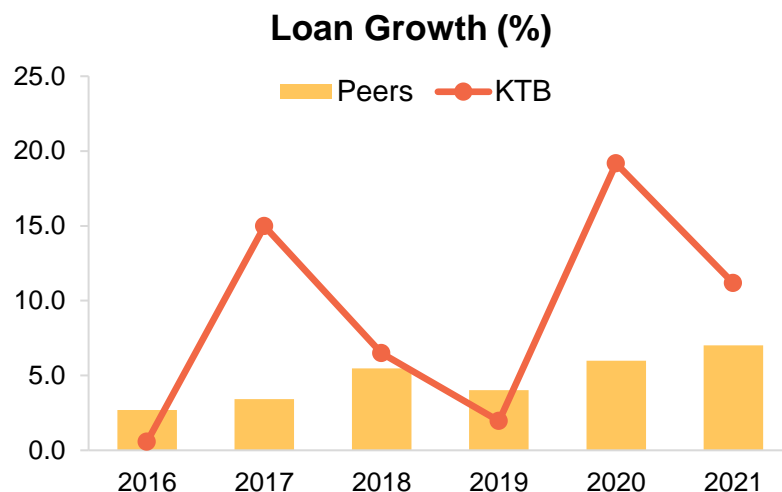
STRATEGY & OUTLOOK





King's Town Bank 2022 Outlook

- **We expect continued healthy loan growth on the back of a positive economic outlook in Taiwan:** The DGBAS forecasts that Taiwan's real GDP will grow 4.15% in 2022 and IMF expects Taiwan's GDP per Capita will exceed US\$36k.
 - We are cautiously optimistic on the prospects for continued healthy growth in our lending business in 2022.
 - The impact of the COVID-19 outbreak in Taiwan looks limited as of yet. We expect to maintain our current high level of asset quality.
- **Long-term growth opportunities in Southern Taiwan**
 - Expect companies to continue to invest and the region to show resilience and healthy growth. We will strengthen our loan and deposit businesses in this region.
- **Aim to maintain NIM this year around or slightly higher than the level of 2021**
 - Interest rate hike expectations and trends may widen loan-to-deposit spreads, but changes in NIM may be affected by the adjustments of our asset portfolio.
- **Investment in Digital Banking Capabilities:**
 - Our focus is on enhancing the digital offering we provide to existing long-term customers.



Source: FSC



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 preliminary results announced today are unaudited and are therefore subject to change



Thank You !