



King's Town Bank Operating Results of FY17

Stock Code : 2809.TW



Disclaimer

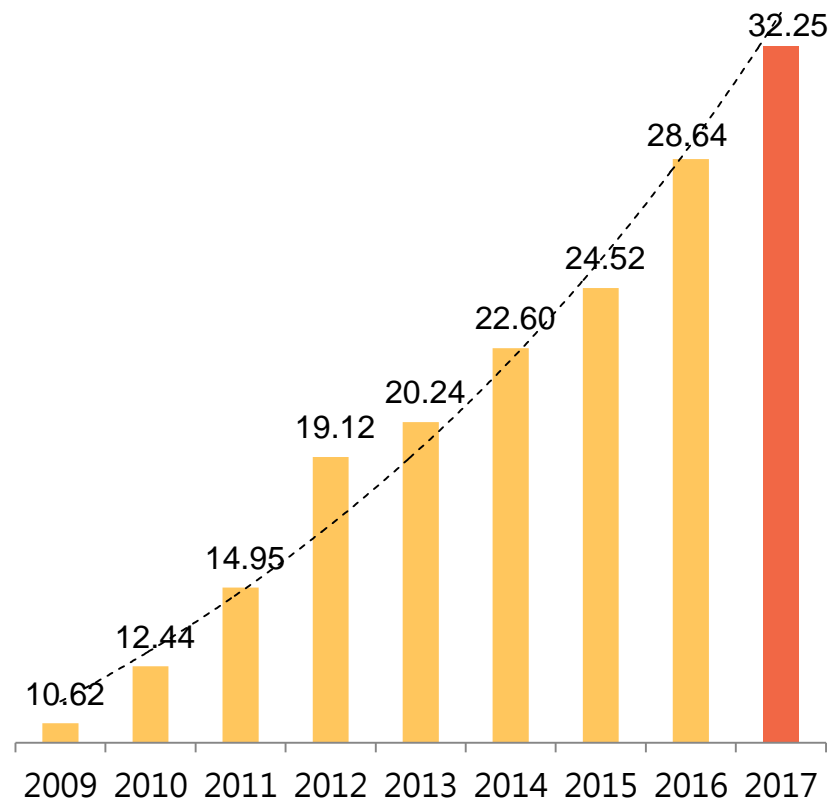
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual 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.



FY17 Financial Review

	2017.12	2016.12
Total Assets (NT\$ mm)	271,176	244,084
Book Value/share (NT\$)	32.25	28.64
ROE (pretax)	18.52%	18.22%
ROA (pretax)	2.51%	2.32%
BIS Ratio	15.80%	16.09%
NPL Ratio	0.02%	0.02%
Coverage Ratio	6,555.68%	6,660.37%
Loan-loss Provision Coverage Ratio	1.54%	1.60%
QFII Holdings	23.54%	22.07%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





FY17 Business Summary Updates

Financial Performance

- Reported after-tax net income for year 2017 of NT\$ 6,461 million or NT\$ 5.64 per share after tax (EPS), increased by 15.9% and 15.8% year-to-year respectively.
- Reported ROE of 18.52% and ROA of 2.51% for year 2017.

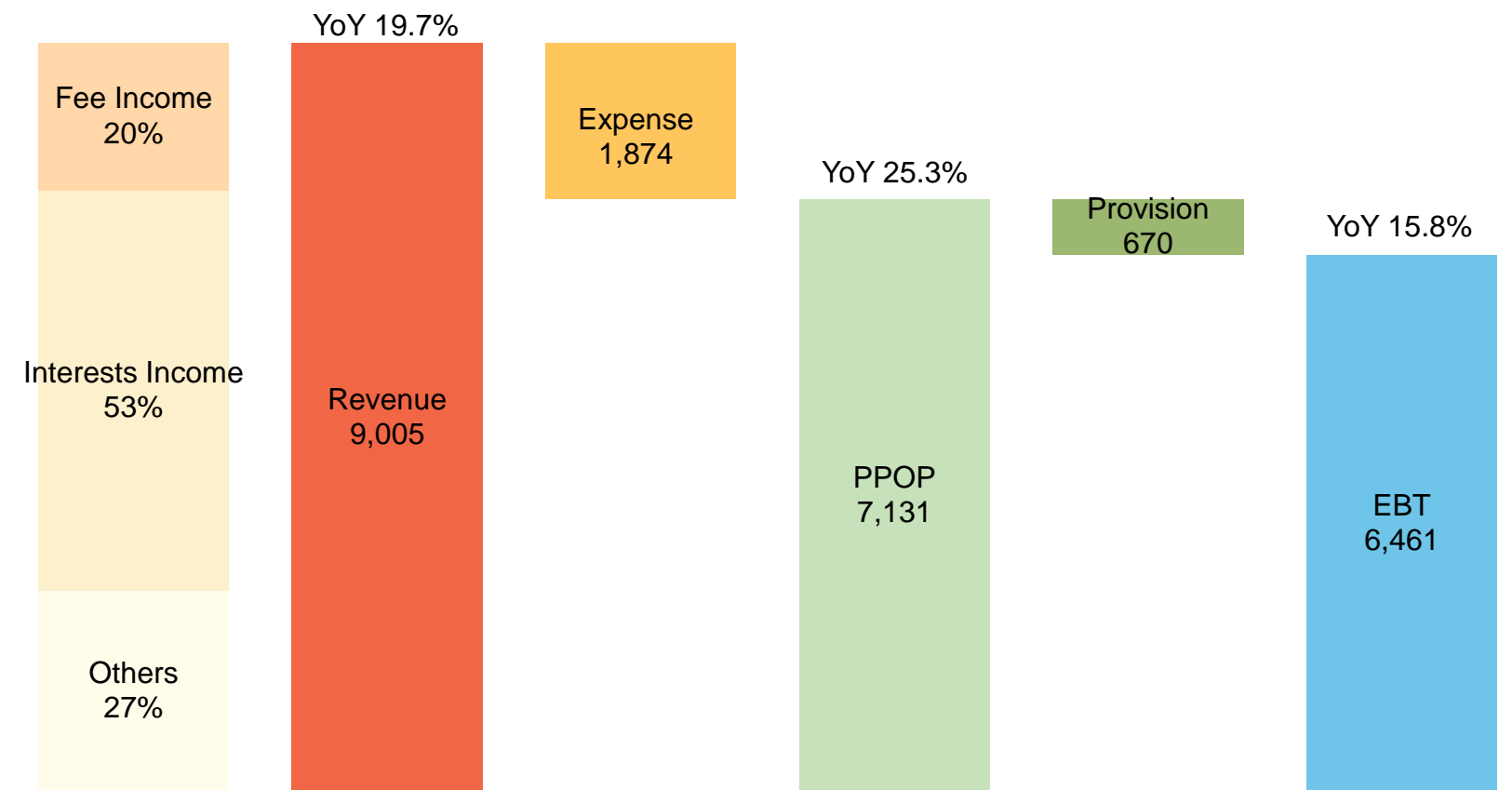
Financial Strength

- Asset quality remains sound with NPL ratio at 0.02%, coverage ratio at 6555.68% and loan-loss provision coverage ratio at 1.54% .
- Total loan for FY/17 increased NT\$ 18.9 billion to NT\$ 145.2 billion versus NT\$ 126.3 billion in 2016. Loan-to-deposit ratio for FY/17 increased 7.7 percentage point to 80.1% versus 72.4% in 2016.



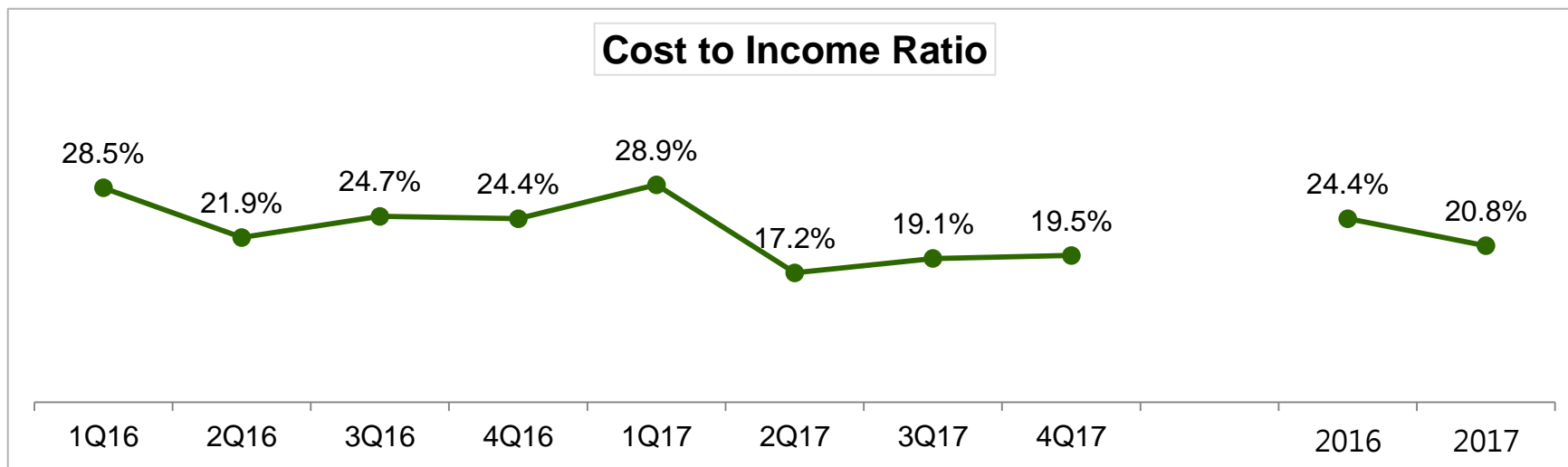
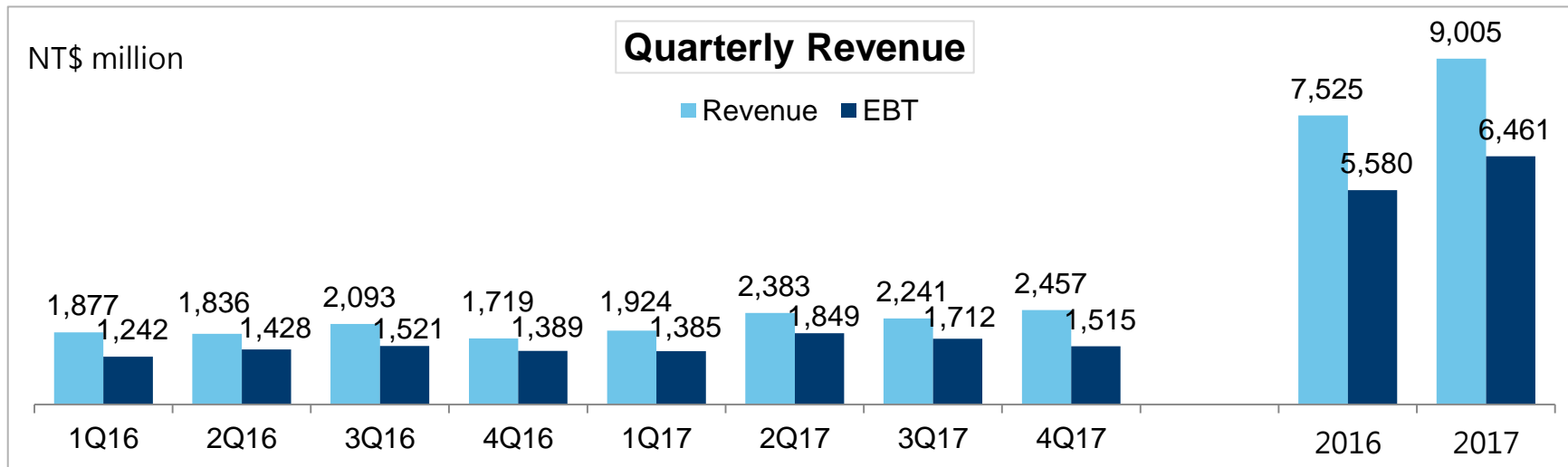
FY17 Revenue Breakdown

NT\$ million



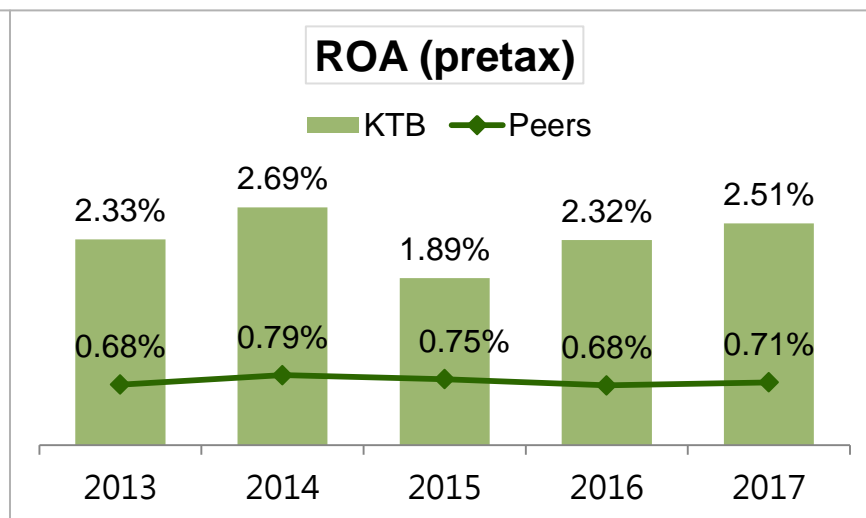
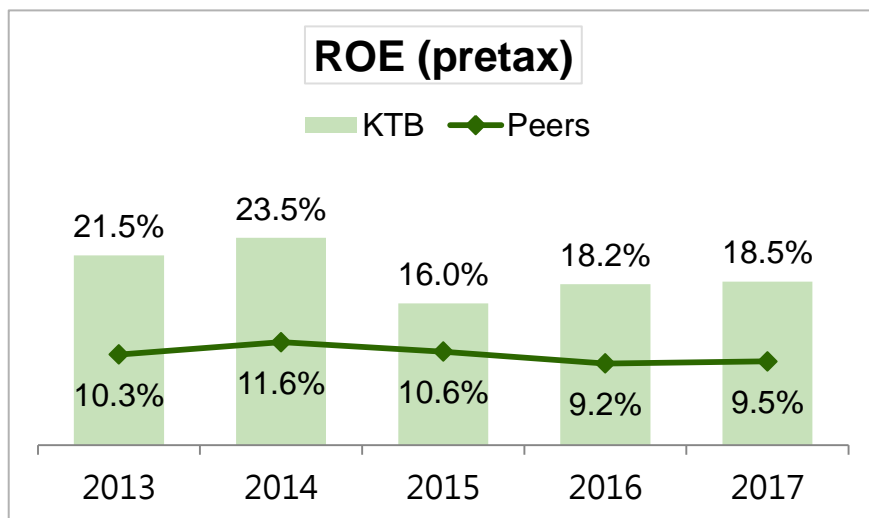
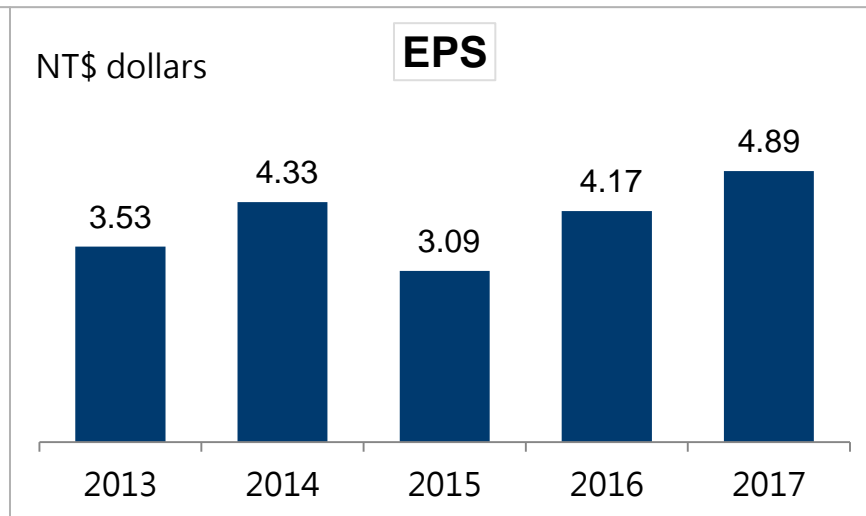
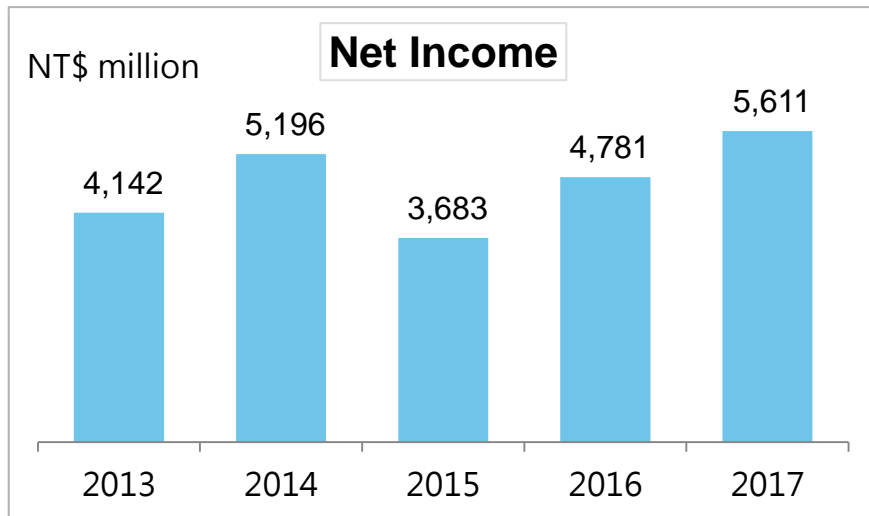


Quarterly Revenue and Expense





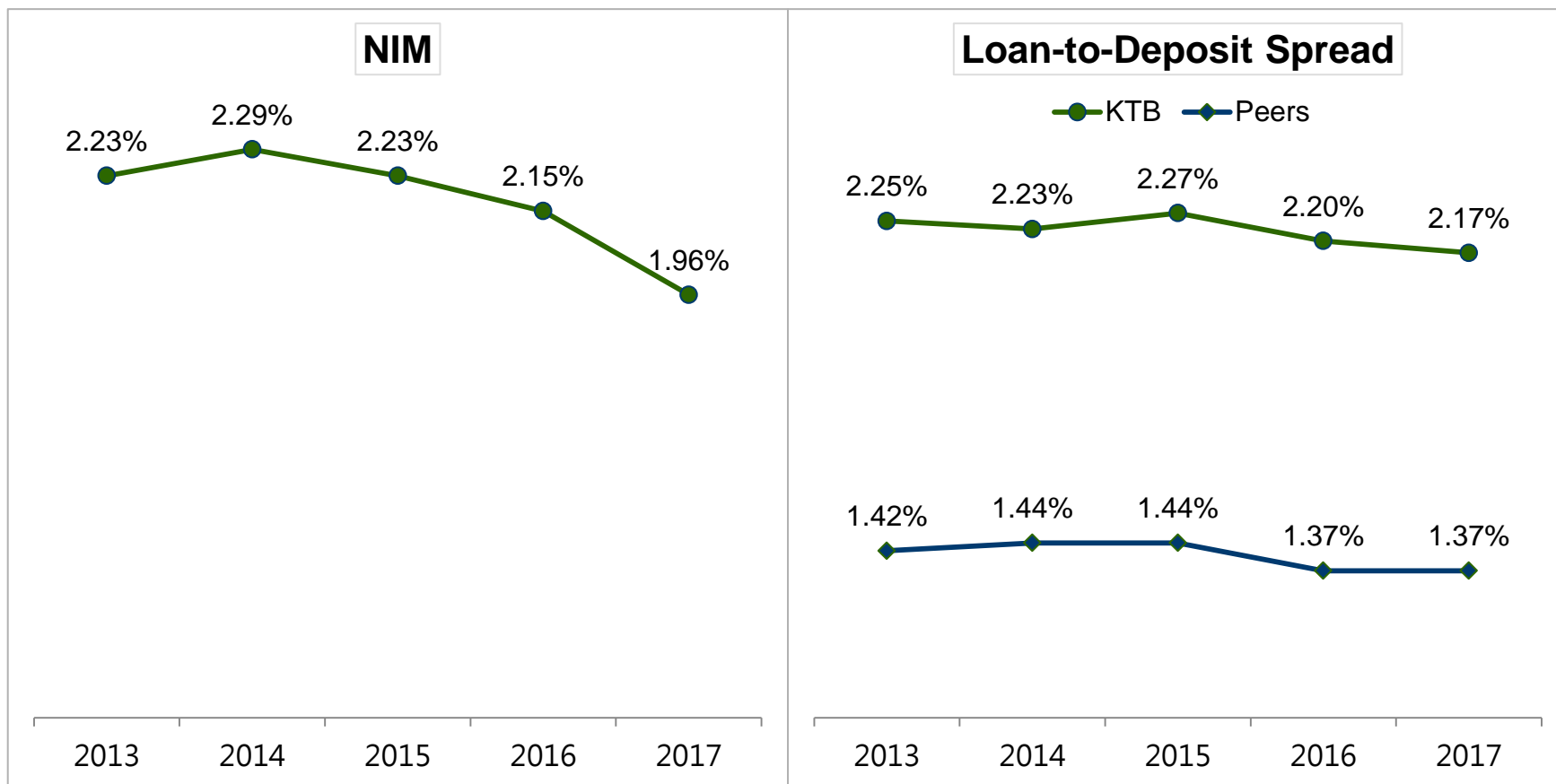
Profitability



Note: Peers data updated to Nov. 2017 (annualized).



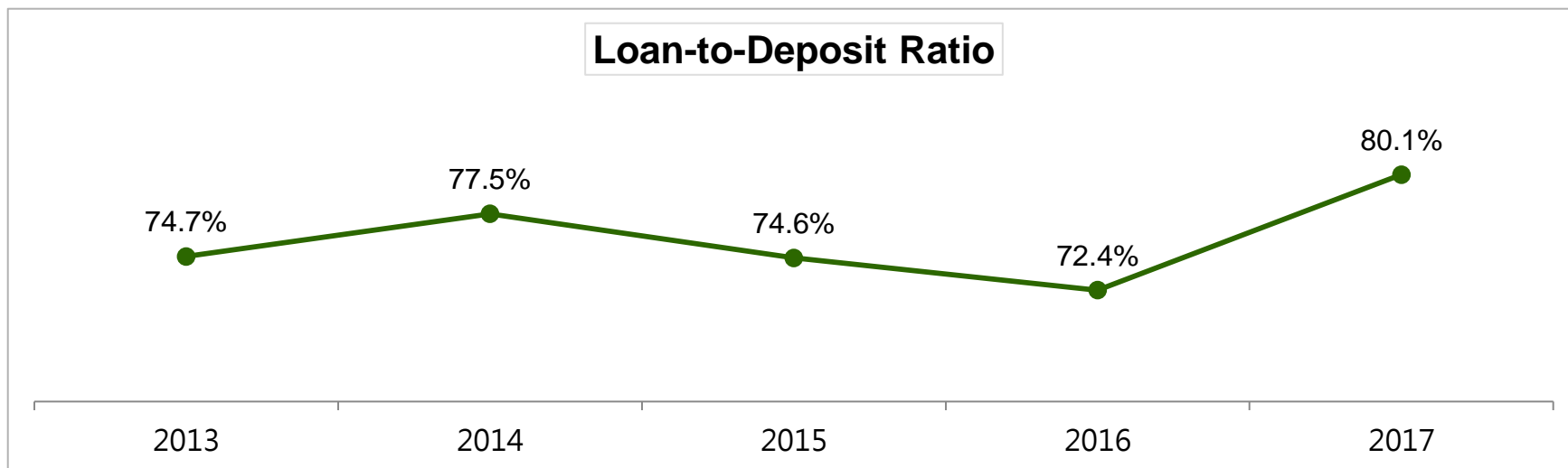
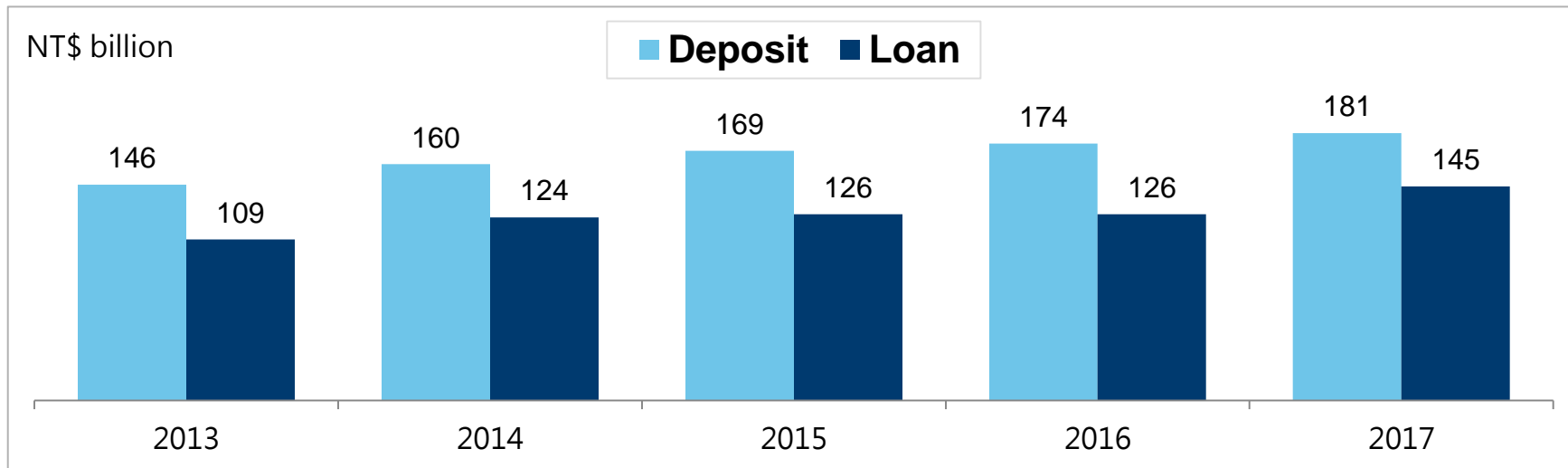
NIM and Spreads



Note: Peers data updated to 3Q/17.

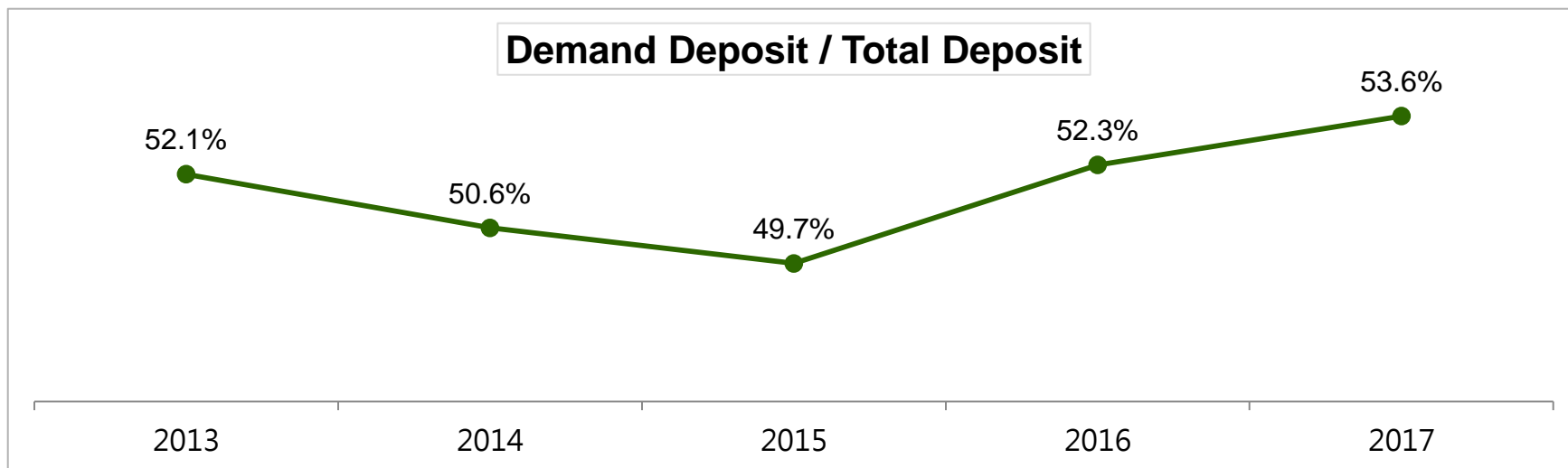
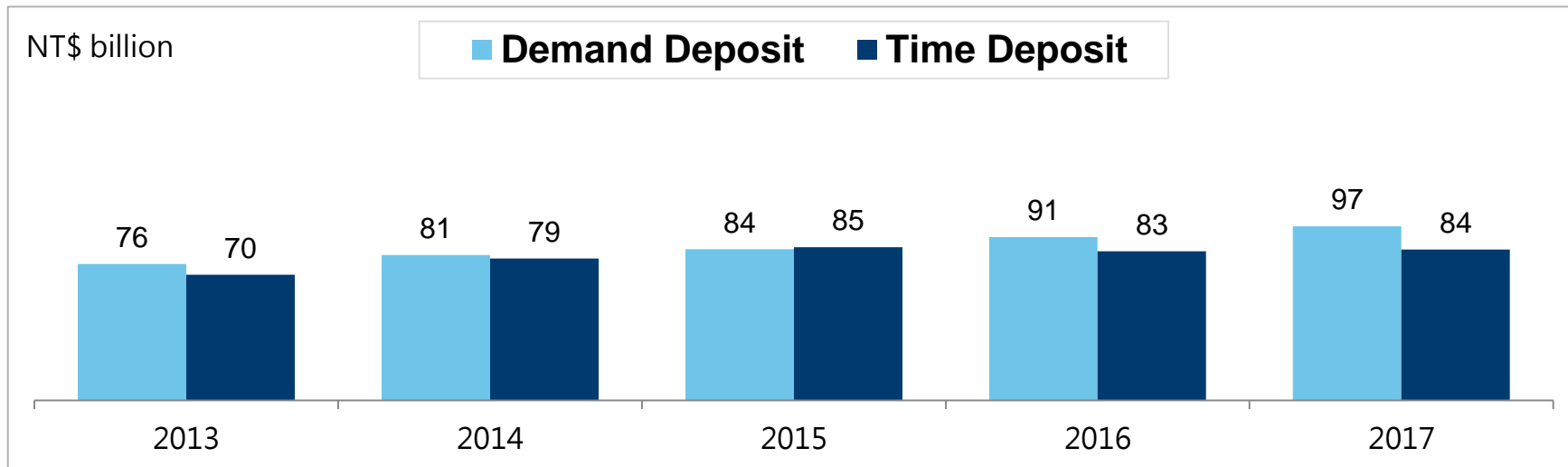


Loan and Deposit





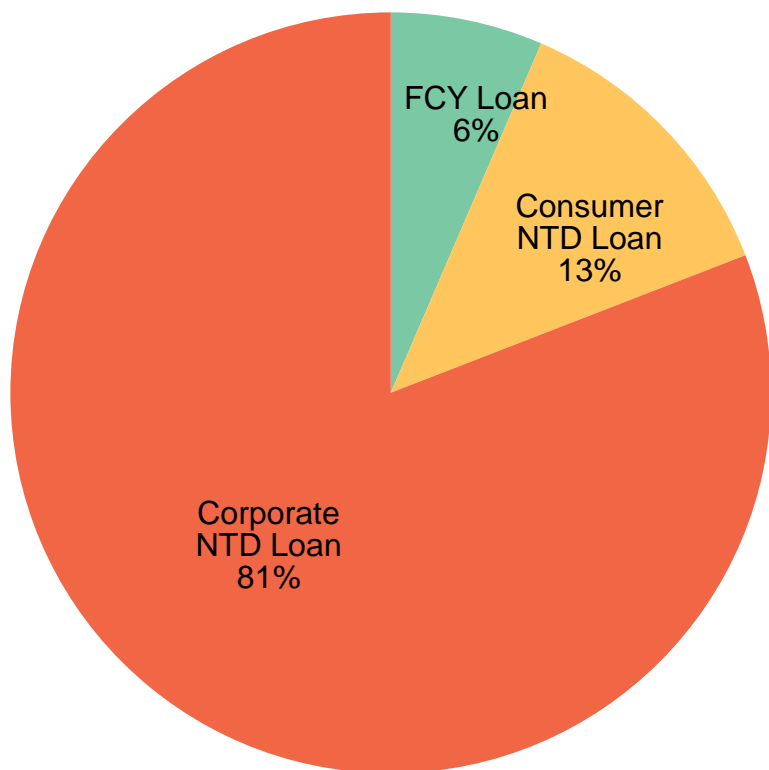
Deposit Breakdown



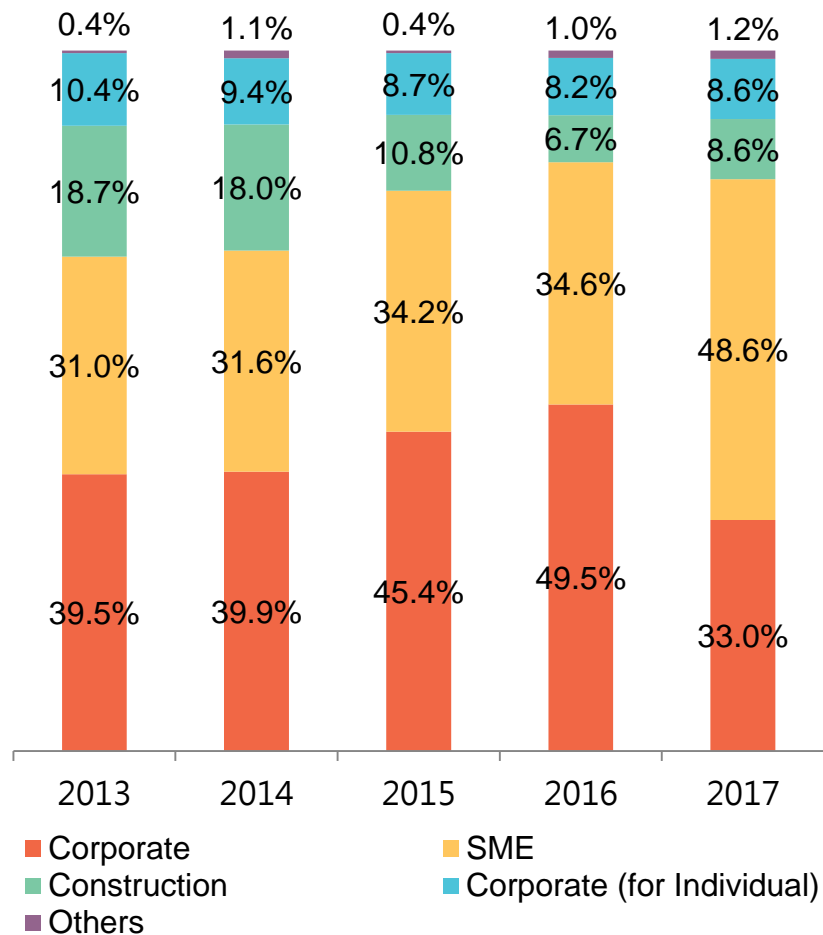


Loan Breakdown

Loan Composition (FY17)

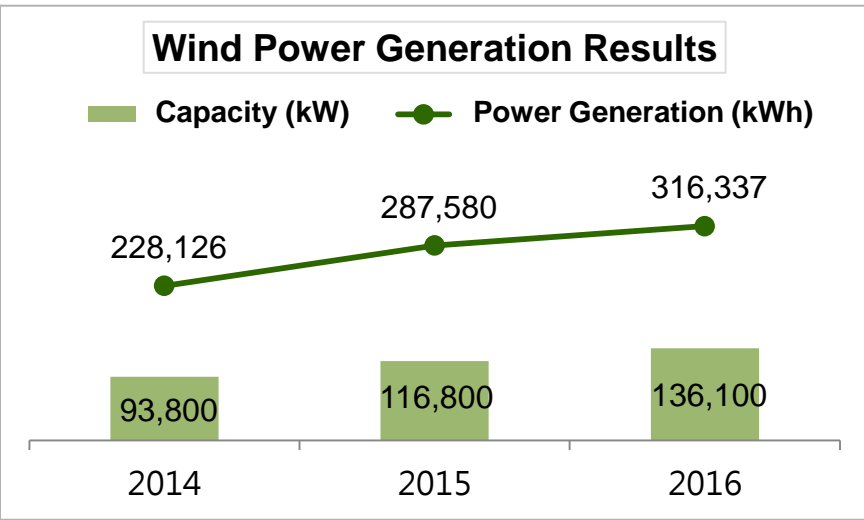
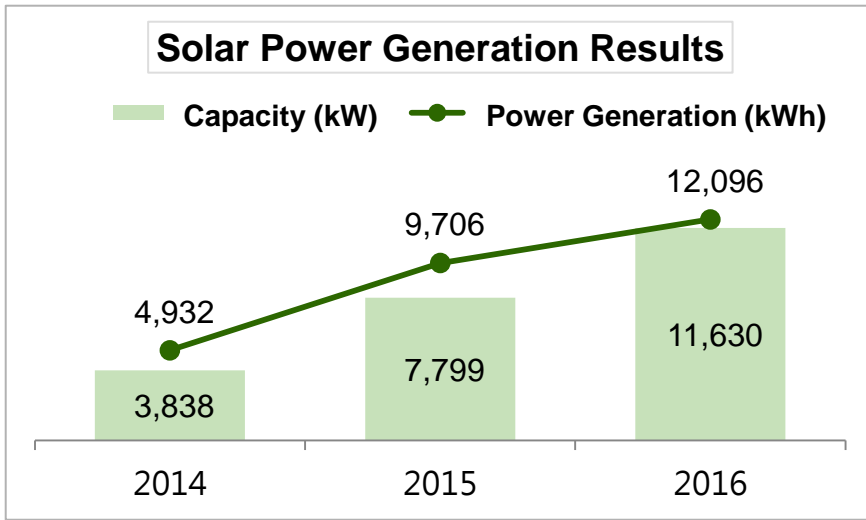
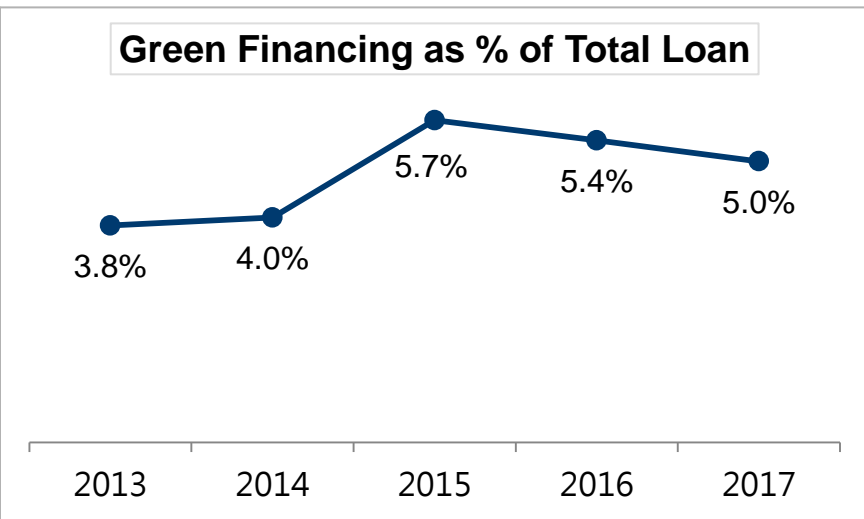
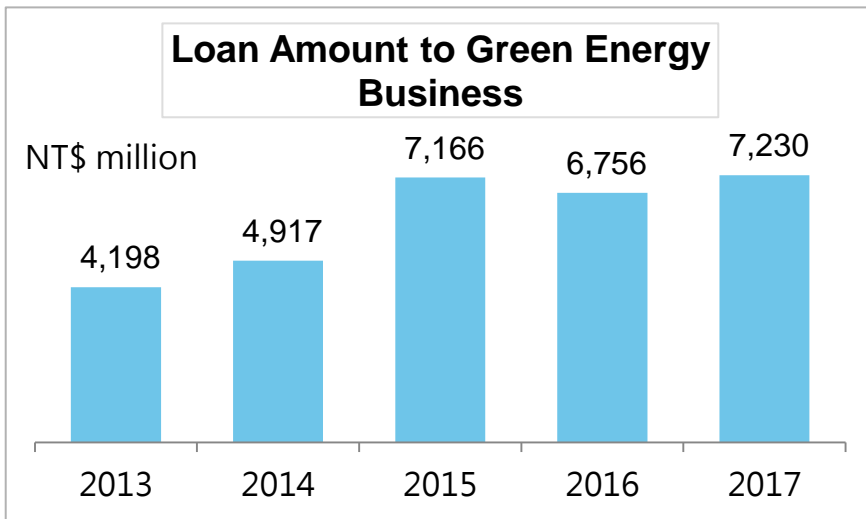


Corporate Loan by Type



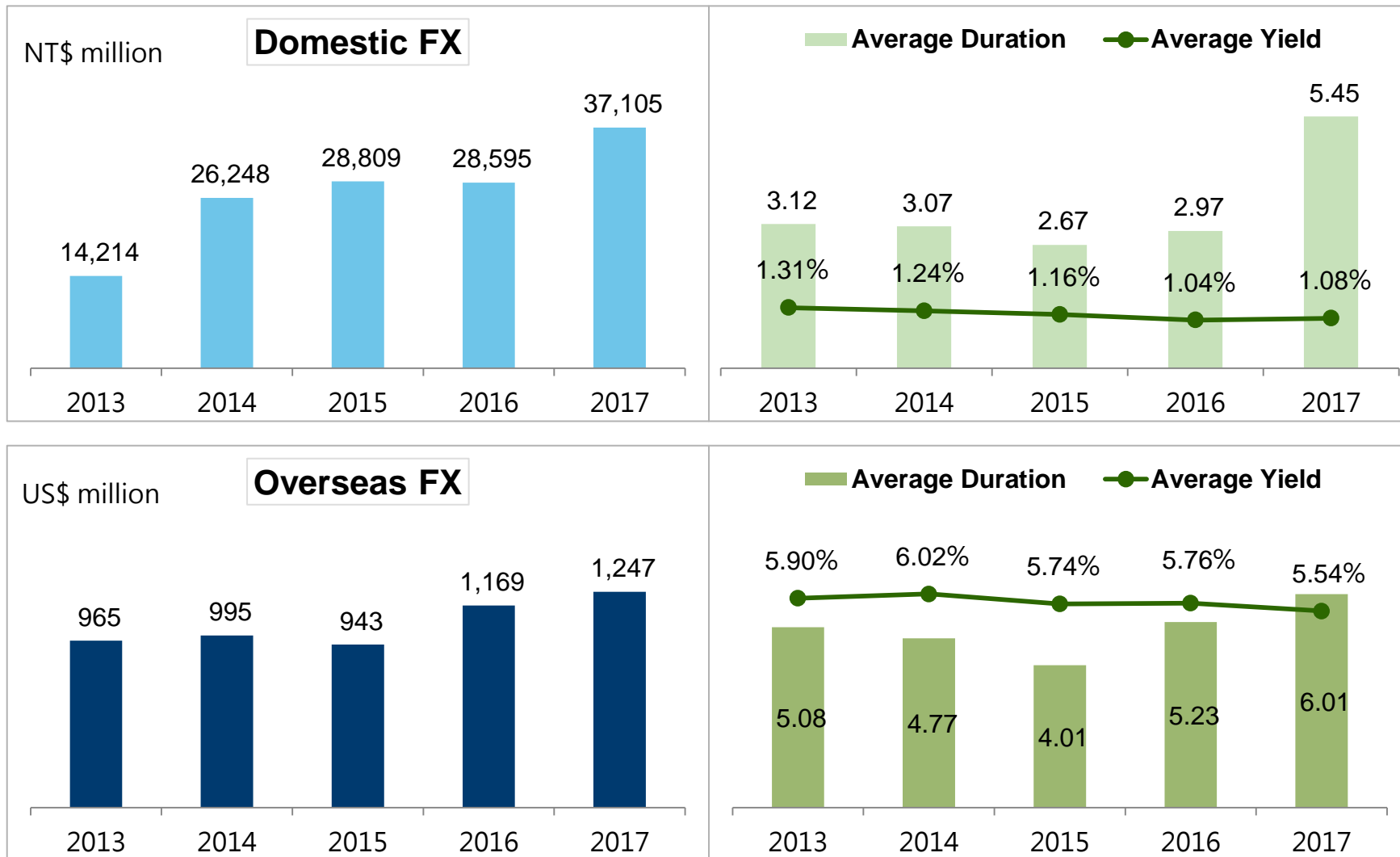


Green Financing



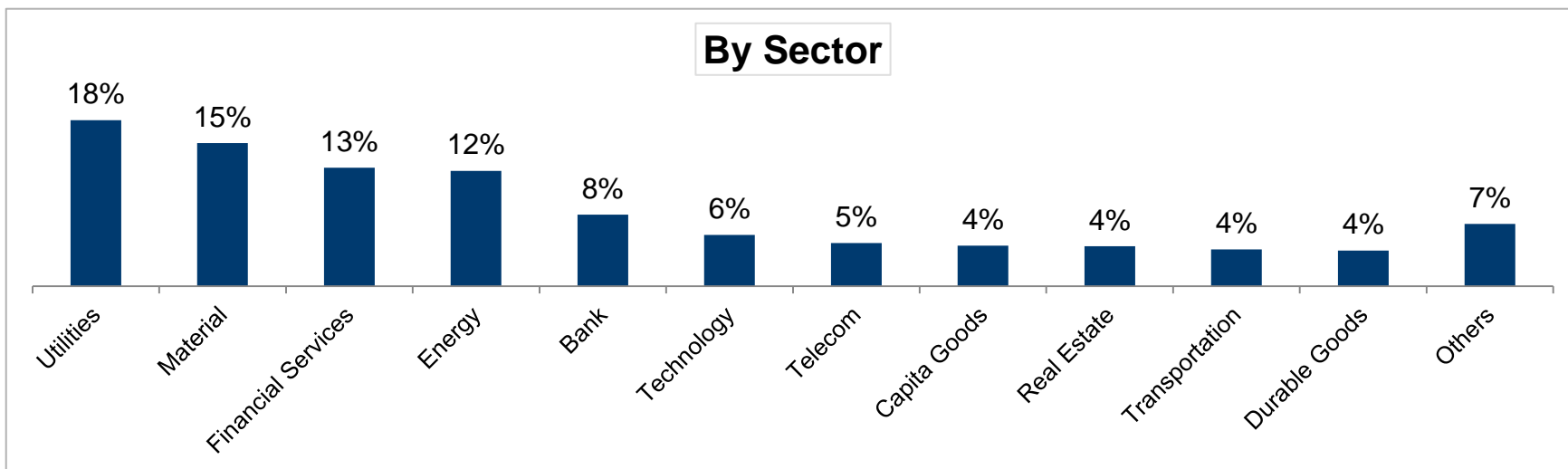
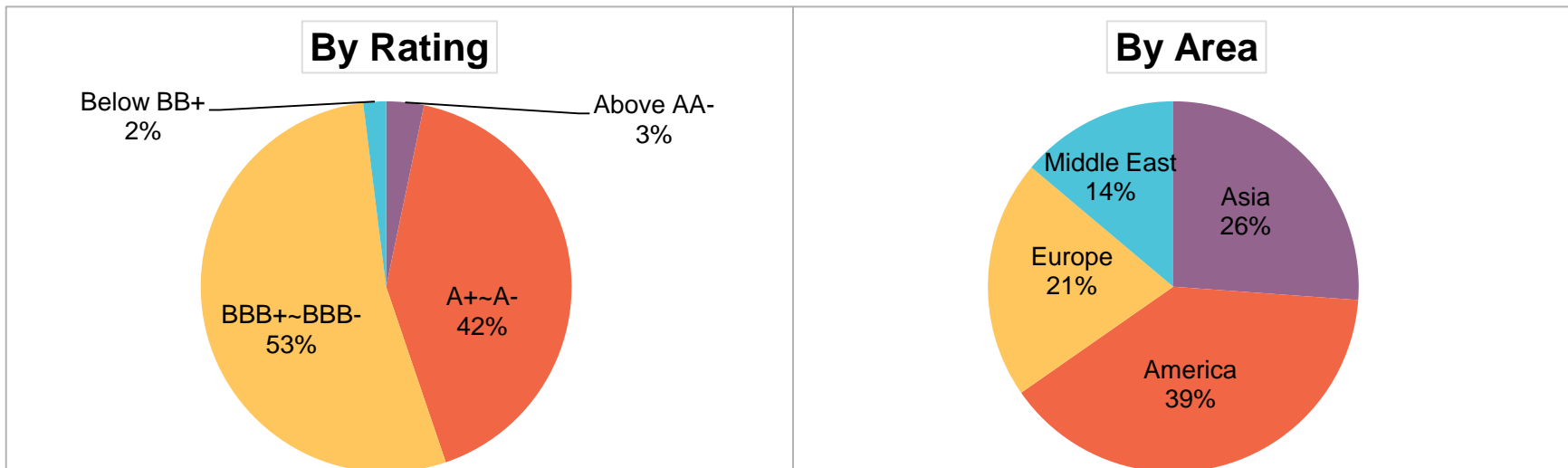


Financial Asset - Fixed Income Investment



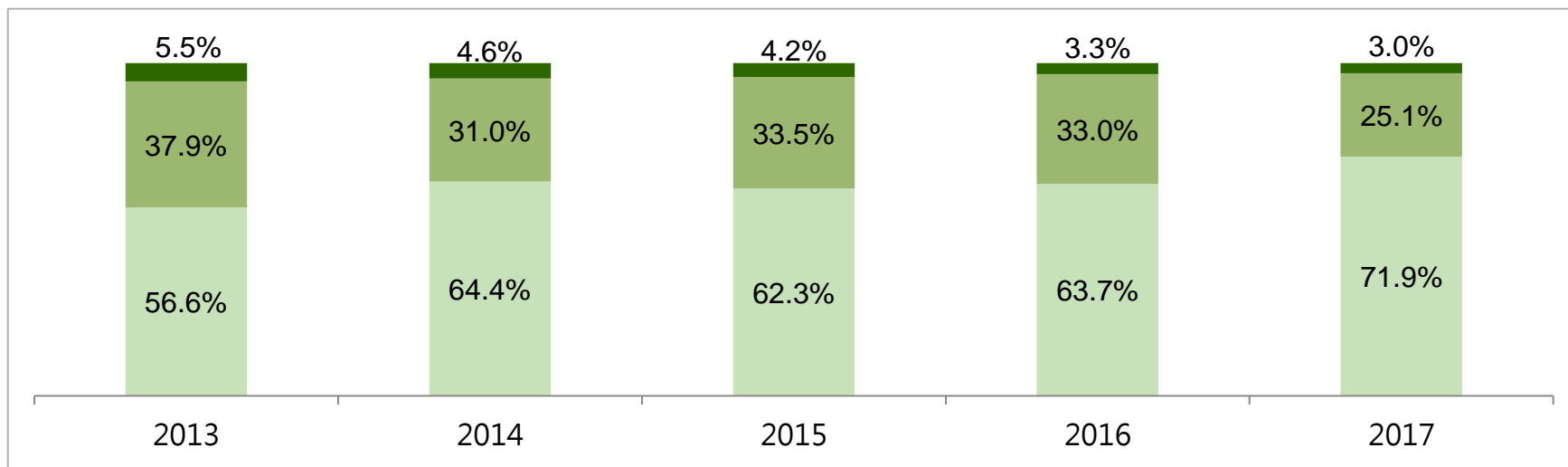
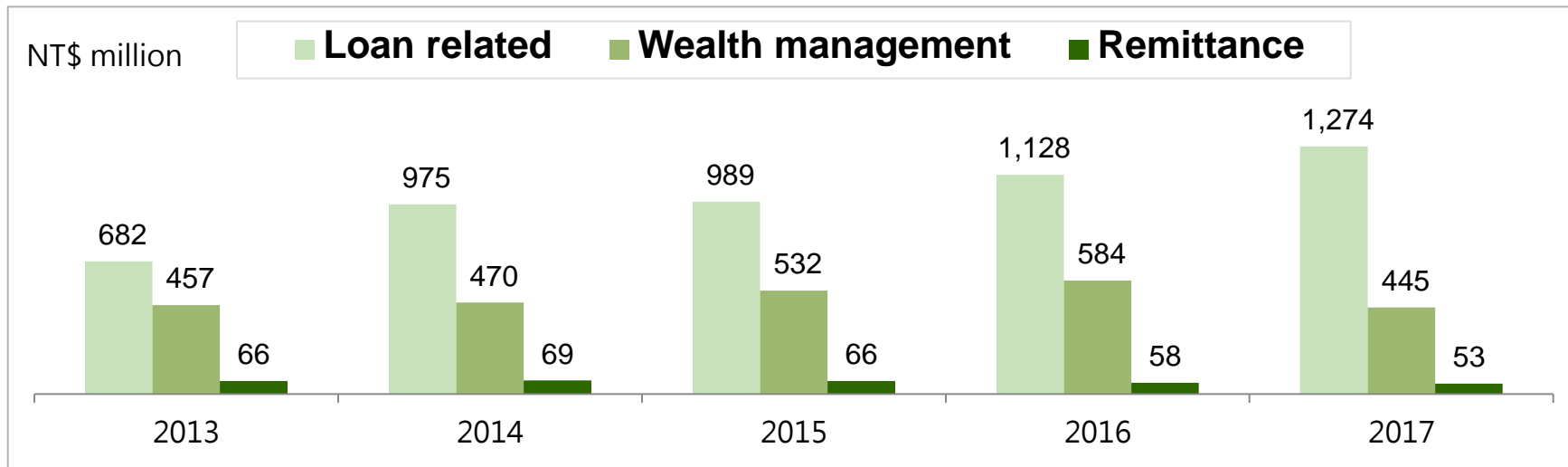


Financial Asset – Overseas FX Mix (2017)



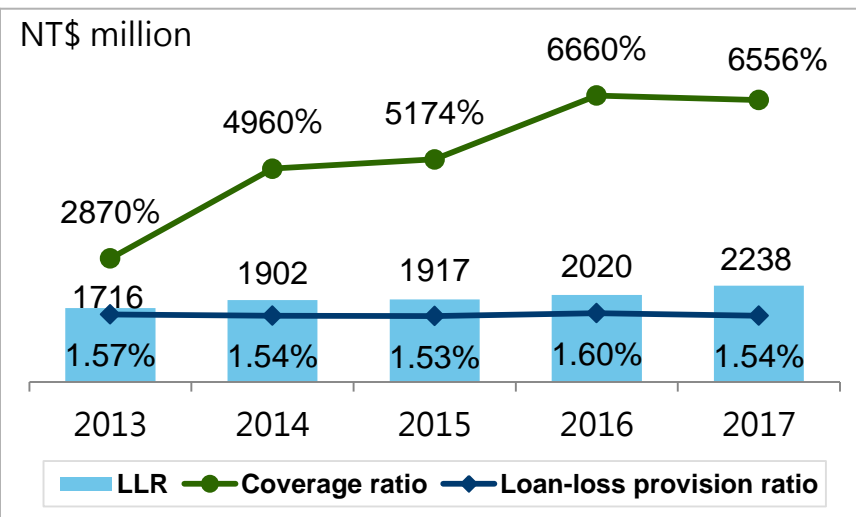
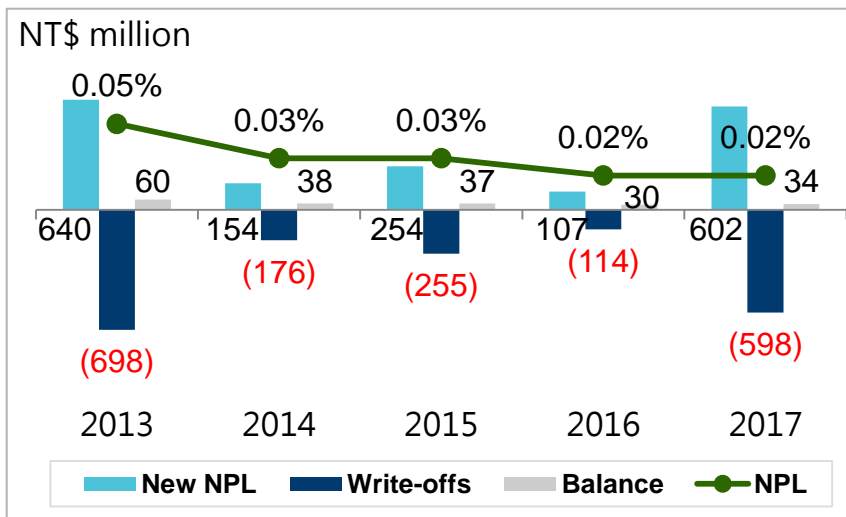
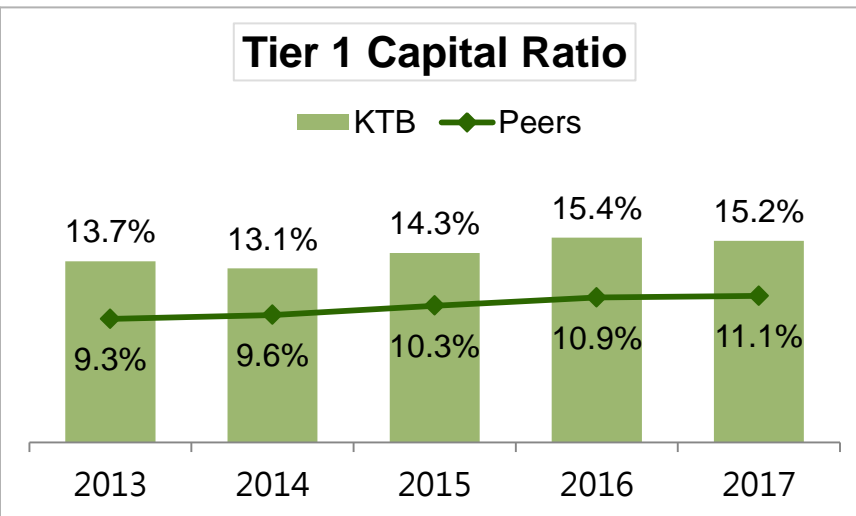
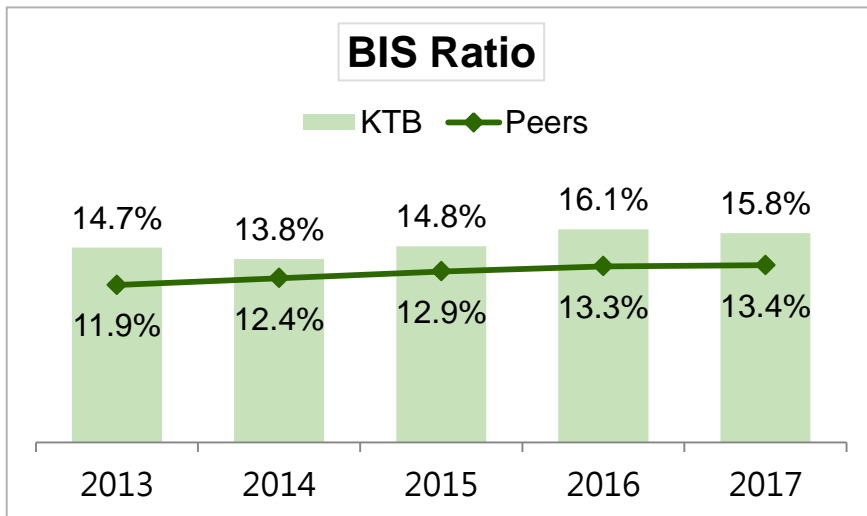


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to Sep. 17.



Top 1,000 World Banks 2017 - The Banker

Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Asset (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
715	26	946	16.16%	7,553	4.58%	852	29

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.53%	124	3	18.25%	215	1	2.29%	91	1

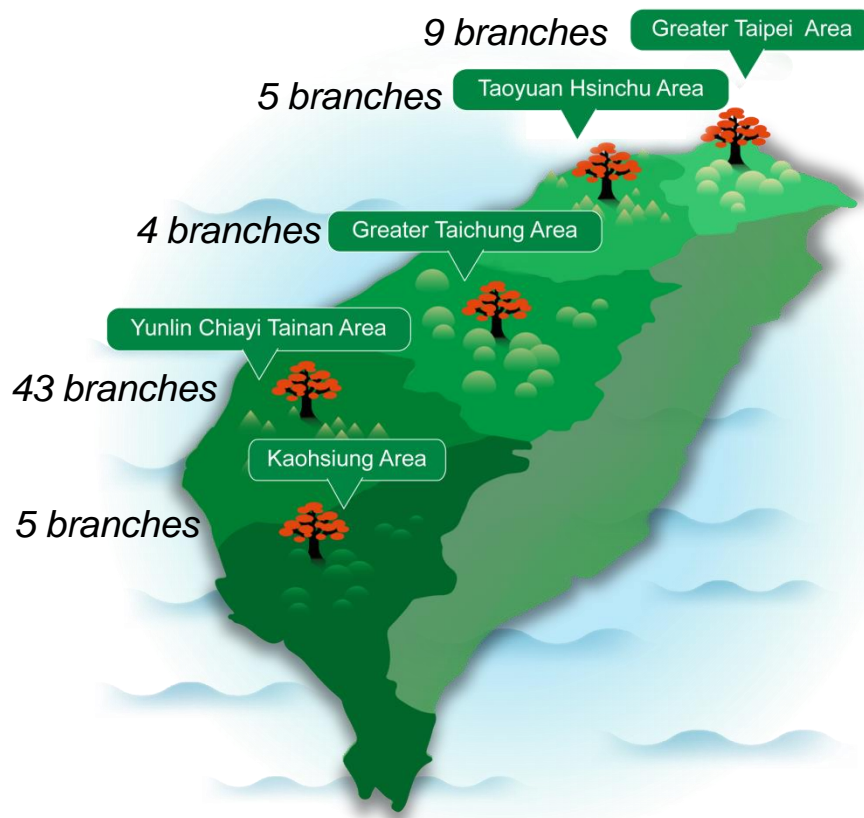


Thank you



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
 - 13% of deposits
 - 87% of loans
- 43 Non-metro branches, contributing
 - 87% of deposits
 - 13% of loans





Appendix - Income Statement

NT\$ million

Items	2017	2016	YoY
Net Interest Income	4,800	4,903	-2%
Net Fee Income	1,772	1,770	0%
Other Income	2,433	852	186%
Revenue	9,005	7,525	20%
Operating Expense	(1,874)	(1,834)	2%
PPOP	7,131	5,691	25%
Provision for Loan Loss	(670)	(111)	504%
Earning Before Tax	6,460	5,580	16%
Net Income	5,611	4,781	17%
EPS(Cumulative)(NT\$)	4.89	4.17	17%



Appendix - Balance Sheet

NT\$ billion

Items	2017.12	2016.12	YoY	Items	2017.12	2016.12	YoY
Cash, CD, Interbank Deposits, and R/S	21.6	42.4	-49%	Interbank Deposits , Interbank Borrowings	27.6	18.2	52%
Securities	100.6	72.6	39%	Deposits	180.4	173.8	4%
Loans	142.9	124.2	15%	R/P	21.3	15.6	37%
Property and Equipment	2.4	2.5	-4%	Other Liabilities	4.9	3.8	29%
Other Assets	3.7	2.4	54%	Total Liabilities	234.2	211.3	11%
Total Assets	271.2	244.1	11%	Shareholder's Equity	37.0	32.8	13%

Note: Securities YoY +39% due to change of nature of the deposit received by central bank from CD to NCD, the asset classification is changed from deposit to financial asset.