



King's Town Bank

Operating Results of 2Q18

Stock Code : 2809.TW



Disclaimer

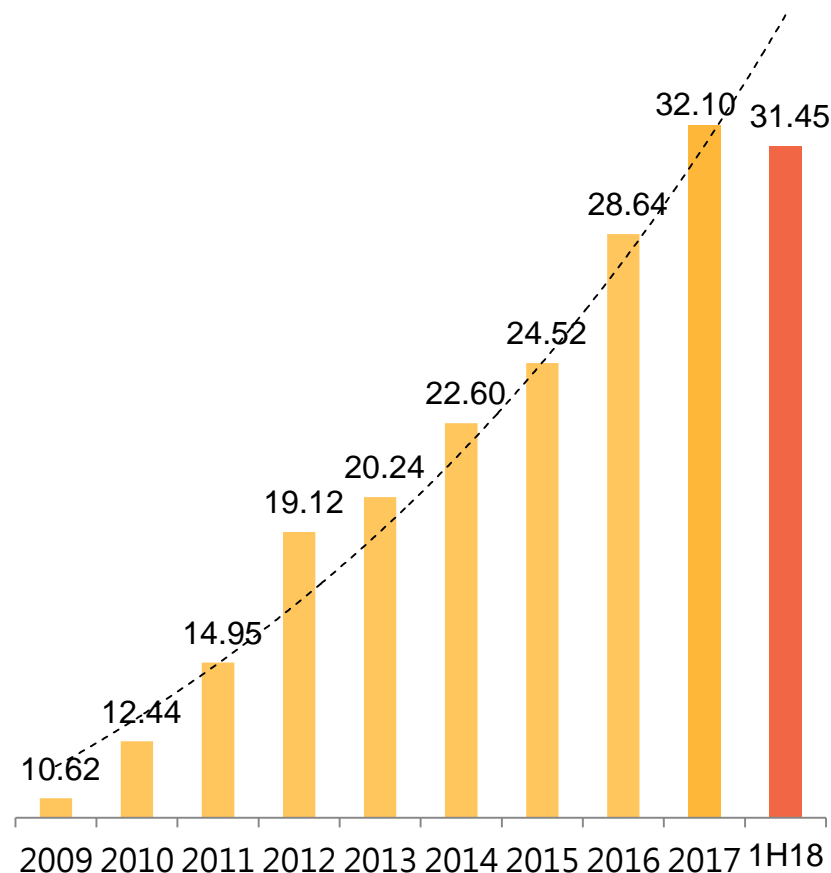
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



1H18 Financial Review

	2018.06	2017.06
Total Assets (NT\$ mm)	277,000	249,214
Book Value/share (NT\$)	31.45	30.10
ROE (pretax)	15.73%	19.24%
ROA (pretax)	2.10%	2.62%
BIS Ratio	15.02%	15.52%
NPL Ratio	0.02%	0.03%
Coverage Ratio	6,757.93%	5,667.76%
Loan-loss Provision Coverage Ratio	1.54%	1.65%
QFII Holdings	23.32%	22.81%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1H18 Business Summary Updates

Financial Performance

- Reported after-tax net income for 1H/18 of NT\$ 2,338 million or NT\$ 2.04 per share after tax (EPS).
- Reported ROE of 15.73% and ROA of 2.10% for 1H/18 (before tax).
- Asset quality remains sound with NPL ratio at 0.02%, coverage ratio at 6,758% and loan-loss provision coverage ratio at 1.54%.

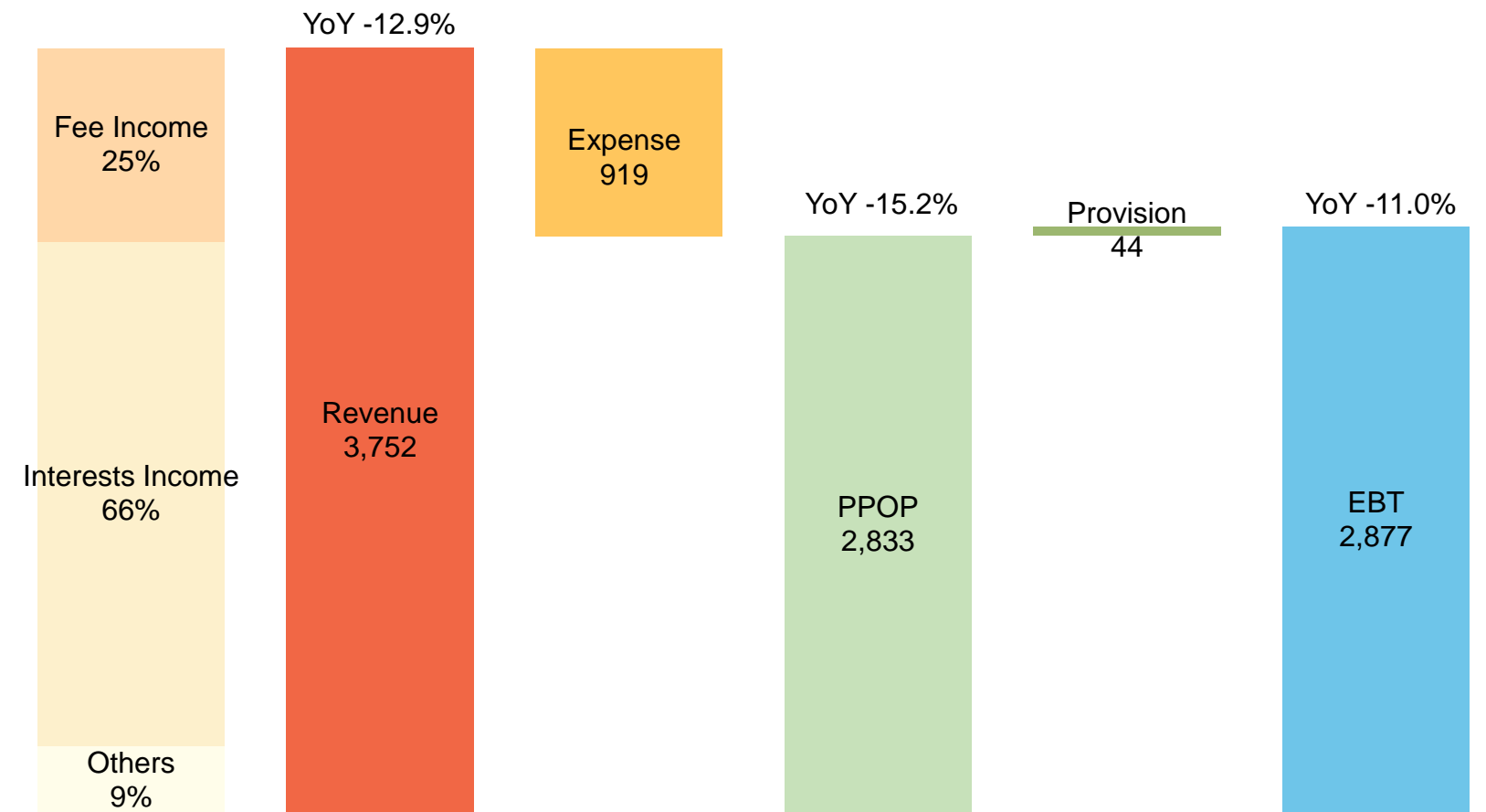
Operation Highlights

- By focusing on SME and niche market, total loan for 1H/18 increased 18% year-on-year to NT\$ 157.4 billion.
- Fee income and interest income for 1H/18 reached NT\$ 947 million and NT\$ 2.47 billion, respectively, representing an increase of 0.32% and 4.4%, among which the loan-related fee contributed NT\$ 733 million, 8.9% increase year-on-year, highlighting the continued loan growth momentum.
- Credit rating affirmed by Fitch at A+(tw) \ F1(tw) for 5 consecutive years.



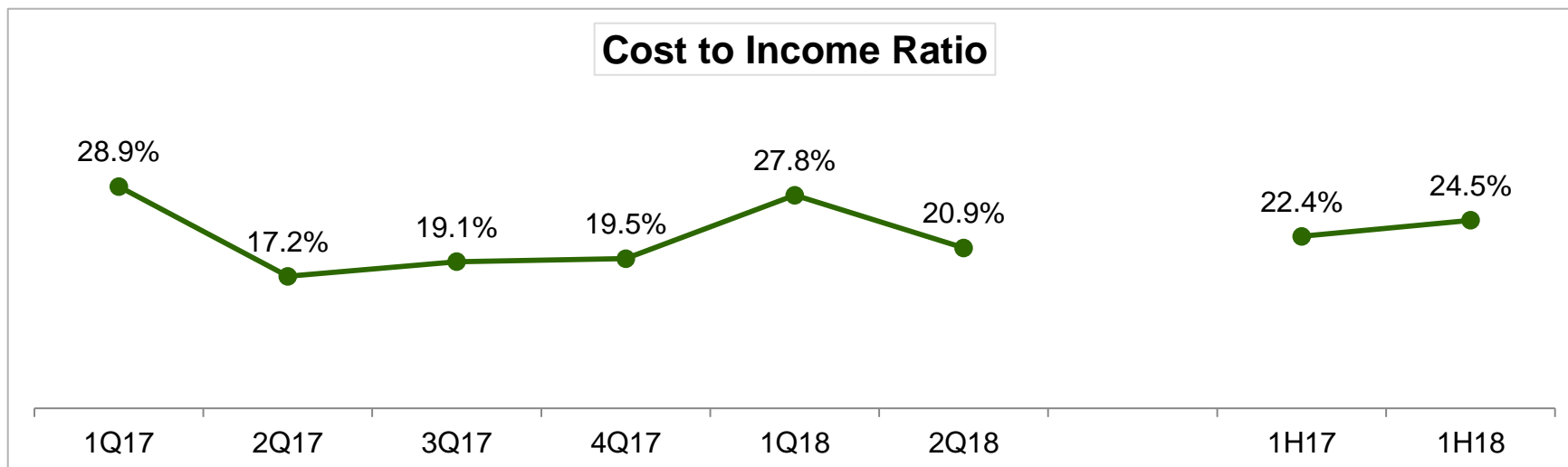
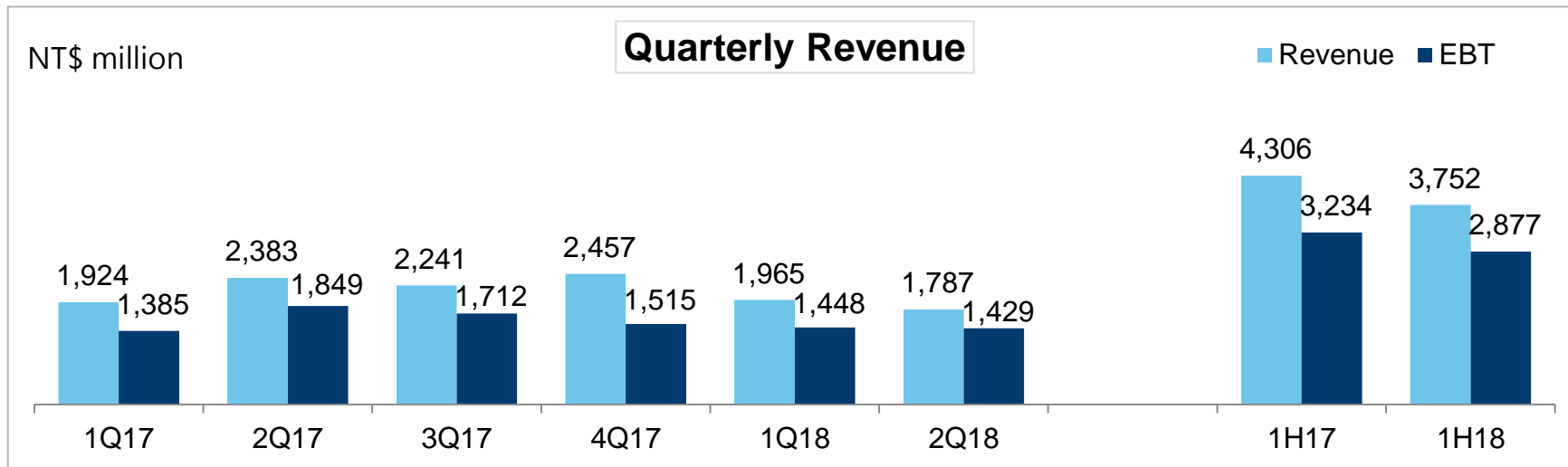
1H18 Revenue Breakdown

NT\$ million



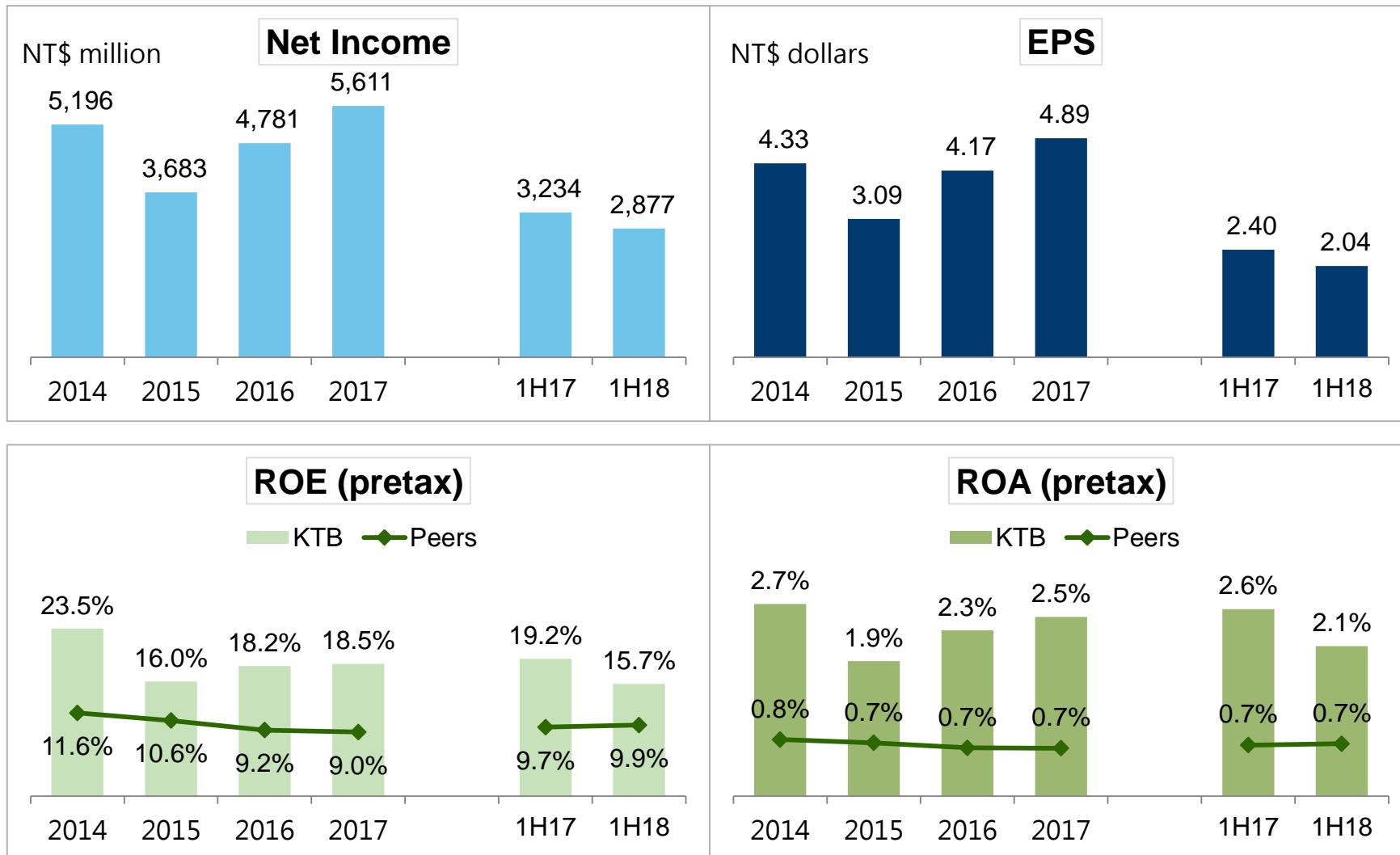


Quarterly Revenue and Expense





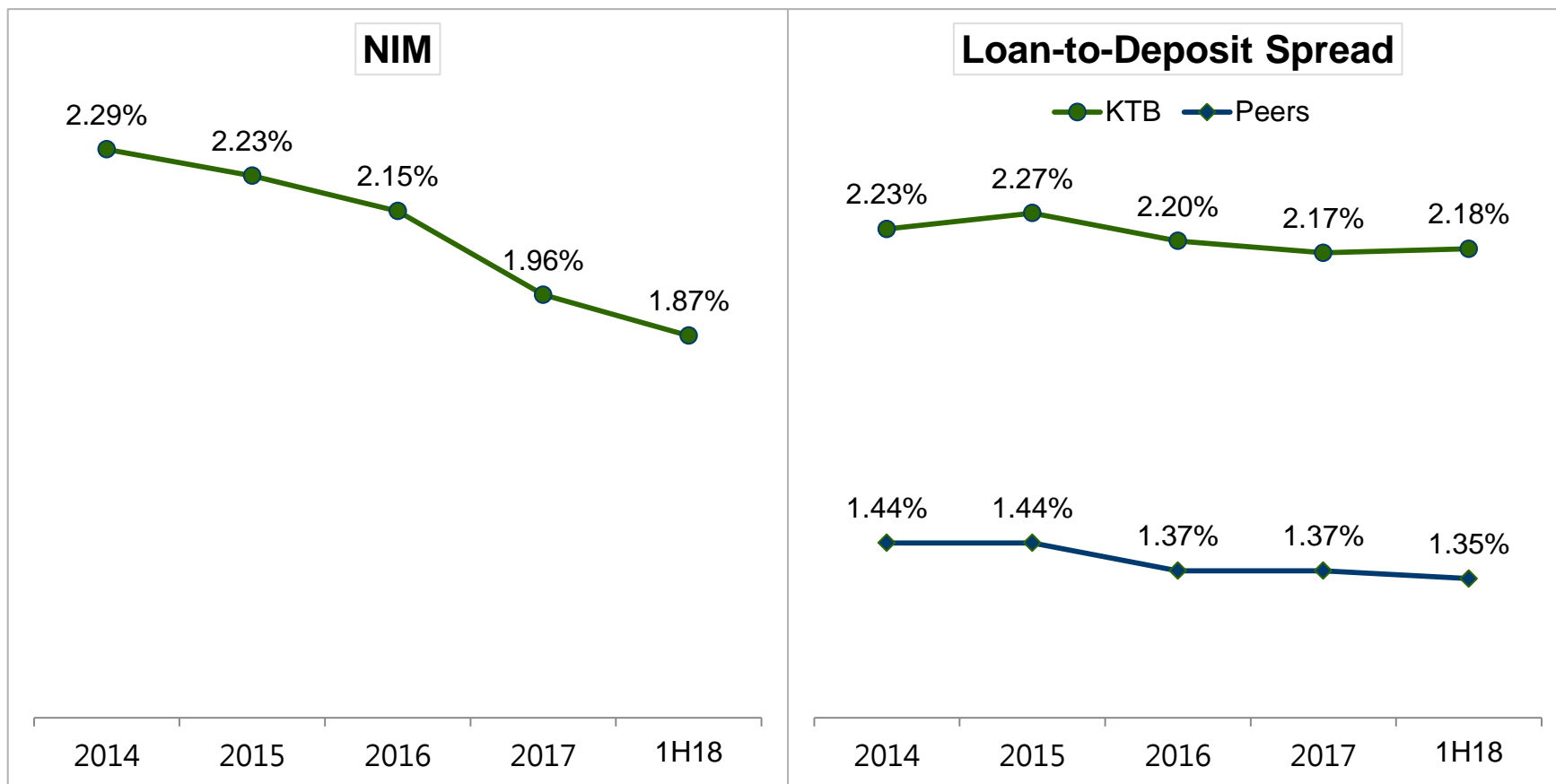
Profitability



Note: Peers data updated to May 2018 (annualized).



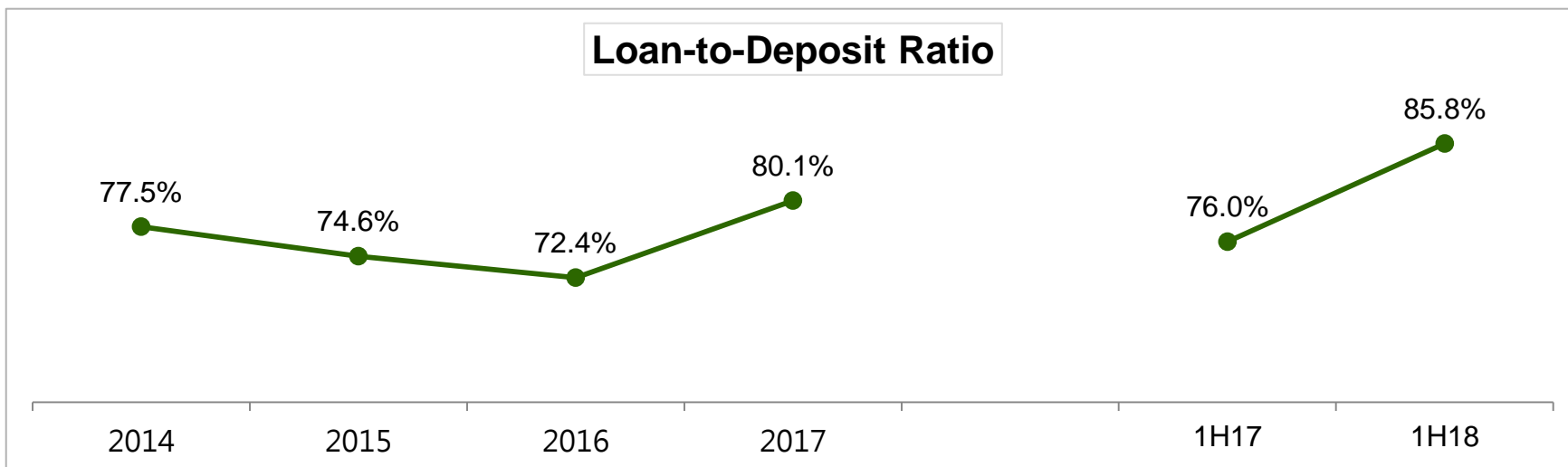
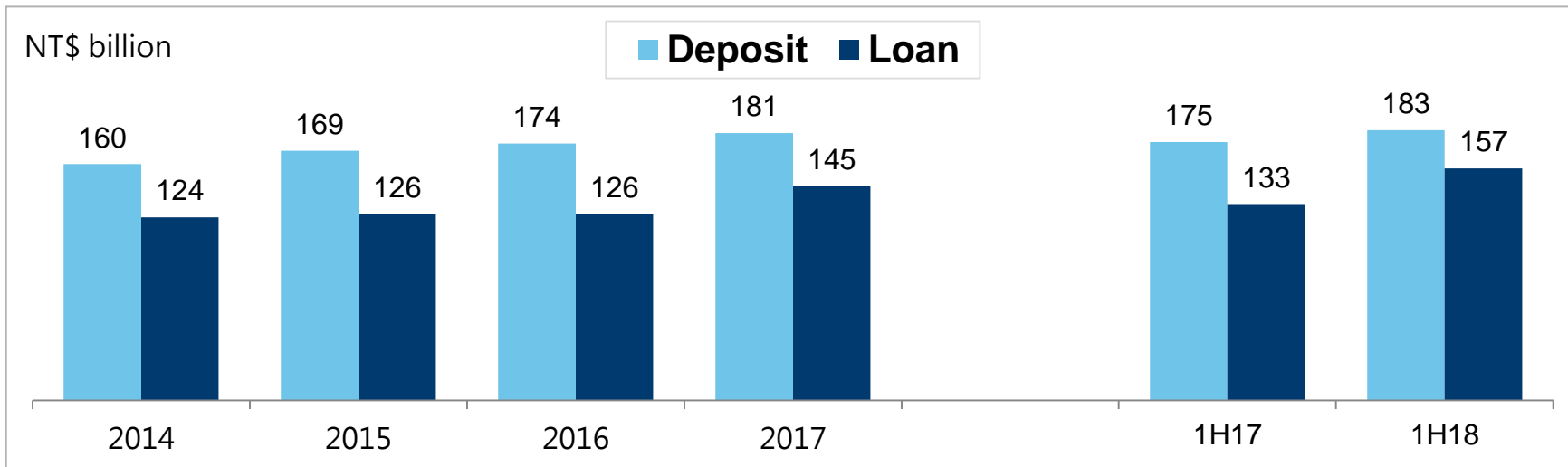
NIM and Spreads



Note: Peers data updated to 1Q/18.

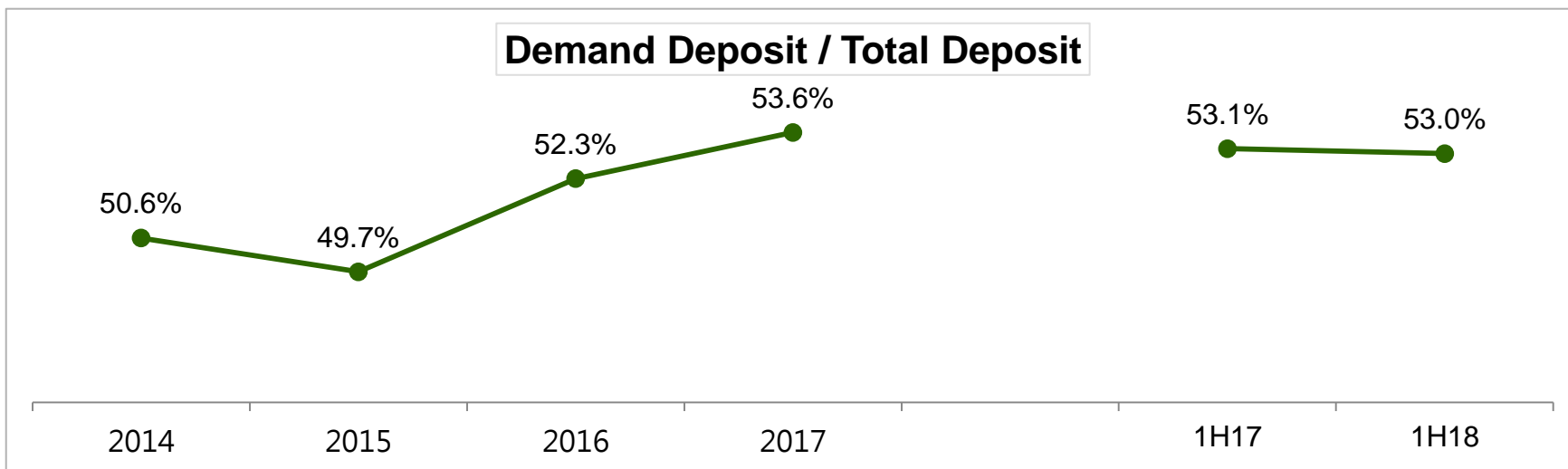
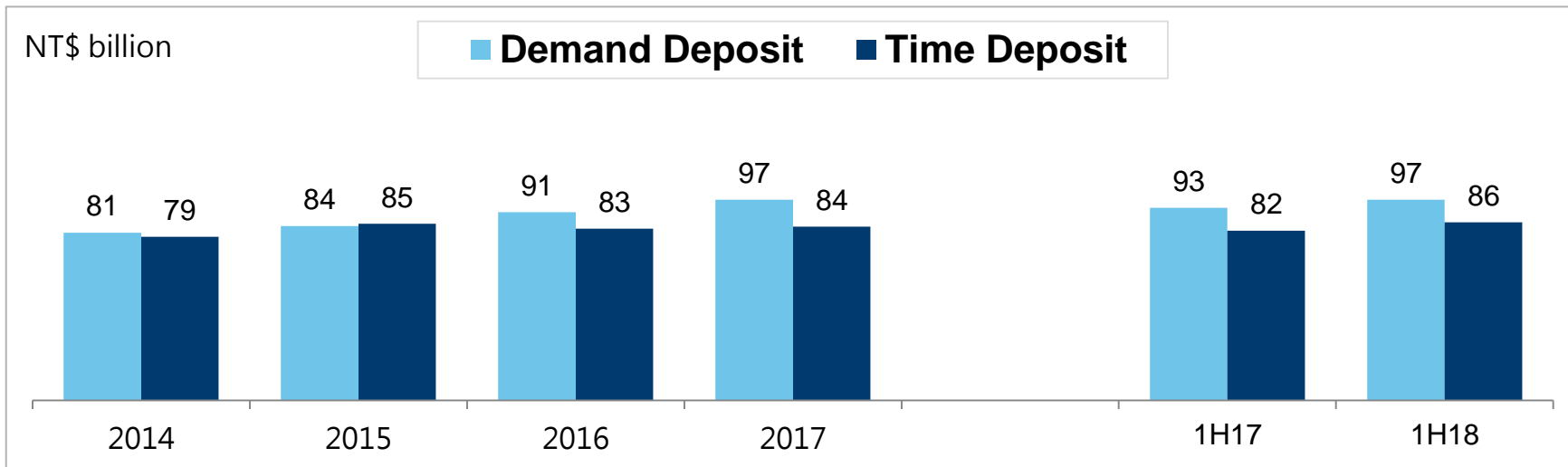


Loan and Deposit





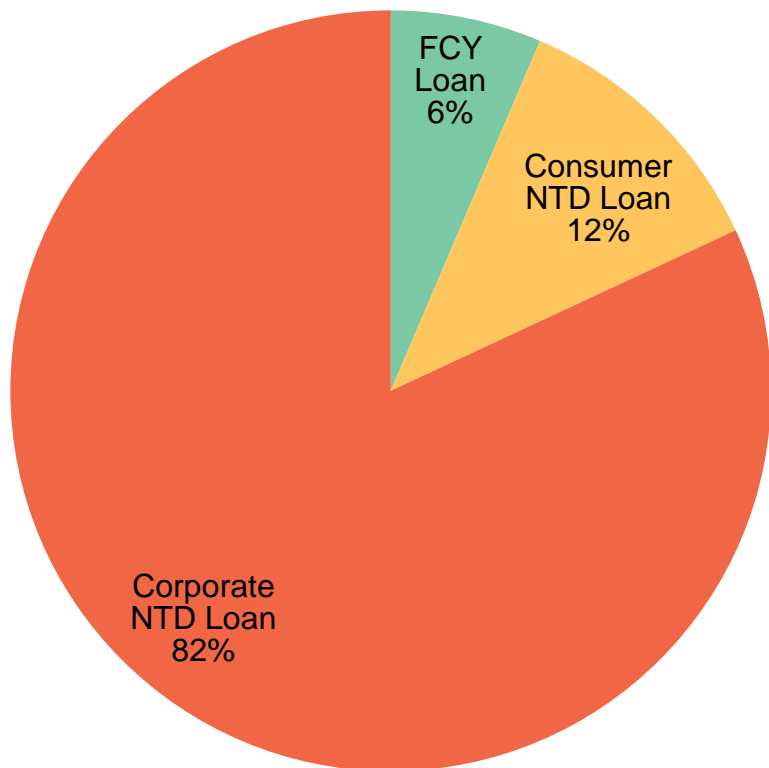
Deposit Breakdown



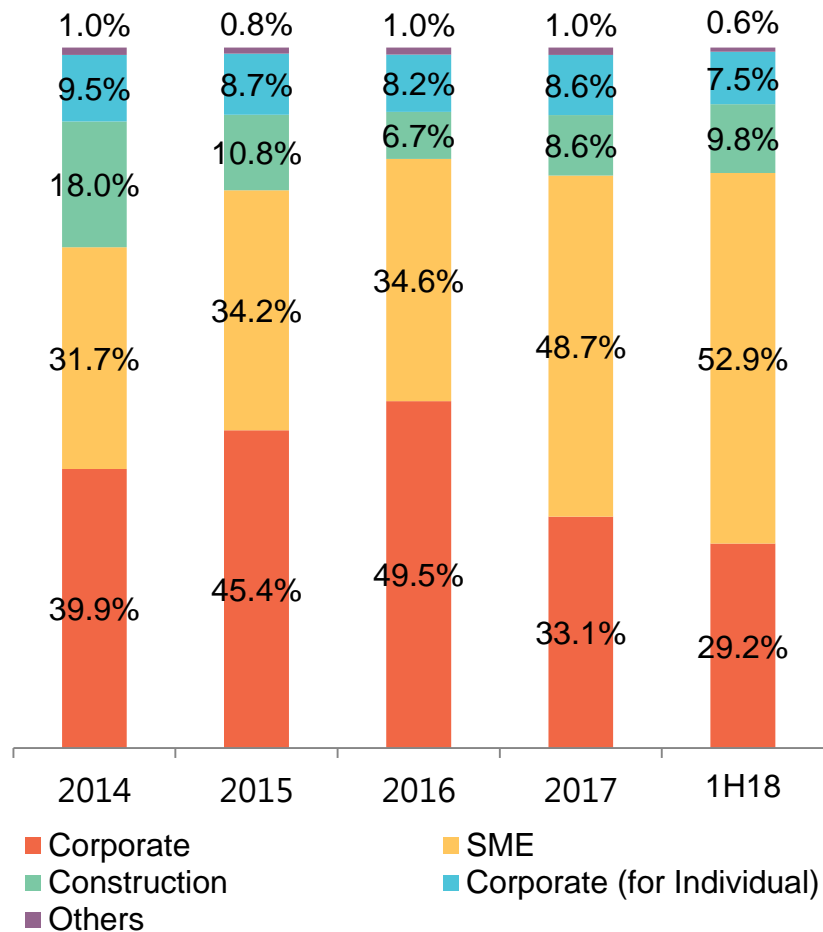


Loan Breakdown

Loan Composition (1H18)

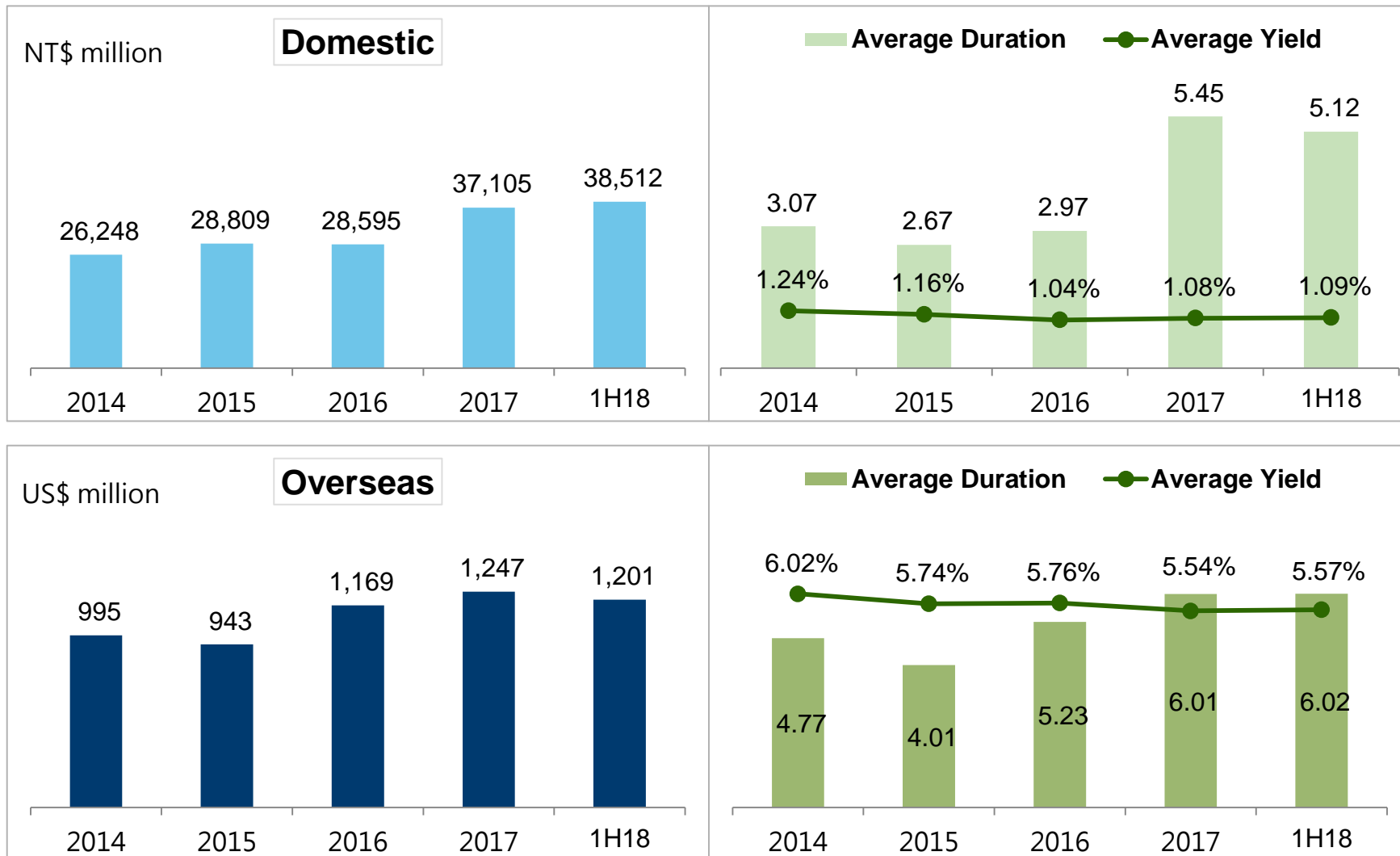


Corporate Loan by Type



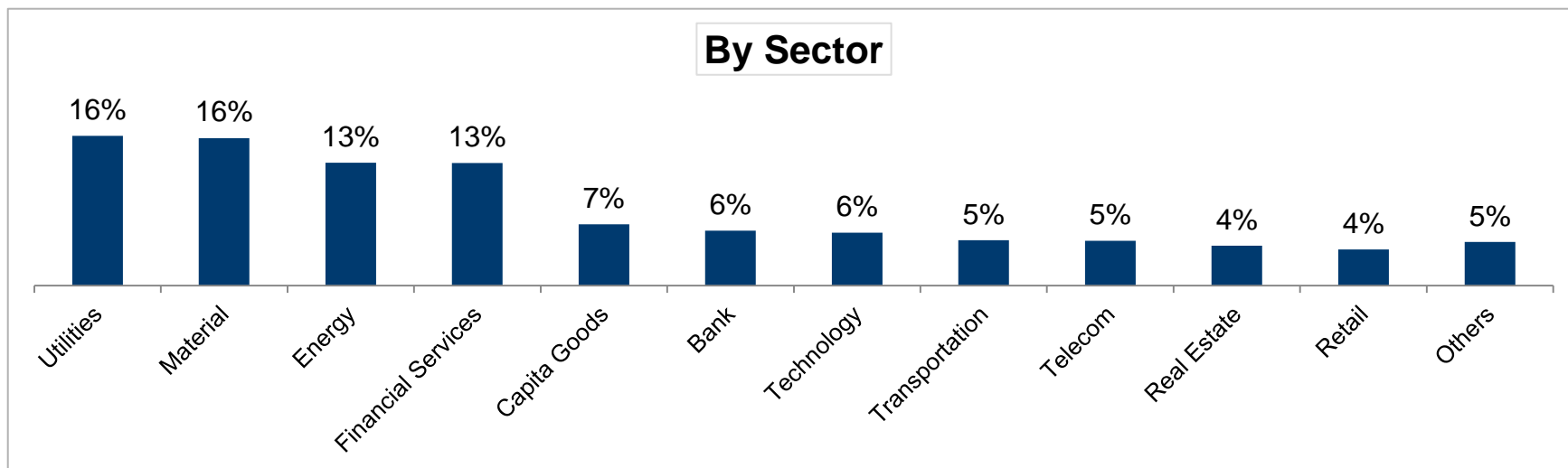
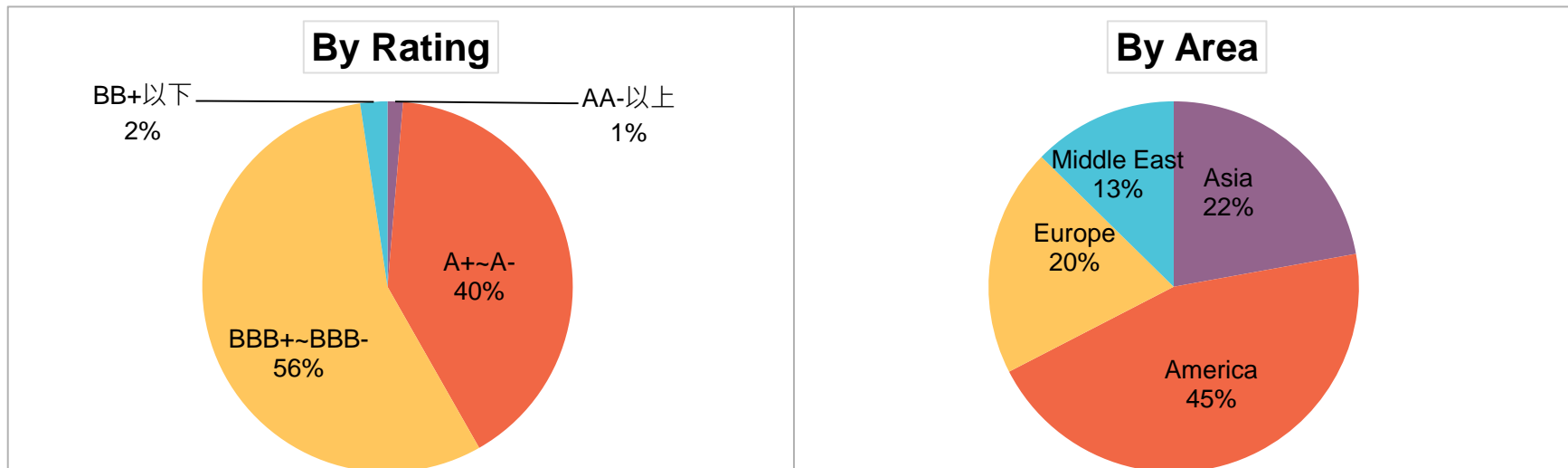


Financial Asset - Fixed Income Investment



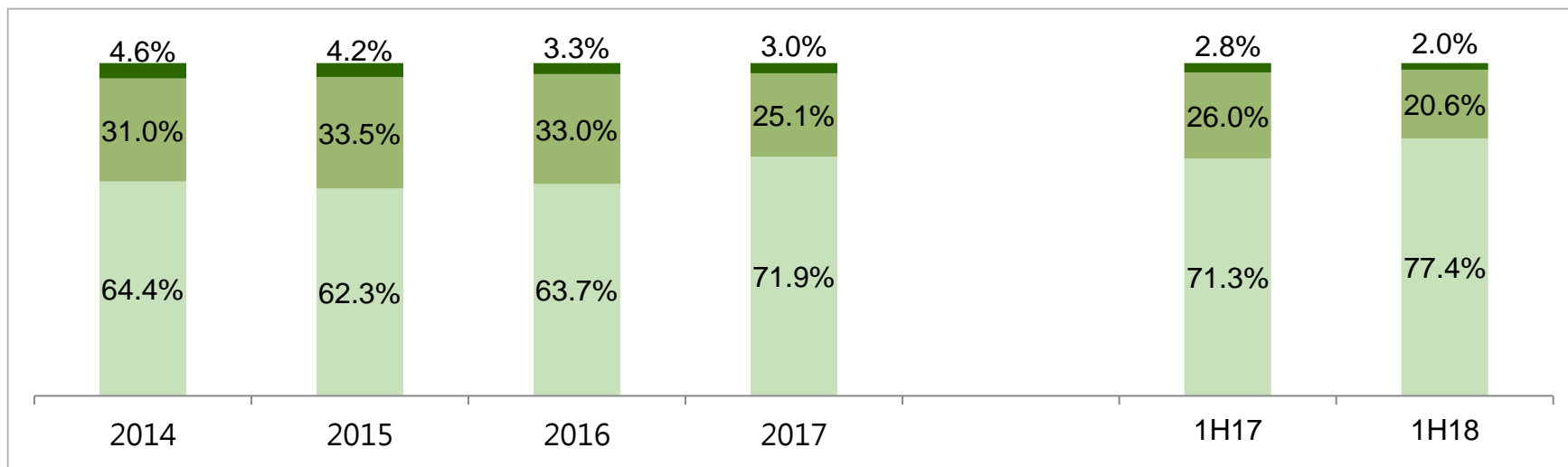
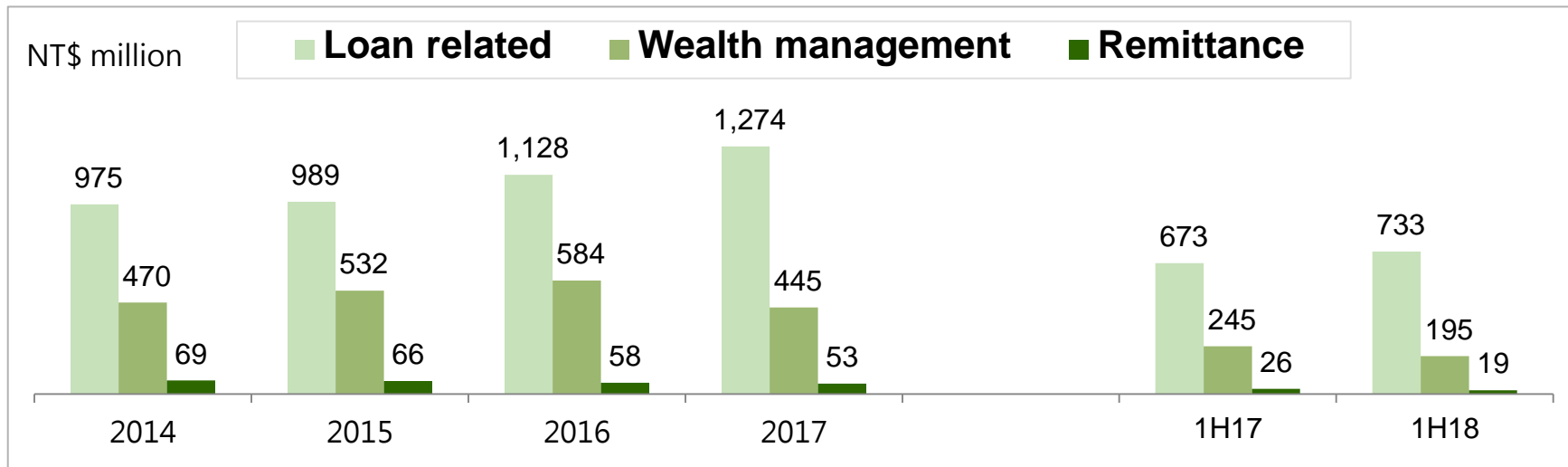


Financial Asset – Overseas Fixed Income Portfolio (1H18)



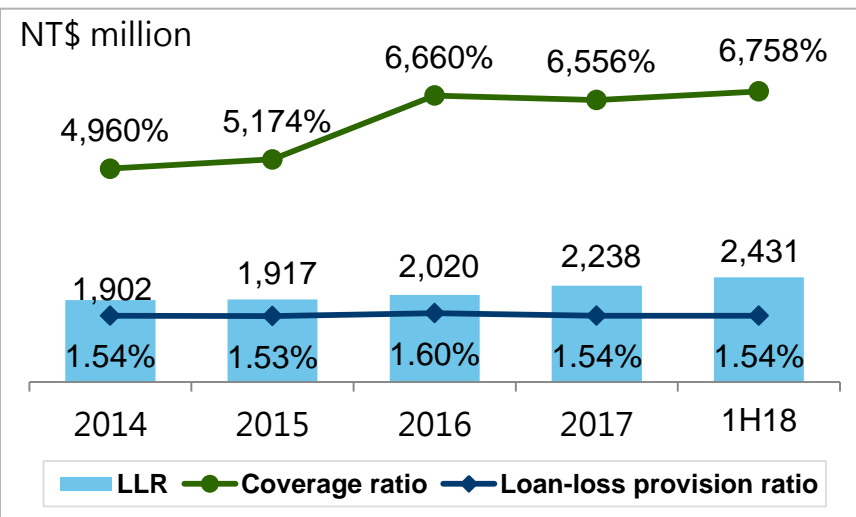
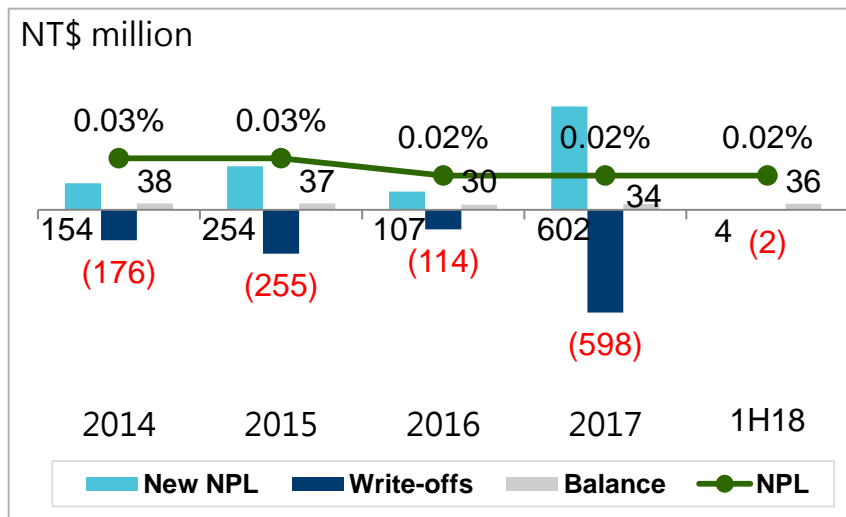
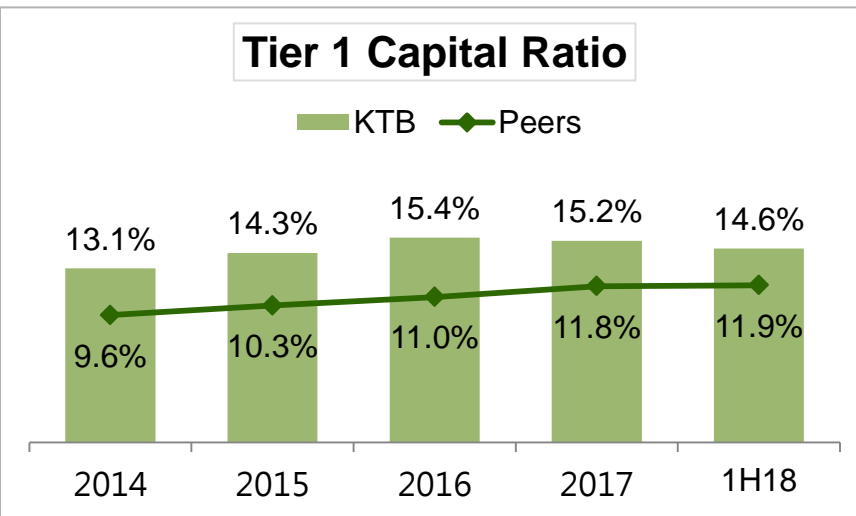
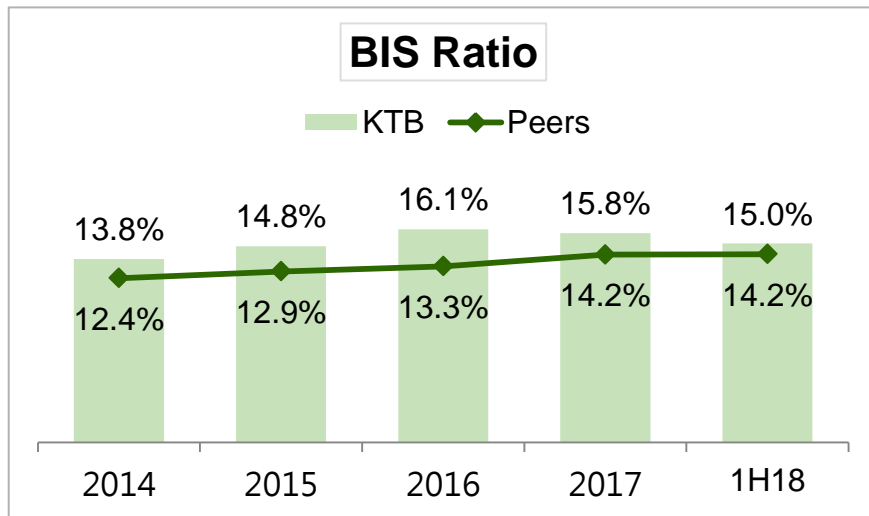


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to Mar. 2018.



Millerful No.1 REIT

Initial Investment Portfolio

Target	TaiMall (1F-4F)	Metropolitan International Center(10F-12F)	REITs
Type	Shopping Mall	Office Building	Securities
Occupancy Rate	100%	100%	NA
Existing Tenant	ZARA, GAP, Coach, SK-II etc.	Gamesofa Inc., Taipei Exchange	NA

The Offering

Unit Price	NT\$10 dollars (Minimum purchase amount NT\$10 thousands dollars)
Issue Amount	Maximum and minimum offering amount are NT\$11.5 billions and NT\$10.5 billions
Credit Rating	Taiwan Rating: Long-term rating twA+, Short-term rating twA-1
Type	Closed-ended
Trustee	King's Town Bank Co., Ltd.



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

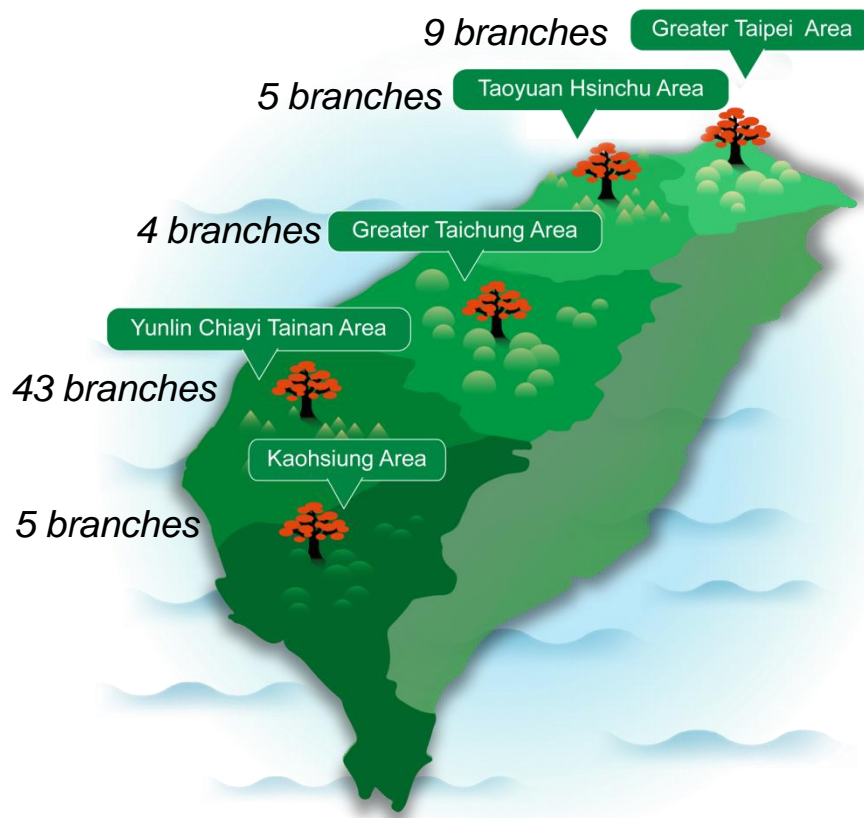


Thank you



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
 - 15% of deposits
 - 87% of loans
- 43 Non-metro branches, contributing
 - 85% of deposits
 - 13% of loans





Appendix - Income Statement

NT\$ million

Items	1H/18	1H/17	YoY
Net Interest Income	2,470	2,365	4%
Net Fee Income	947	944	0%
Other Income	335	997	-66%
Revenue	3,752	4,306	-13%
Operating Expense	(919)	(967)	-5%
PPOP	2,833	3,339	-15%
Provision for Loan Loss	44	(106)	-142%
Earning Before Tax	2,877	3,233	-11%
Net Income	2,338	2,751	-15%
EPS(Cumulative)(NT\$)	2.04	2.40	-16%



Appendix - Balance Sheet

NT\$ billion

Items	2018.06	2017.06	YoY	Items	2018.06	2017.06	YoY
Cash, CD, Interbank Deposits, and R/S	15.4	14.9	3%	Interbank Deposits , Interbank Borrowings	26.2	19.2	36%
Securities	99.9	98.1	2%	Deposits	182.2	174.5	4%
Loans	155.0	131.2	18%	R/P	27.3	17.2	59%
Property and Equipment	2.4	2.4	0%	Other Liabilities	5.1	3.8	31%
Other Assets	4.3	2.6	65%	Total Liabilities	240.8	214.7	12%
Total Assets	277.0	249.2	11%	Shareholder's Equity	36.2	34.5	5%