

# King's Town Bank Operating Results – Q3 2014

October / 2014

# Disclaimer

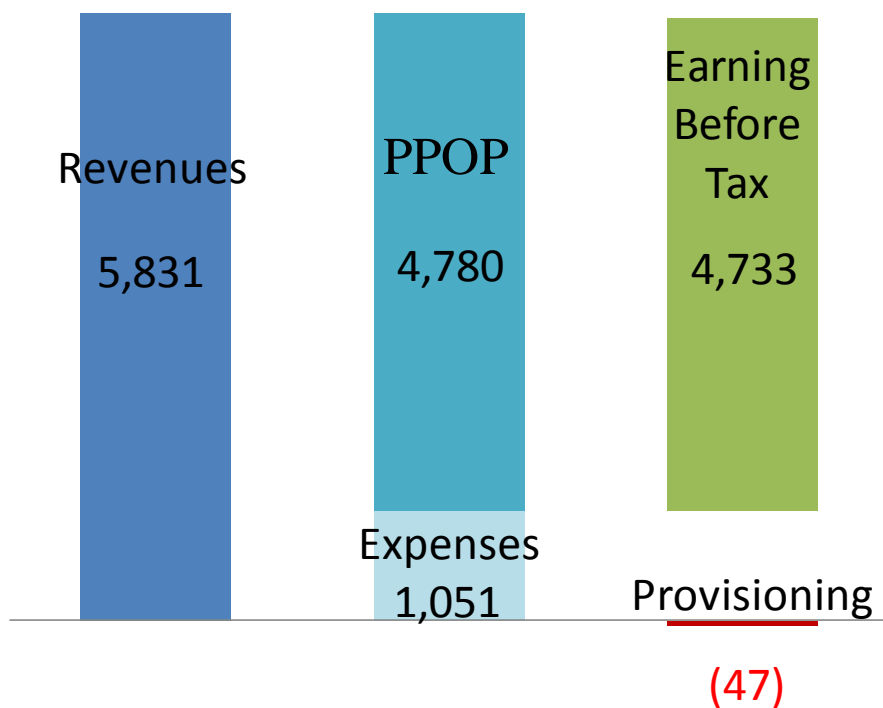
This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual results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

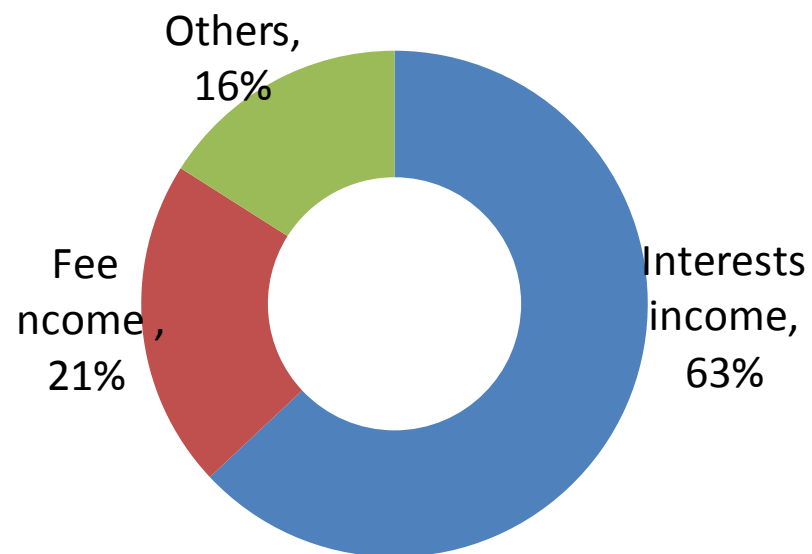
# Revenues breakdown

NT \$ Million

## Earnings



## Revenue reakdown

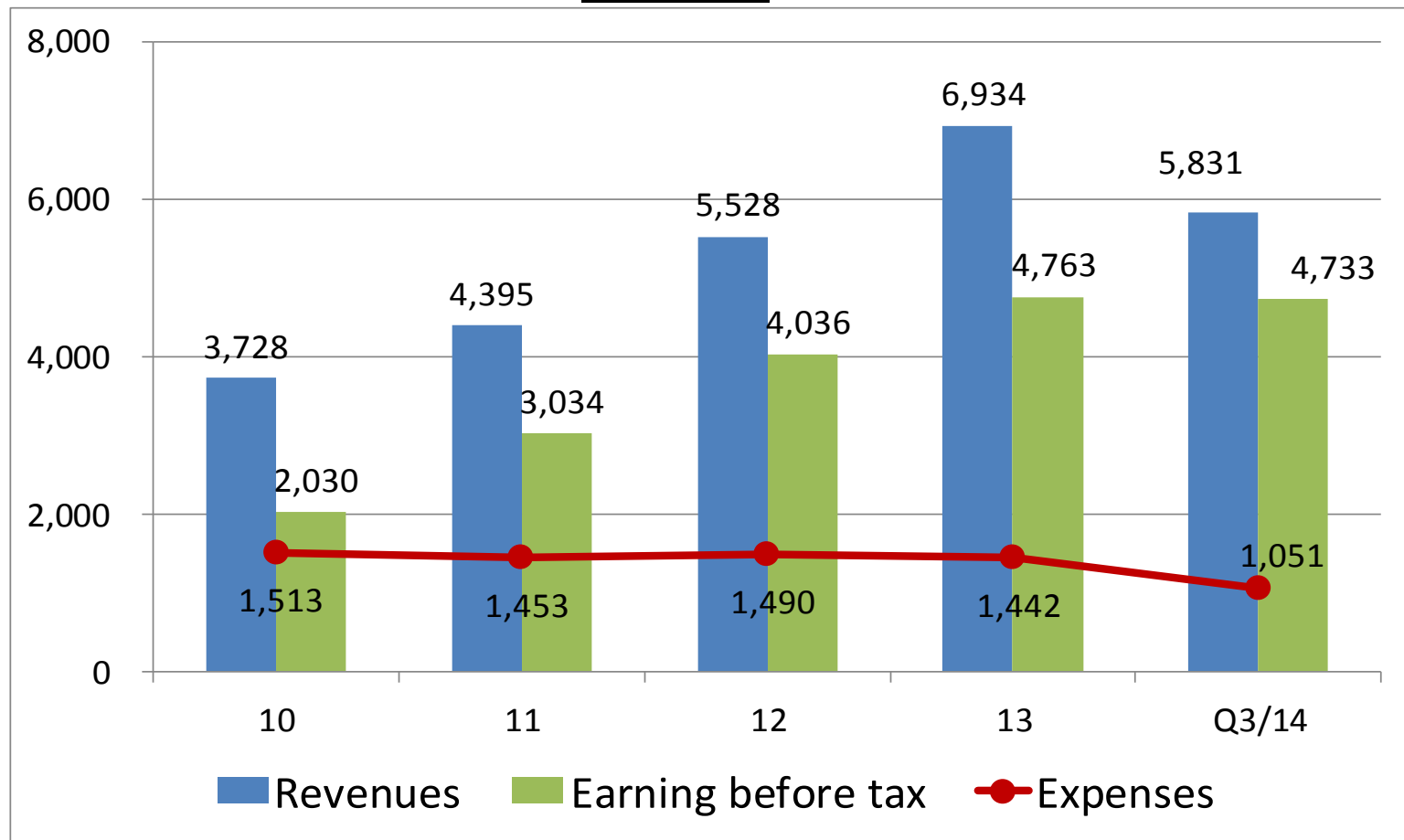


as of Q3/2014

# Revenues breakdown

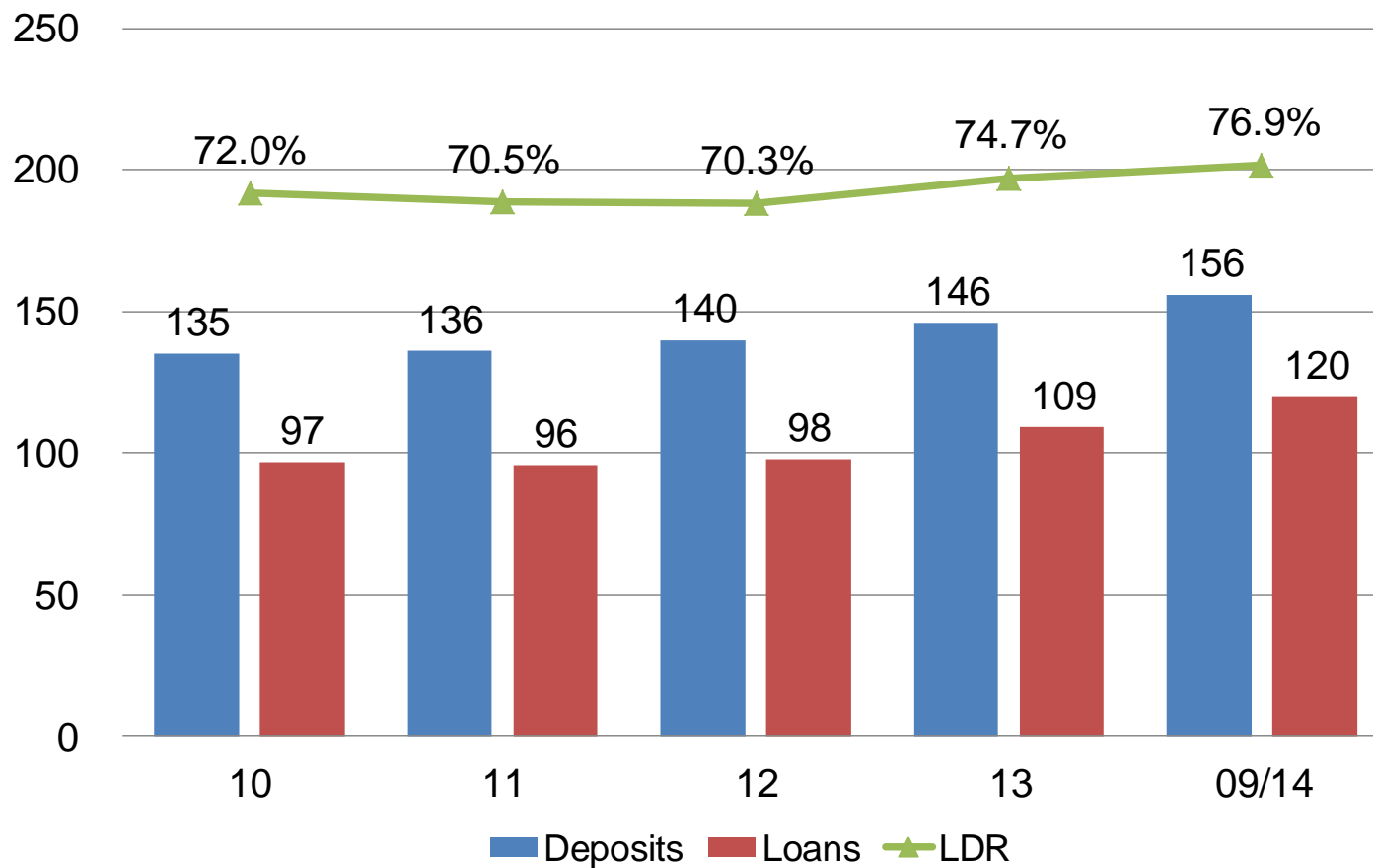
NT \$ Million

## Earnings



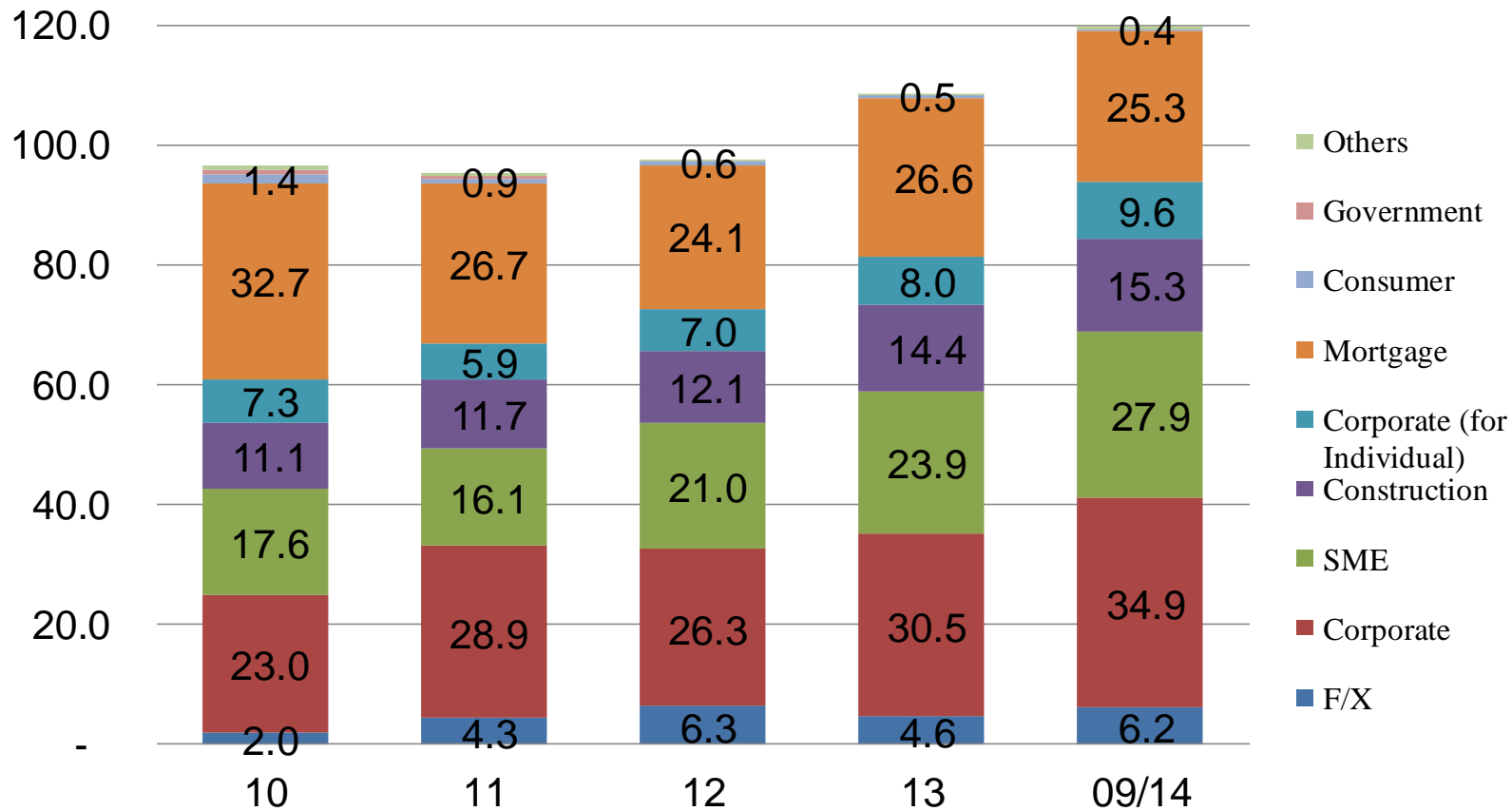
# Loan to Deposit Ratio

NT \$ Billion



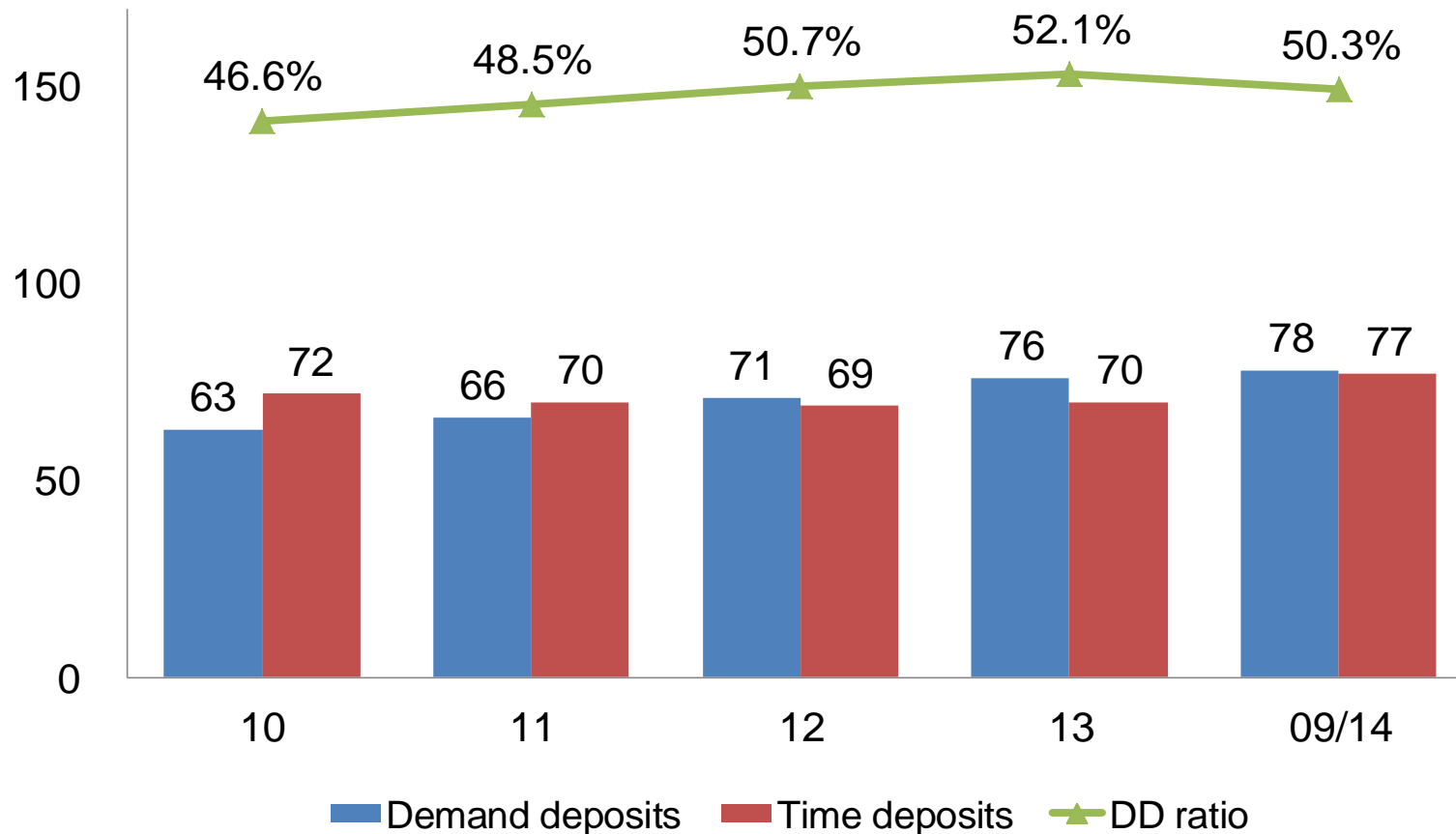
# Loan Breakdown

NT \$ Billion



# Deposit Breakdown

NT \$ Billion



# Financial Asset

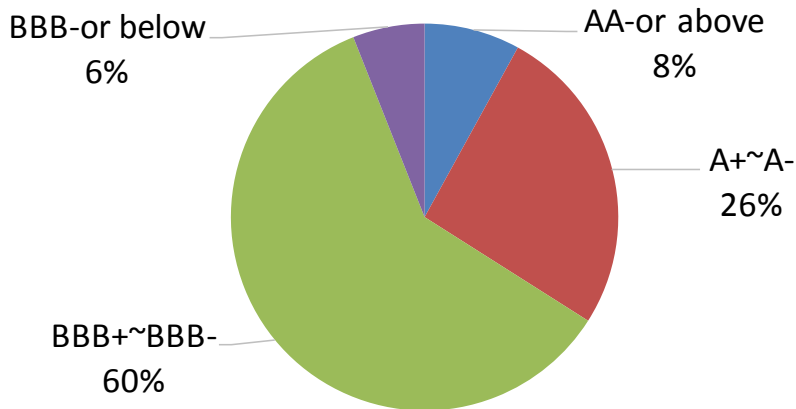
|                                                | Position | Average Duration | Average Yield |
|------------------------------------------------|----------|------------------|---------------|
| Domestic Fixed Income Investment (TWD Million) | 20,804   | 2.96             | 1.26%         |
| Overseas Fixed Income Investment (USD Million) | 1,043    | 5.00             | 6.02%         |

as of 09/2014

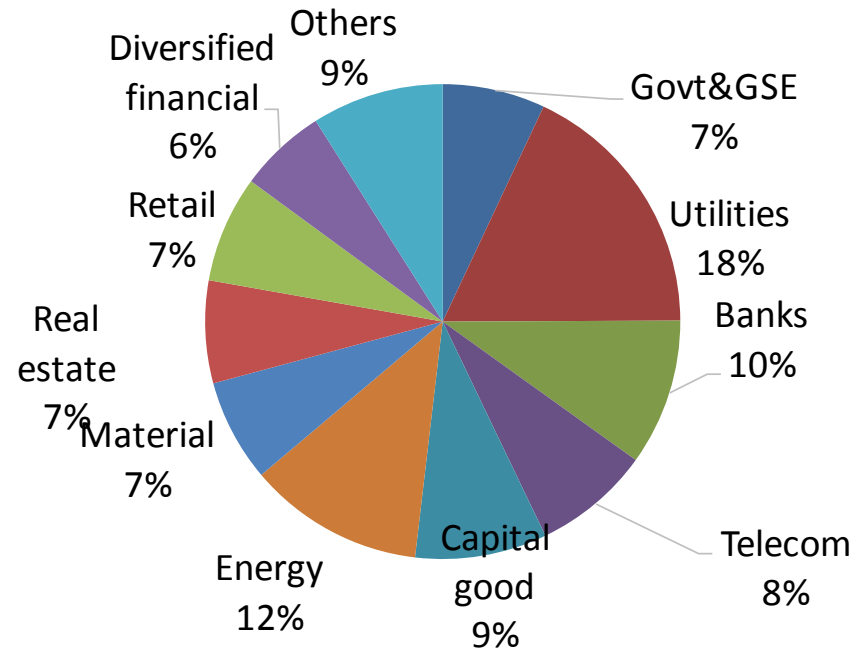


# Financial Asset - Overseas

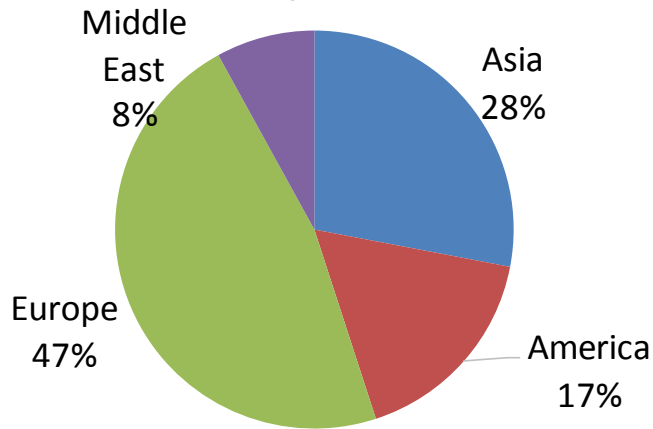
**By ratings**



**By sector**

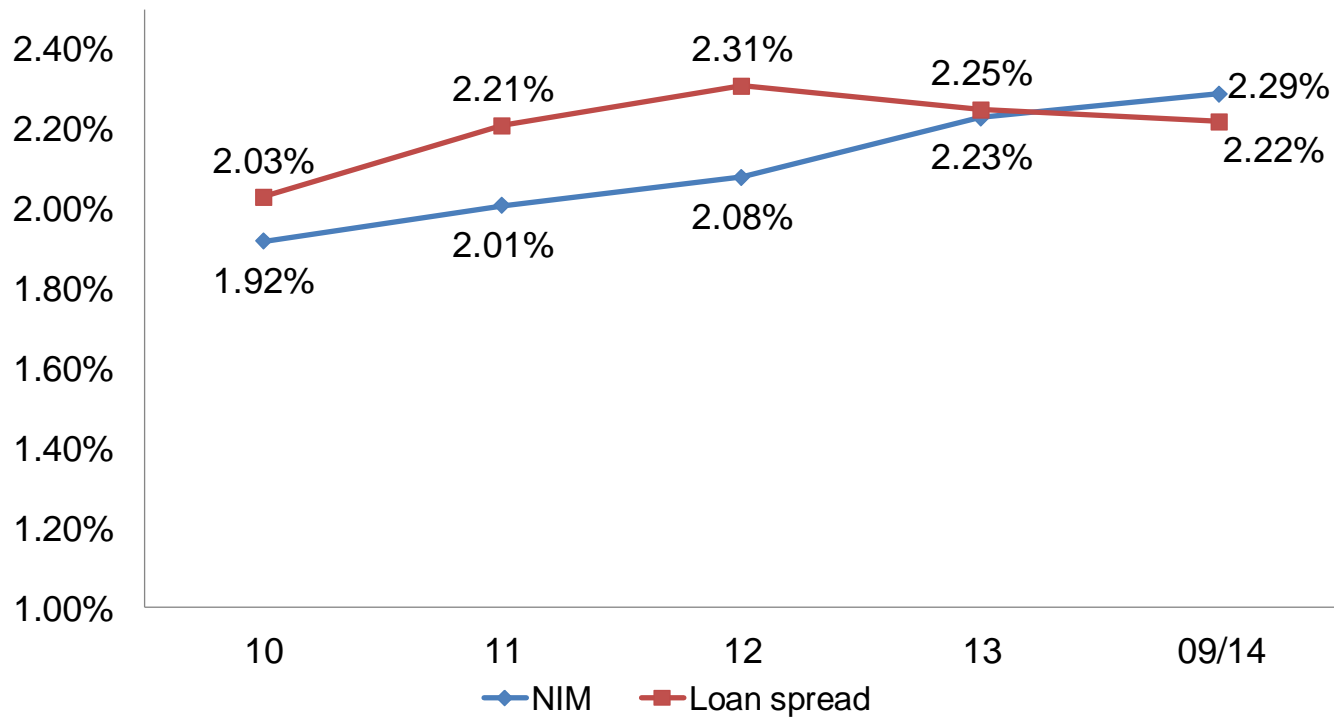


**By area**



- Well-known companies' senior debts
- Above 94% balance on investment grade
- Good liquidity and re-financable
- Diversified in nations and industries

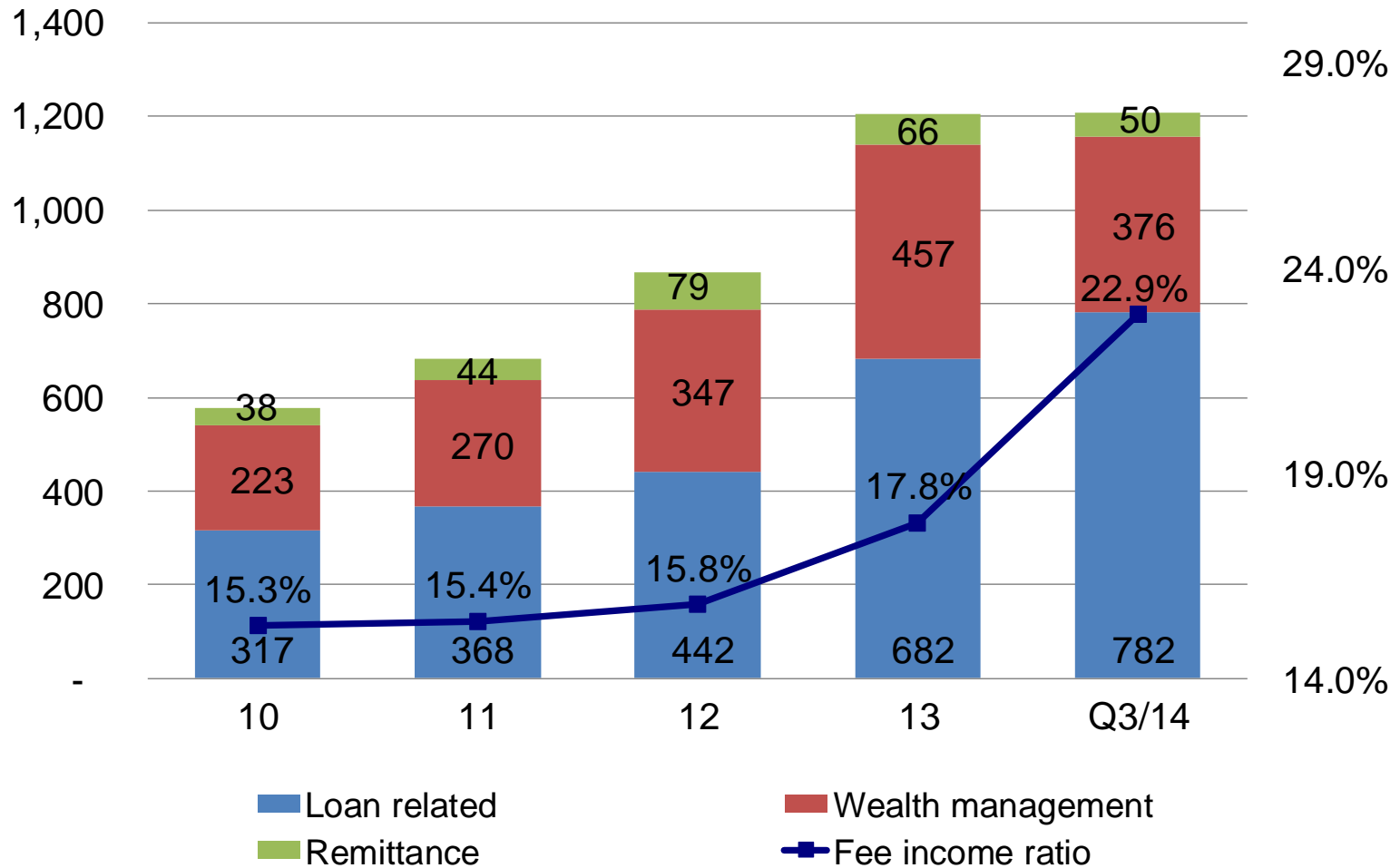
# Loan Spread & NIM



\*Loan spread calculation including NTD and F/X loans

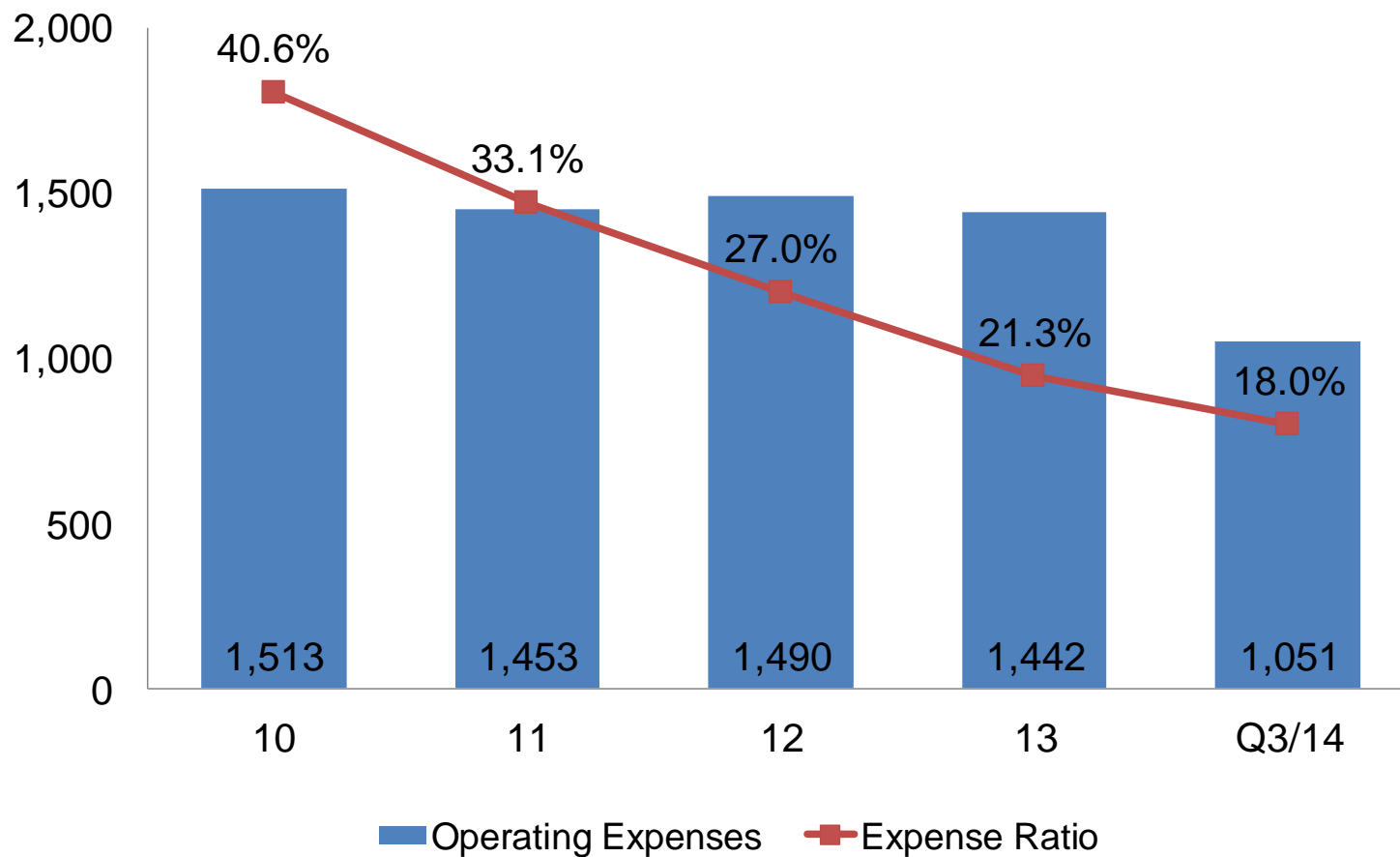
# Fee Income

NT \$ Million

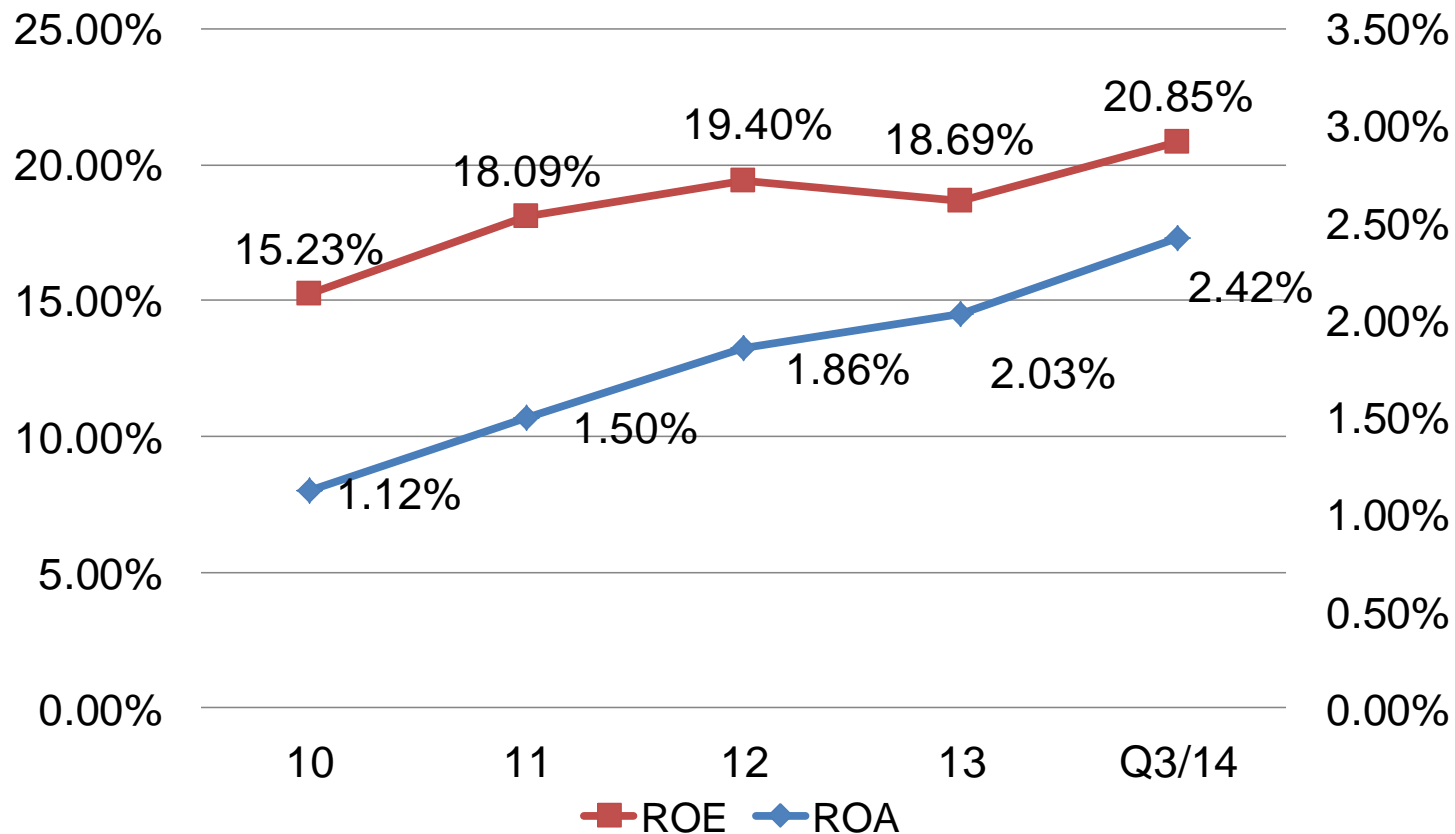


# Expense Ratio

NT \$ Million

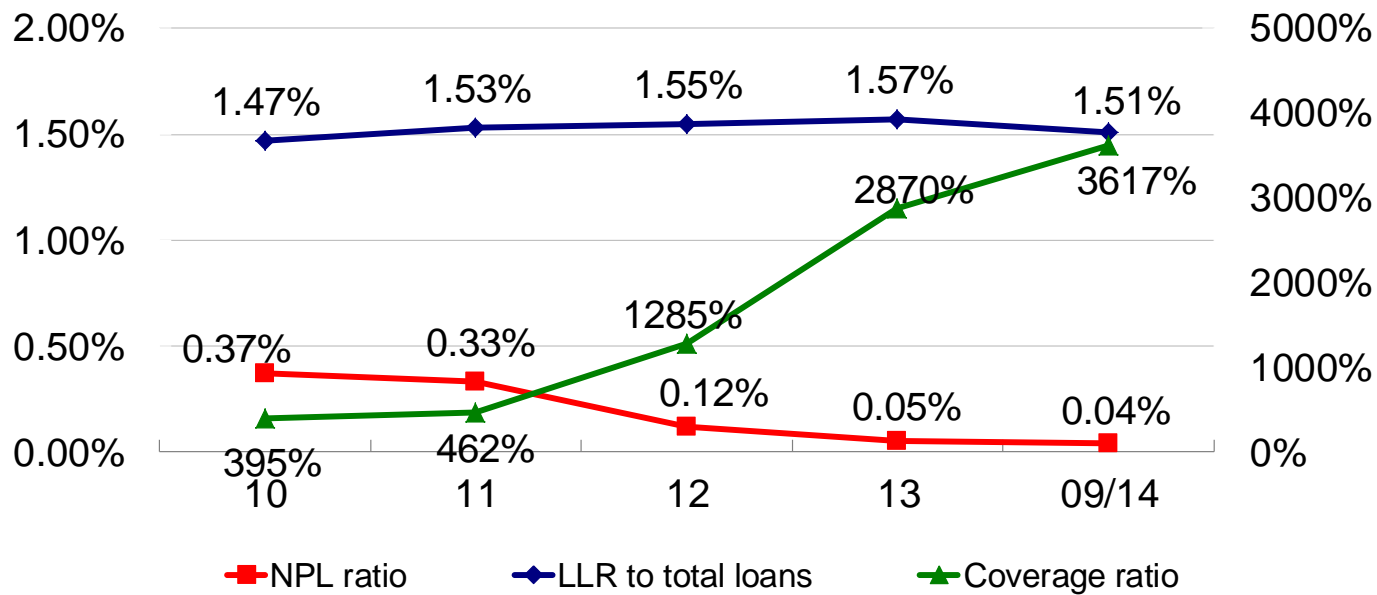
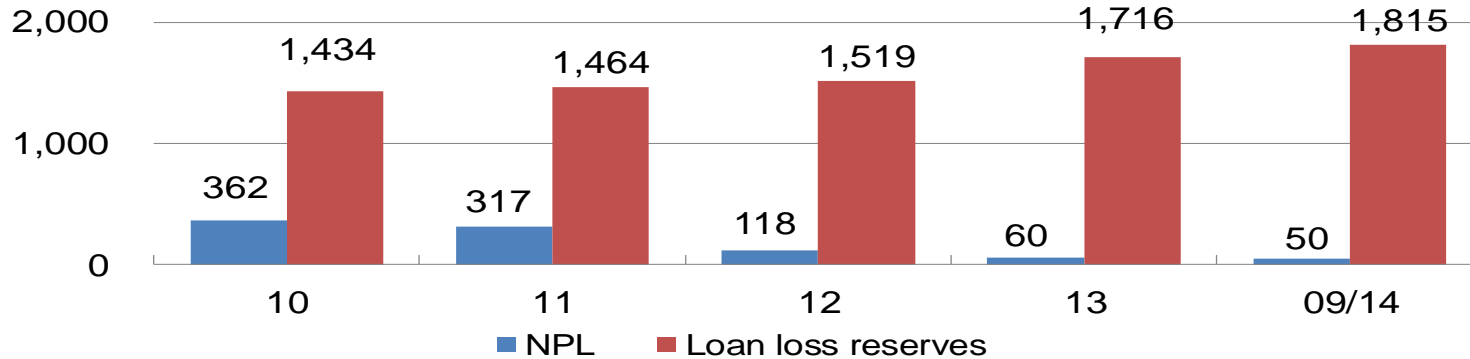


# ROA & ROE



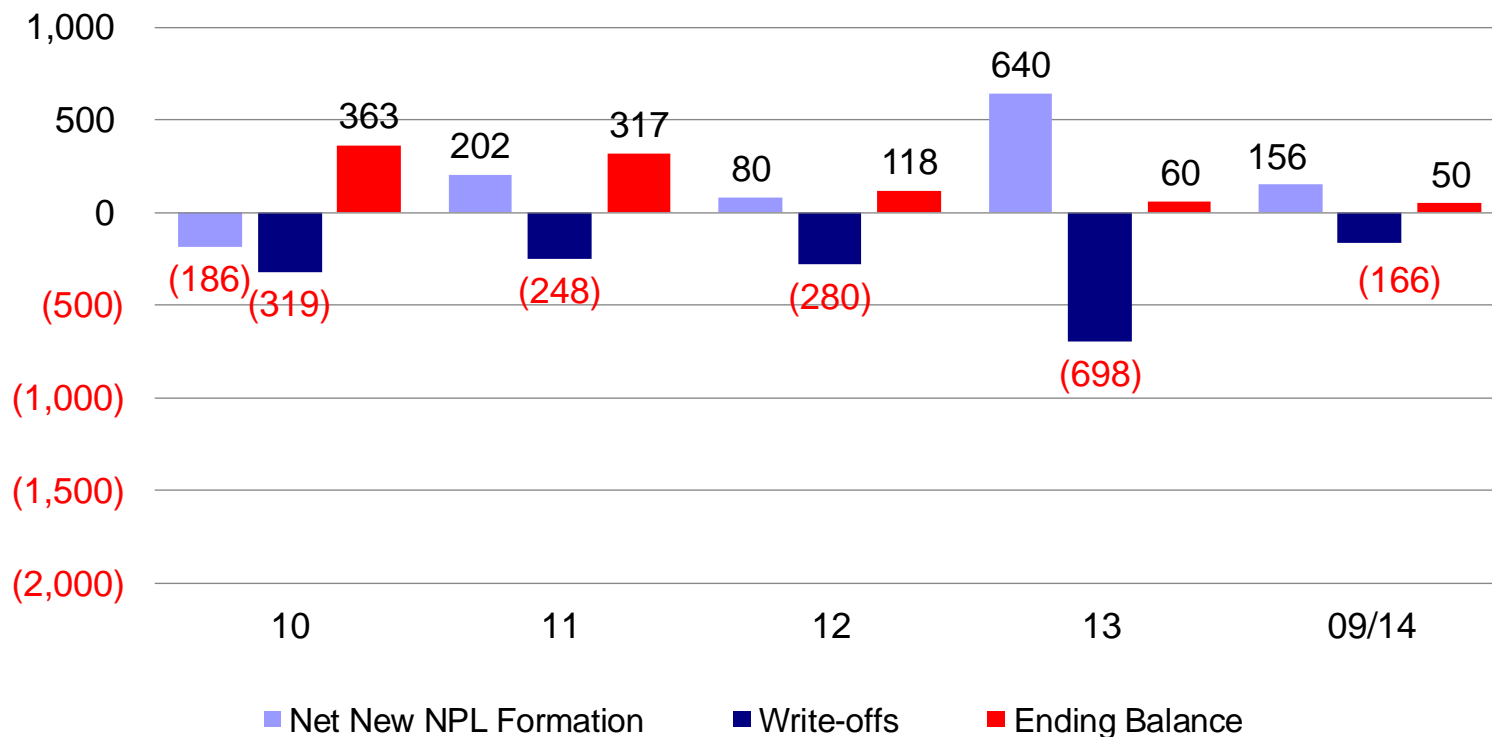
# Asset Quality

NT \$ Million

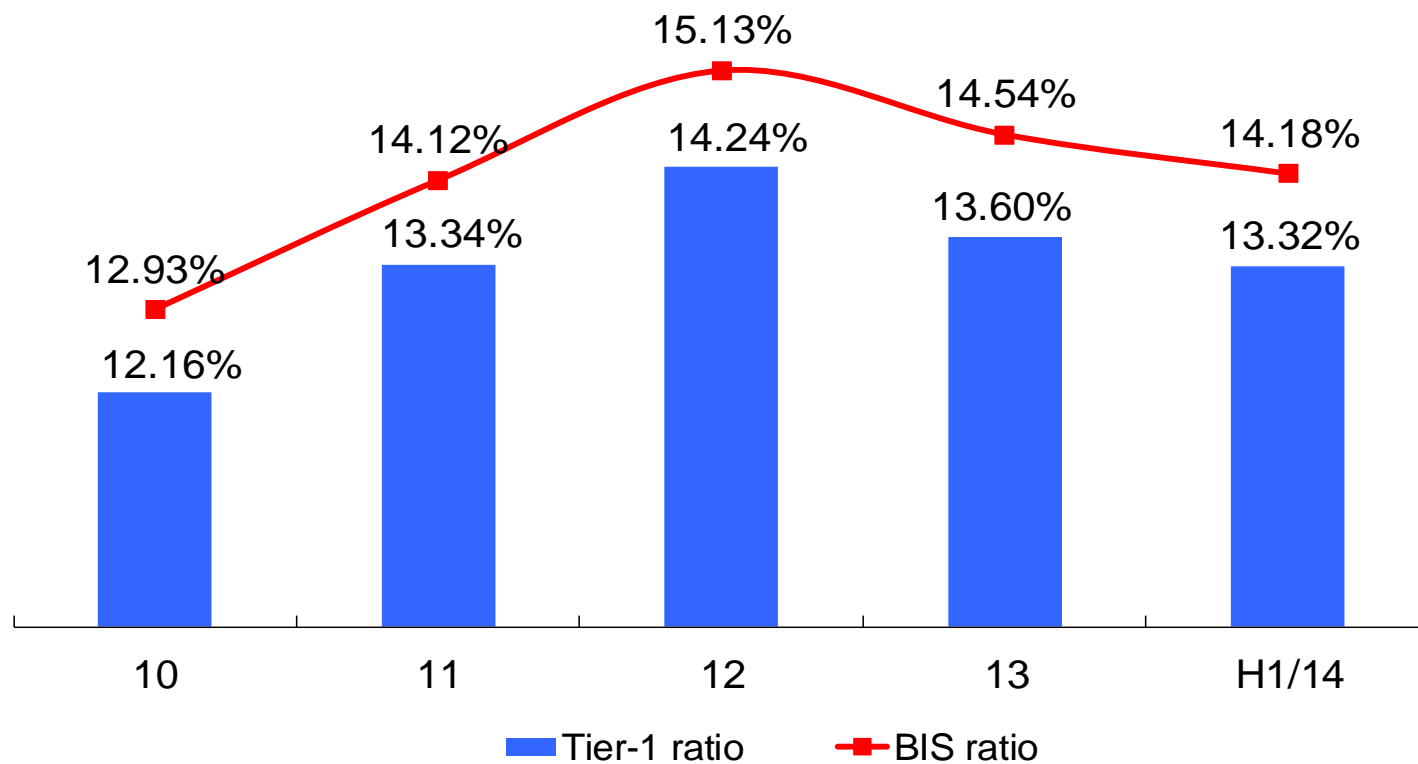


# New NPL Formation and Write-off

NT \$ Million



# Capital Adequacy



\*Capital Adequacy is based on individual statement



# Appendix - Income Statement

NT \$ Million

|                         | Q1-Q3 13 | Q1-Q3 14 | YoY  |
|-------------------------|----------|----------|------|
| Net Interest Income     | 3,198    | 3,685    | 15%  |
| Net Fee Income          | 938      | 1,208    | 29%  |
| Other Income            | 916      | 938      | 2%   |
| Revenue                 | 5,052    | 5,831    | 15%  |
| Operating Expense       | 1,061    | 1,051    | -1%  |
| PPOP                    | 3,991    | 4,780    | 20%  |
| Provision for Loan Loss | 526      | 47       | -91% |
| Income before Tax       | 3,465    | 4,733    | 37%  |
| Net Income              | 3,001    | 4,038    | 35%  |
| EPS(Cumulative)(NT\$)   | 2.57     | 3.36     | 31%  |

# Appendix - Balance Sheet

NT \$ Billion

| Items                                             | 2013.9 | 2014.9 | YoY | Items                                              | 2013.9 | 2014.9 | YoY  |
|---------------------------------------------------|--------|--------|-----|----------------------------------------------------|--------|--------|------|
| Cash , NCD ,<br>Interbank<br>Deposits, and<br>R/S | 52.7   | 49.1   | -7% | Interbank<br>Deposits ,<br>Interbank<br>borrowings | 21.0   | 15.0   | -29% |
| Securities                                        | 48.8   | 58.7   | 20% | Deposits                                           | 146.1  | 155.3  | 6%   |
| Loans                                             | 105.6  | 118.7  | 12% | R/P                                                | 19.6   | 30.8   | 57%  |
| Property and<br>Equipment                         | 2.7    | 2.6    | -4% | Other<br>Liabilities                               | 2.1    | 2.7    | 29%  |
| Other Assets                                      | 1.9    | 2.1    | 11% | Total<br>Liabilities                               | 188.8  | 203.8  | 8%   |
| Total Assets                                      | 211.7  | 231.2  | 9%  | Shareholder's<br>Equity                            | 22.9   | 27.4   | 20%  |

# Appendix - Introduction

- Estb. in 1948, former Tainan Business Bank
- Headquarter in Tainan City, 1.9 mns population, one of the 5 largest cities
- Total 63 branches, around 70% in Southern Taiwan. Two new braches schedule to commence operation in 2015.
- Paid-in capital NTD 12 bns
- Fitch A+(twcn), F1(twcn)
- QFII holdings: 27.46% (2014/10/6)

20 Metro branches  
 -Deposits 14%  
 -Loans 77%  
 (incl. Kaohsiung)

43 Non-metro branches  
 -Deposits 86%  
 -Loans 23%

