



Financial Review of 2017 Q2

2017.9.4



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Summary

- Introduction
- Operations Review of 2017 Q2
- Financial Performance of 2017 Q2
- Prospects





高雄銀行

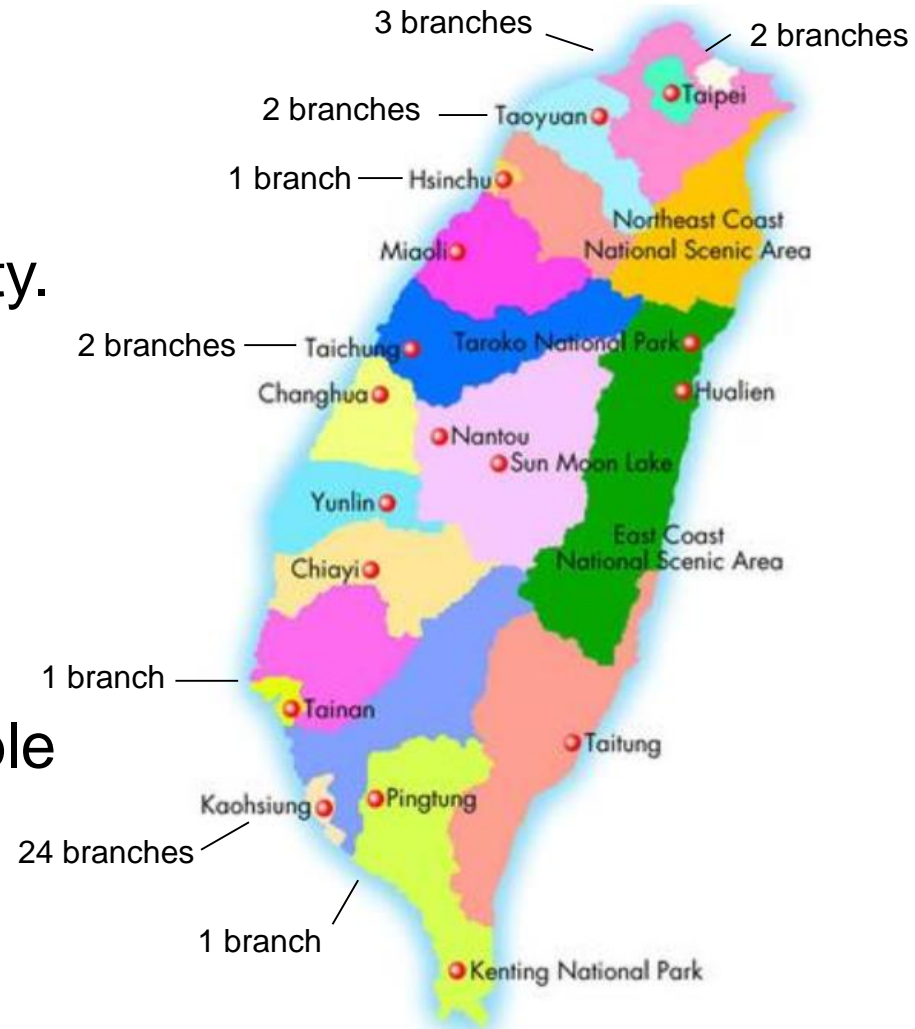
BANK OF KAOHSIUNG

Introduction



Introduction

- Established in 1982.
- Headquarter in Kaohsiung City.
- Total 36 branches in Taiwan.
- Paid-in capital NTD10.03 bn.
- Fitch AA-(twn), F1+(twn), Stable





Operations Review of 2017 Q2



Operations Review of 2017 Q2



- Capital increased by cash 1.8 billion




- Long-term credit rating was upgraded to “AA-(twn)”



- Establish Digital Banking Division



- Upgrade Yancheng Mini Branch and move to Zhongli Branch



- Provide payroll transfer service of Kaohsiung city government employees.



Financial Performance of 2017 Q2



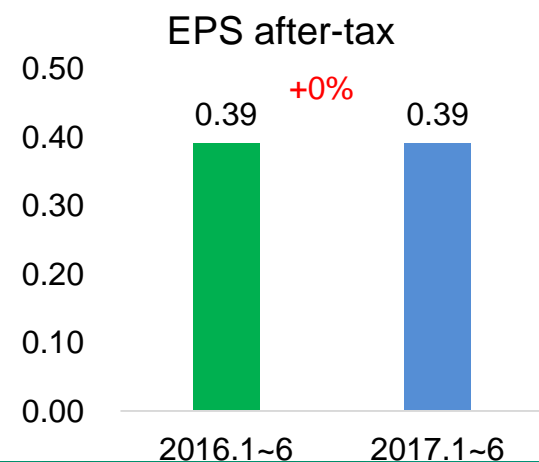
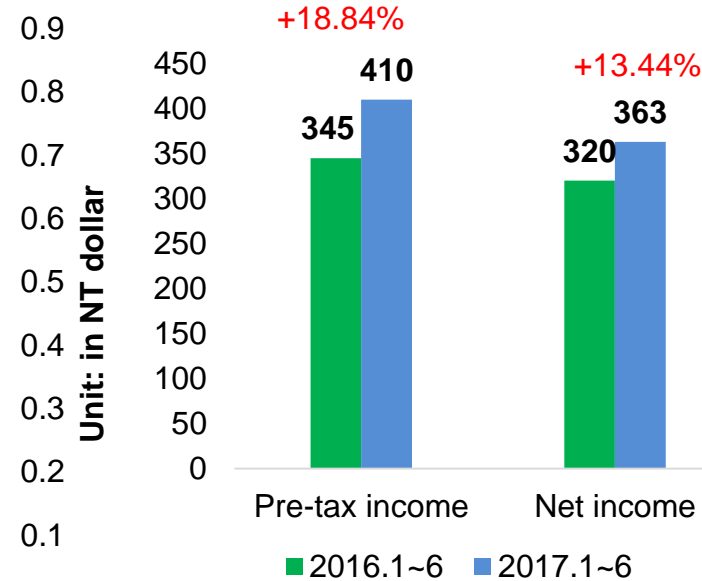
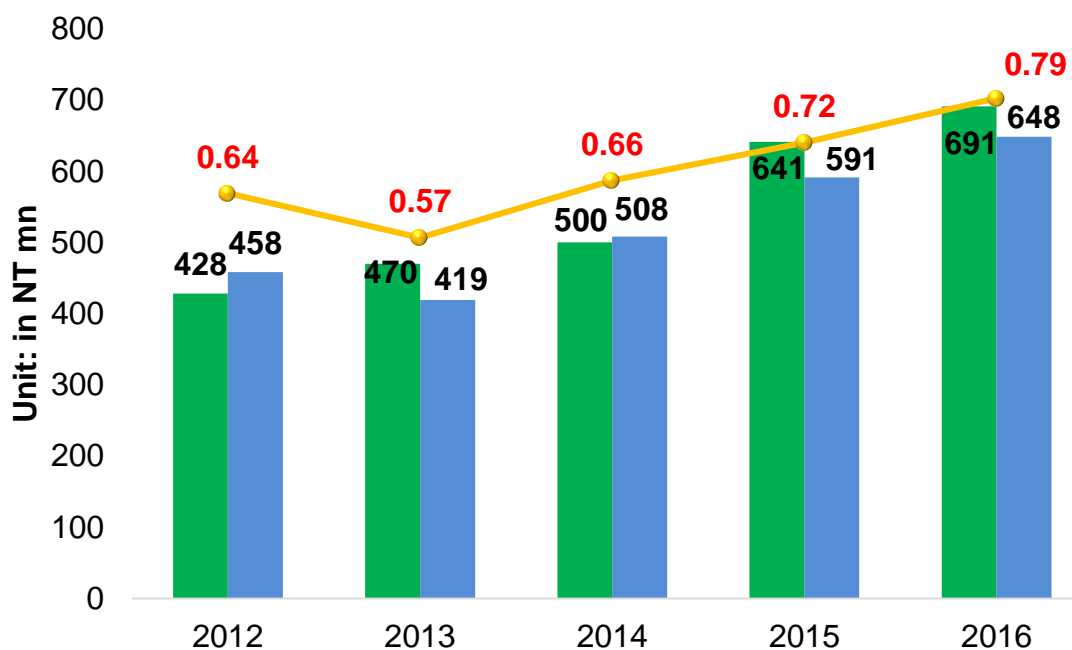
Operating Result

	2012	2013	2014	2015	2016	2017.1~6
Pre-tax income(in NT mn)	428	470	500	641	691	410
Net income(in NT mn)	458	419	508	591	648	363
EPS after-tax (in NT\$ dollar)	0.64	0.57	0.66	0.72	0.79	0.39
ROA(%) (After-tax)	0.21	0.18	0.20	0.22	0.25	0.14
ROE(%) (After-tax)	4.47	3.94	4.61	5.09	5.32	2.74
	2012.12.31	2013.12.31	2014.12.31	2015.12.31	2016.12.31	2017.6.30
Book value per share (in NT\$ dollar)	14.91	14.91	15.29	15.28	15.14	13.97
Equity(in NT 100mn)	105	107	113	119	125	140
Assets(in NT 100mn)	2,211	2,345	2,691	2,631	2,563	2,460

*Capital increased by cash 1.8 billion and shares increased by 180 million in March 2017 ,so book value per share reduced on June 30, 2017.



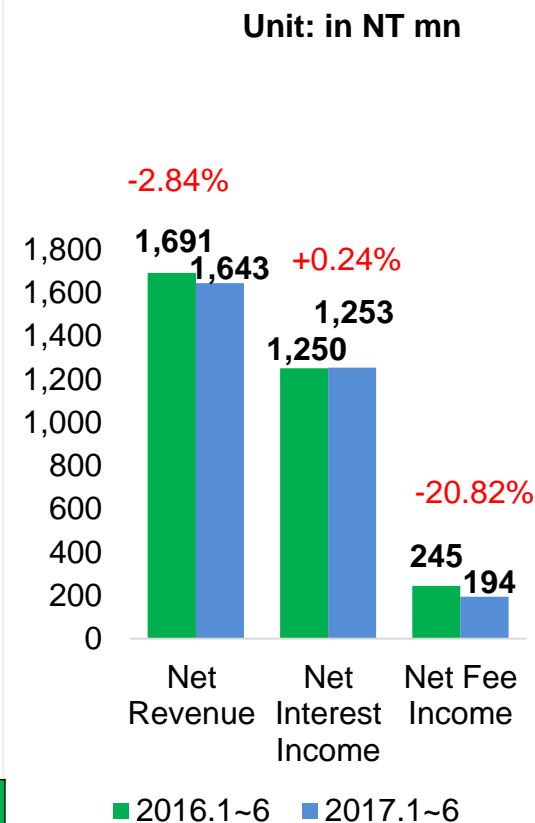
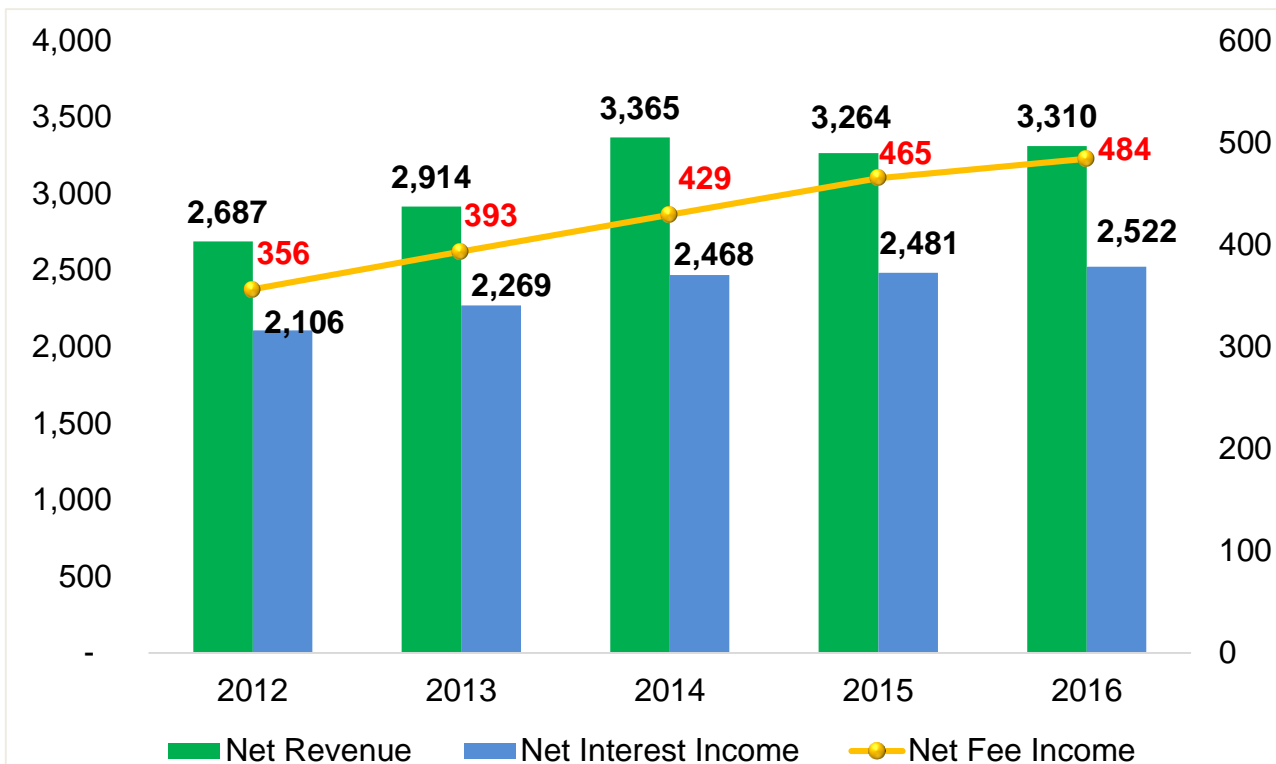
Profit Trend



	2012	2013	2014	2015	2016
Pre-tax income(in NT mn)	428	470	500	641	691
Net income(in NT mn)	458	419	508	591	648
EPS after-tax (in NT\$ dollar)	0.64	0.57	0.66	0.72	0.79



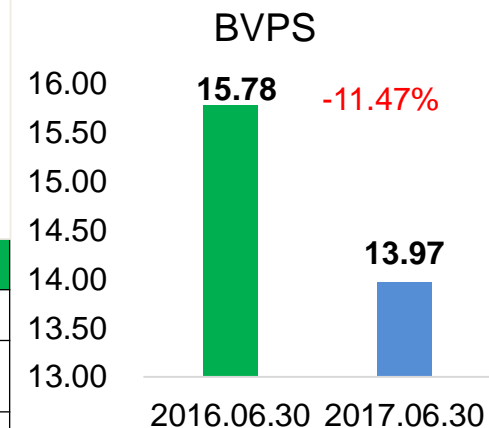
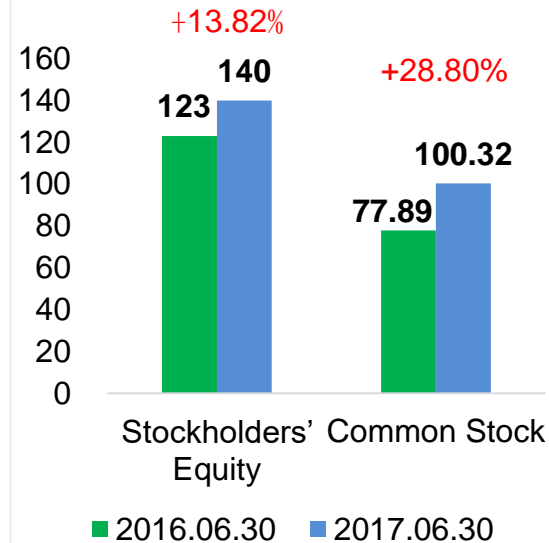
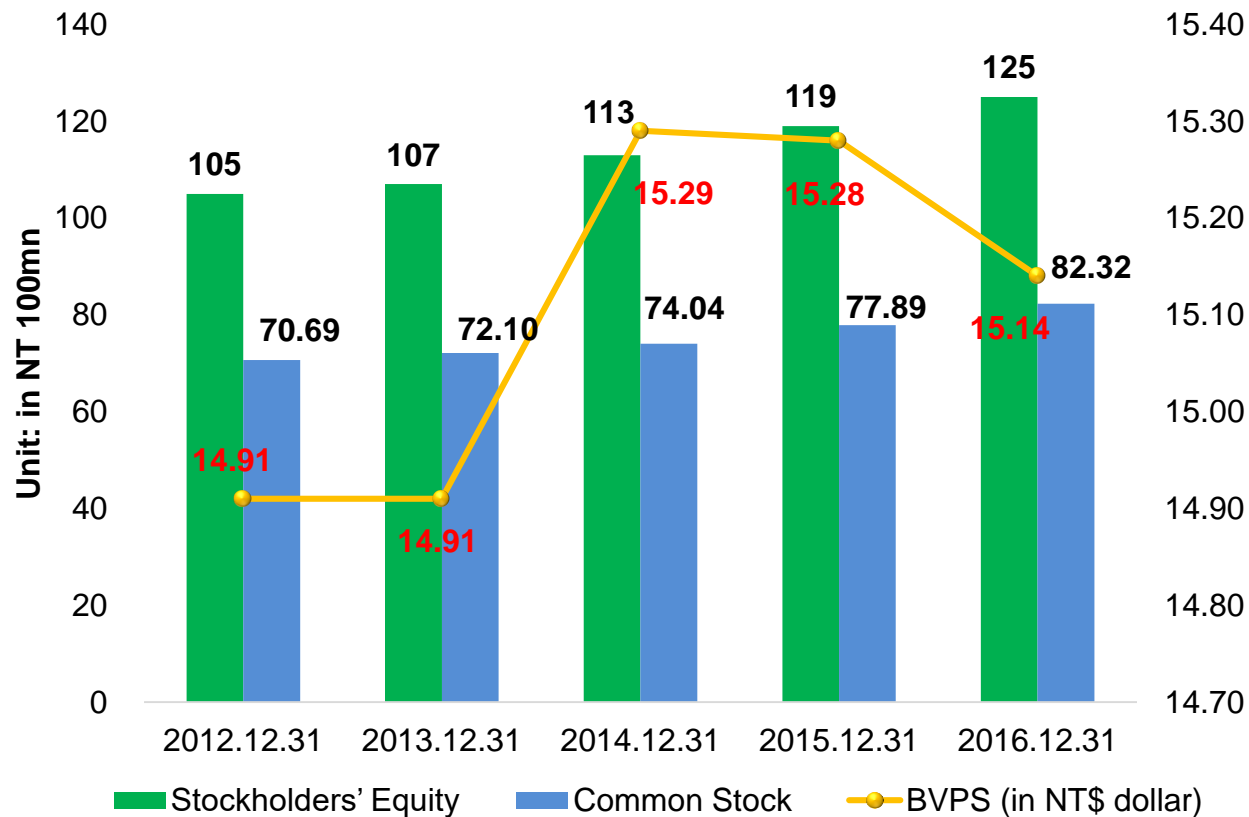
Net Revenue Breakdown



	2012	2013	2014	2015	2016
Net Revenue	2,687	2,914	3,365	3,264	3,310
Net Interest Income	2,106	2,269	2,468	2,481	2,522
Net Fee Income	356	393	429	465	484



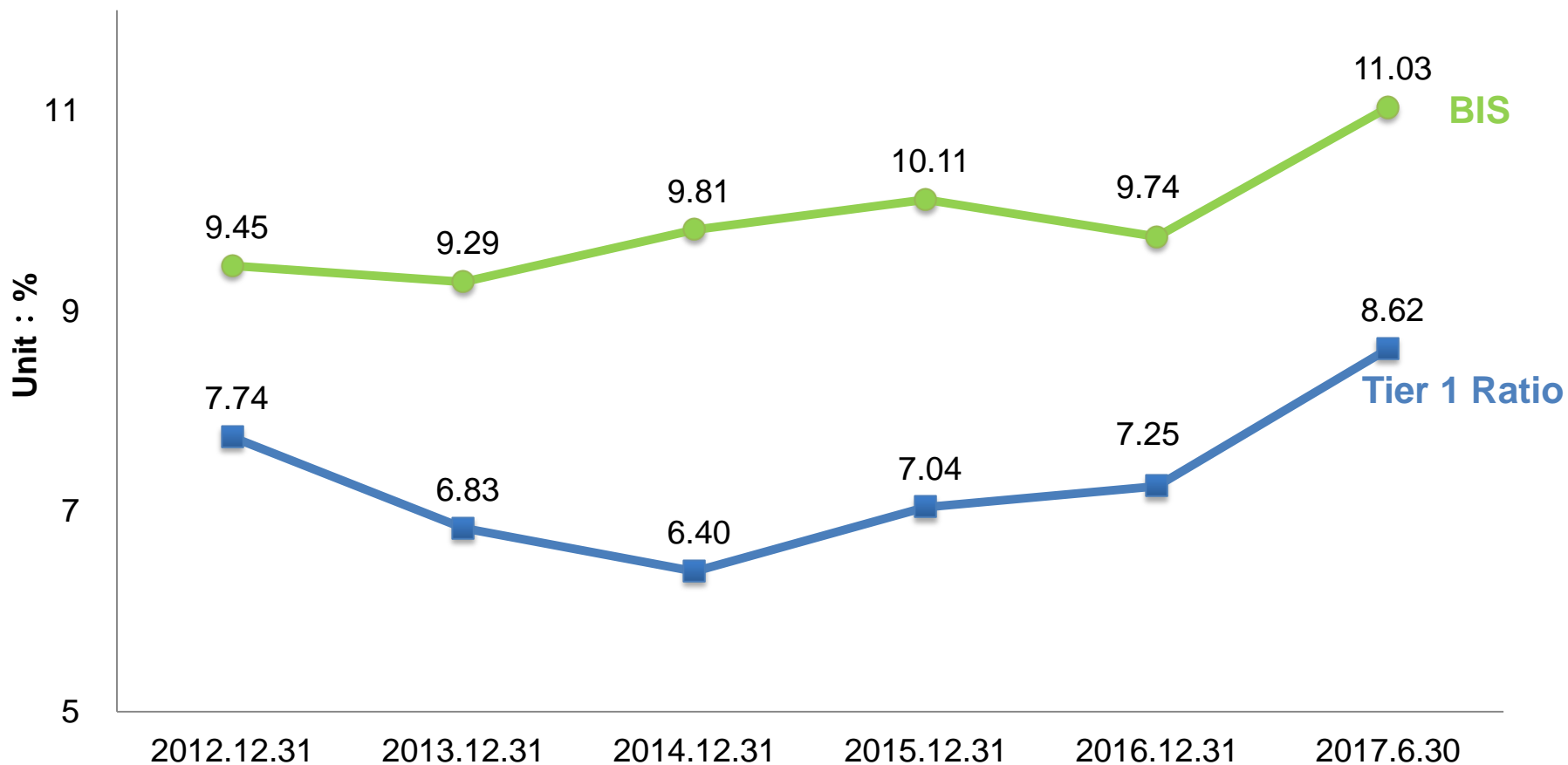
Stockholders' Equity



	2012.12.31	2013.12.31	2014.12.31	2015.12.31	2016.12.31
Stockholders' Equity	105	107	113	119	125
Common Stock	70.69	72.10	74.04	77.89	82.32
BVPS (in NT\$ dollar)	14.91	14.91	15.29	15.28	15.14



Capital Adequacy Ratio

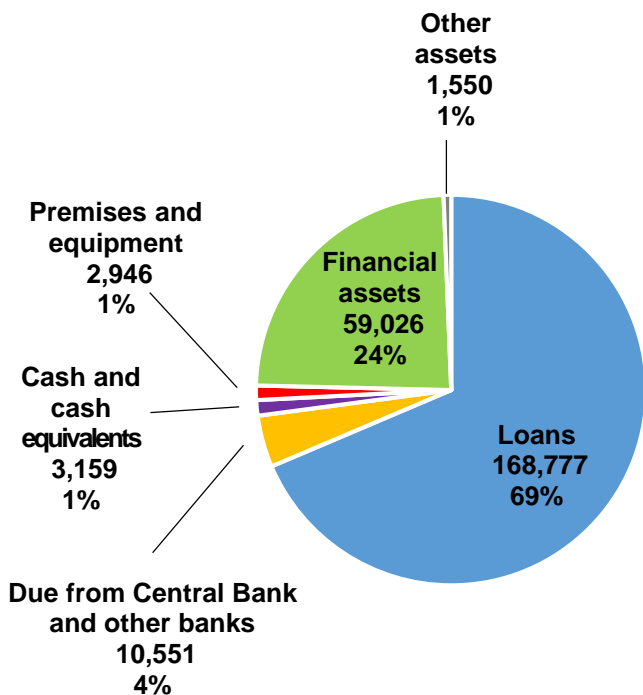




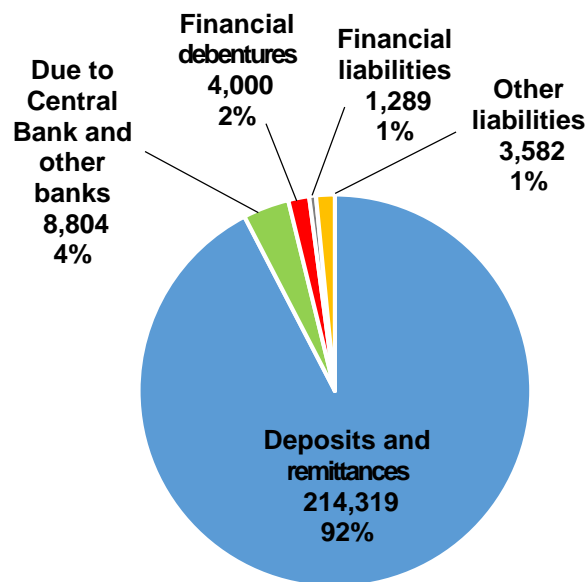
Assets、Liabilities and Stockholders' Equity(2017.6.30)

Unit: in NT mn

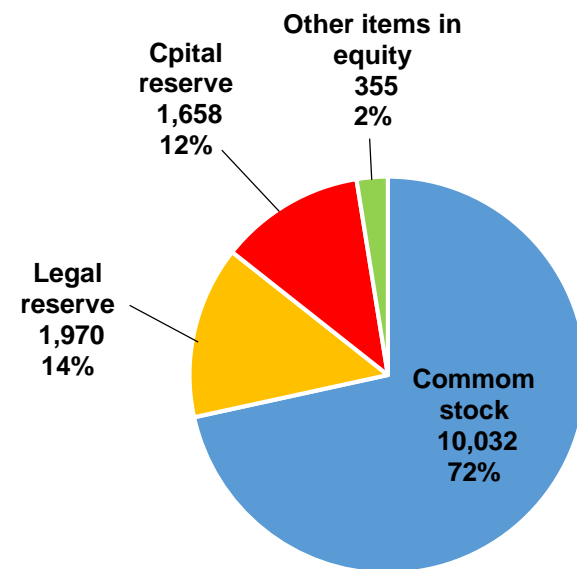
Assets



Liabilities



Stockholders' Equity

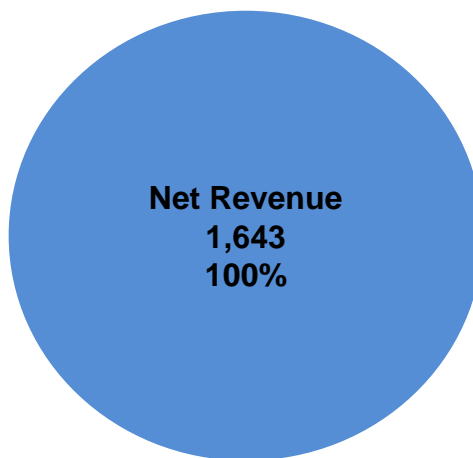
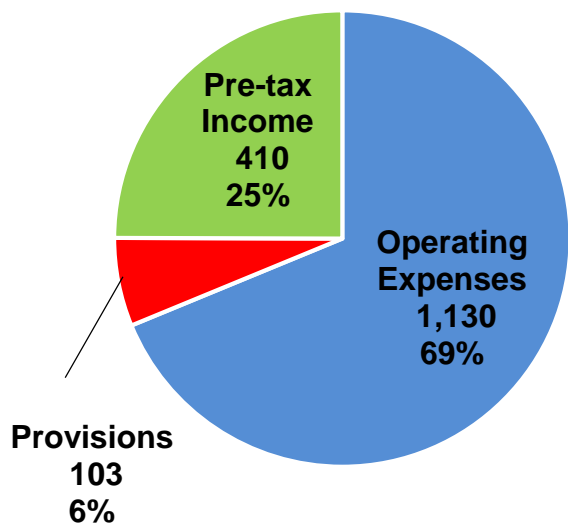




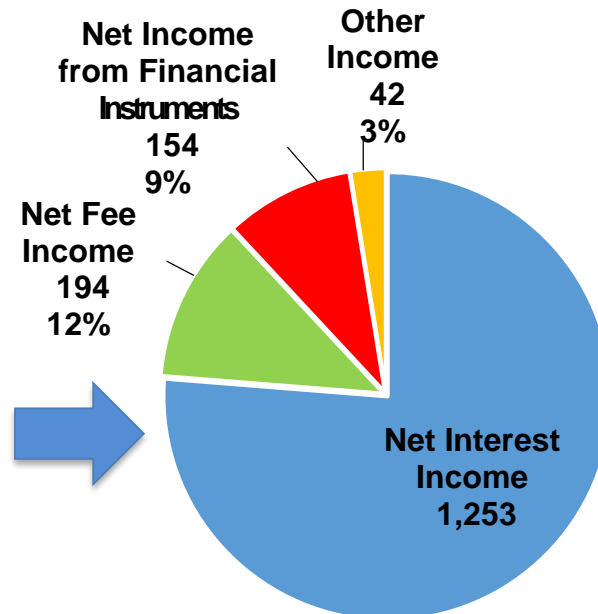
Net Revenue Breakdown (2017Q2)

Unit: in NT mn

Net Income



Net Revenue

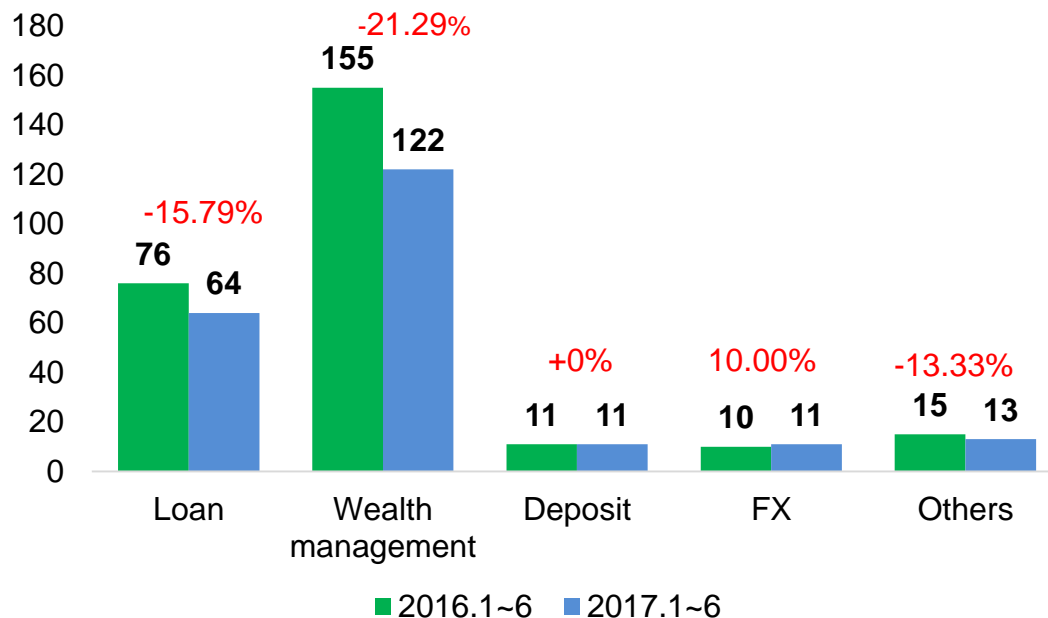
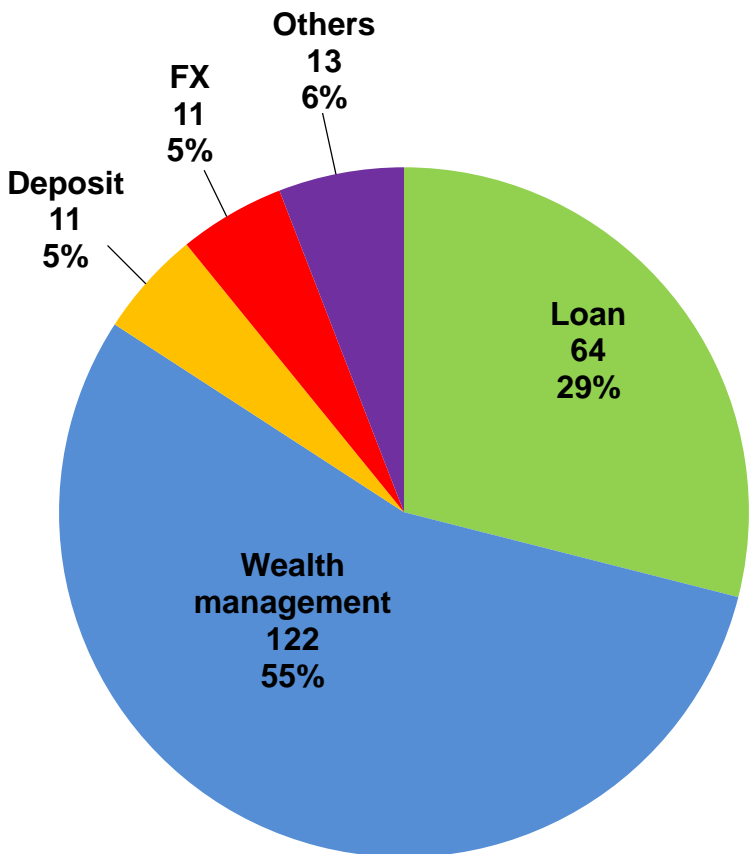




Fee Income Breakdown(2017Q2)

Unit: in NT mn

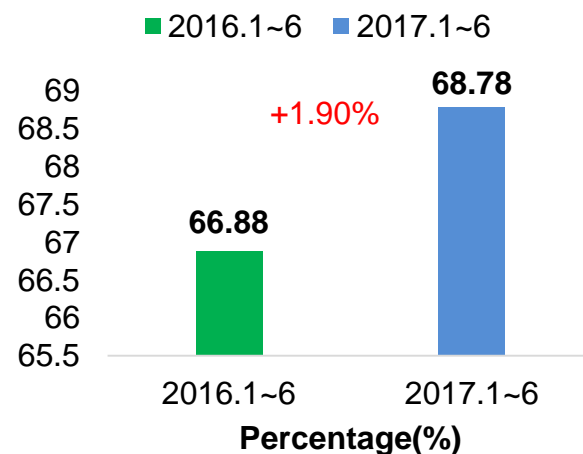
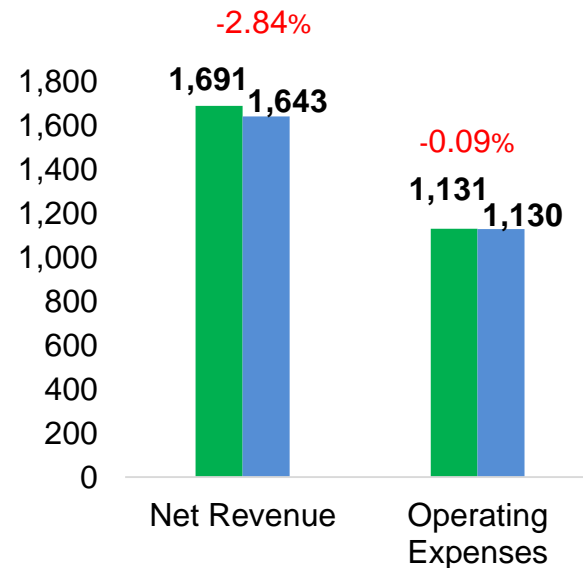
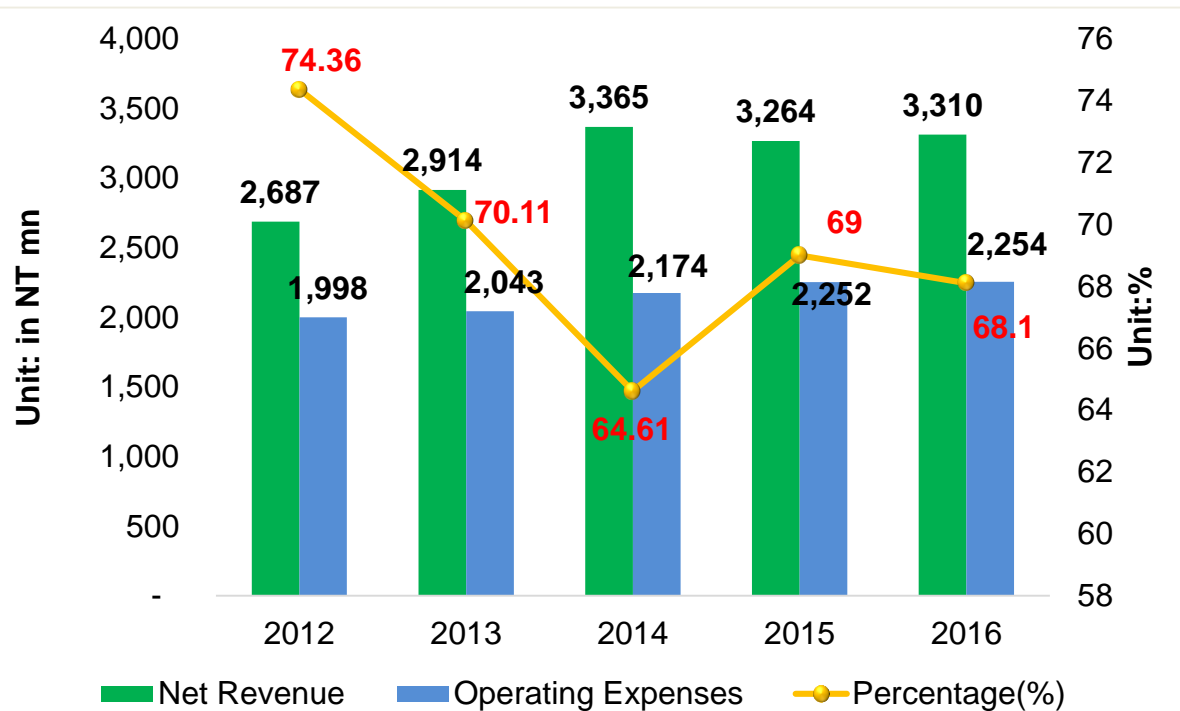
2017.1~6



	2016.1~6	2017.1~6
Loan	76	64
Wealth Management	155	122
Deposit	11	11
FX	10	11
Others	15	13
Total	267	221



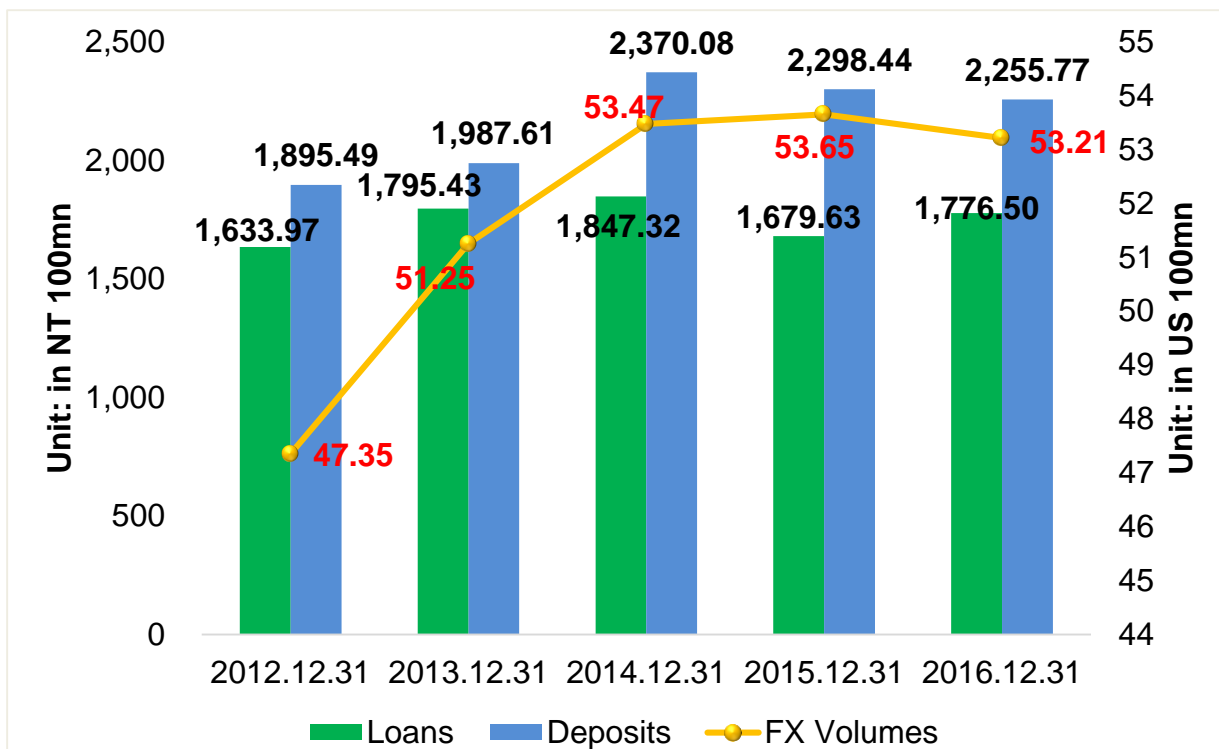
Operating Expenses



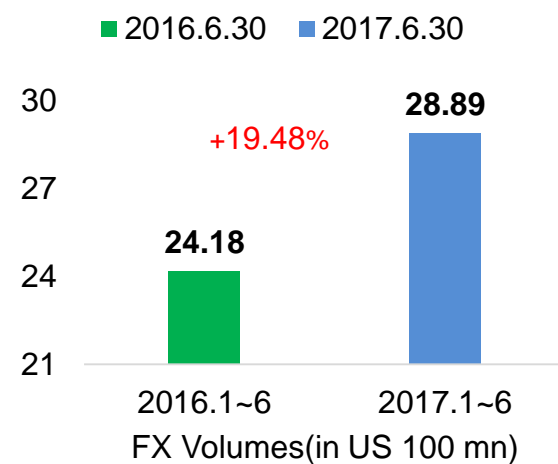
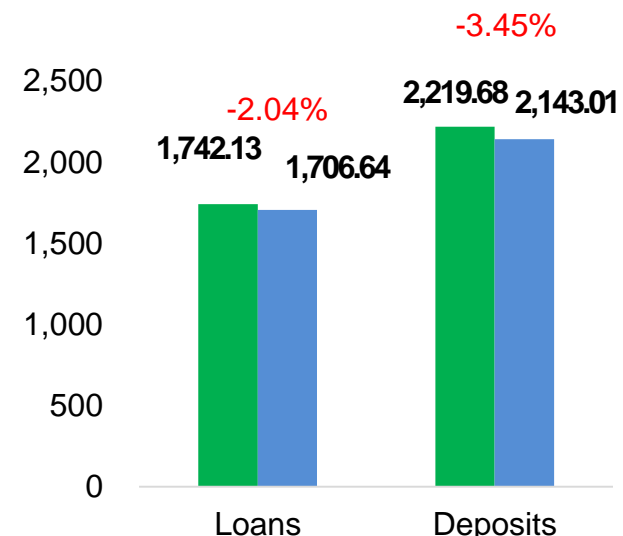
	2012	2013	2014	2015	2016
Net Revenue	2,687	2,914	3,365	3,264	3,310
Operating Expenses	1,998	2,043	2,174	2,252	2,254
Percentage(%)	74.36	70.11	64.61	69.00	68.10



Loan、Deposit and FX Volumes



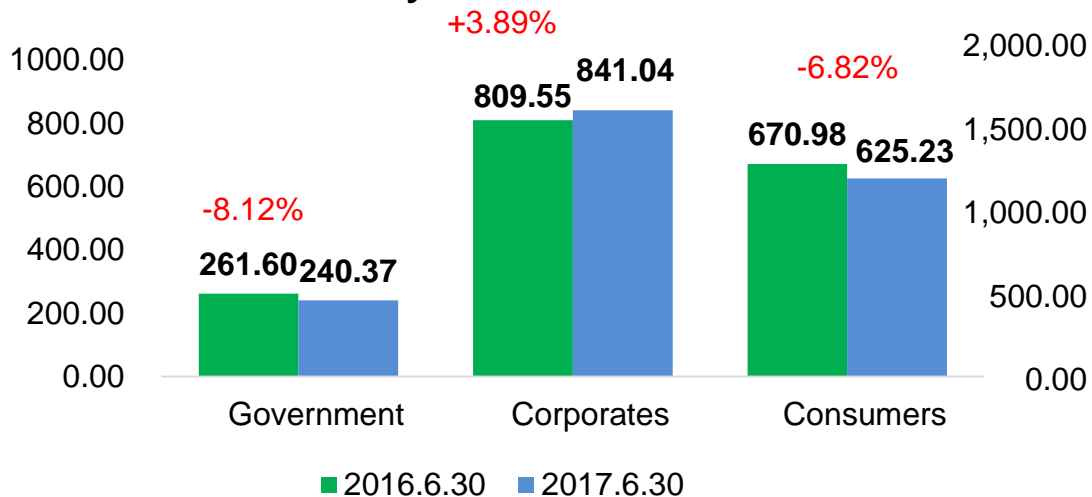
	2012.12.31	2013.12.31	2014.12.31	2015.12.31	2016.12.31
Loans	1,633.97	1,795.43	1,847.32	1,679.63	1,776.50
Deposits	1,895.49	1,987.61	2,370.08	2,298.44	2,255.77
FX Volumes	47.35	51.25	53.47	53.65	53.21



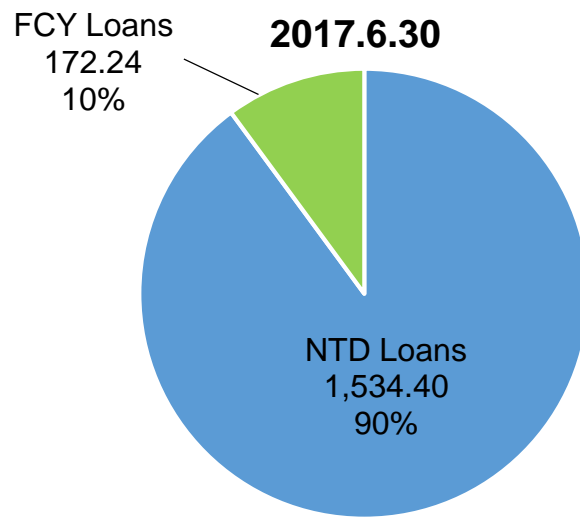
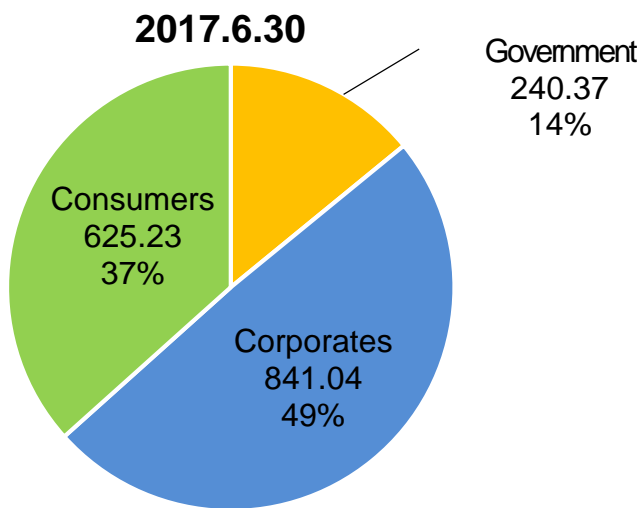
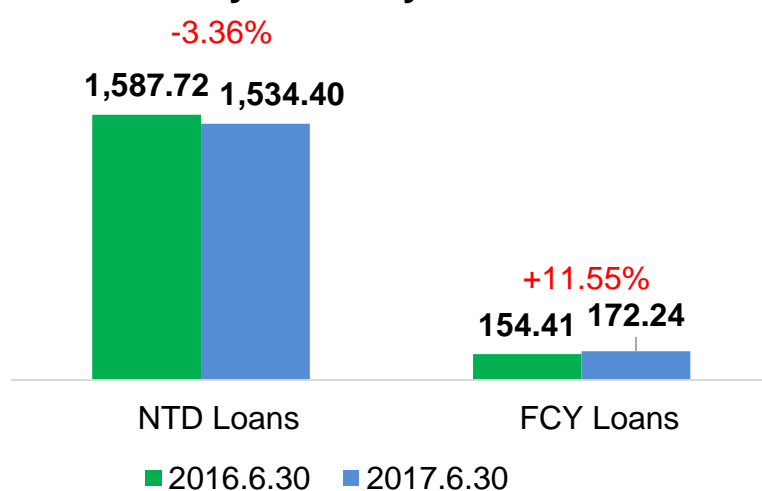


Loan Breakdown

By customer



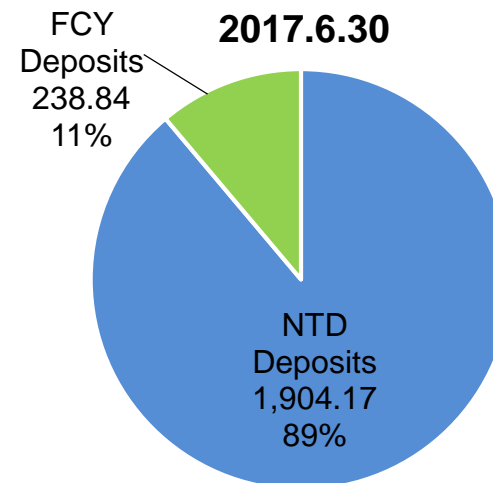
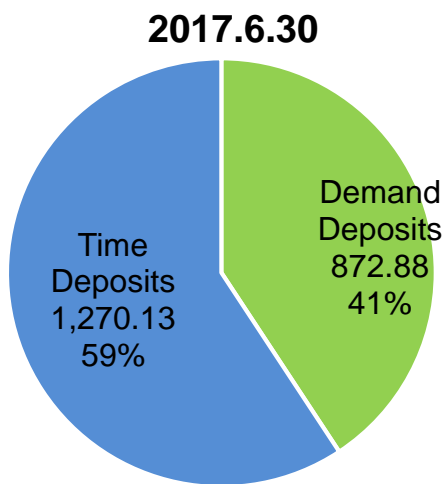
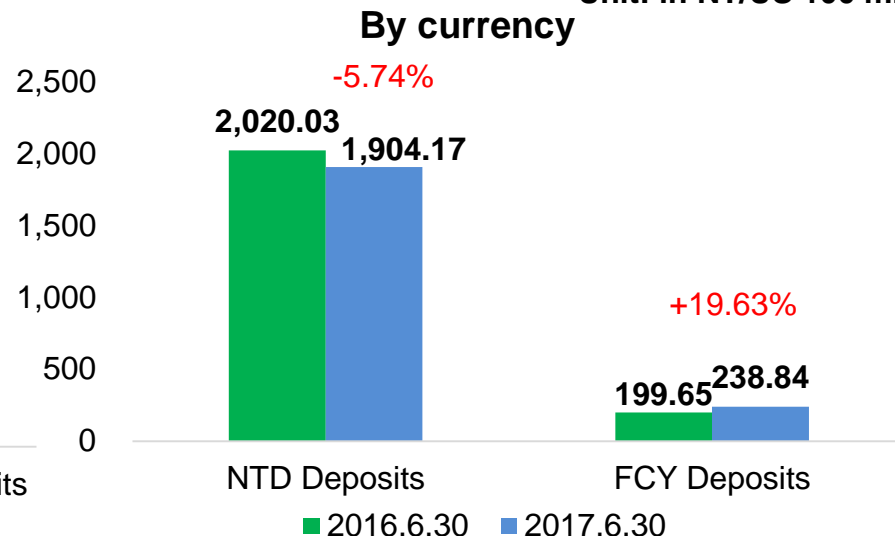
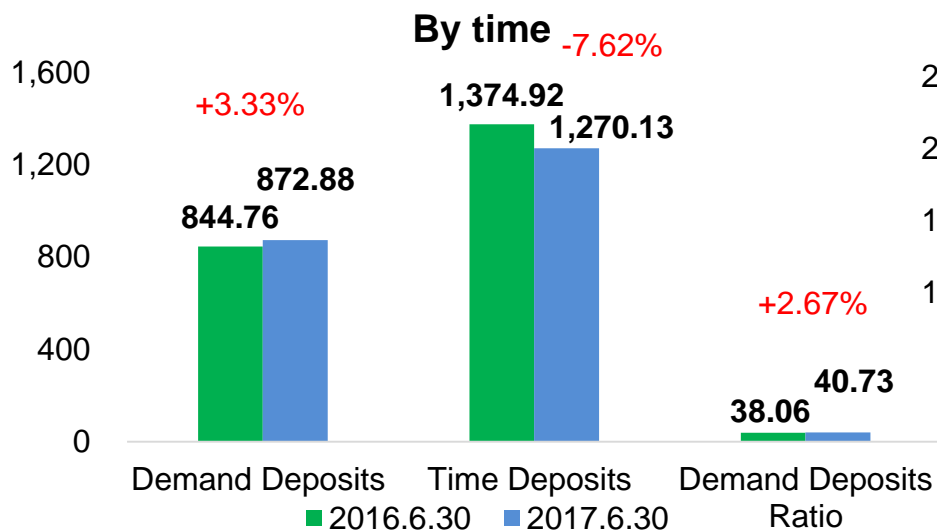
By currency Unit: in NT/US 100 mn





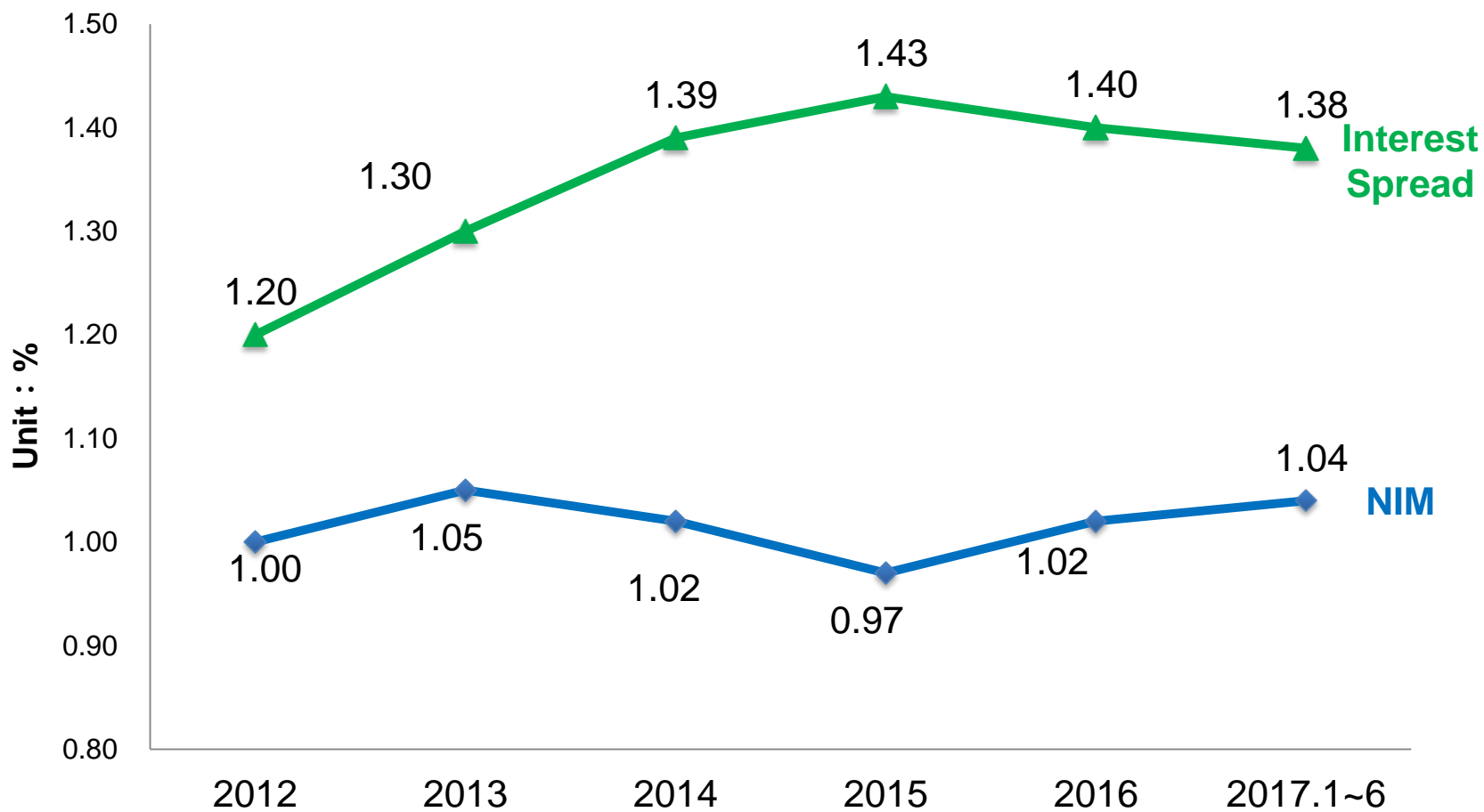
Deposit Breakdown

Unit: in NT/US 100 mn



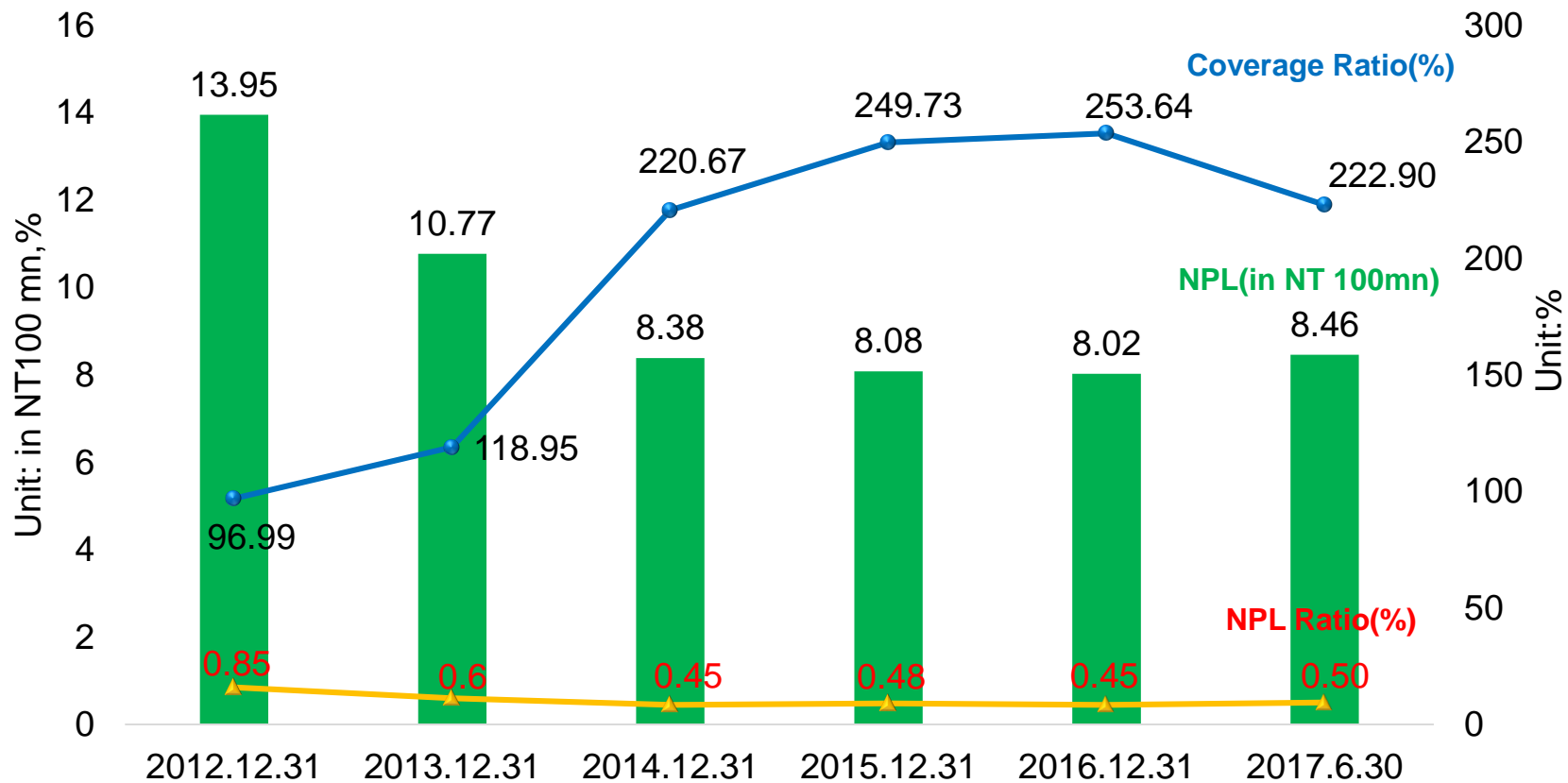


Interest Spread and NIM





Assets Quality



	2012.12.31	2013.12.31	2014.12.31	2015.12.31	2016.12.31	2017.6.30
NPL(in NT 100mn)	13.95	10.77	8.38	8.08	8.02	8.46
NPL Ratio(%)	0.85	0.6	0.45	0.48	0.45	0.50
Coverage Ratio(%)	96.99	118.95	220.67	249.73	253.64	222.90



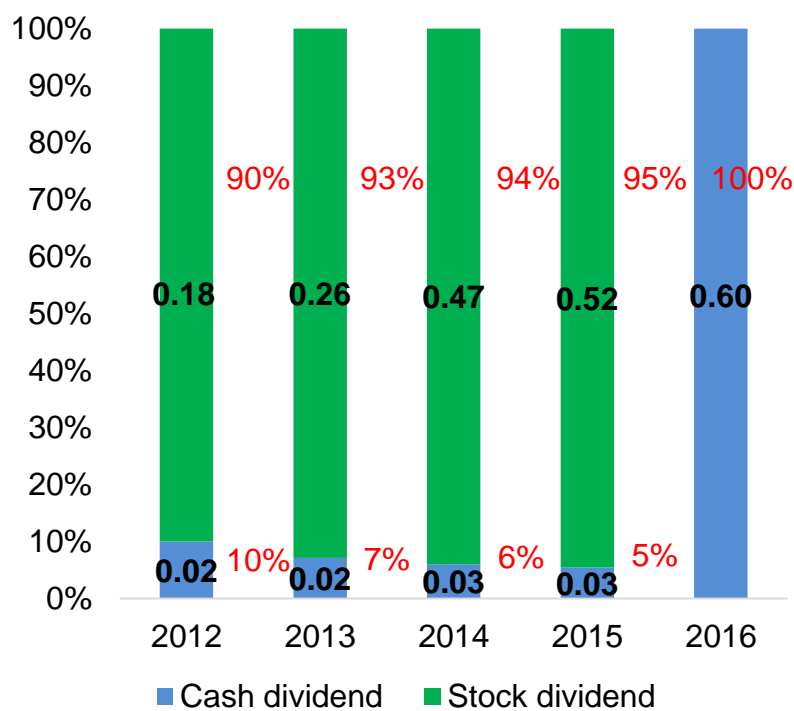
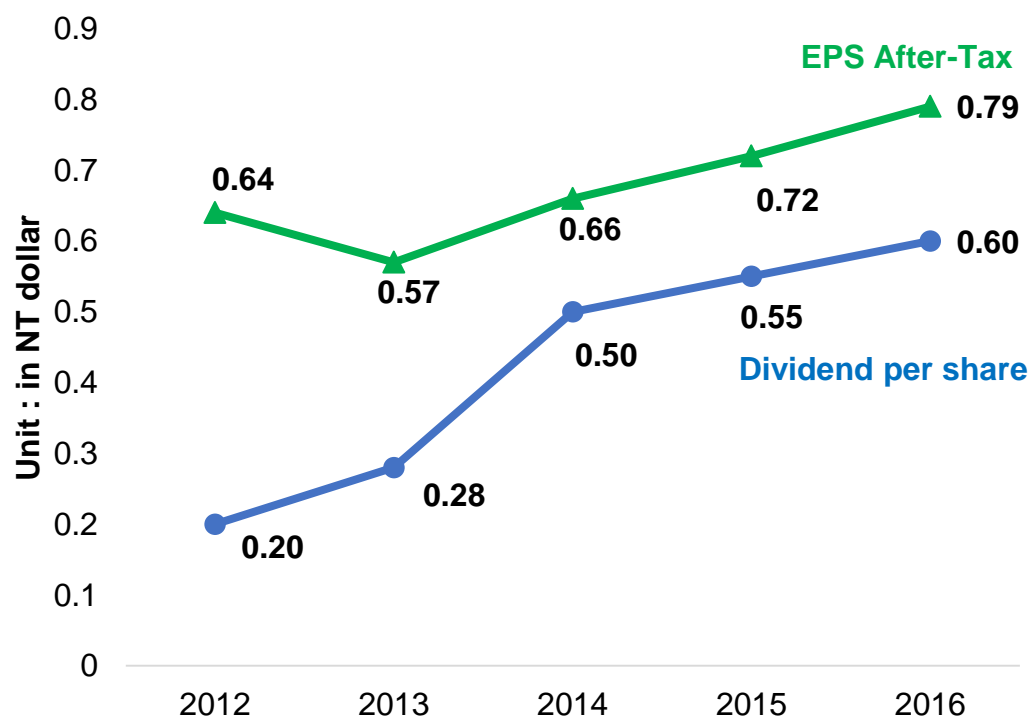
Credit Ratings

Taiwan Ratings	Long term	Short term	Outlook
2012	twBBB+	twA-2	Stable
2013	twBBB+	twA-2	Stable
2014	twBBB+	twA-2	Stable

Fitch	Long term	Short term	Outlook
2015	A+(twn)	F1+(twn)	Stable
2016	A+(twn)	F1+(twn)	Stable
2017	AA-(twn)	F1+(twn)	Stable



After-tax EPS and Dividend Policy



	2012	2013	2014	2015	2016
EPS After-Tax	0.64	0.57	0.66	0.72	0.79
Dividend per share	0.20	0.28	0.50	0.55	0.60
Cash dividend	0.02	0.02	0.03	0.03	0.60
Stock dividend	0.18	0.26	0.47	0.52	0



Prospects



Prospects

- Enhance risk management , legal compliance and internal control.
- Diversify sources of income.
- Optimize asset and liability allocation ; grow demand deposits.
- Promote digital banking.
- Support municipal policies of Kaohsiung City Government and local industries.
- Cultivate talents.



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Thanks for Listening