



King's Town Bank Operating Results of 2Q19

Stock Code : 2809.TW





Disclaimer

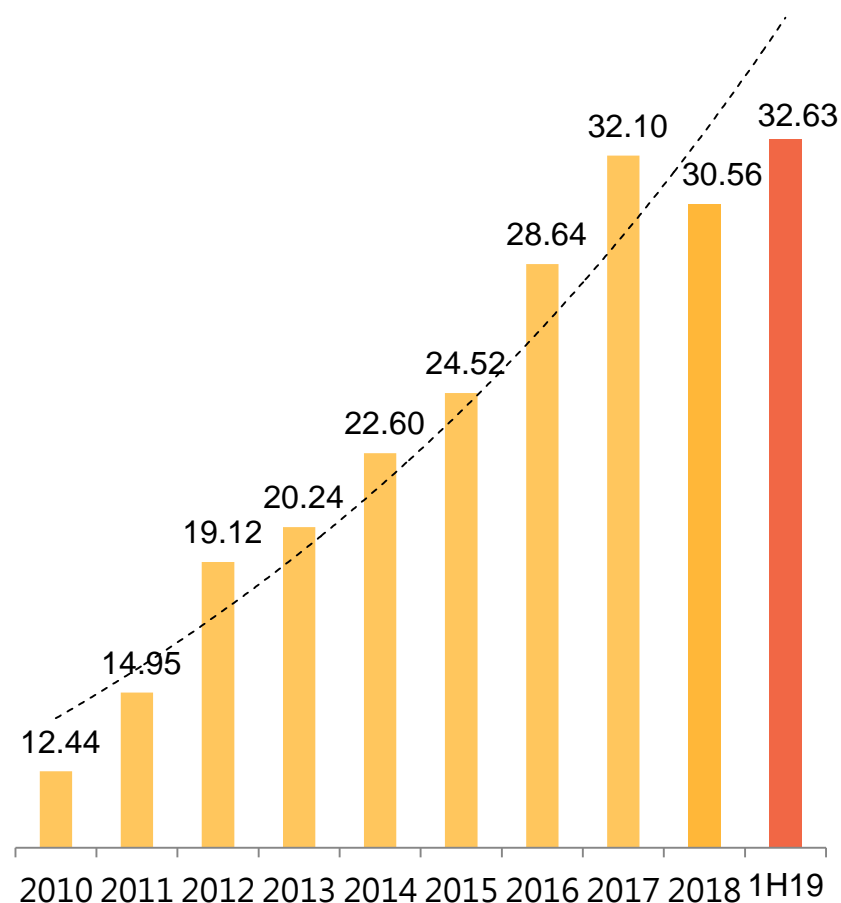
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



1H19 Financial Review

	2019.06	2018.06
Total Assets (NT\$ mm)	276,910	277,000
Book Value/share (NT\$)	32.63	31.45
ROE (pretax)	4.98%	15.73%
ROA (pretax)	0.65%	2.10%
BIS Ratio	15.65%	15.02%
NPL Ratio	0.02%	0.02%
Coverage Ratio	13364%	6,757%
Loan-loss Provision Coverage Ratio	3.31%	1.54%
QFII Holdings	20.41%	23.32%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1H19 Business Summary Updates

Financial Performance

- Reported after-tax net income for 1H/19 of NT\$ 771 million or NT\$ 0.68 per share after tax (EPS).
- Reported ROE of 4.98% and ROA of 0.65% for 1H/19 (before tax).
- Asset quality remains sound with NPL ratio at 0.02%, coverage ratio at 13364% and loan-loss provision coverage ratio at 3.31%.

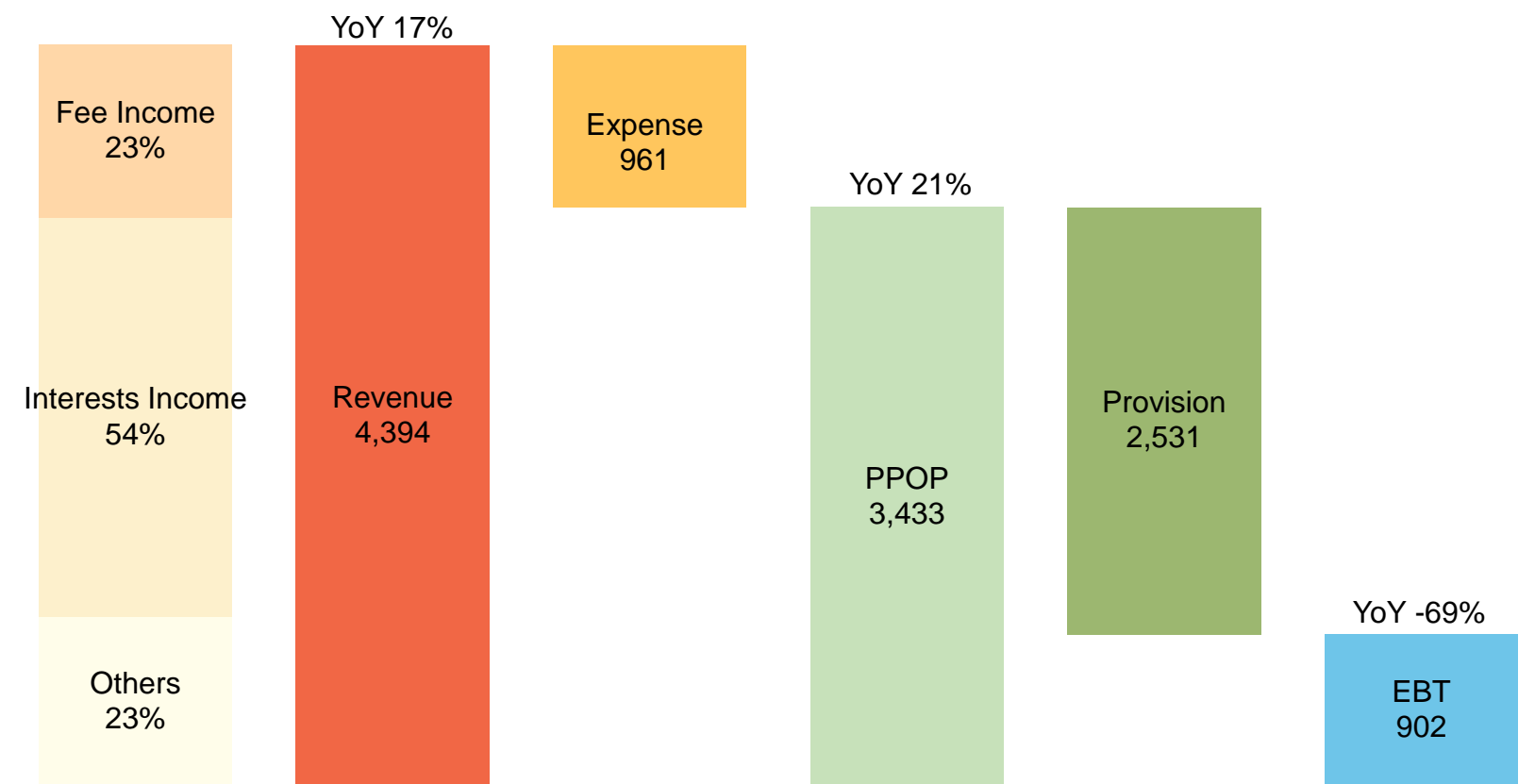
Awards

- Selected as Top 5% of “Corporate Governance Best-Practice for TWSE Listed Companies” for two consecutive years.
- "Golden Security Award" and "Golden Quality Award" of credit information by JCIC for year 2018.
- Awarded as outstanding financial institutions by SME Credit Guarantee Fund of Taiwan in 2018.
- Credit rating affirmed by Fitch at A+(twn) 、 F1(twn) for 6 consecutive years.



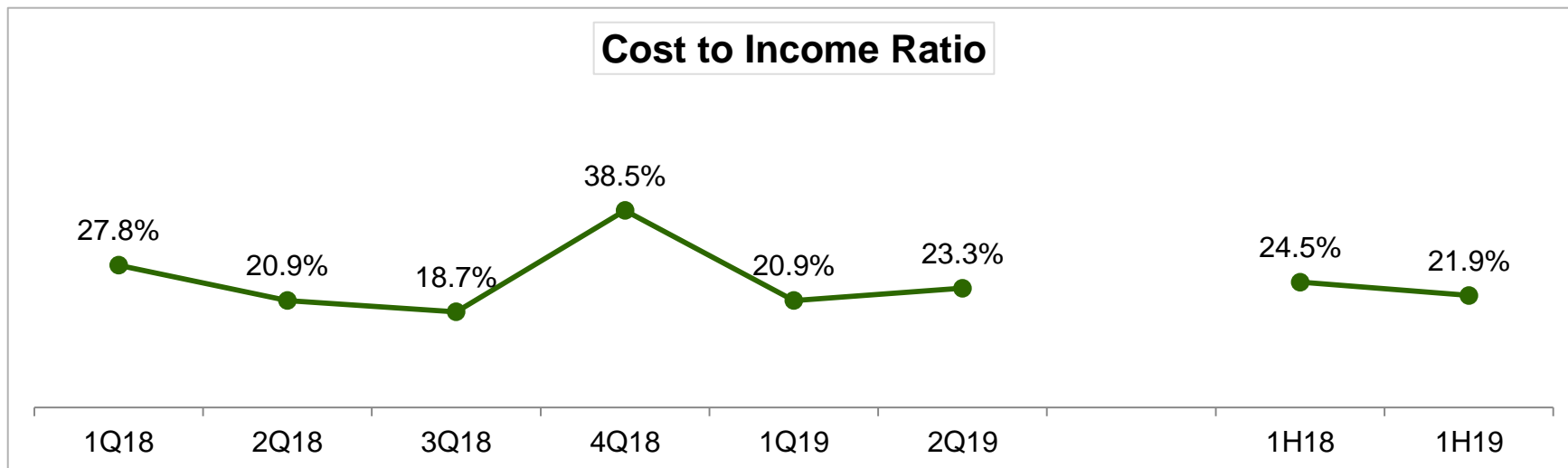
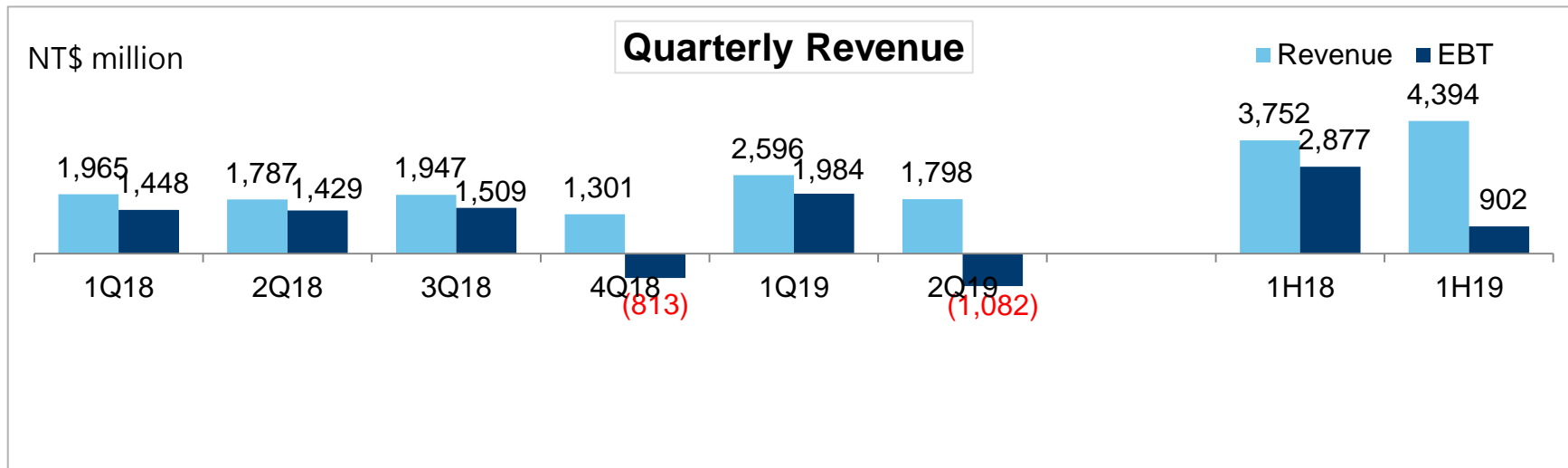
1H19 Revenue Breakdown

NT\$ million



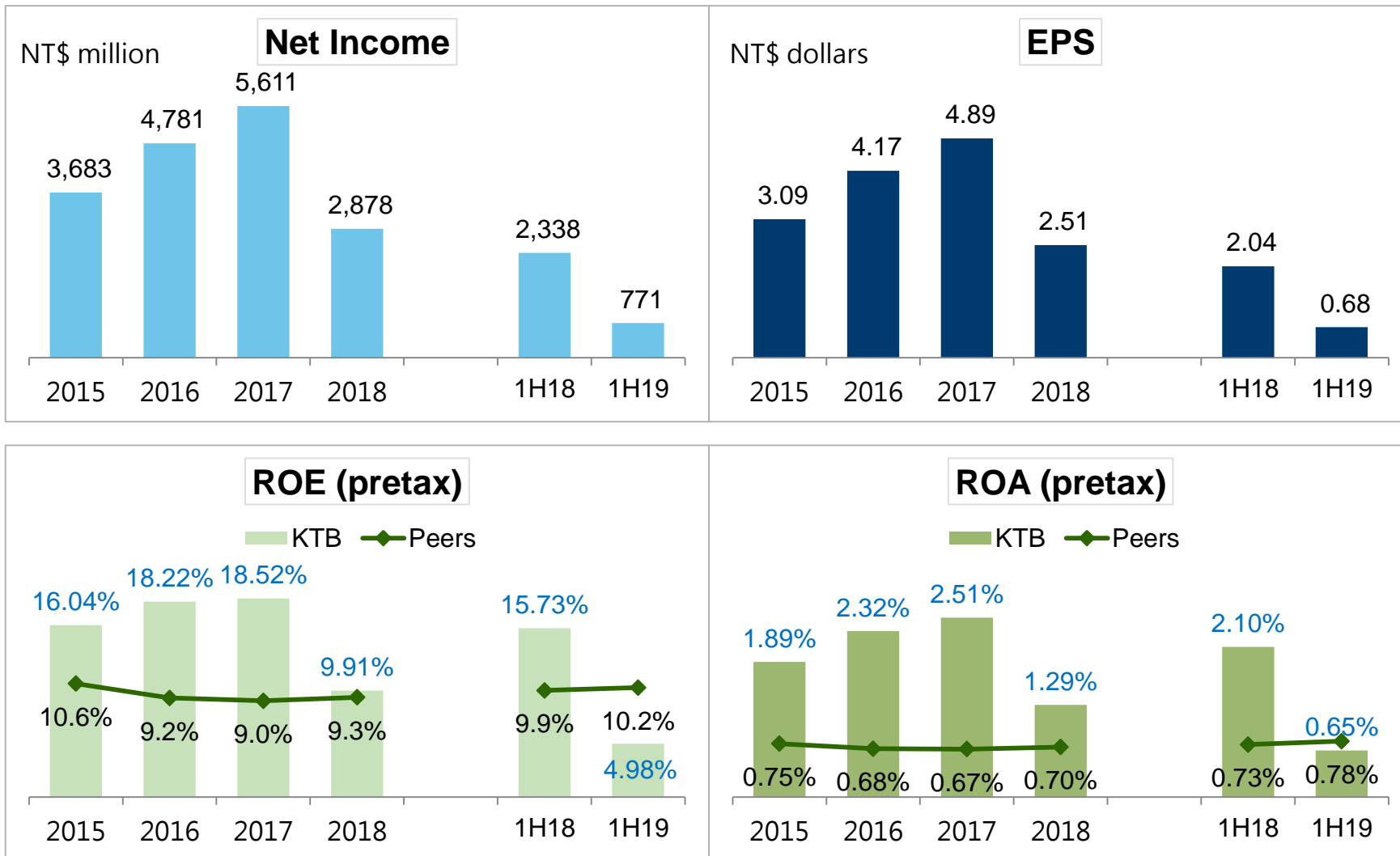


Quarterly Revenue and Expense





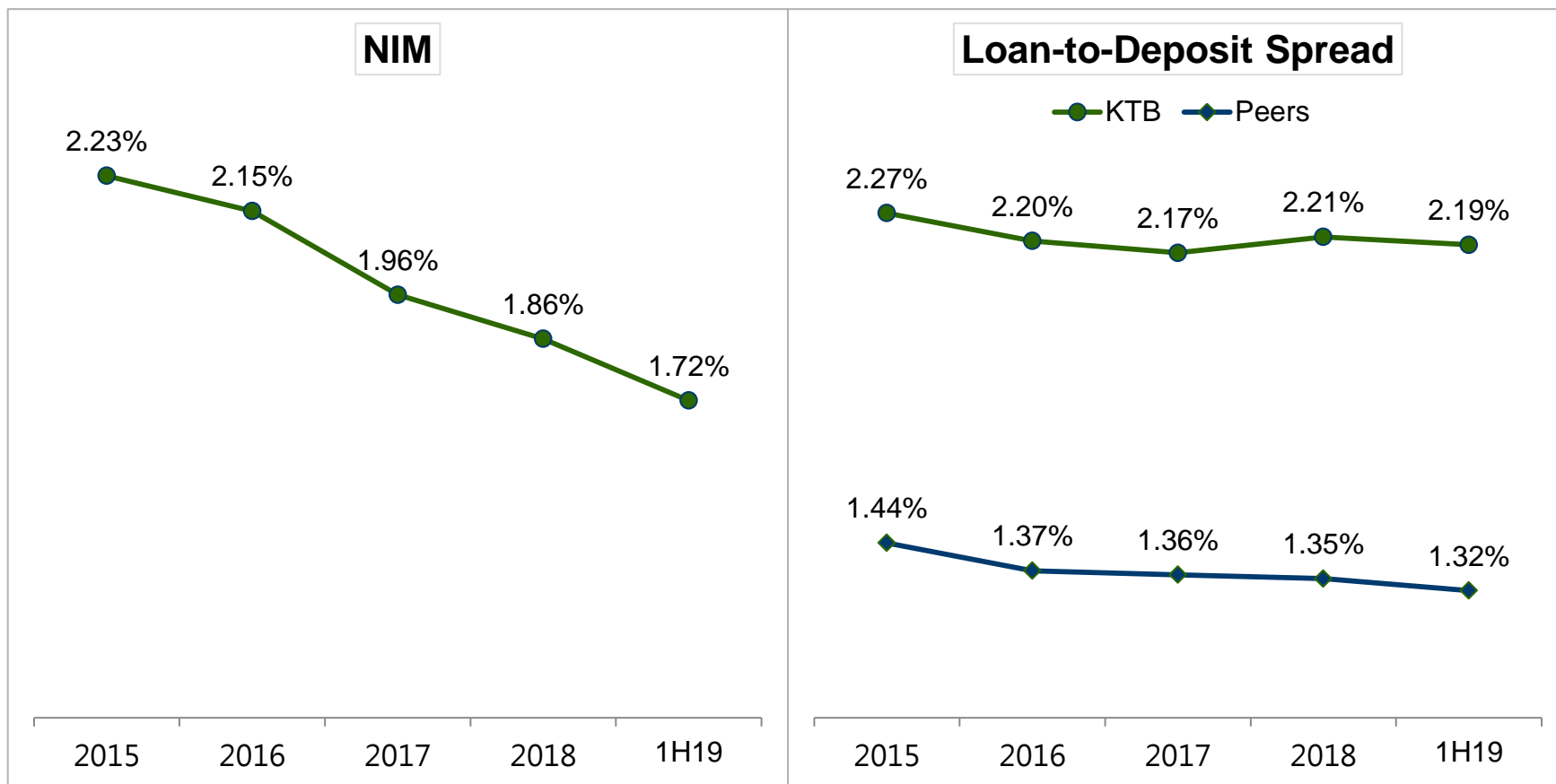
Profitability



Note: Peers data updated to April 2019 (annualized).



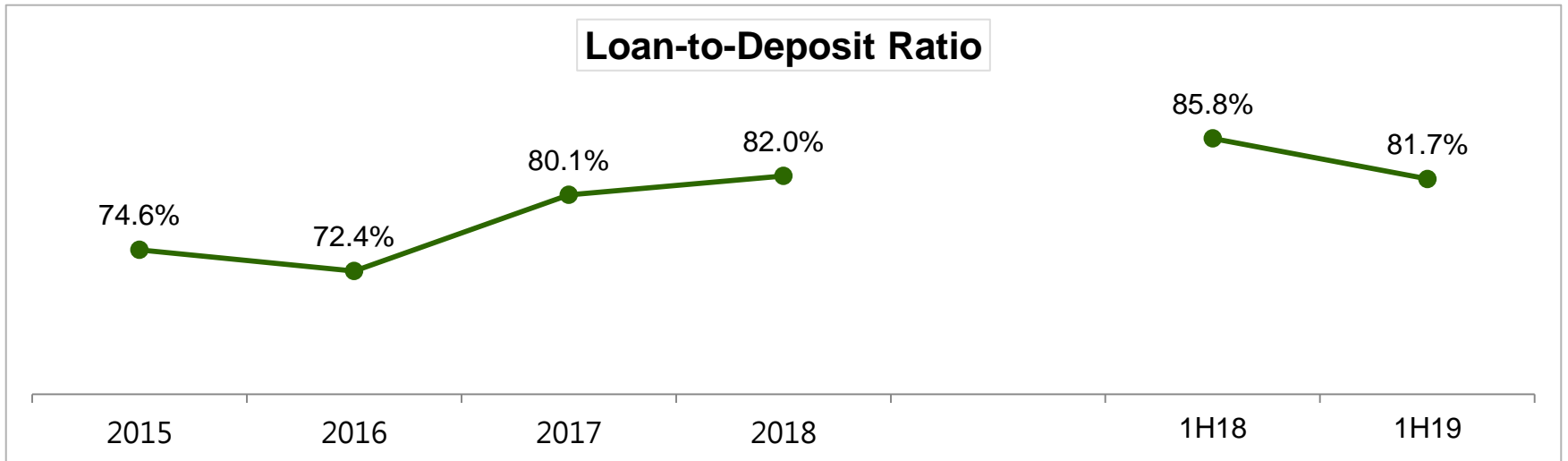
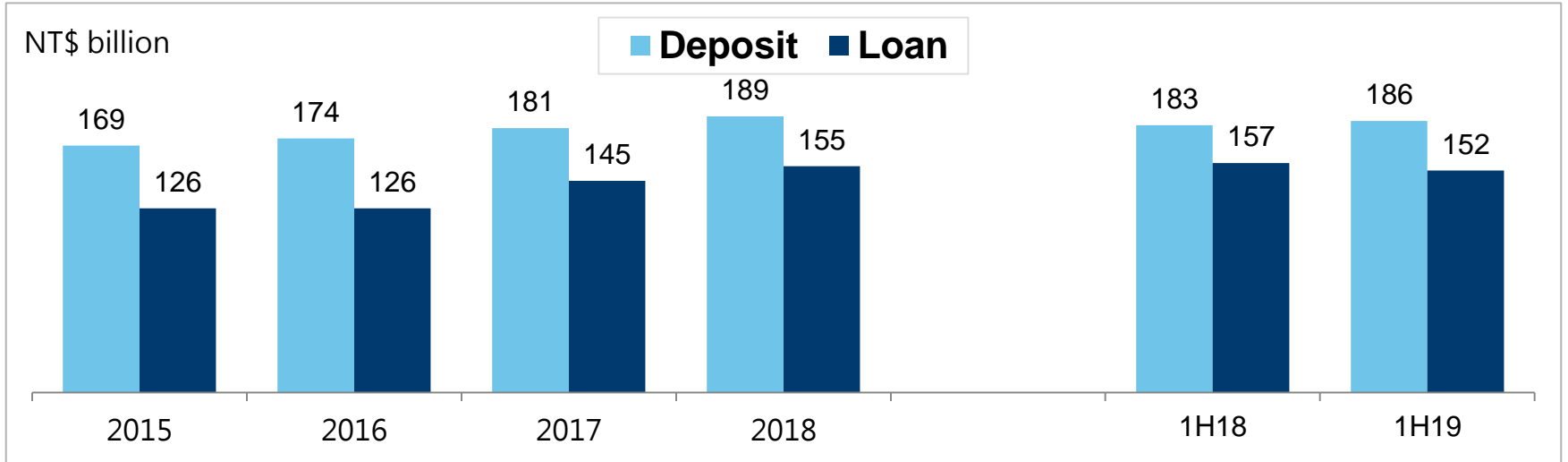
NIM and Spreads



Note: Peers data updated to 1Q/19.

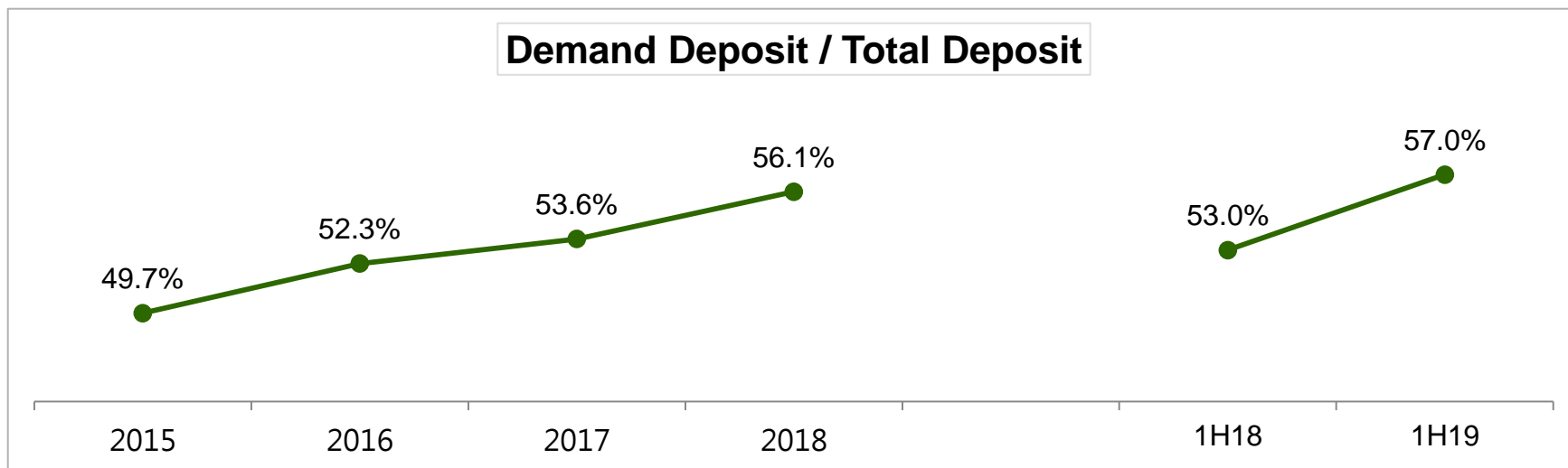
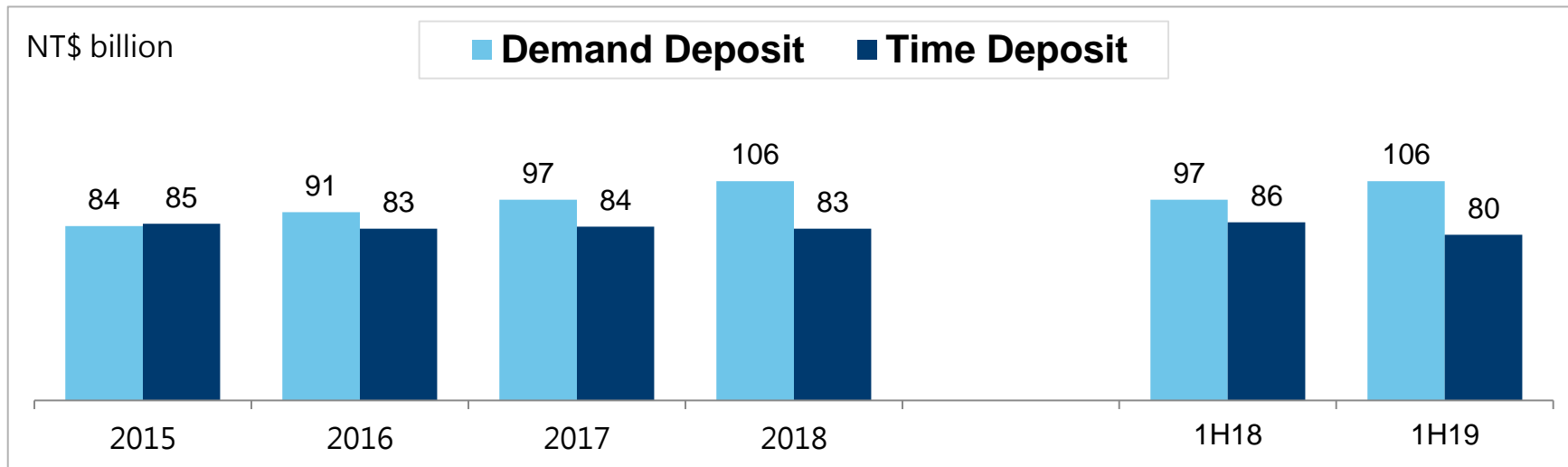


Loan and Deposit





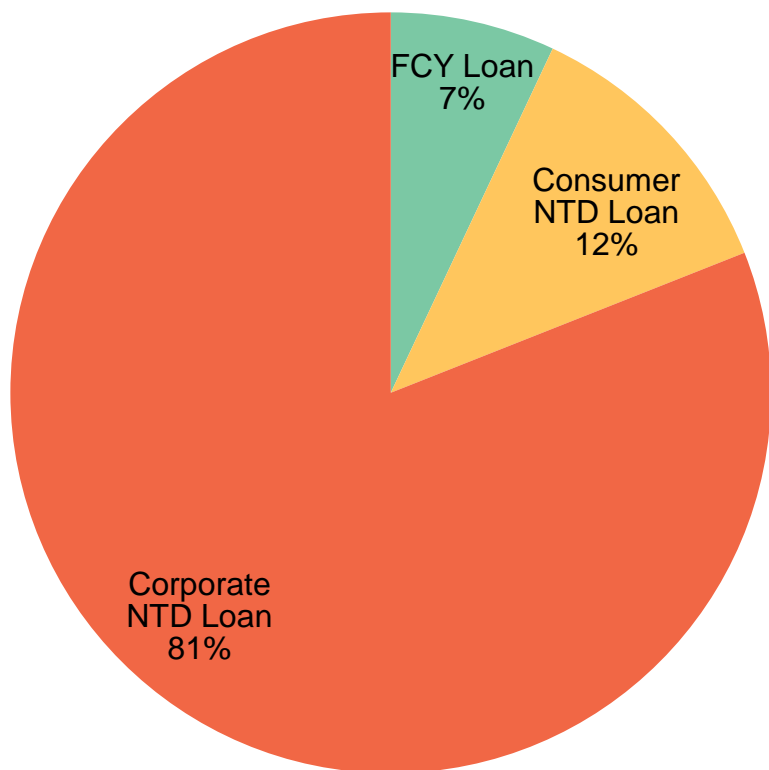
Deposit Breakdown



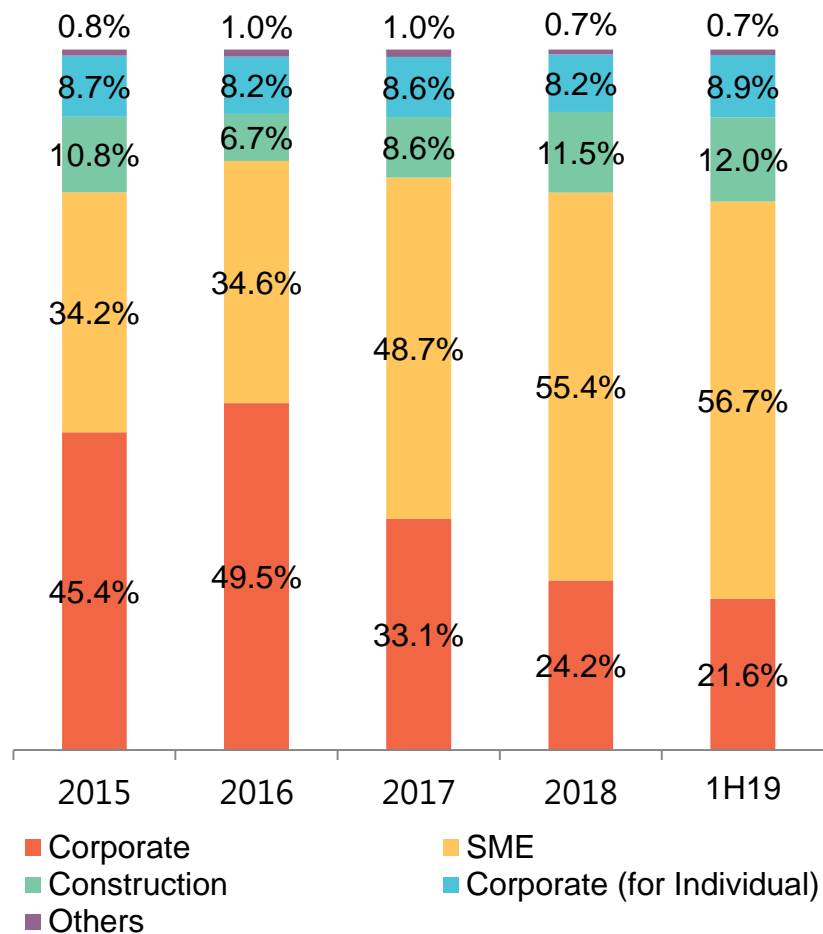


Loan Breakdown

Loan Composition (1H19)

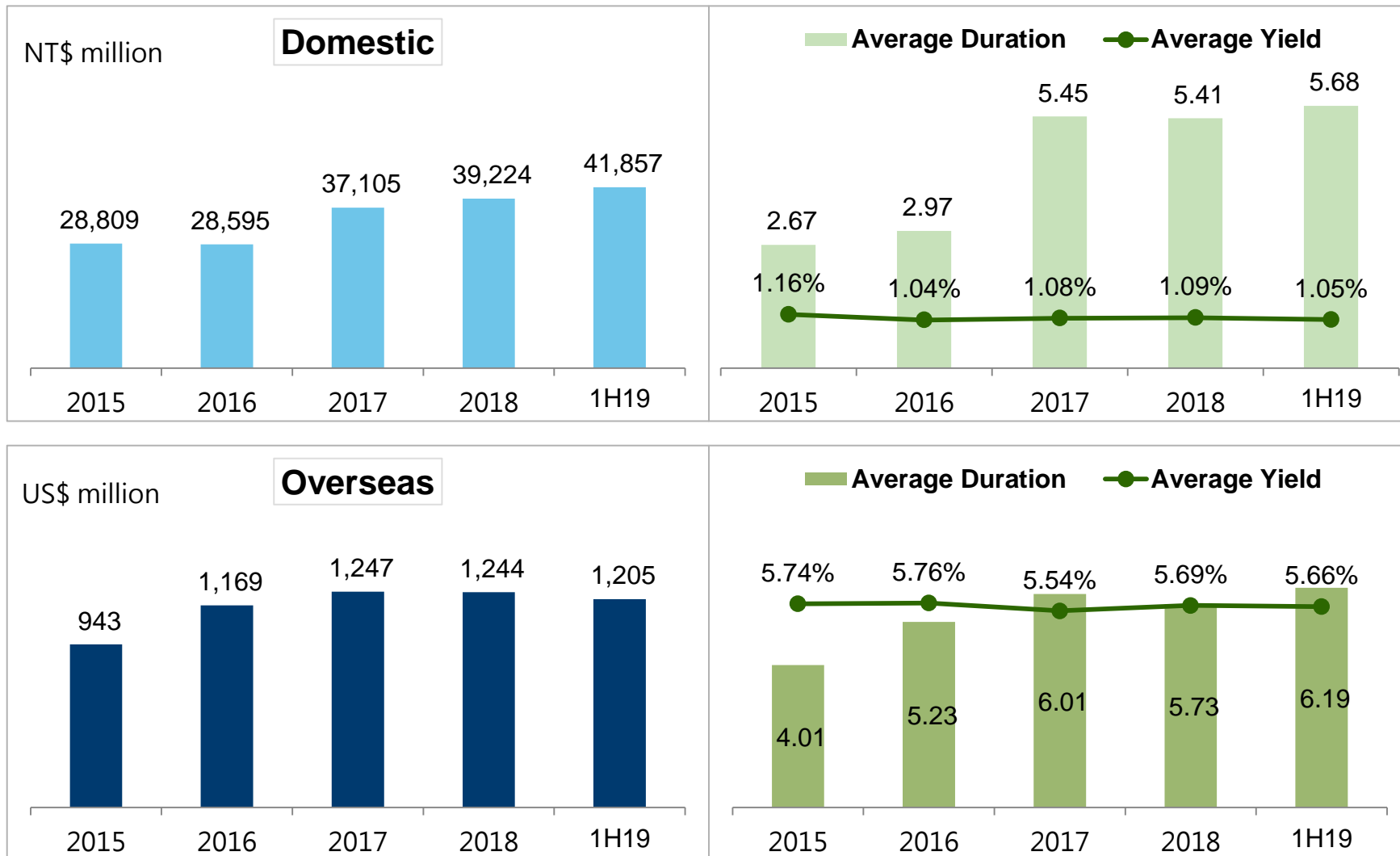


Corporate Loan by Type



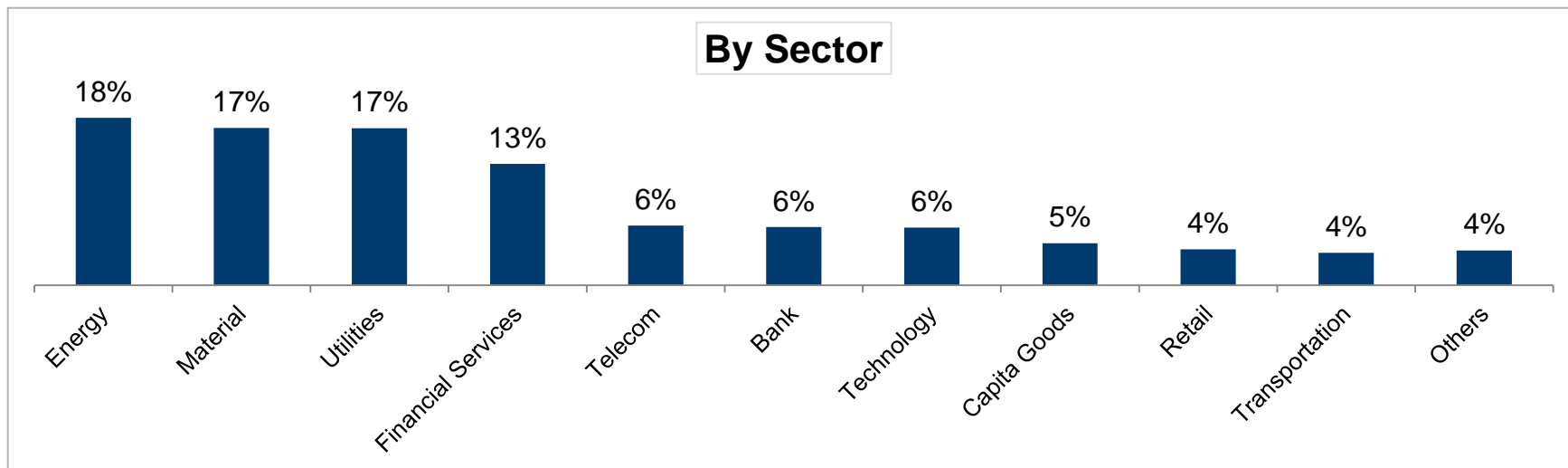
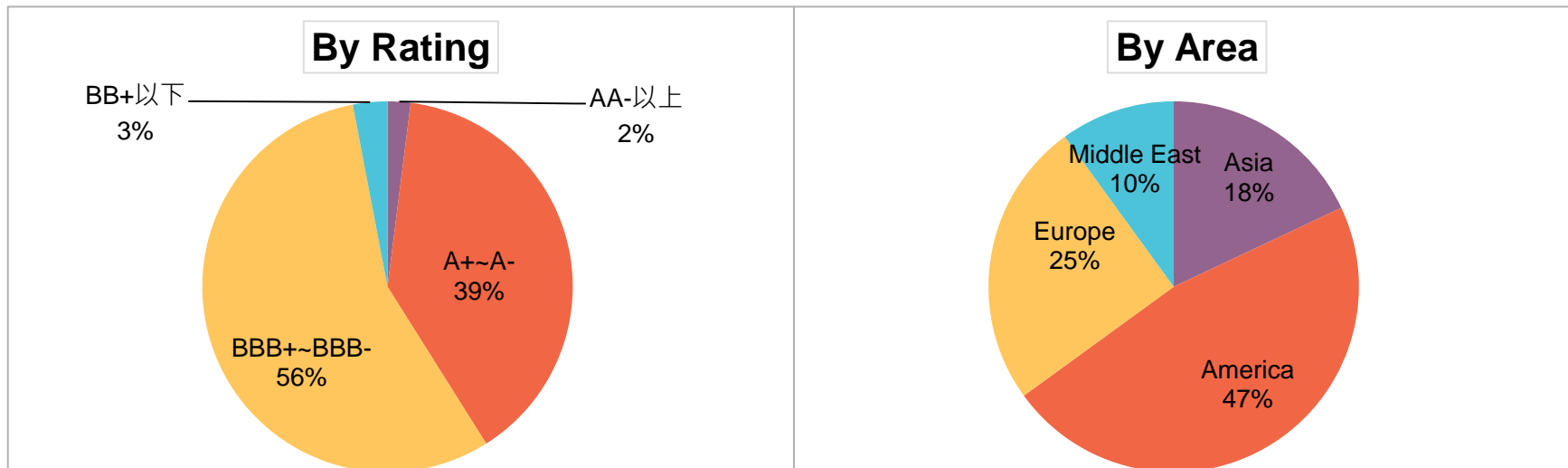


Financial Asset - Fixed Income Investment



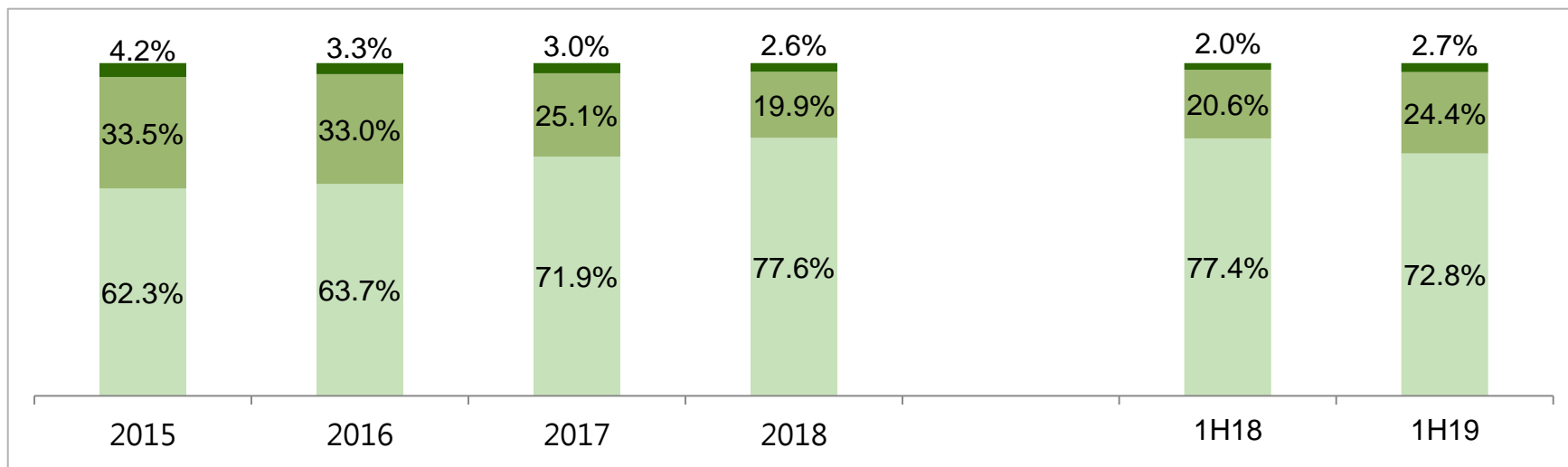
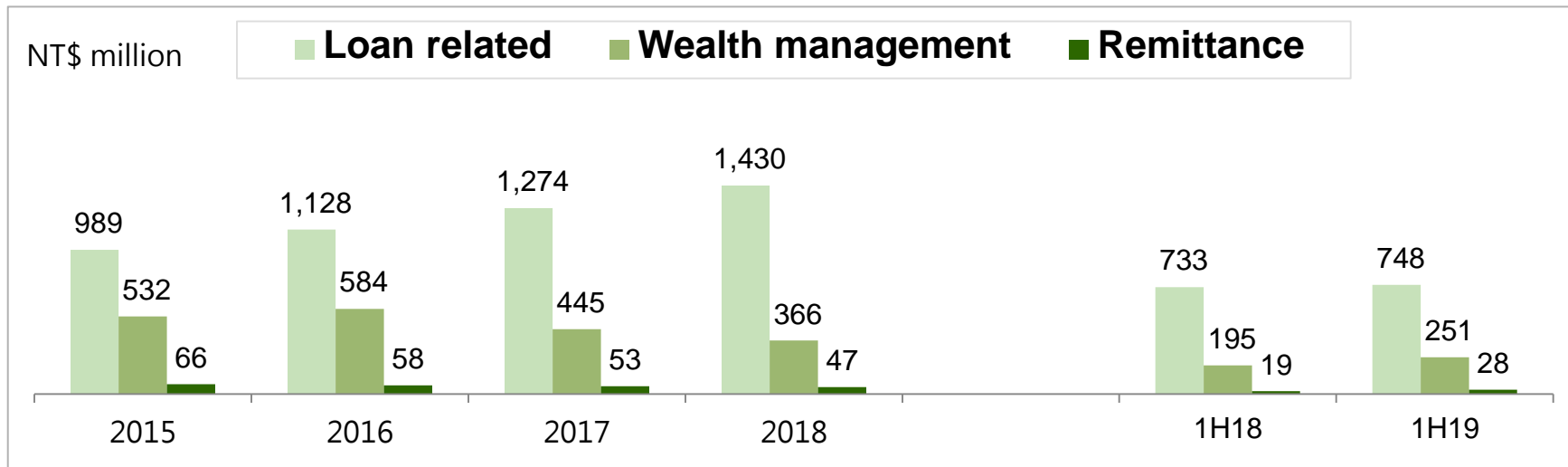


Financial Asset – Overseas Fixed Income Portfolio (1H19)



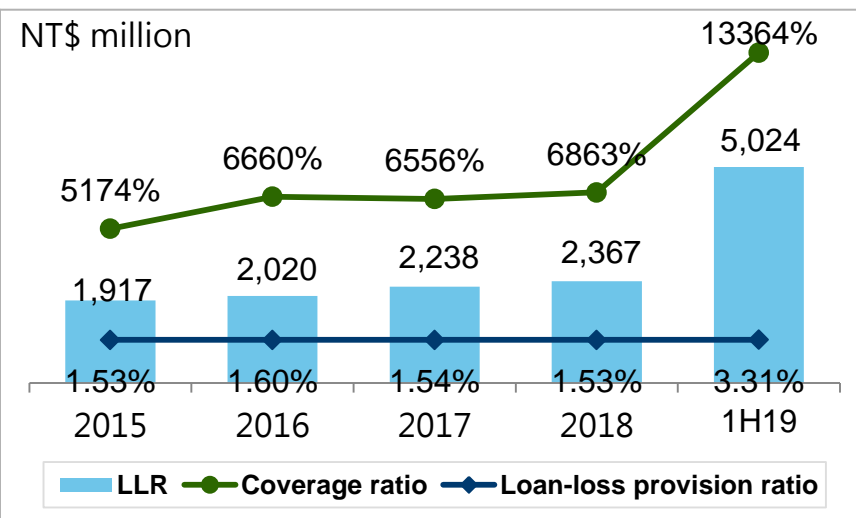
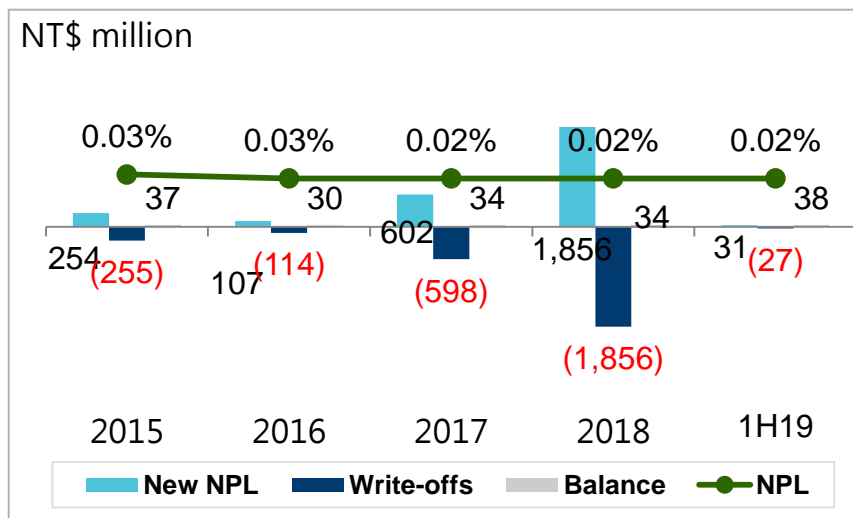
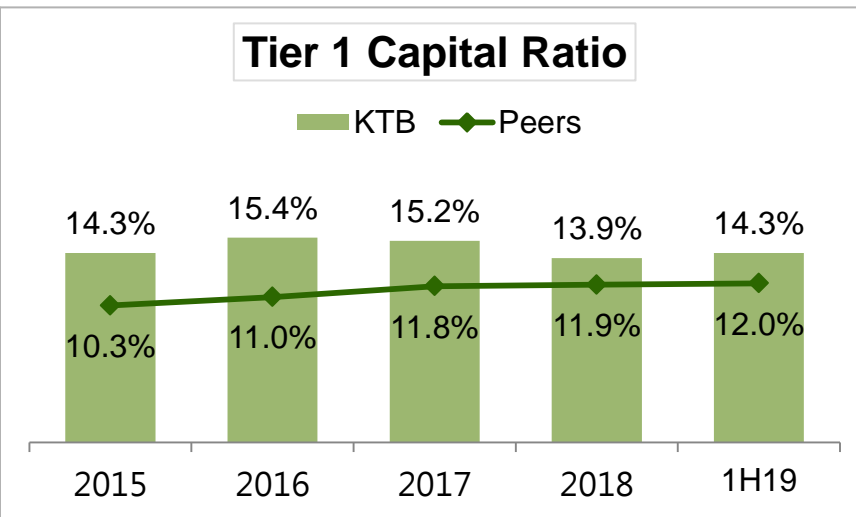
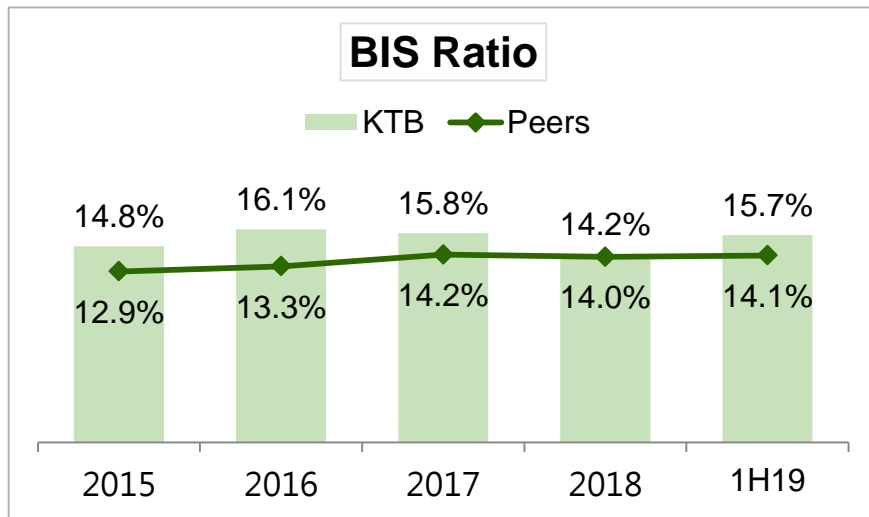


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to Mar. 2019.



Top 1,000 World Banks 2018 - The Banker

Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Asset (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
675	24	1,157	22.30%	9,085	20.28%	817	28

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.74%	116	2	18.70%	192	1	2.38%	84	1

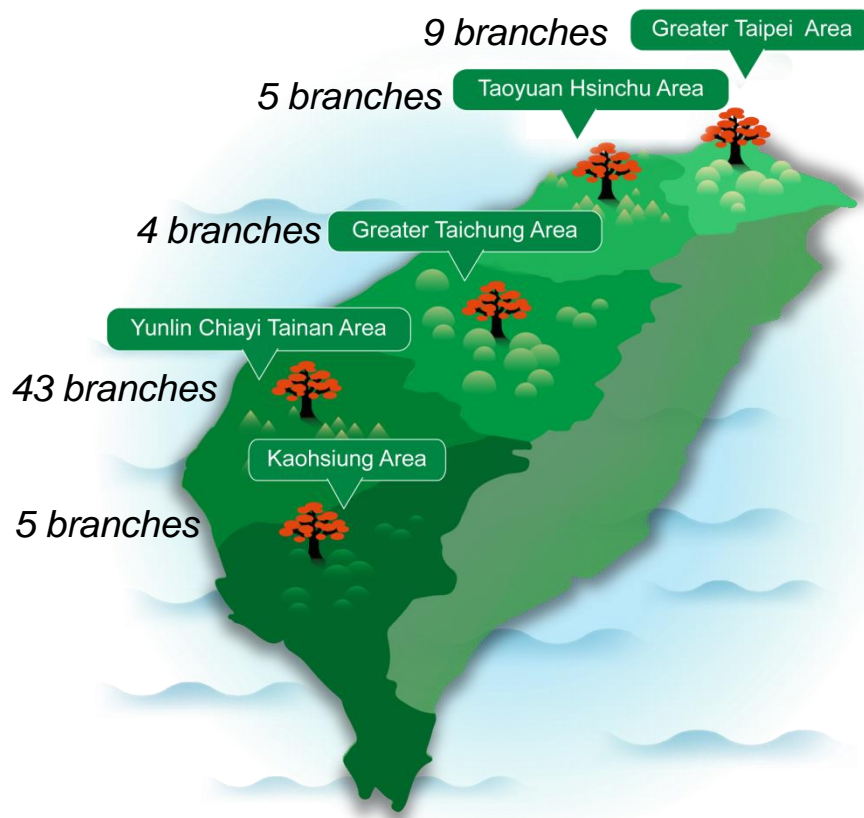


Thank you



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\$ 11.4 billion.
- 23 Metro branches, contributing
 - 14% of deposits
 - 86% of loans
- 43 Non-metro branches, contributing
 - 86% of deposits
 - 14% of loans





Appendix - Income Statement

NT\$ million

Items	1H/19	1H/18	YoY
Net Interest Income	2,360	2,470	-4%
Net Fee Income	1,027	947	8%
Other Income	1,007	335	201%
Revenue	4,394	3,752	17%
Operating Expense	(961)	(919)	5%
PPOP	3,433	2,833	21%
Provision for Loan Loss	(2,531)	44	-5852%
Earning Before Tax	902	2,877	-69%
Net Income	771	2,338	-67%
EPS(Cumulative)(NT\$)	0.68	2.04	-67%



Appendix - Balance Sheet

NT\$ billion

Items	2019.06	2018.06	YoY	Items	2019.06	2018.06	YoY
Cash, CD, Interbank Deposits, and R/S	14.5	15.4	-6%	Interbank Deposits , Interbank Borrowings	19.6	26.2	-25%
Securities	107.2	99.9	7%	Deposits	185.9	182.2	2%
Loans	146.9	155.0	-5%	R/P	27.6	27.3	1%
Property and Equipment	2.6	2.4	8%	Other Liabilities	6.6	5.1	29%
Other Assets	5.7	4.3	33%	Total Liabilities	239.7	240.8	-0.5%
Total Assets	276.9	277.0	-0.03%	Shareholder's Equity	37.2	36.2	3%