



King's Town Bank Investor Presentation

November 2019

Stock Code : 2809.TW





Disclaimer

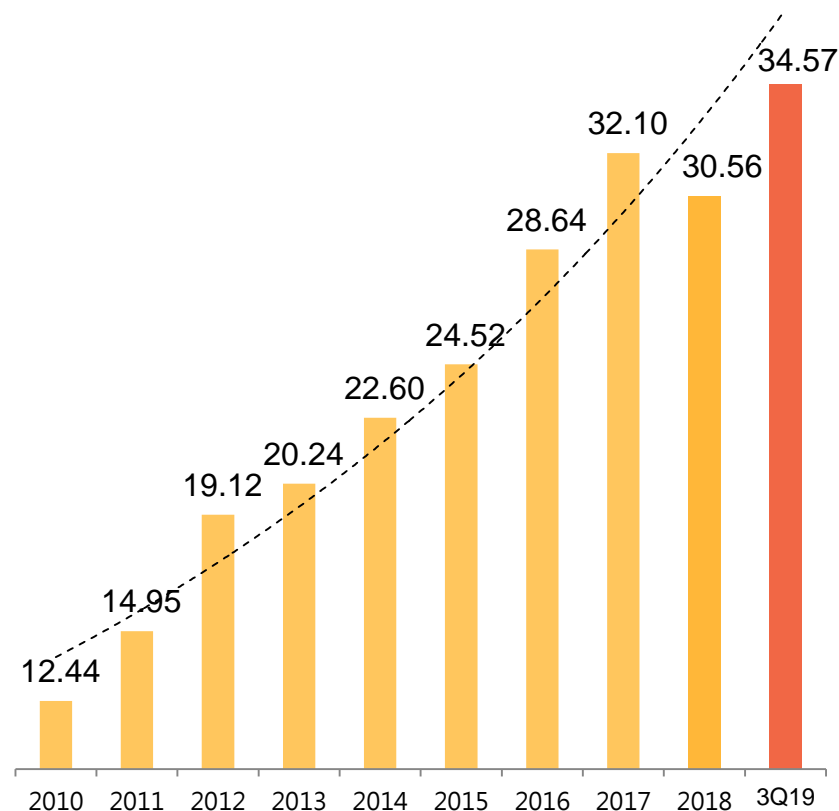
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



1-3Q19 Financial Review

	2019.09	2018.09
Total Assets (NT\$ mm)	280,448	285,018
Book Value/share (NT\$)	34.57	32.68
ROE (pretax)	8.40%	15.68%
ROA (pretax)	1.11%	2.10%
BIS Ratio	14.70%	15.20%
NPL Ratio	0.03%	0.02%
Coverage Ratio	4,916.00%	6,874.05%
Loan-loss Provision Coverage Ratio	1.45%	1.50%
QFII Holdings	18.18%	22.46%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1-3Q19 Operating Highlights

Financial Performance

- Reported after-tax net income for the first three quarters of 2019 was NT\$ 2.0 billion or NT\$ 1.78 per share after tax (EPS).
- 1-3Q19 ROE before tax was 8.40% and ROA before tax was 1.11%.
- Asset quality remains sound with NPL ratio at 0.03%, coverage ratio at 4916% and loan-loss provision coverage ratio at 1.45%.

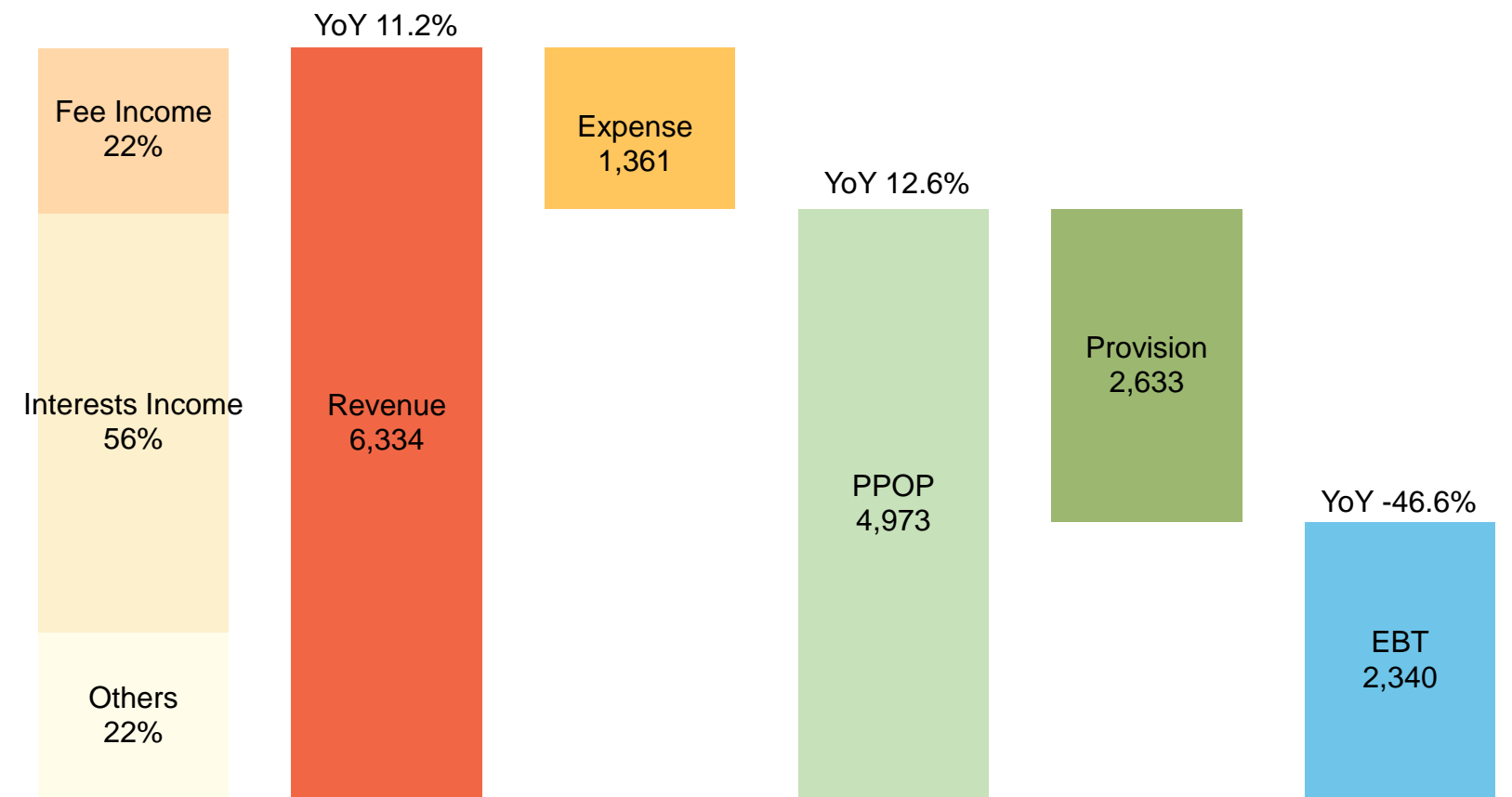
Awards

- 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.



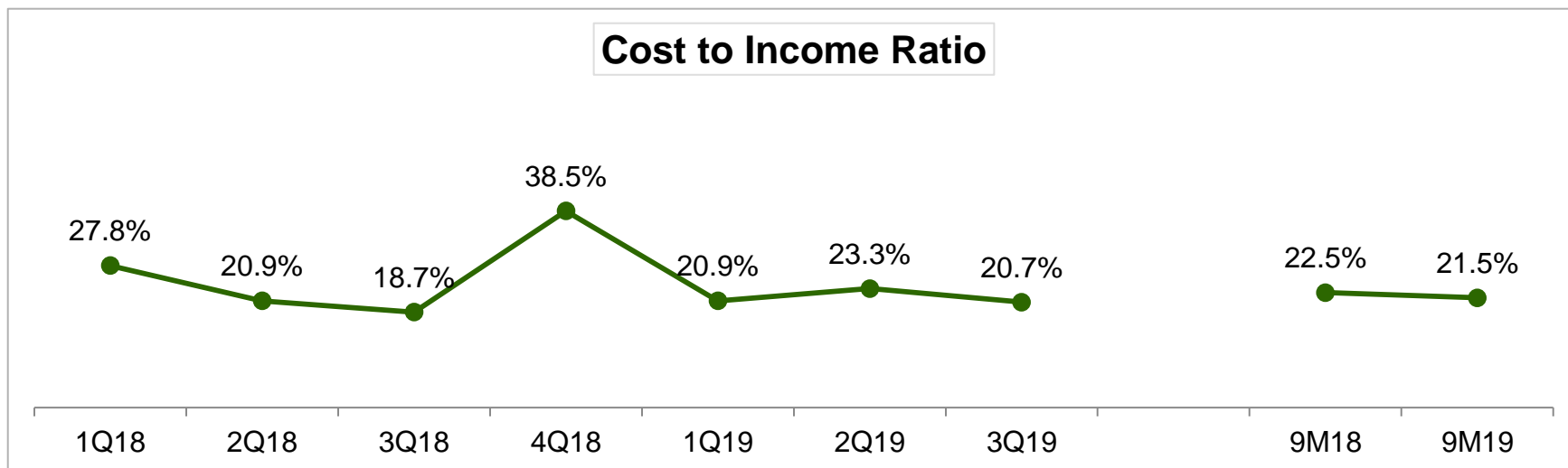
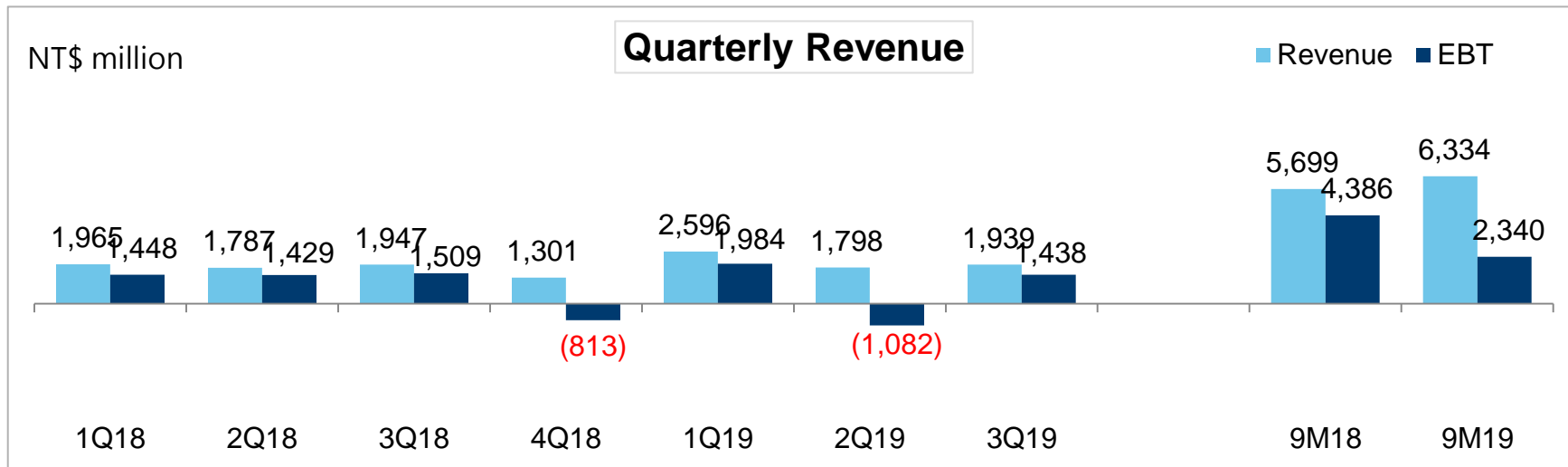
1-3Q19 Revenue Breakdown

NT\$ million



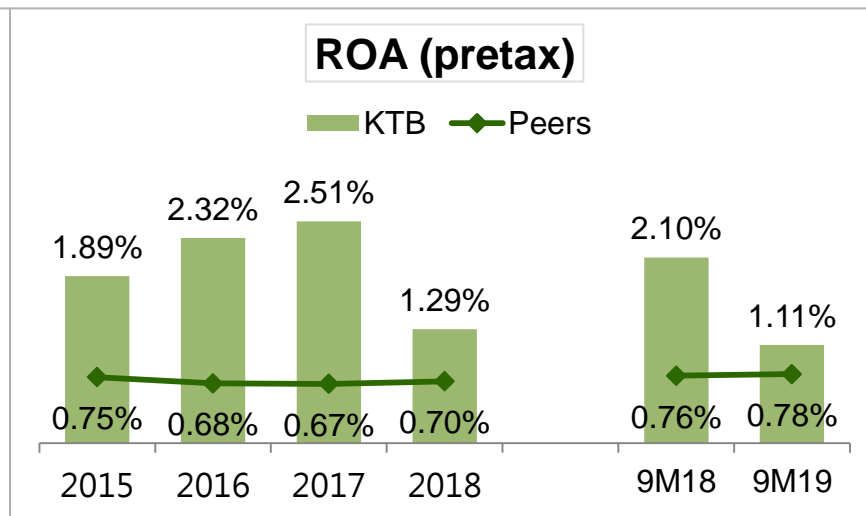
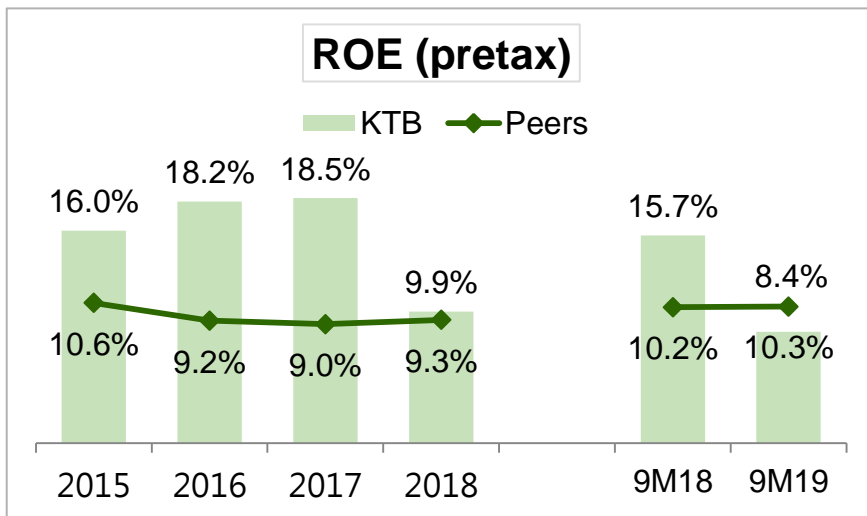
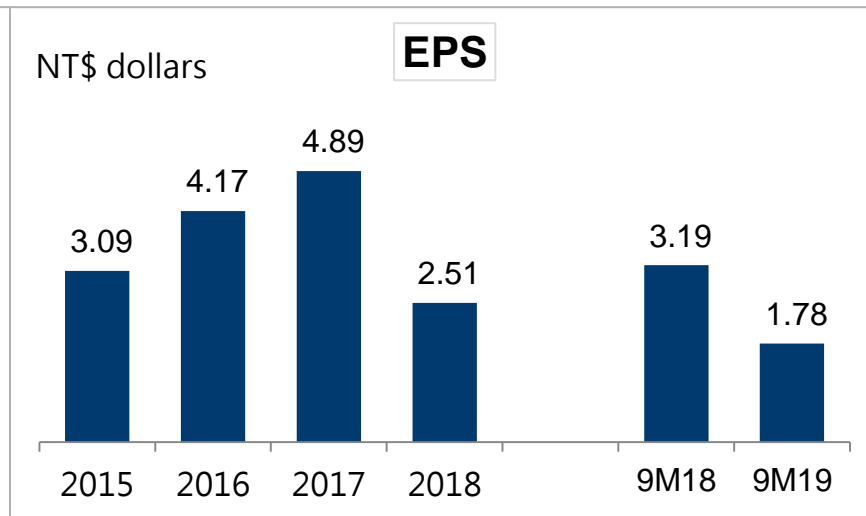
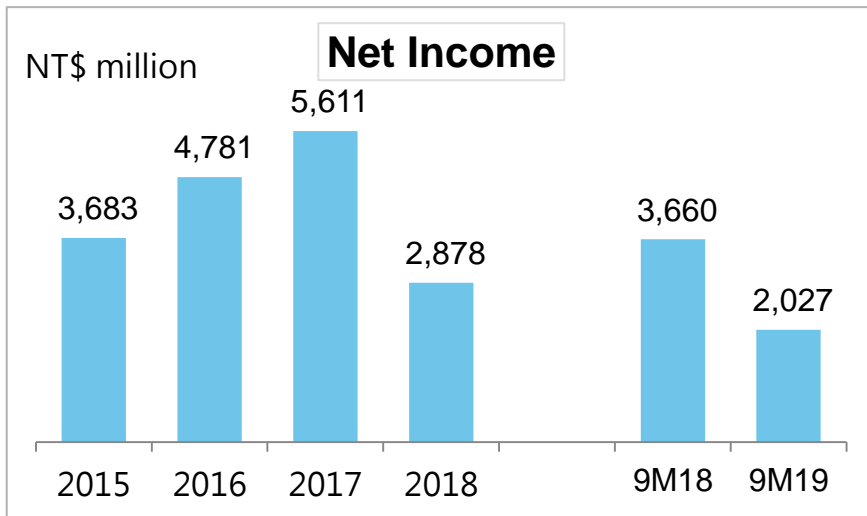


Quarterly Revenue and Expense





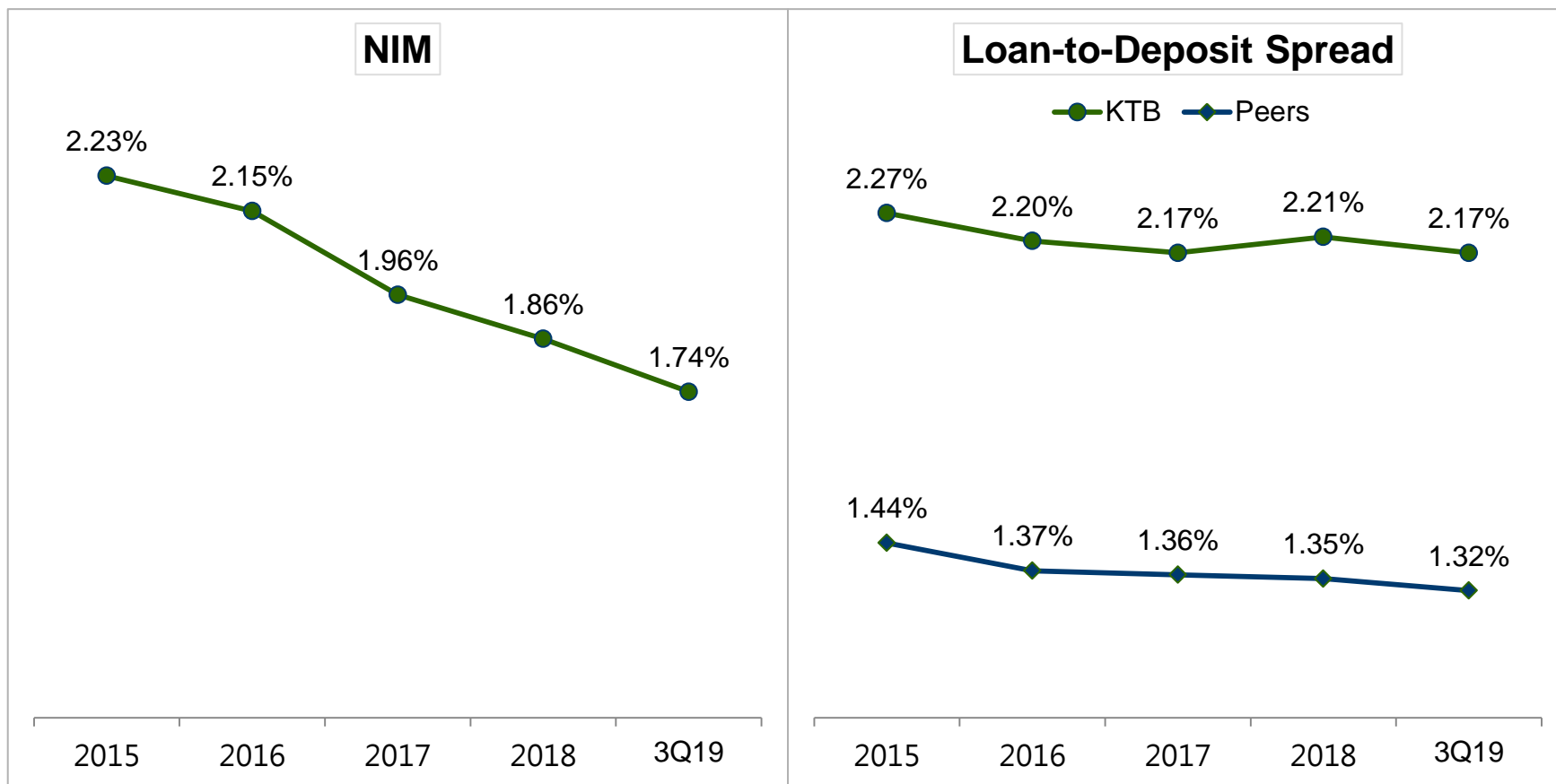
Profitability



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



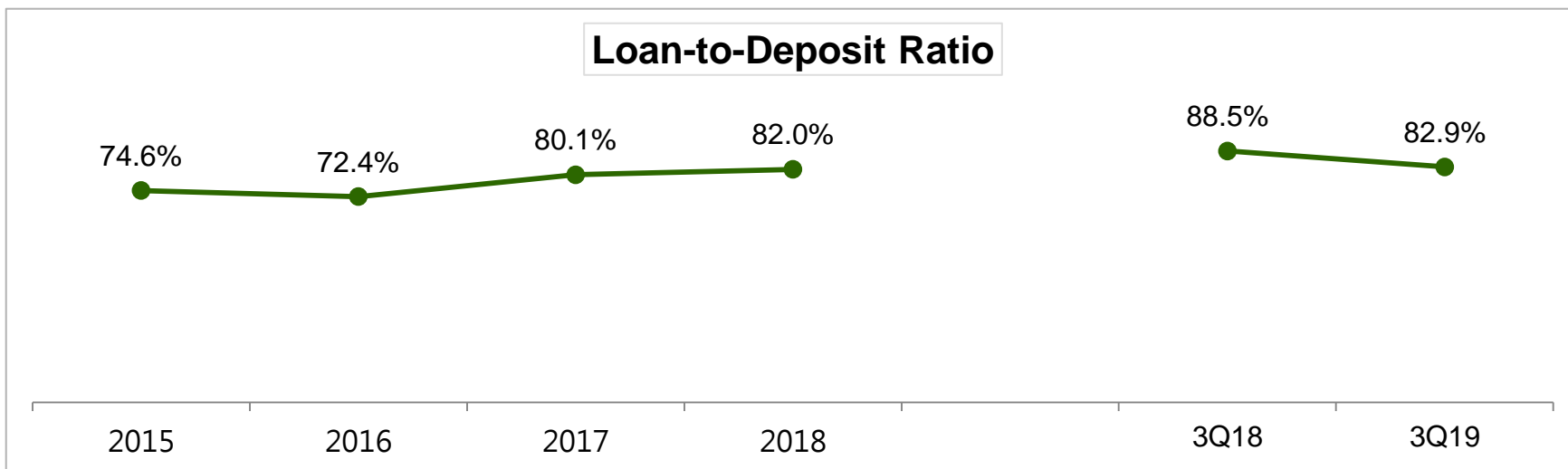
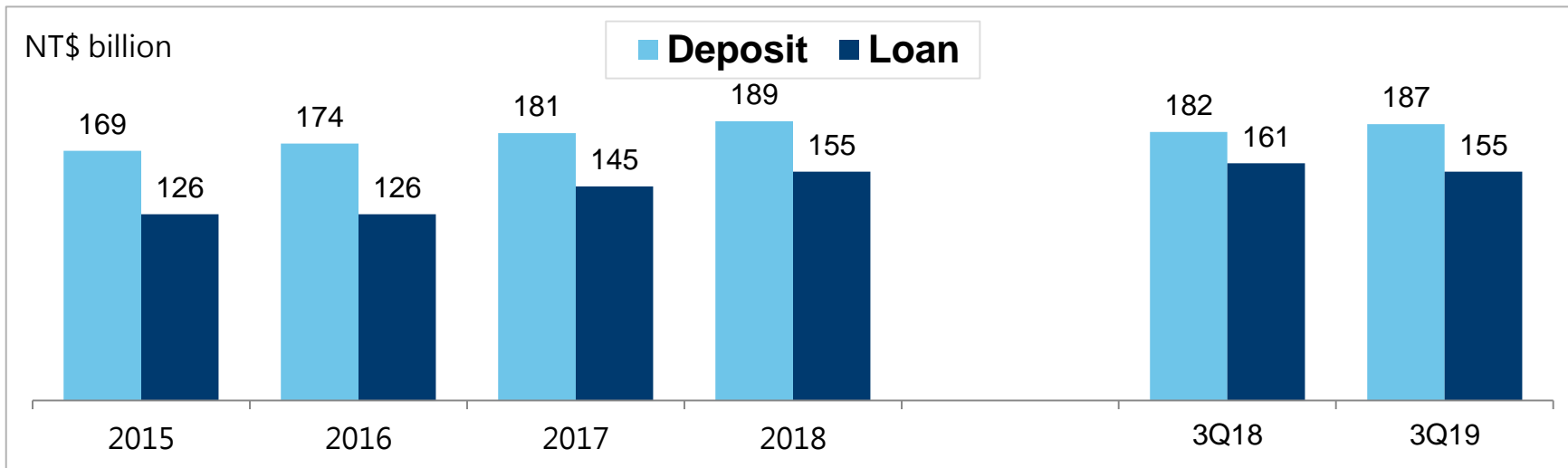
NIM and Spreads



Note: Peers data updated to 2Q/19.

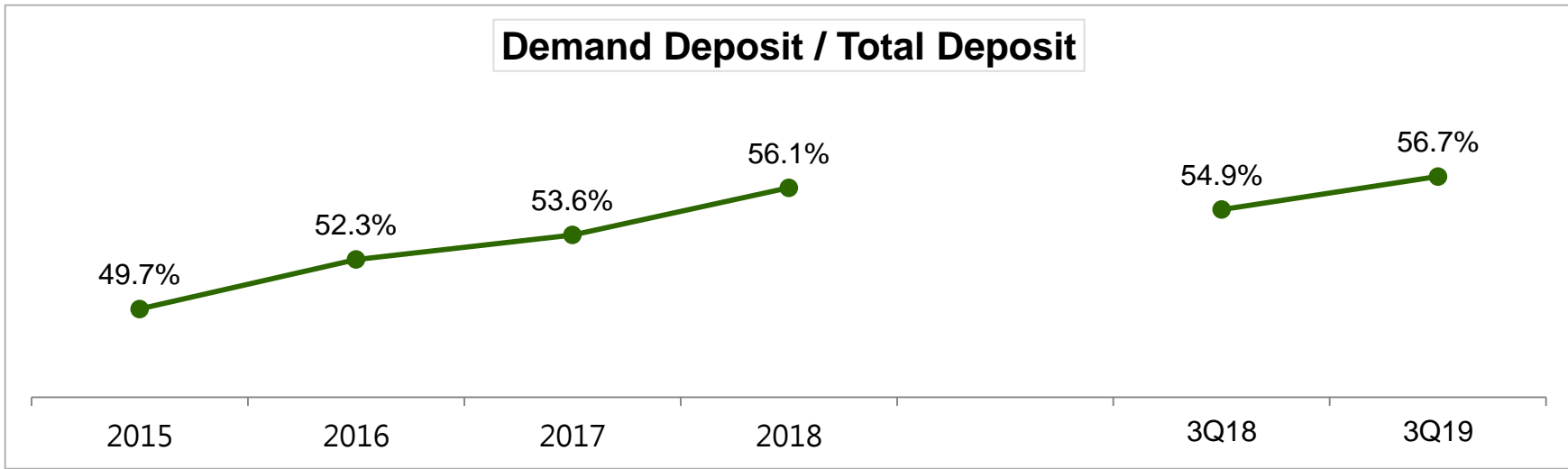
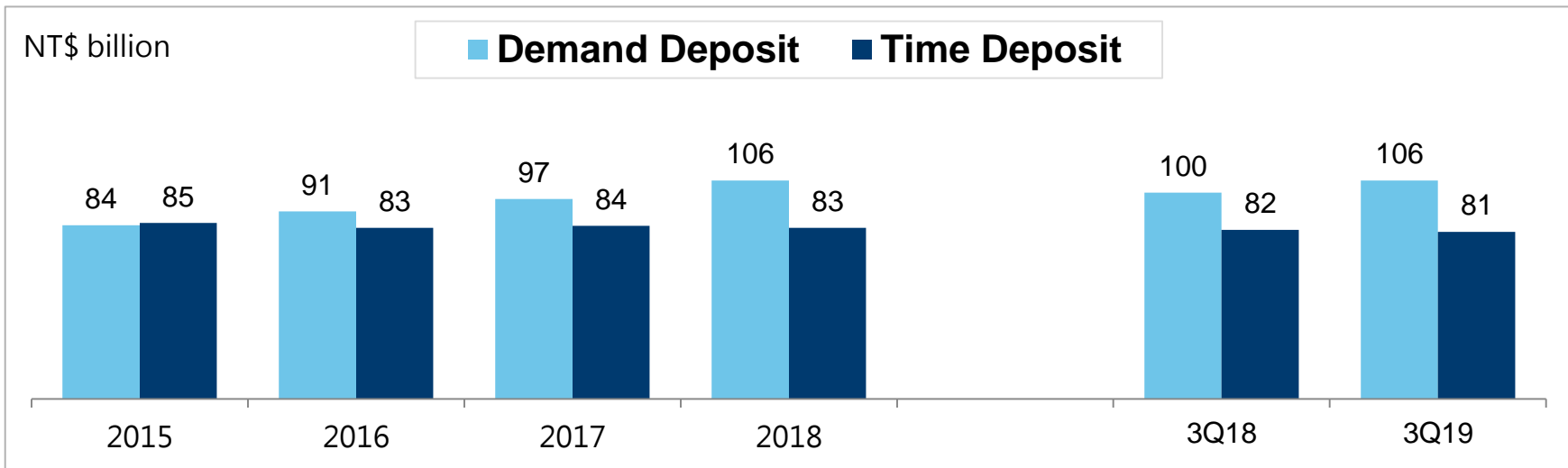


Loan and Deposit





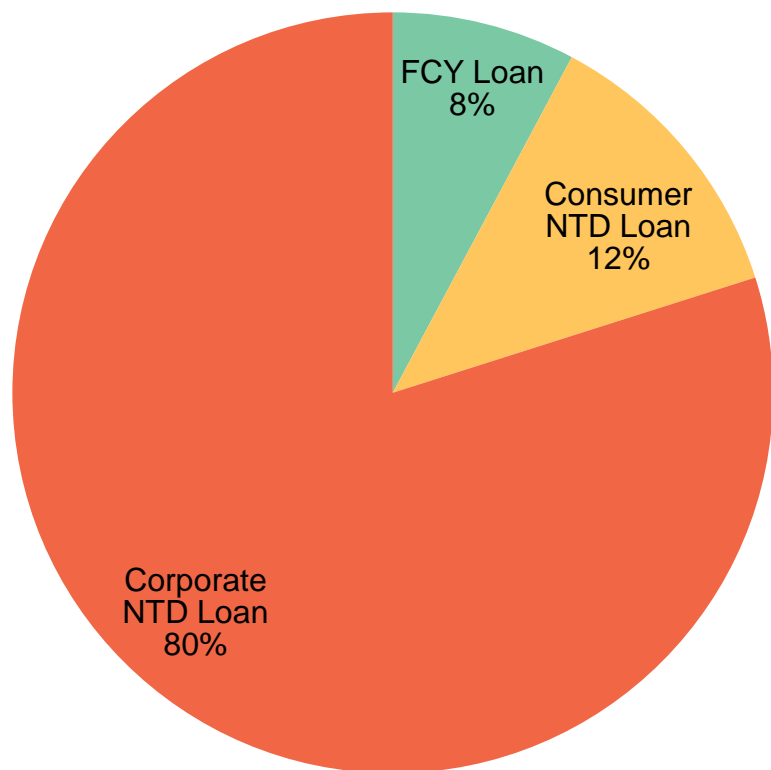
Deposit Breakdown



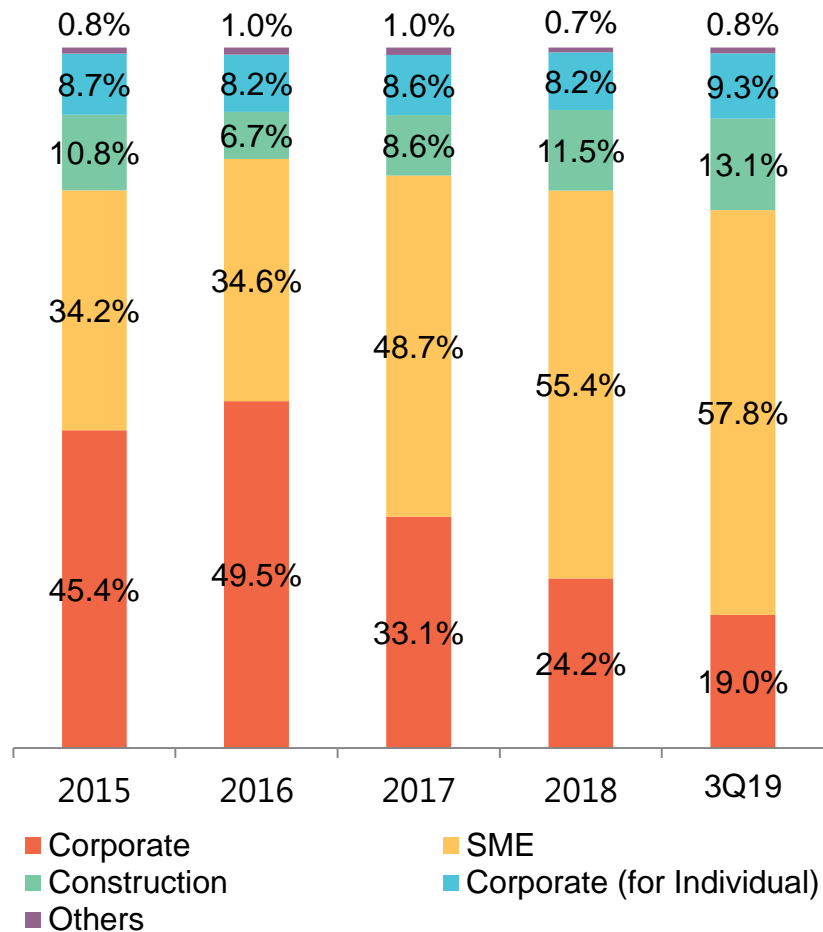


Loan Breakdown

Loan Composition (3Q19)

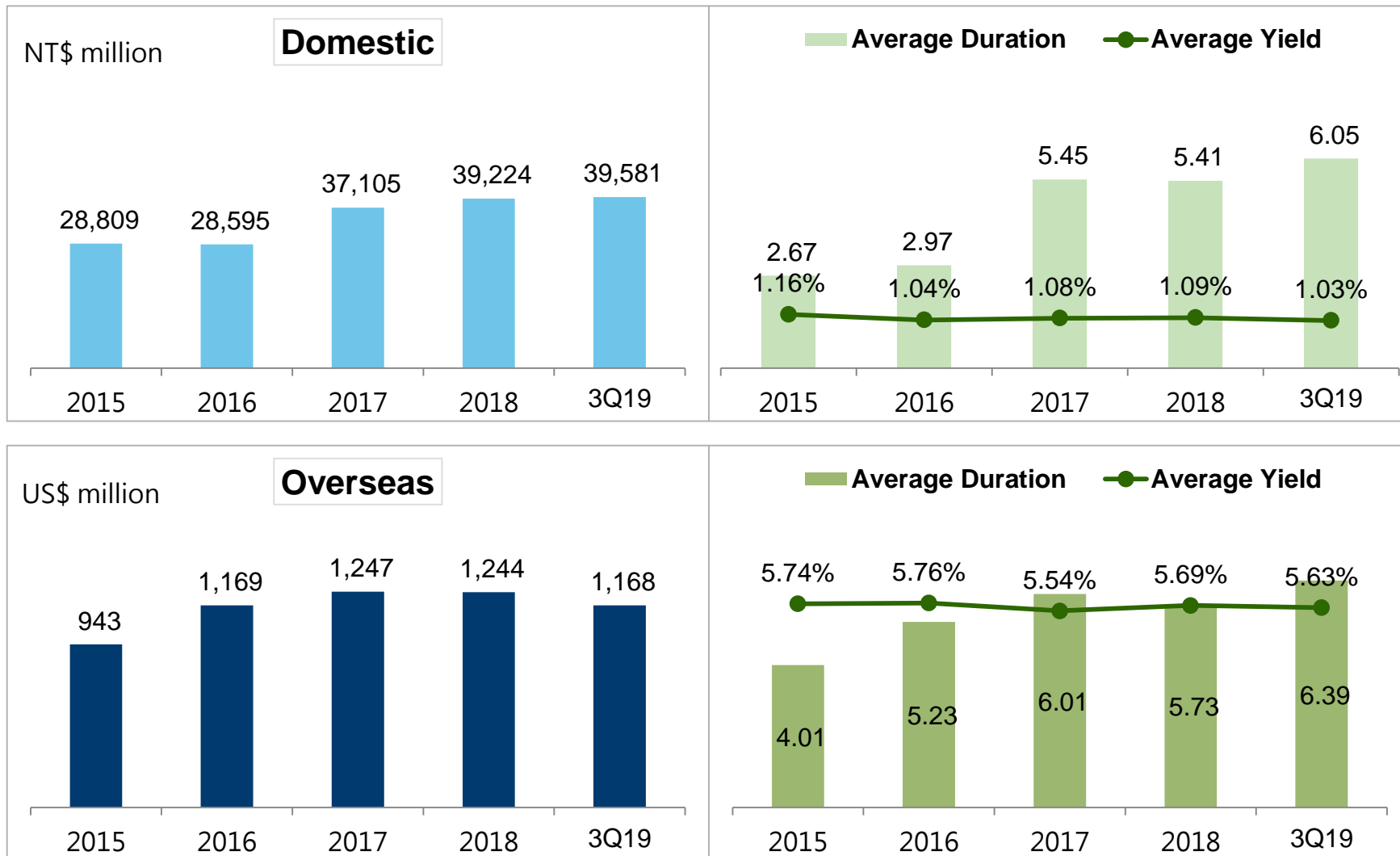


Corporate Loan by Type



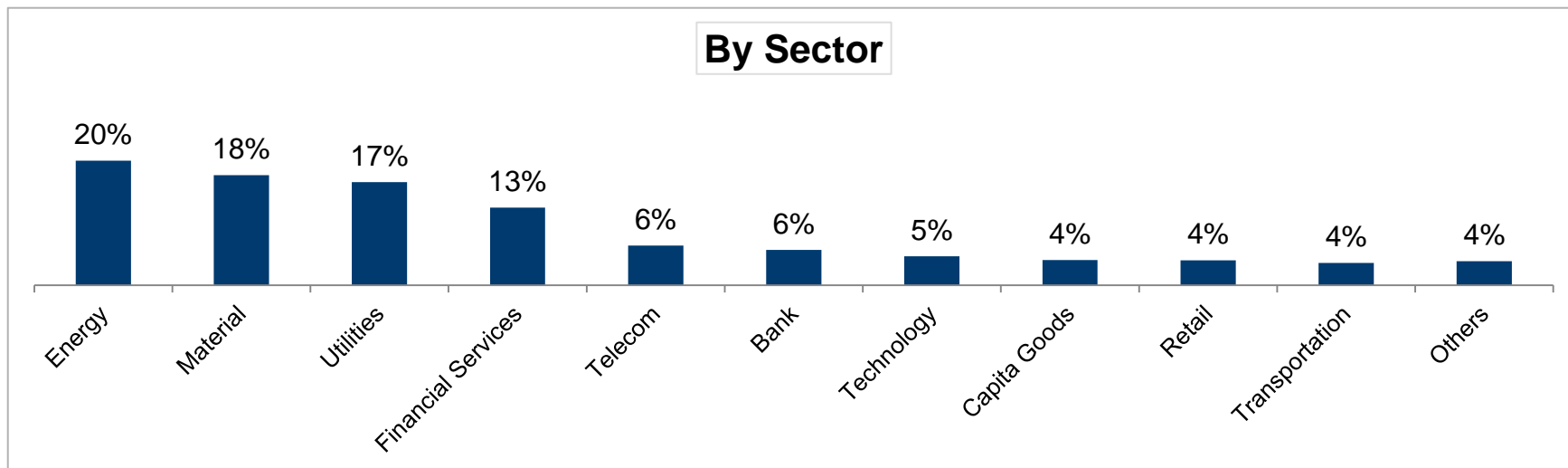
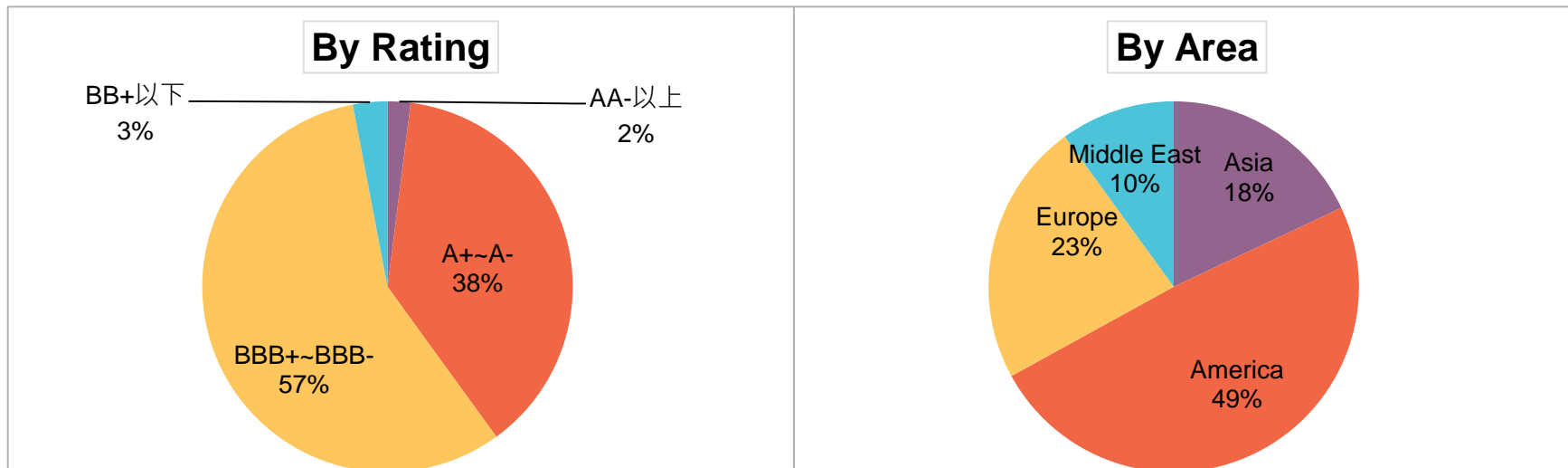


Financial Asset - Fixed Income Investment



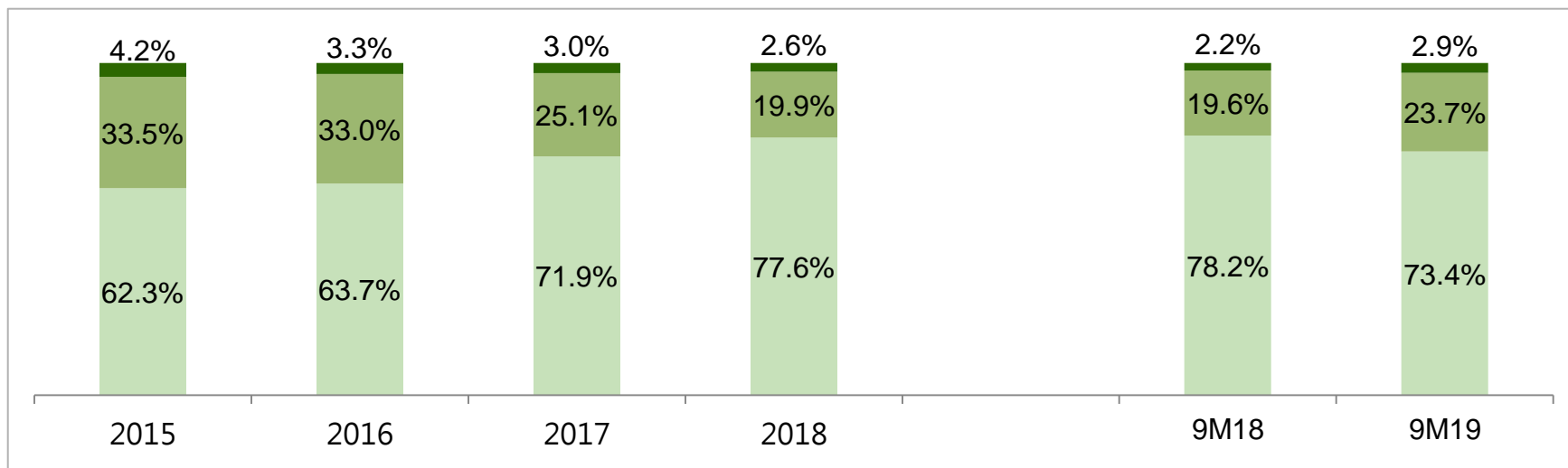
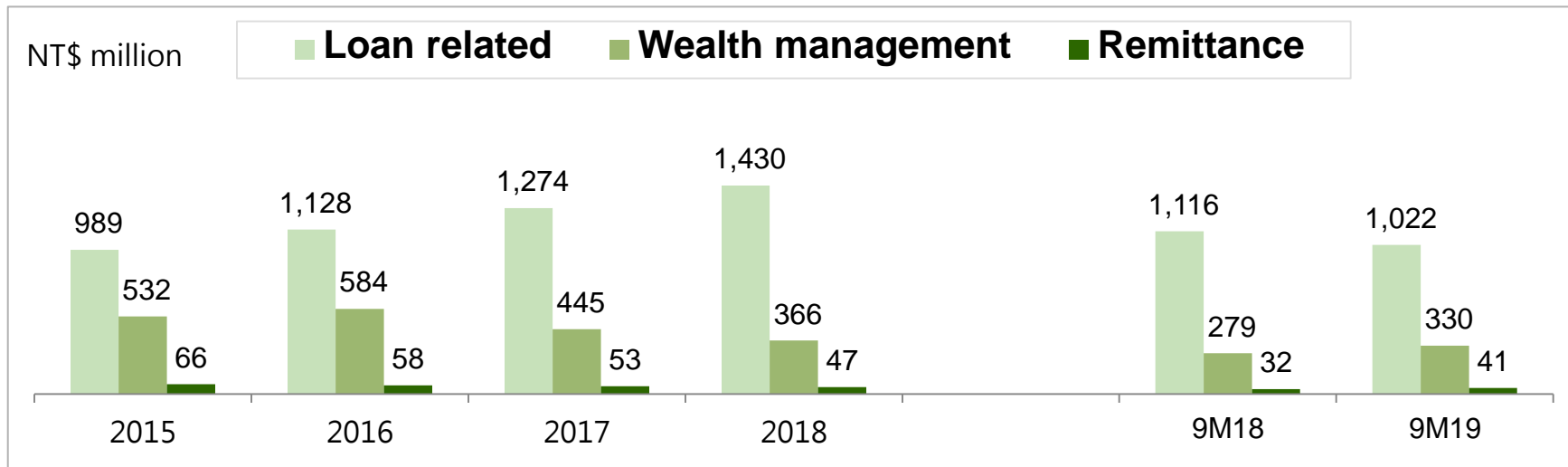


Financial Asset – Overseas Fixed Income Portfolio (3Q19)



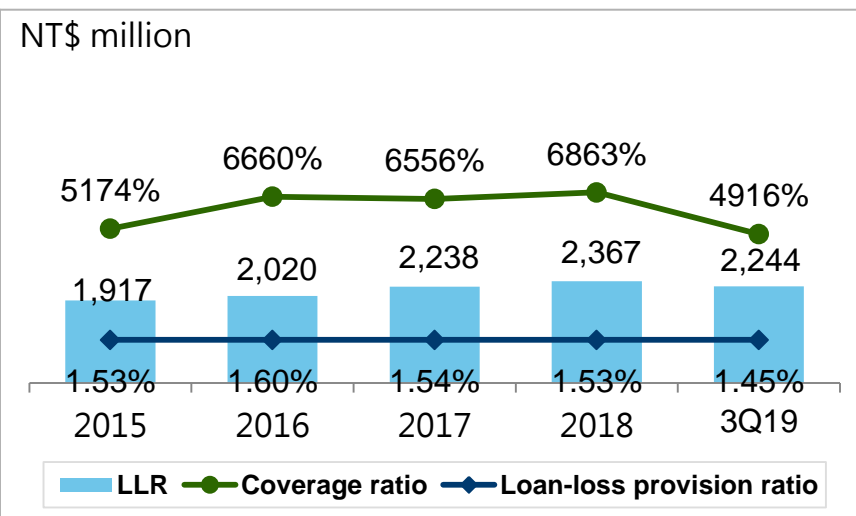
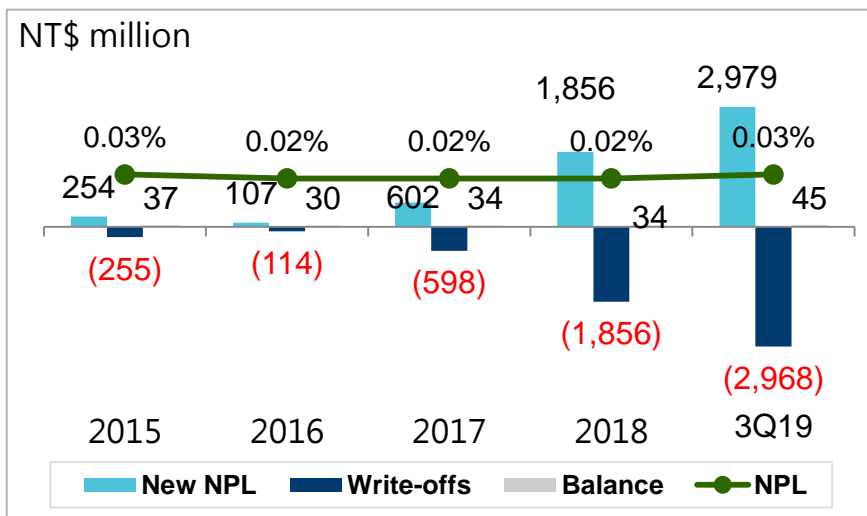
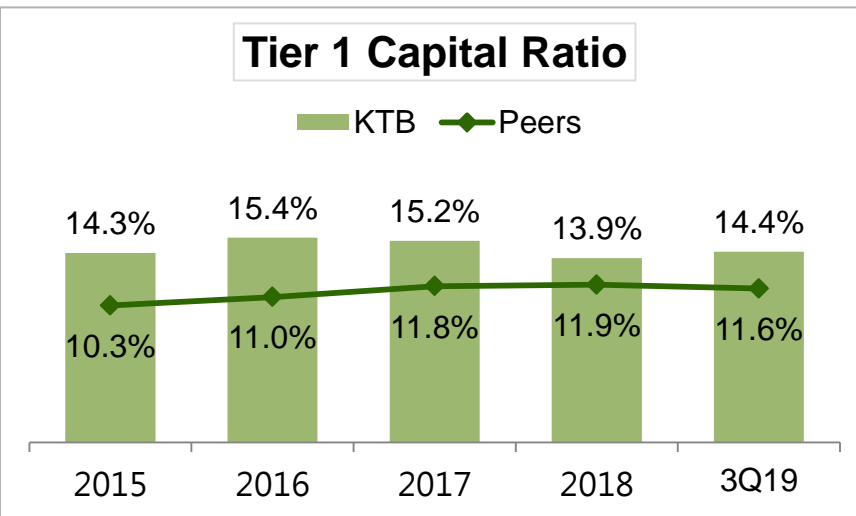
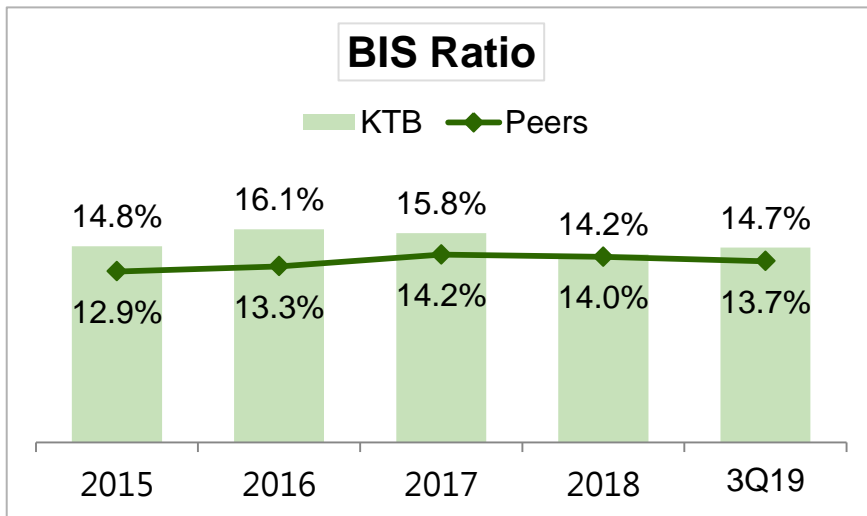


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to June 2019.



Top 1,000 World Banks 2019 - The Banker

Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Asset (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
712	24	1,098	-5.08%	9,147	0.69%	828	28

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.01%	136	2	8.53%	628	9	1.02%	407	1

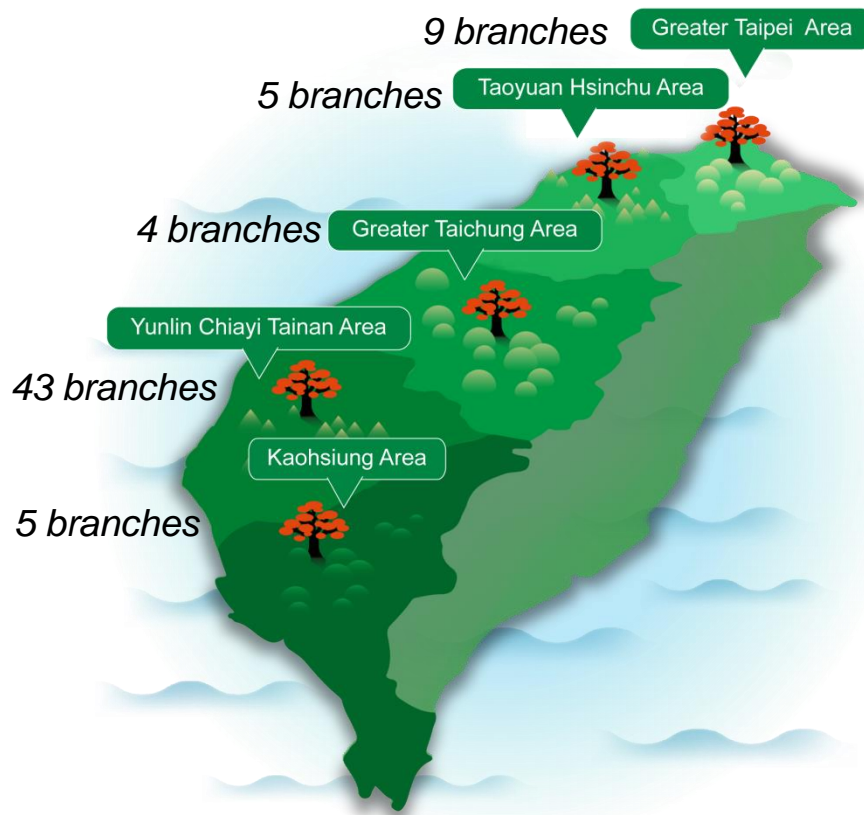


Thank you



King's Town Bank at a Glance

- 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\$ 11.3 billion.
- 23 Metro branches, contributing
 - 13% of deposits
 - 85% of loans
- 43 Non-metro branches, contributing
 - 87% of deposits
 - 15% of loans





1-3Q19 Income Statement

NT\$ million

Items	1-3Q/19	1-3Q/18	YoY
Net Interest Income	3,532	3,752	-6%
Net Fee Income	1,393	1,427	-2%
Other Income	1,409	520	171%
Revenue	6,334	5,699	11%
Operating Expense	(1,361)	(1,283)	6%
PPOP	4,973	4,416	13%
Provision for Loan Loss	(2,633)	(30)	8677%
Earning Before Tax	2,340	4,386	-47%
Net Income	2,027	3,660	-45%
EPS(Cumulative)(NT\$)	1.78	3.19	-44%



Third Quarter 2019 Balance Sheet

NT\$ billion

Items	2019.09	2018.09	YoY	Items	2019.09	2018.09	YoY
Cash, CD, Interbank Deposits, and R/S	12.7	18.8	-32%	Interbank Deposits , Interbank Borrowings	21.4	31.6	-32%
Securities	106.3	101.0	5%	Deposits	187.2	181.6	3%
Loans	152.9	158.2	-3%	R/P	28.7	28.4	1%
Property and Equipment	2.6	2.4	8%	Other Liabilities	4.0	5.7	-30%
Other Assets	6.0	4.6	30%	Total Liabilities	241.3	247.3	-2.4%
Total Assets	280.5	285.0	-1.6%	Shareholder's Equity	39.1	37.6	4%