



# King's Town Bank Investor Presentation

February 2020

Stock Code : 2809.TW



Note : The preliminary results announced today are unaudited and are therefore subject to change.



## Disclaimer

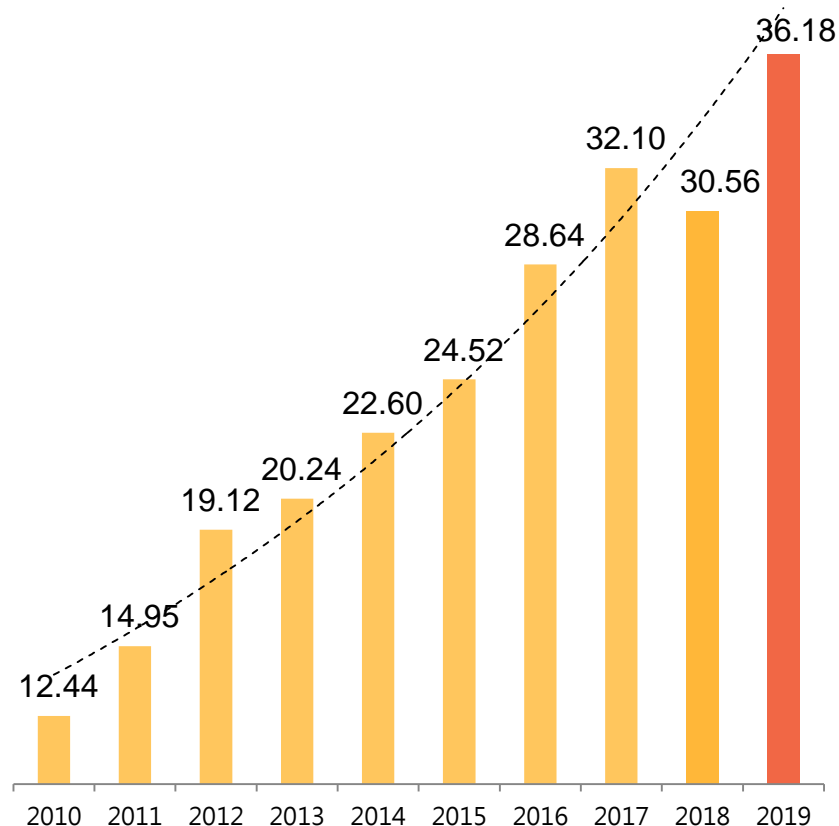
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



# FY19 Financial Review

	2019.12	2018.12
Total Assets (NT\$ mm)	282,743	281,095
Book Value/share (NT\$)	36.18	30.56
ROE (pretax)	10.26%	9.91%
ROA (pretax)	1.38%	1.29%
BIS Ratio	15.04%	14.21%
NPL Ratio	0.01%	0.02%
Coverage Ratio	9,917.55%	6,863.31%
Loan-loss Provision Coverage Ratio	1.44%	1.53%
QFII Holdings	17.42%	21.96%
Fitch Rating	A+(tw) 、 F1(twn)	

**Book Value per share**





# FY19 Operating Highlights

## Financial Performance

- Reported after-tax net income for year 2019 of NT\$ 3,400 million or NT\$ 2.99 per share after tax (EPS).
- 2019 ROE before tax was 10.26% and ROA before tax was 1.38%.
- Asset quality remains sound with NPL ratio at 0.01%, coverage ratio at 9918% and loan-loss provision coverage ratio at 1.44%.

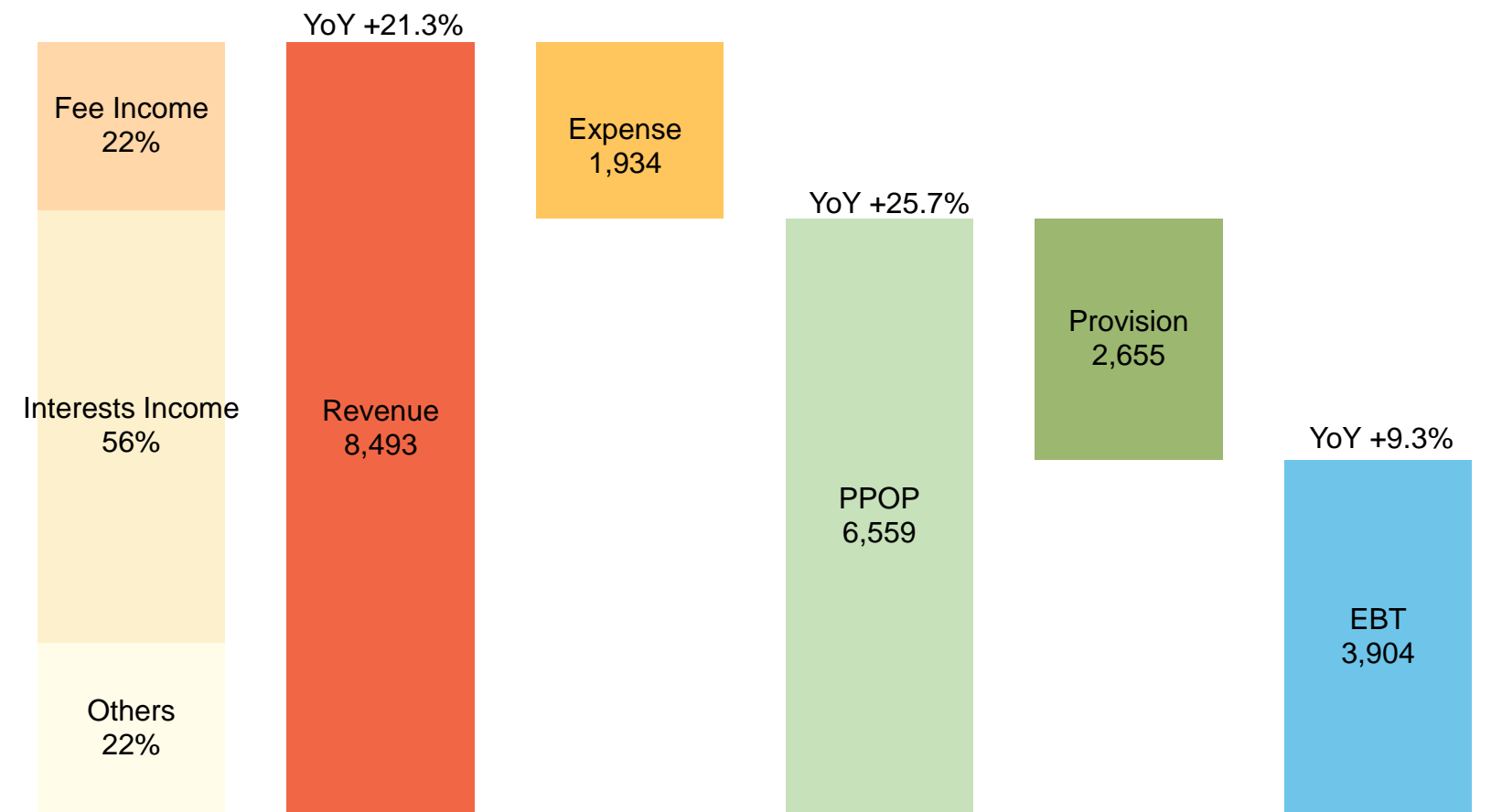
## Awards

- Selected as Top 5% of “Corporate Governance Best-Practice for TWSE Listed Companies” for two consecutive years.
- Credit rating affirmed by Fitch at BBB with stable outlook · local rating at A+(twn) · F1(twn) for 6 consecutive years.



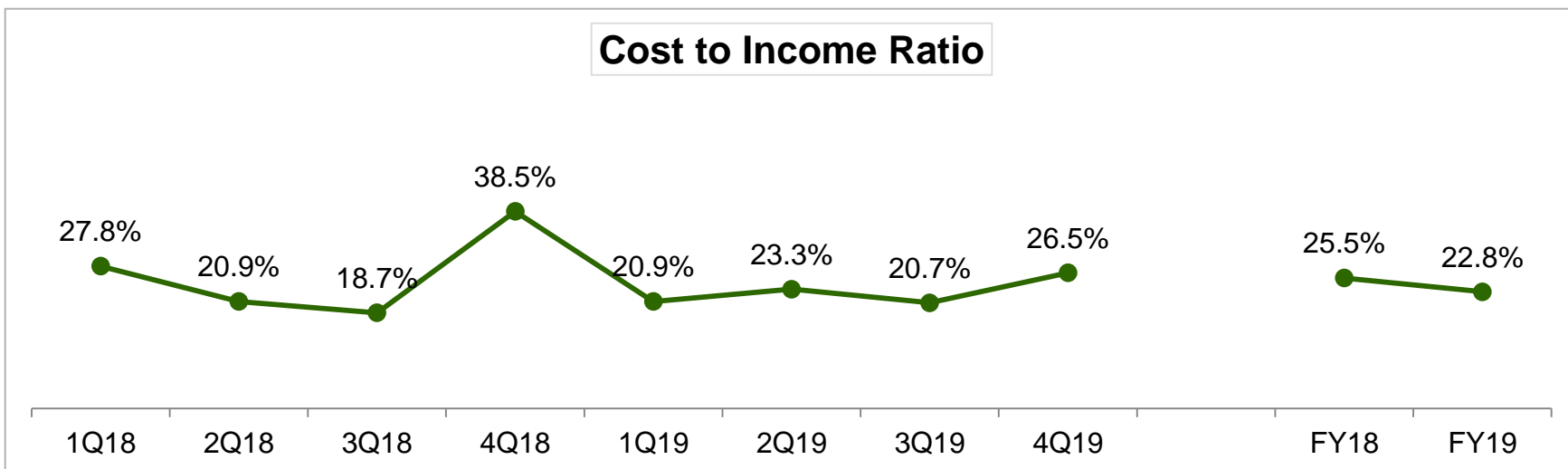
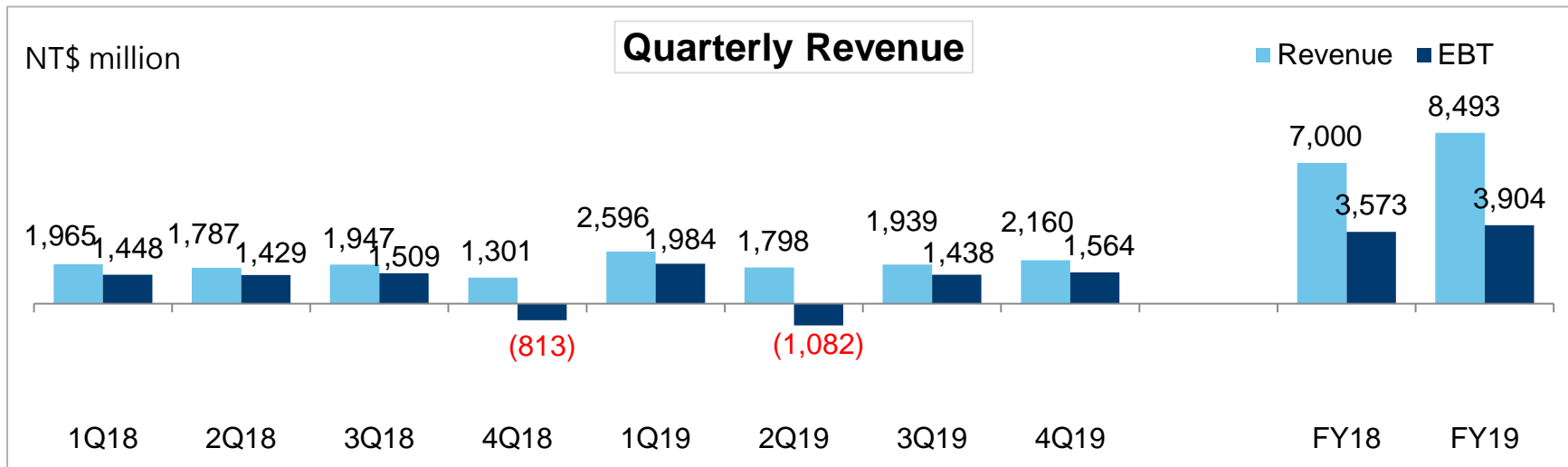
# FY19 Revenue Breakdown

NT\$ million



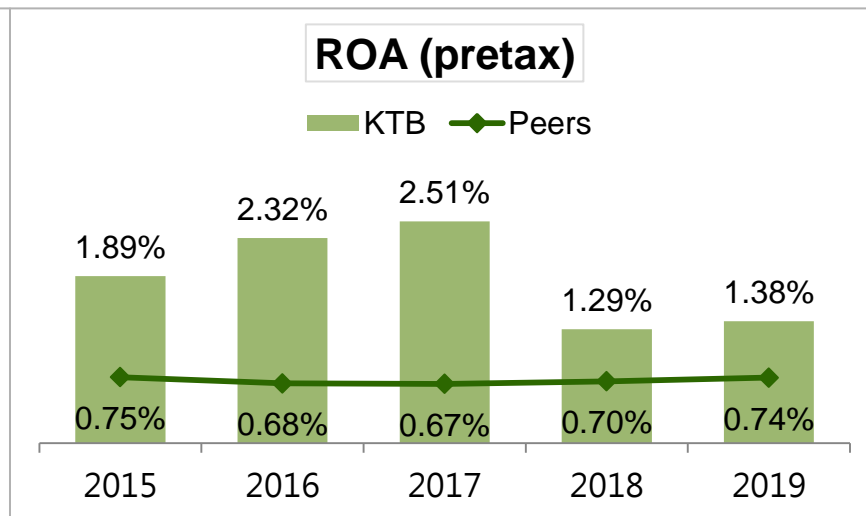
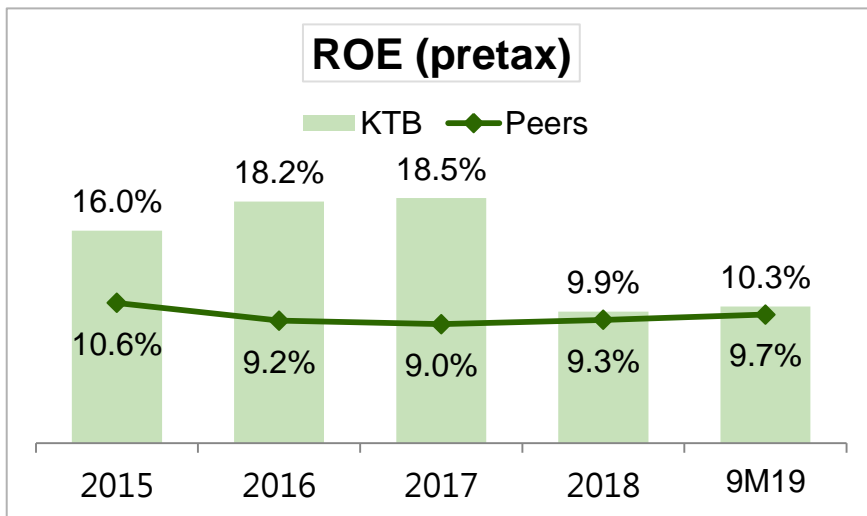
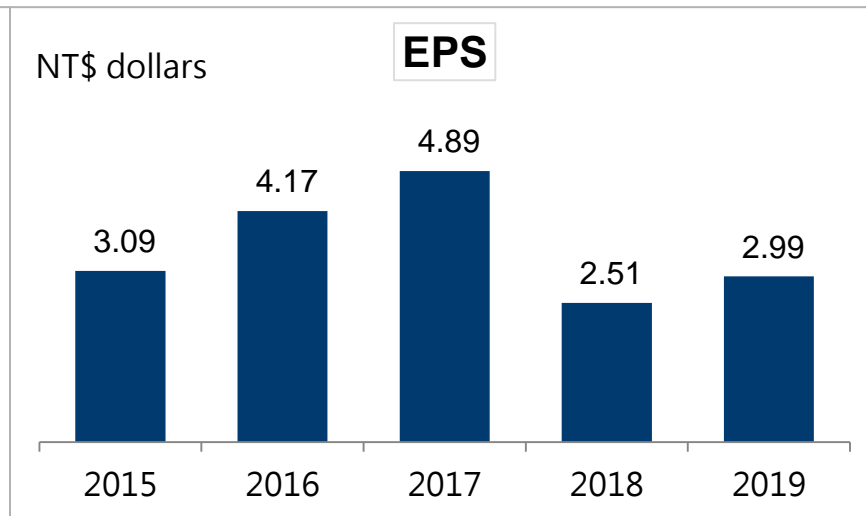
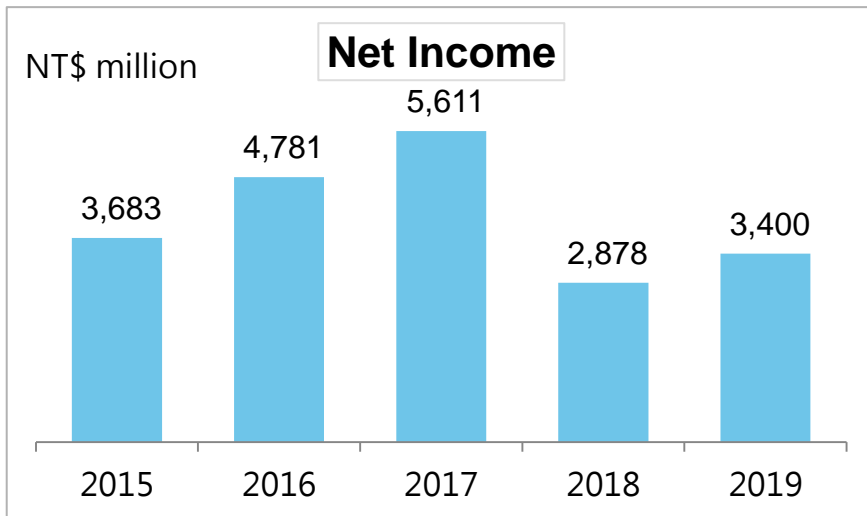


# Quarterly Revenue and Expense





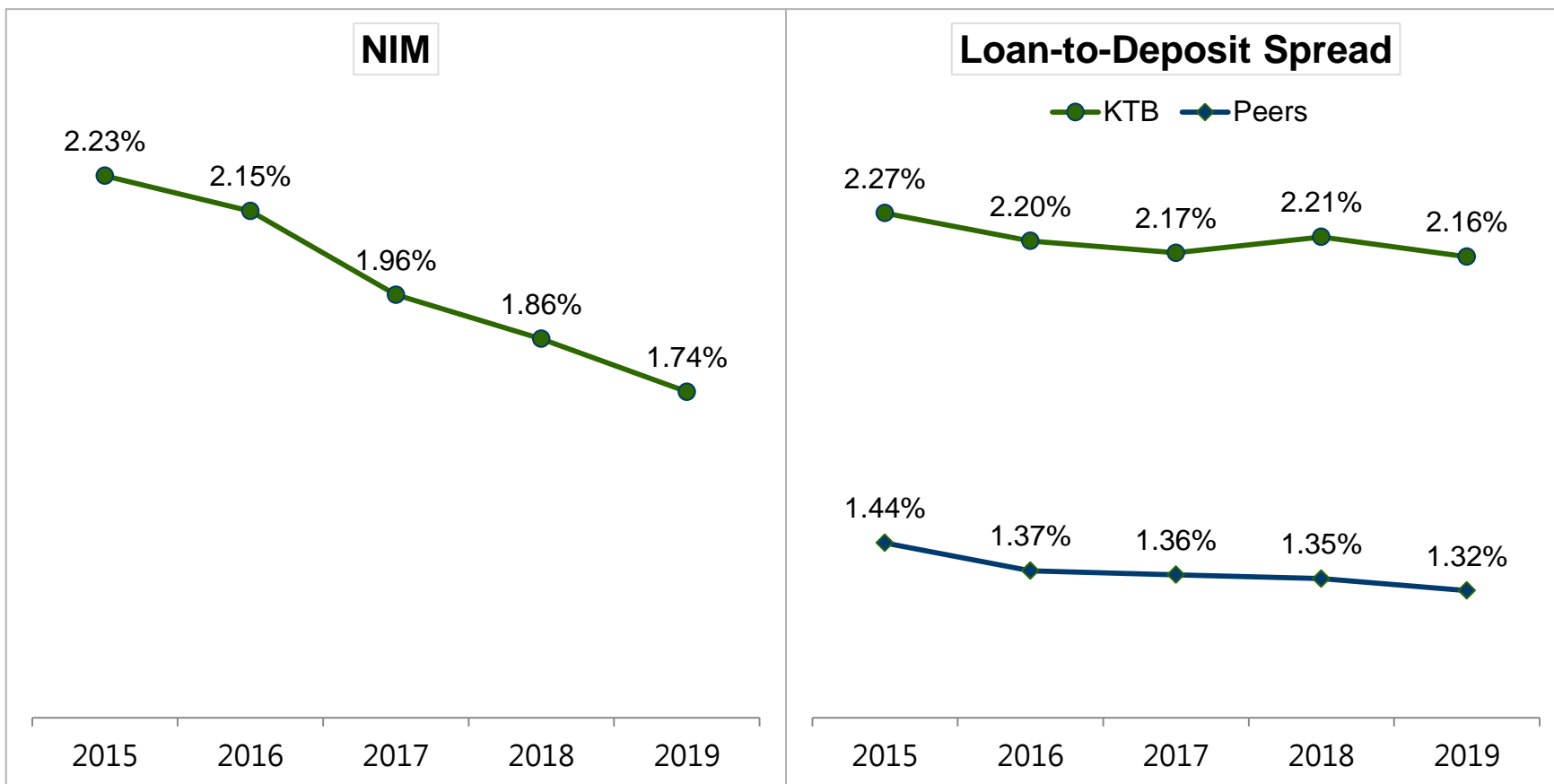
# Profitability



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



# NIM and Spreads

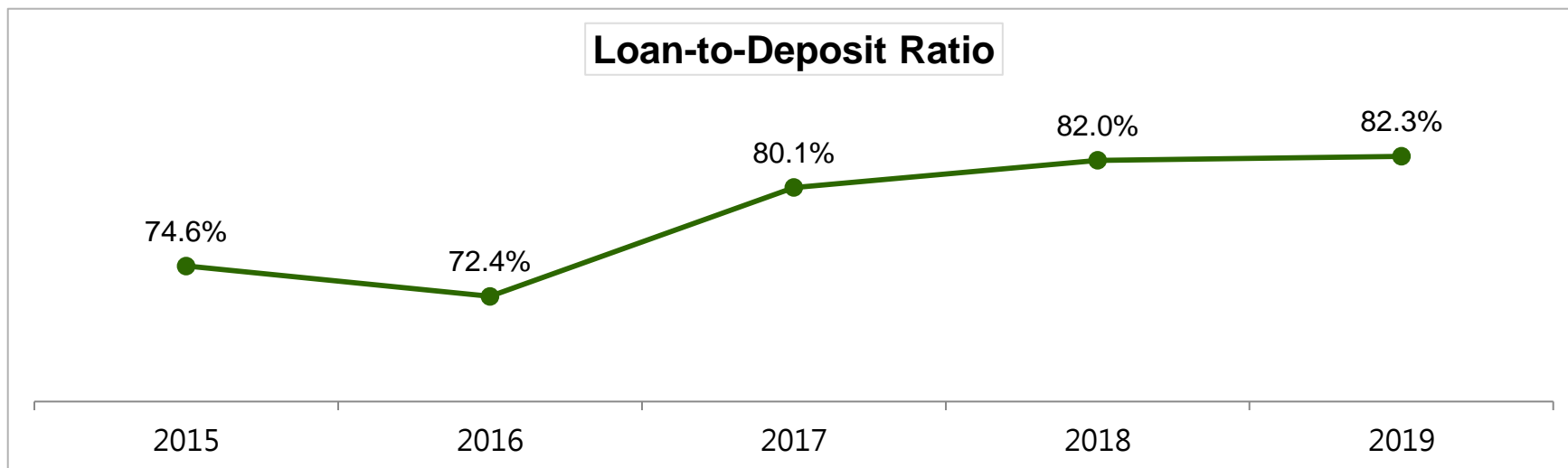
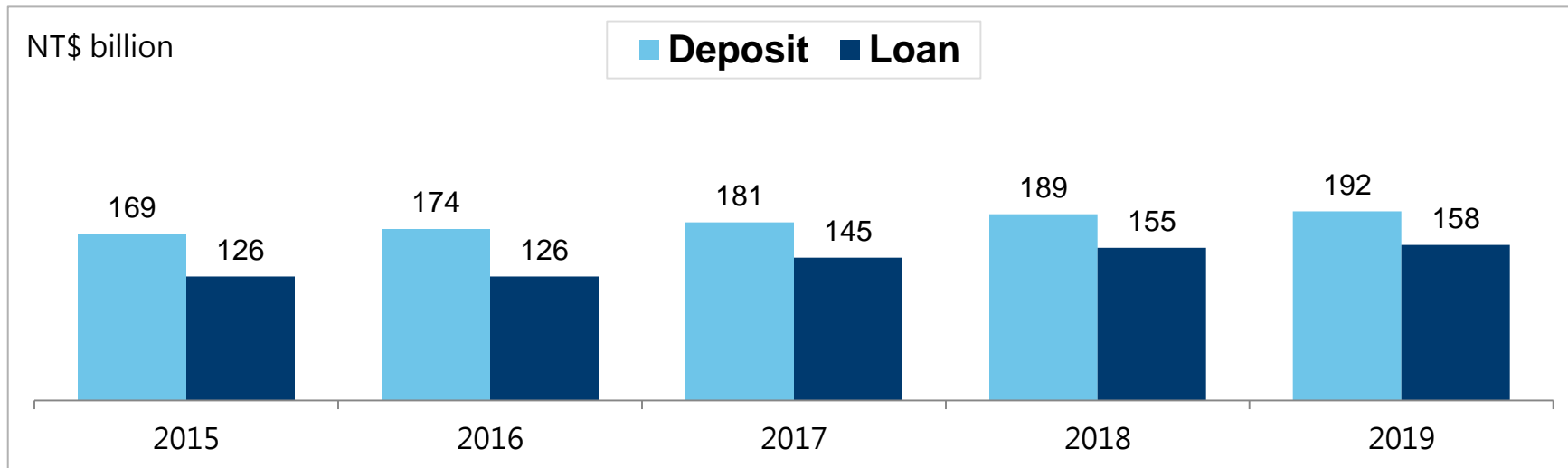


Note: Peers data updated to 3Q/19.



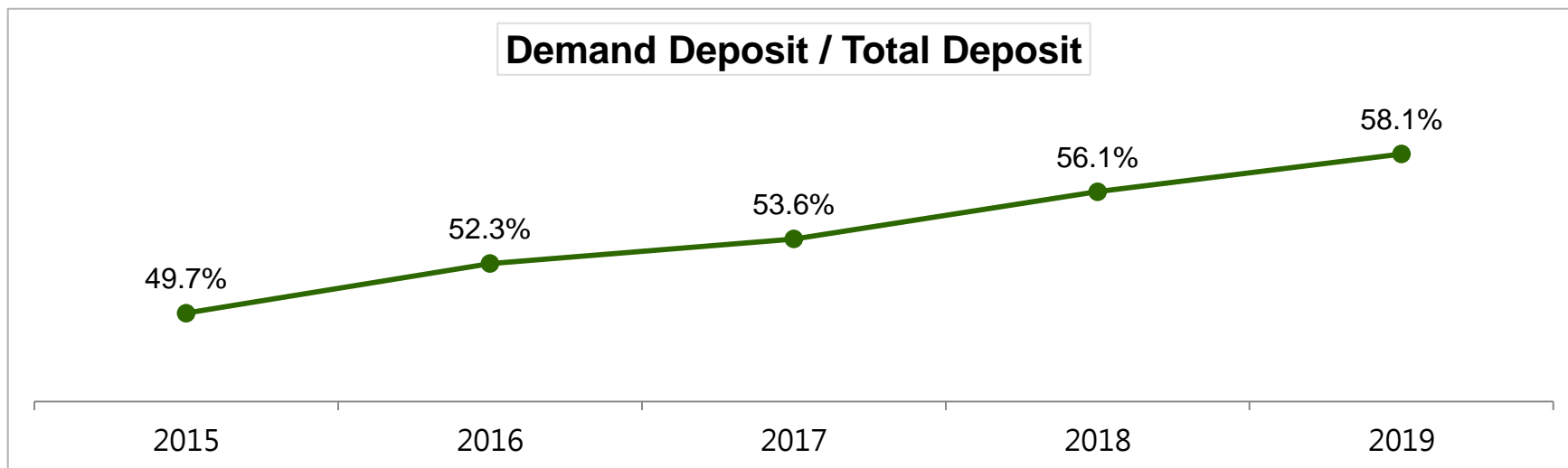
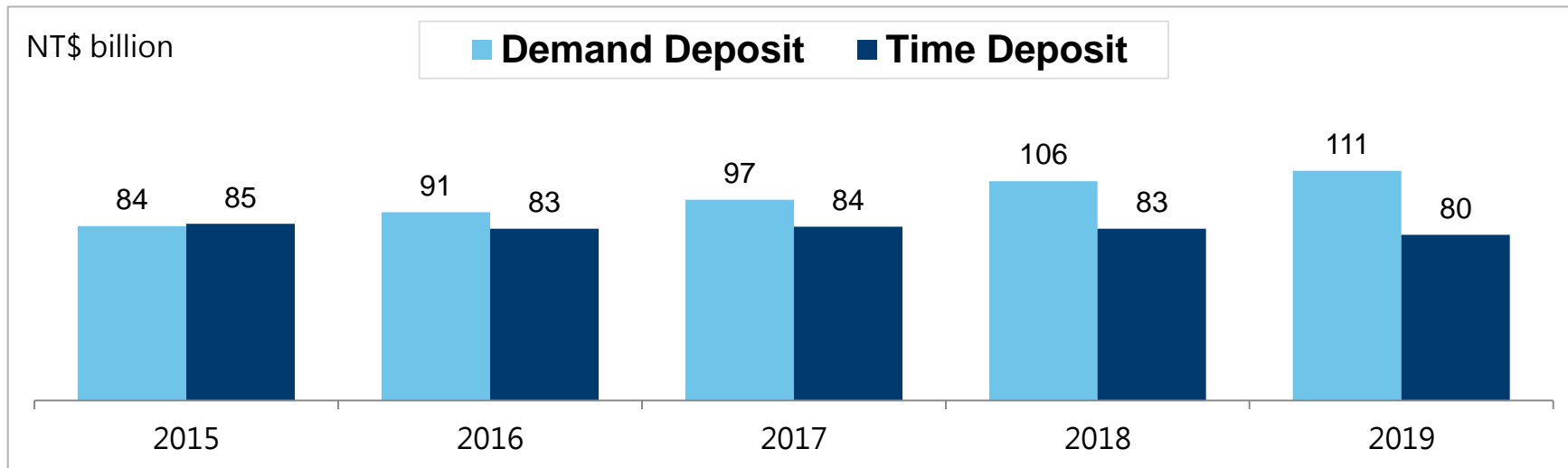


# Loan and Deposit





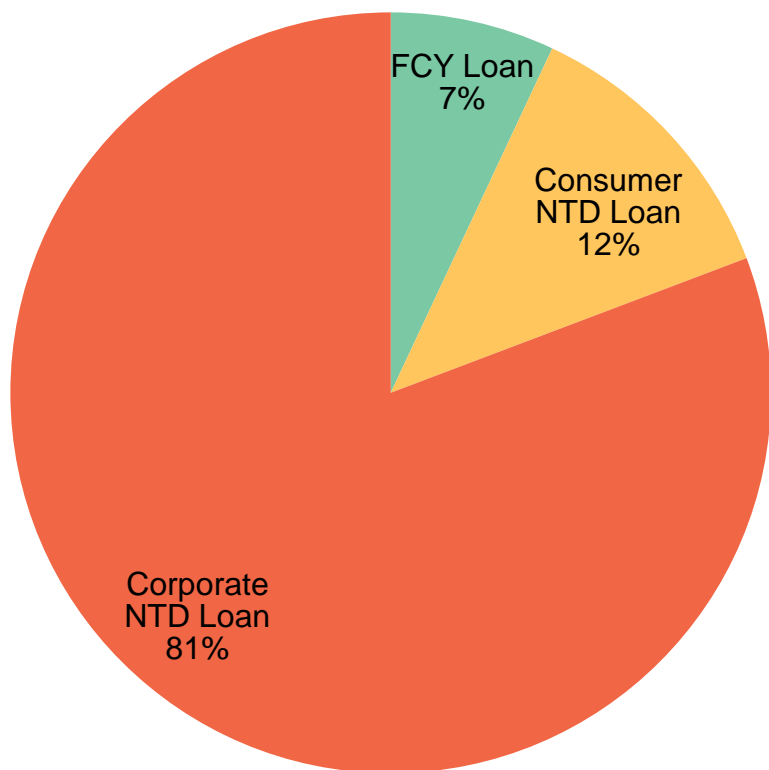
# Deposit Breakdown



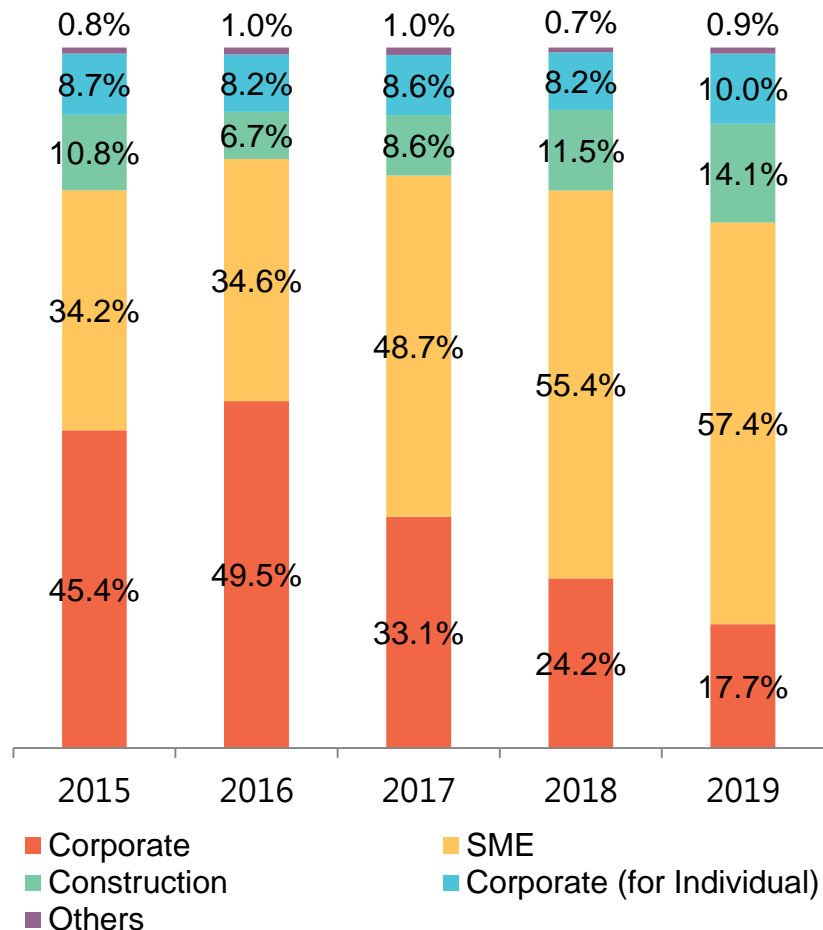


# Loan Breakdown

**Loan Composition (FY19)**

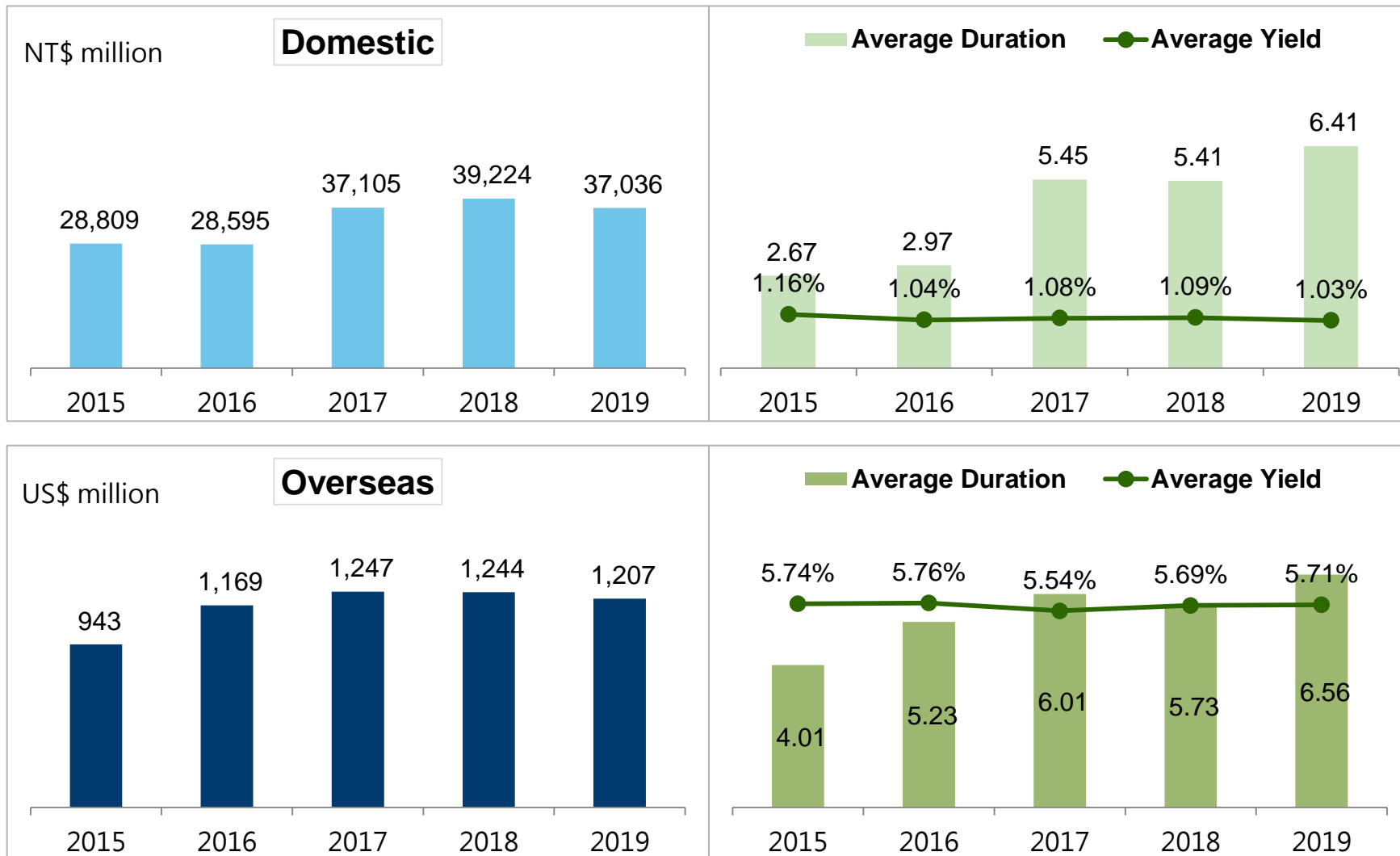


**Corporate Loan by Type**



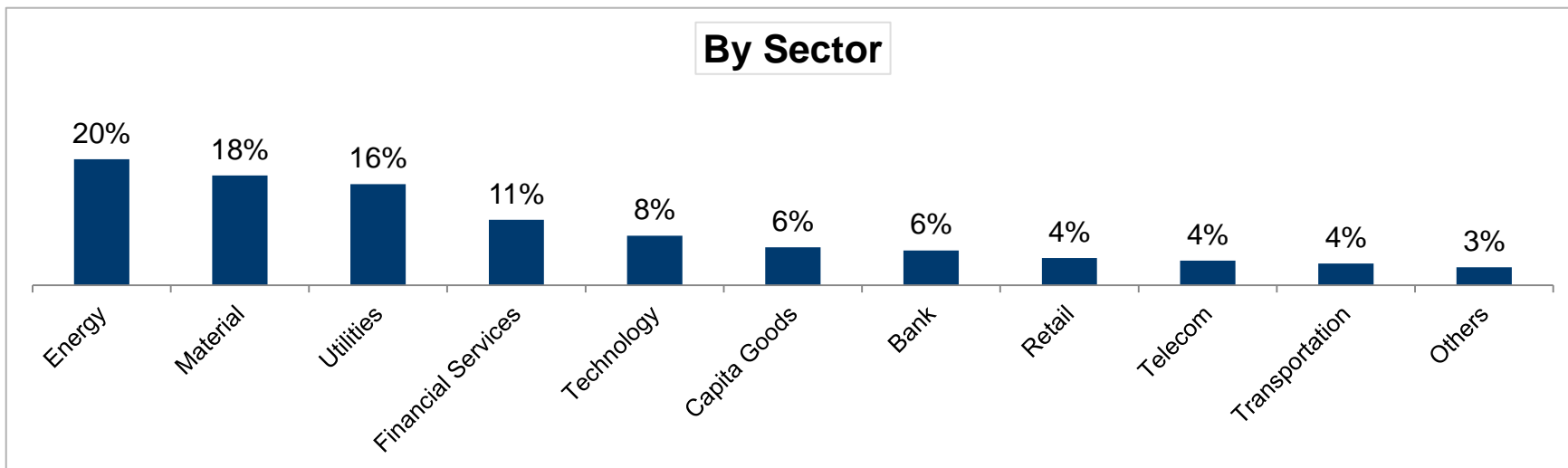
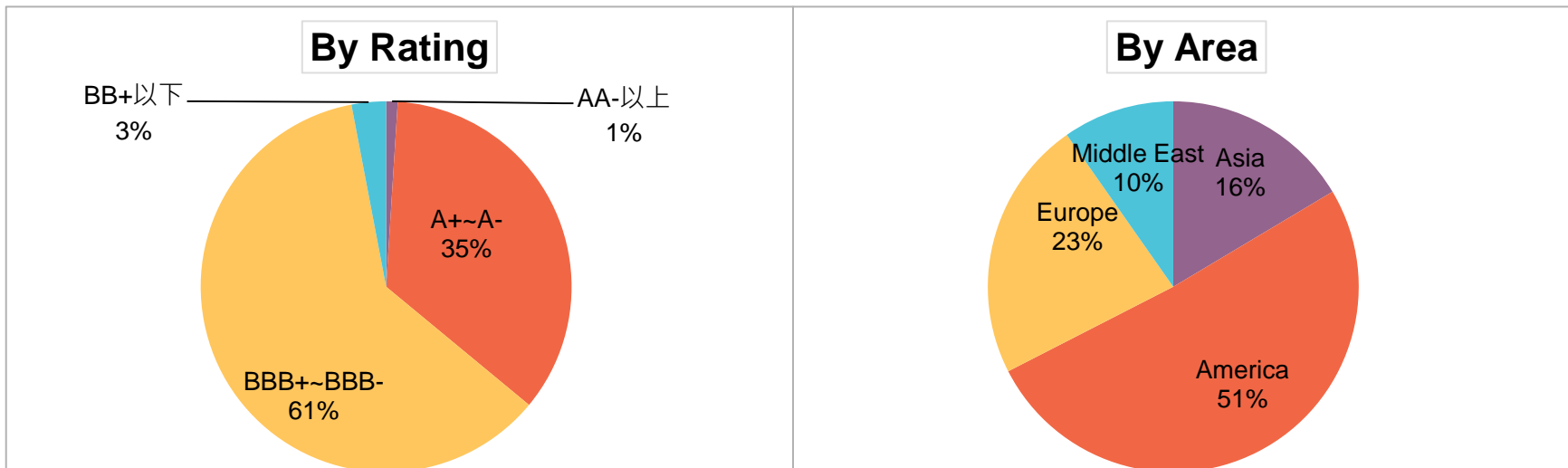


# Financial Asset - Fixed Income Investment



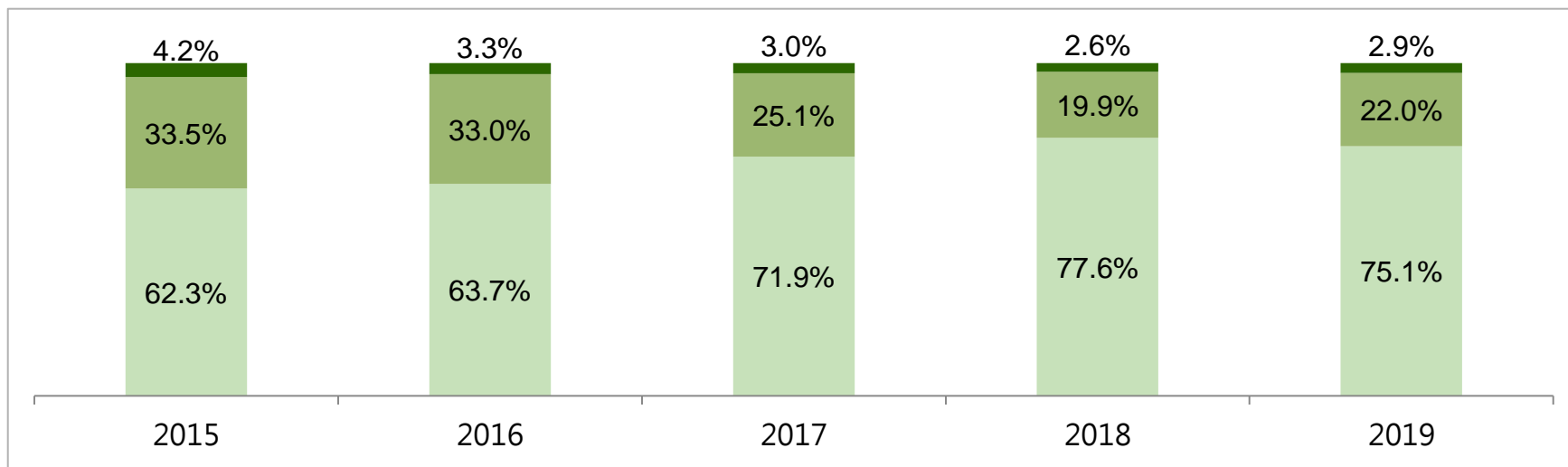
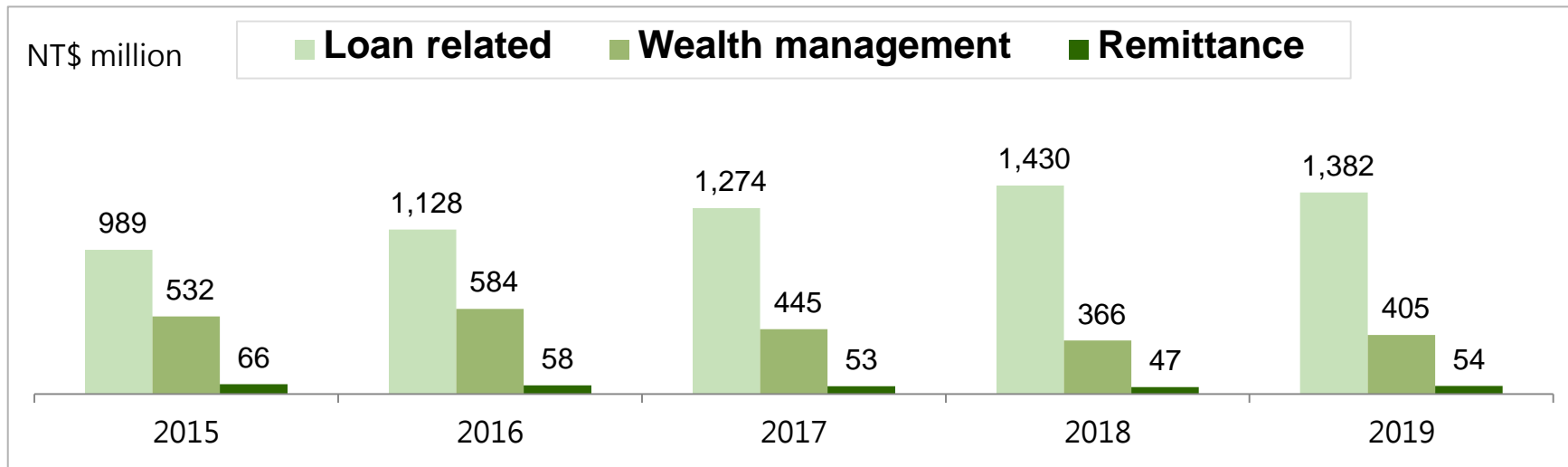


# Financial Asset – Overseas Fixed Income Portfolio (FY19)



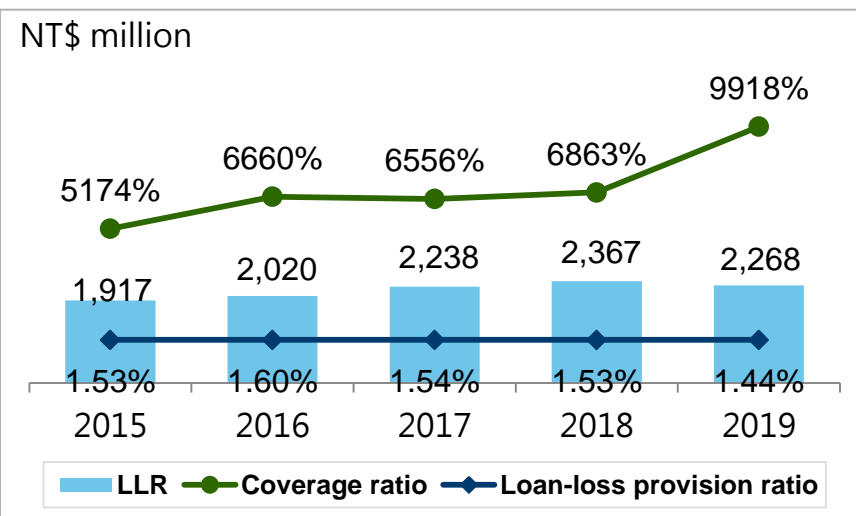
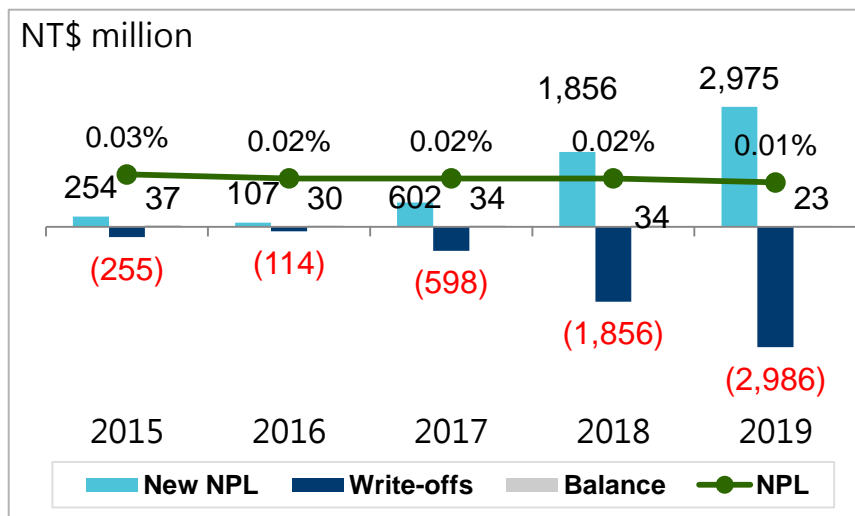
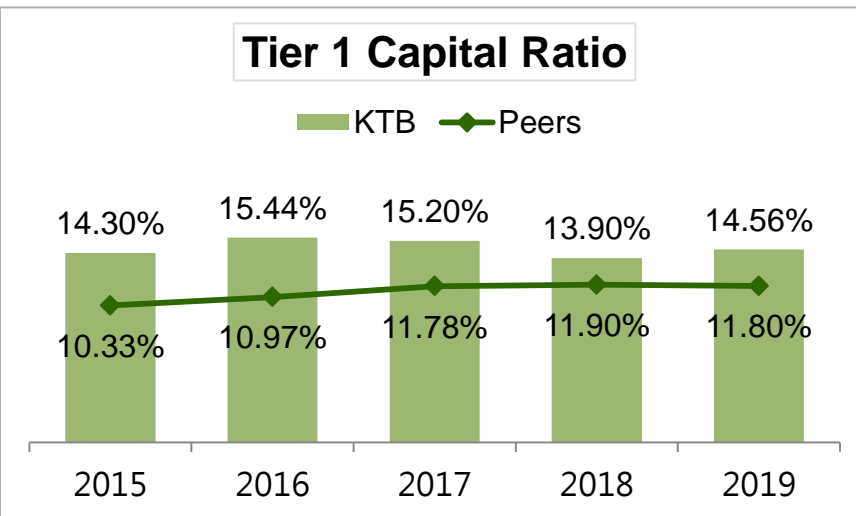
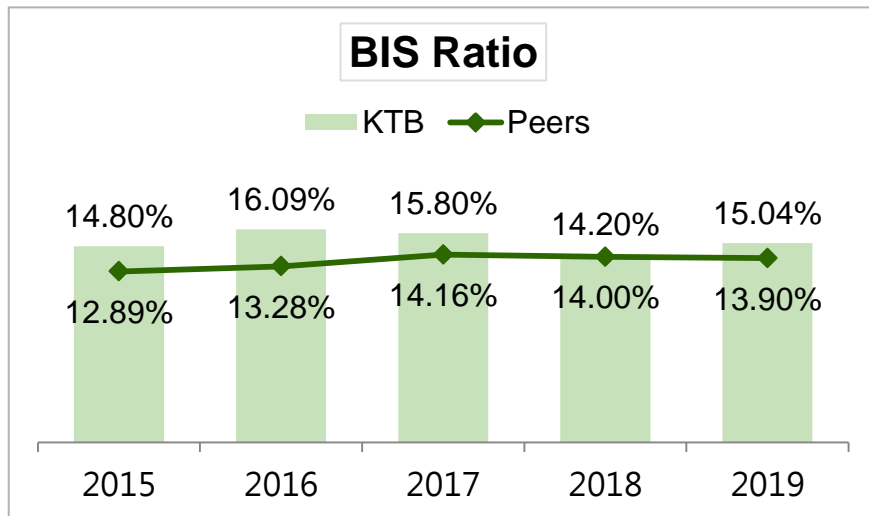


# Fee Income





# Capital Adequacy and Asset Quality



Note: Peers data updated to September 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

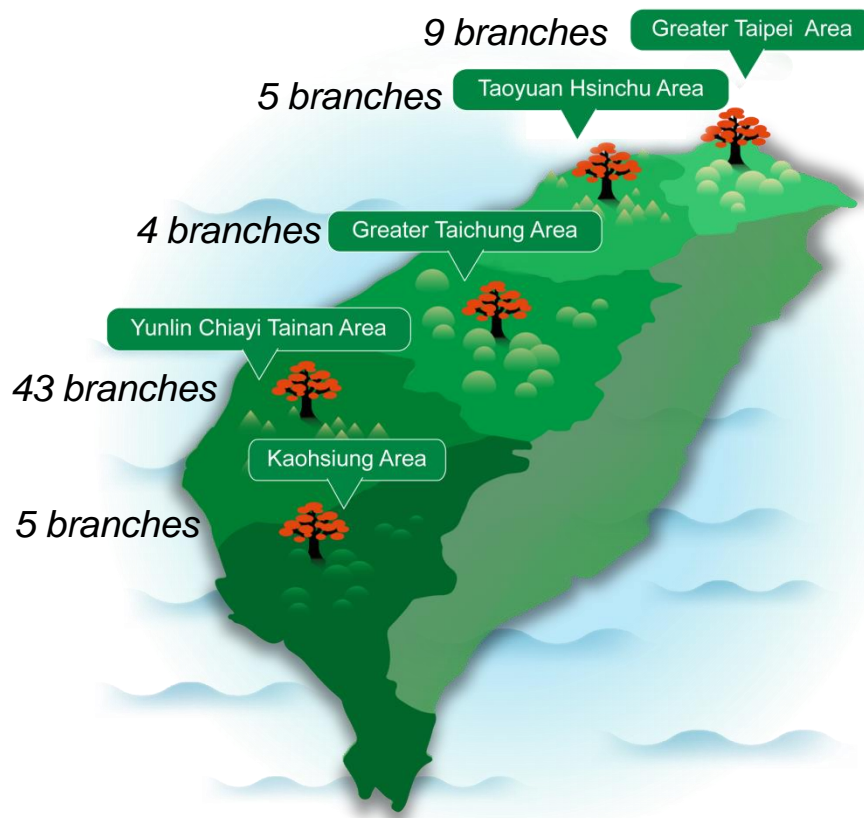
Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.01%	136	<b>2</b>	8.53%	628	<b>9</b>	1.02%	407	<b>1</b>





## 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





# Income Statement

NT\$ million

Items	2019	2018	YoY
Net Interest Income	4,755	5,017	-5%
Net Fee Income	1,841	1,843	-0.1%
Other Income	1,897	140	1255%
Revenue	8,493	7,000	21%
Operating Expense	(1,934)	(1,784)	8%
PPOP	6,559	5,216	26%
Provision for Loan Loss	(2,655)	(1,643)	62%
Earning Before Tax	3,904	3,573	9%
Net Income	3,400	2,878	18%
EPS(Cumulative)(NT\$)	2.99	2.51	19%



# Balance Sheet

NT\$ billion

Items	2019.12	2018.12	YoY	Items	2019.12	2018.12	YoY
Cash, CD, Interbank Deposits, and R/S	14.9	18.8	-21%	Interbank Deposits , Interbank Borrowings	18.9	23.4	-19%
Securities	103.6	102.9	0.7%	Deposits	191.8	188.4	2%
Loans	155.4	152.2	2%	R/P	28.2	29.3	-4%
Property and Equipment	2.7	2.4	13%	Other Liabilities	2.9	4.8	-40%
Other Assets	6.1	4.8	27%	Total Liabilities	241.8	245.9	-1.7%
Total Assets	282.7	281.1	0.6%	Shareholder's Equity	40.9	35.2	16%



Thank you