



King's Town Bank Investor Presentation

3Q FY20

November 12, 2020

Stock Code : 2809.TW





Disclaimer

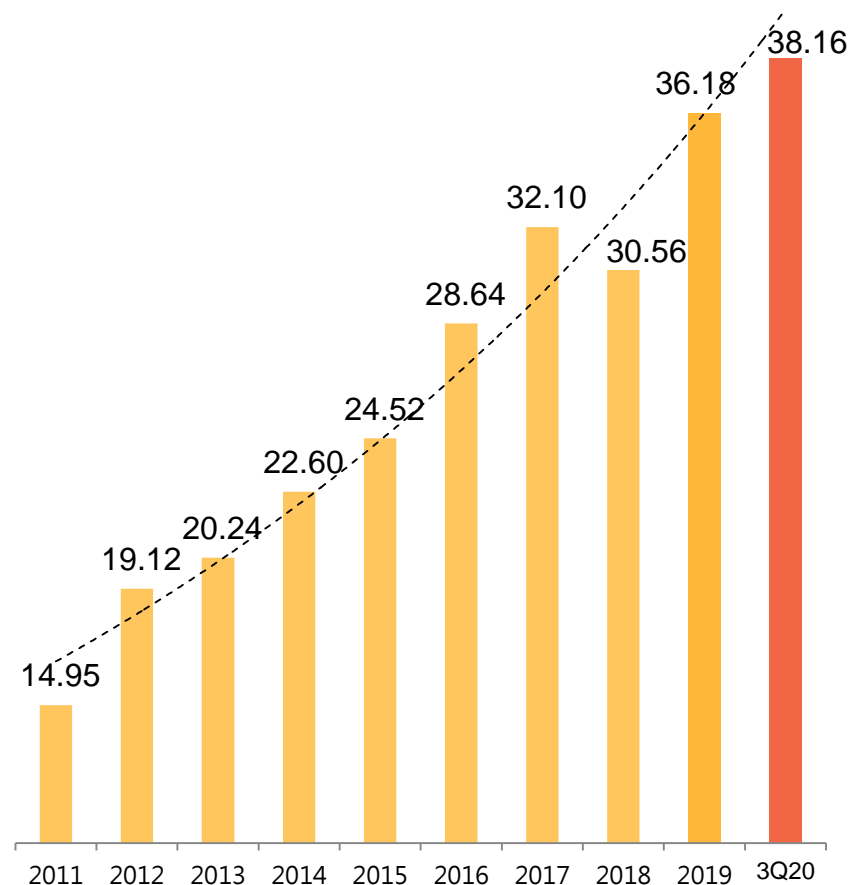
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



3Q20 Financial Review

	2020.09	2019.09
Total Assets (NT\$ mm)	313,537	280,448
Book Value/share (NT\$)	38.16	34.57
ROE (pretax)	13.42%	8.40%
ROA (pretax)	1.88%	1.11%
BIS Ratio	15.84%	14.70%
NPL Ratio	0.01%	0.03%
Coverage Ratio	11112%	4,916%
Loan-loss Provision Coverage Ratio	1.52%	1.45%
QFII Holdings	15.25%	18.18%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1-3QFY20 Operating Highlights

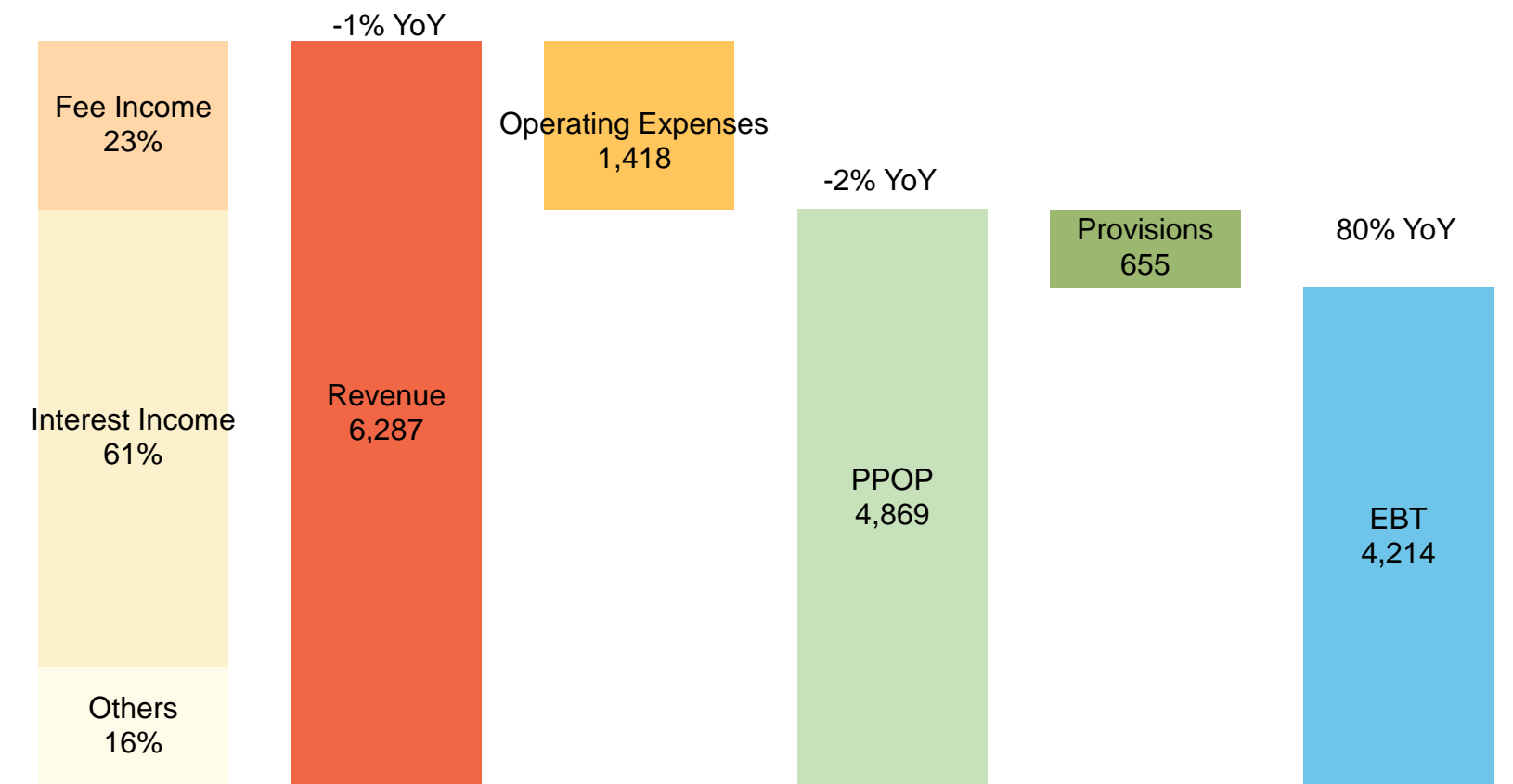
Financial Performance

- Revenue fell 1% YoY, with net interest income increasing by 9%, net fee income increasing by 2%, and other income decreasing by 28%. The increase in net interest income was mainly due to strong loan growth while also helped by the widening in net interest margins on overseas bonds.
- The decrease in other income was mainly due to “expected credit losses” booked on financial assets under the requirement of IFRS 9 accounting. The COVID pandemic-influenced economic downturn has resulted in a downgrading of debt securities worldwide.
- Launched the “Goyee” digital account platform in the second quarter of this year. “King’s Pay” international transfer service was introduced in the third quarter.
- 9M20 operating expenses were NT\$1,418 million, a increase of 4% from the same period last year.
- Reported after-tax net income for 1-3Q20 of NT\$3,685 million and EPS of NT\$3.29. ROE before tax was 13.42% and ROA before tax was 1.88%.
- Asset quality remains sound, with our NPL ratio at 0.01% and loan-loss provision coverage ratio at 1.52%.



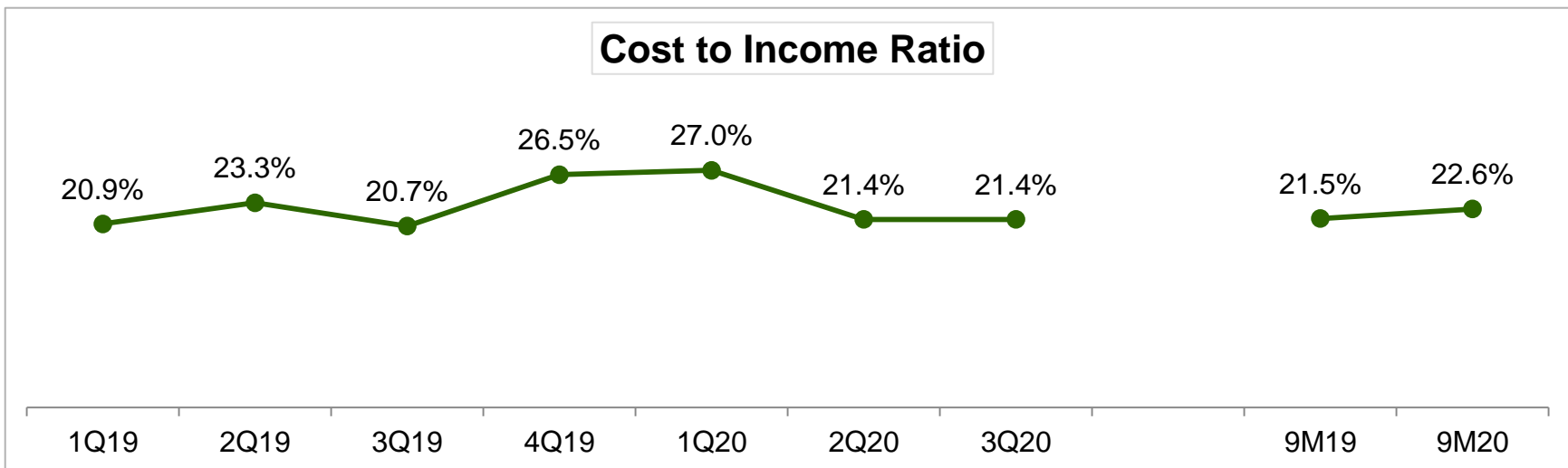
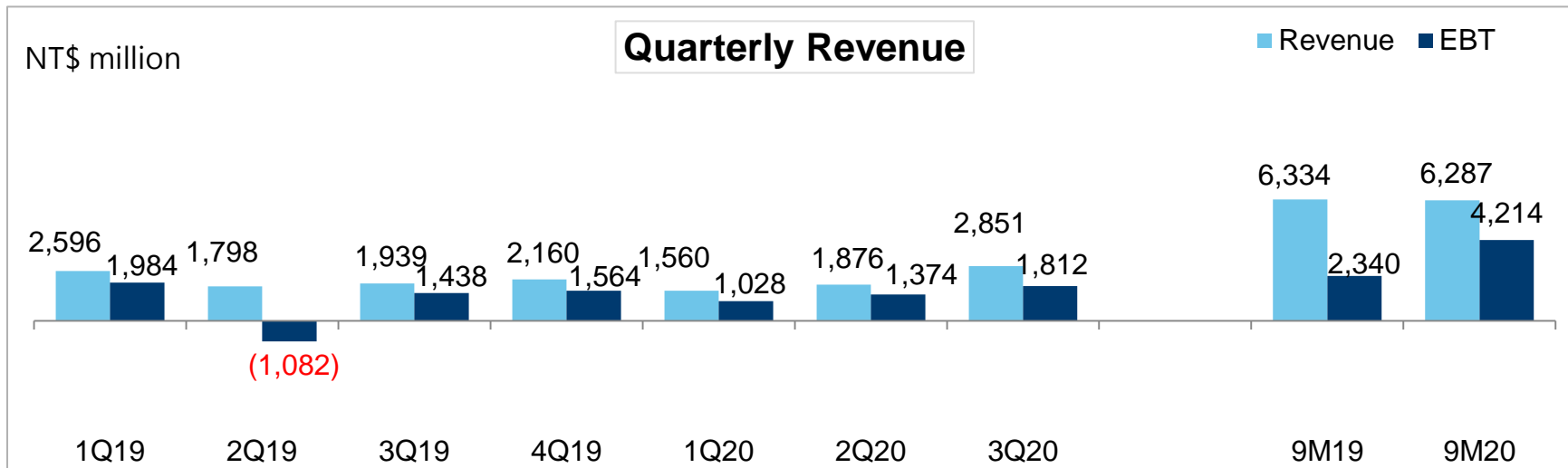
9M20 Revenue Breakdown

NT\$ million



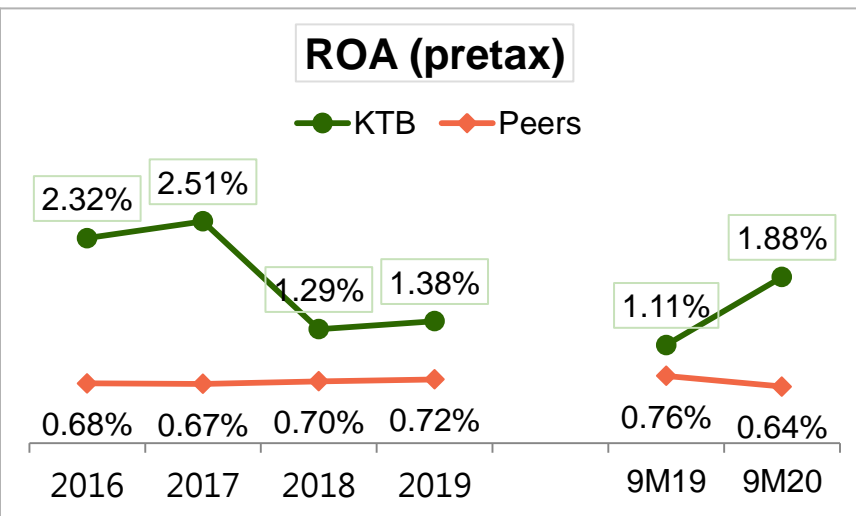
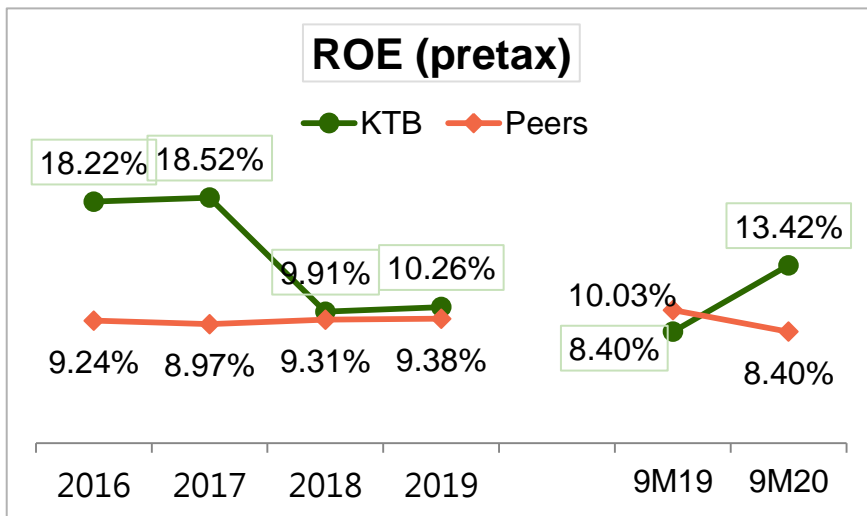
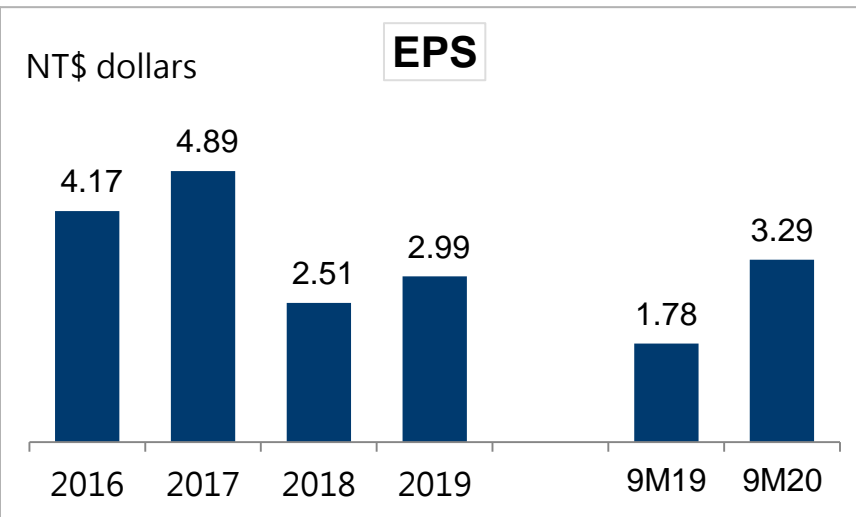
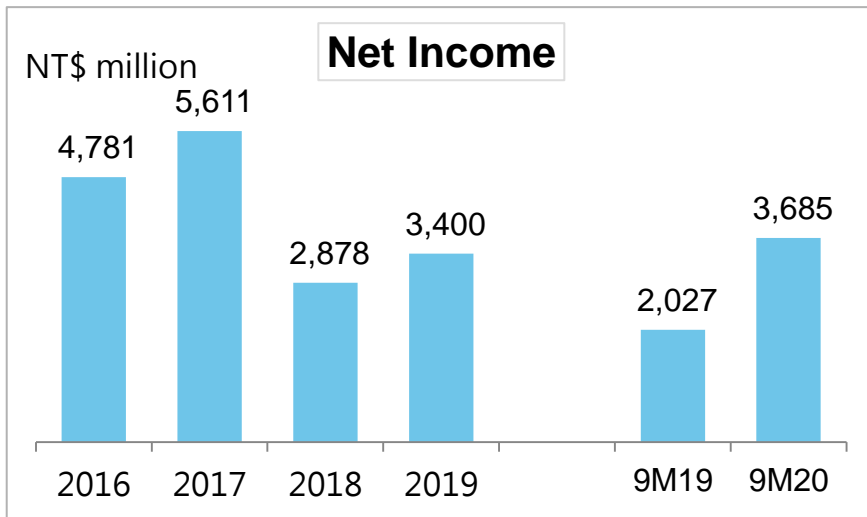


Quarterly Revenue and Expenses





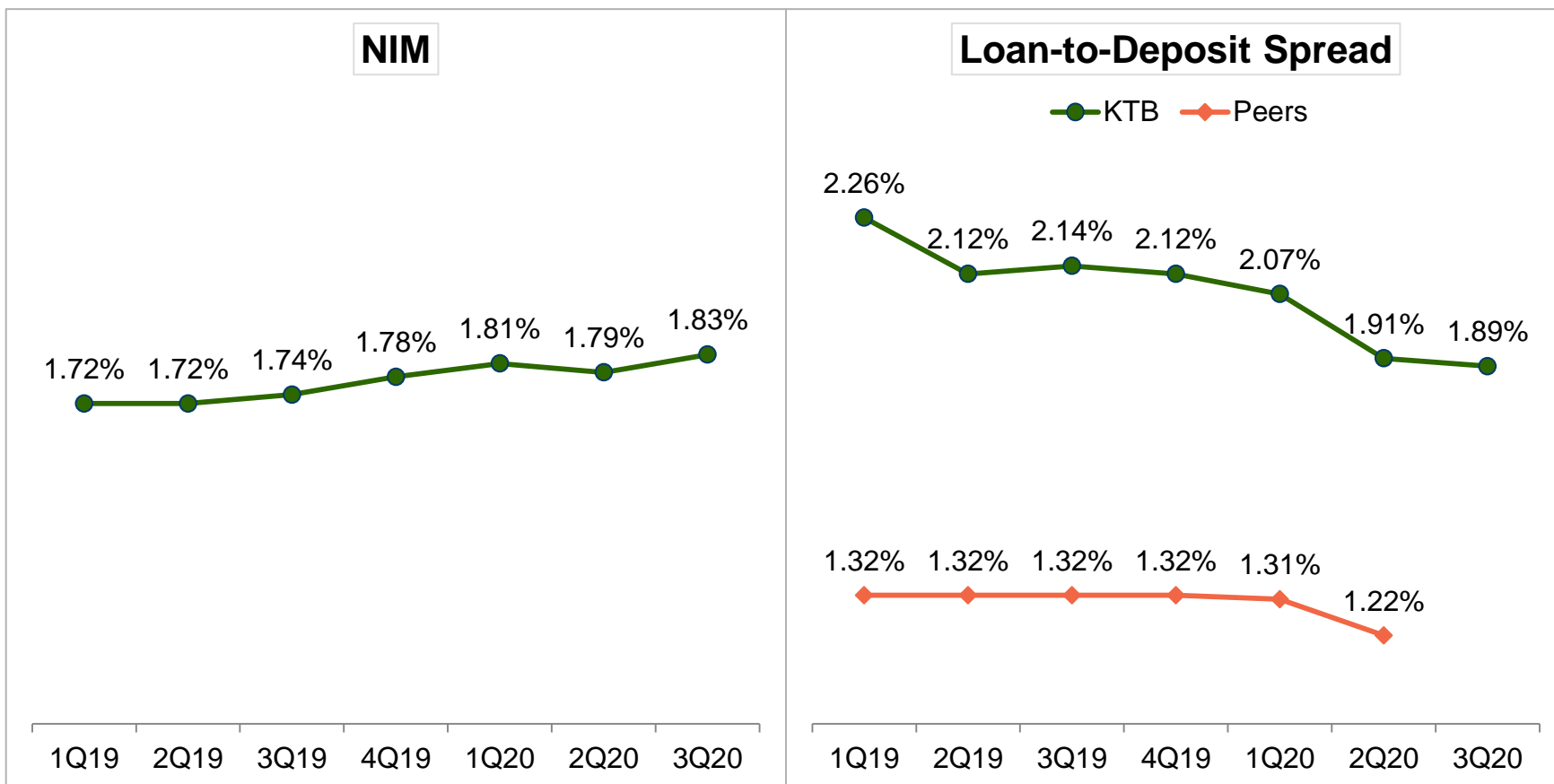
Profitability



Note: Peers data updated to August 2020 (annualized).



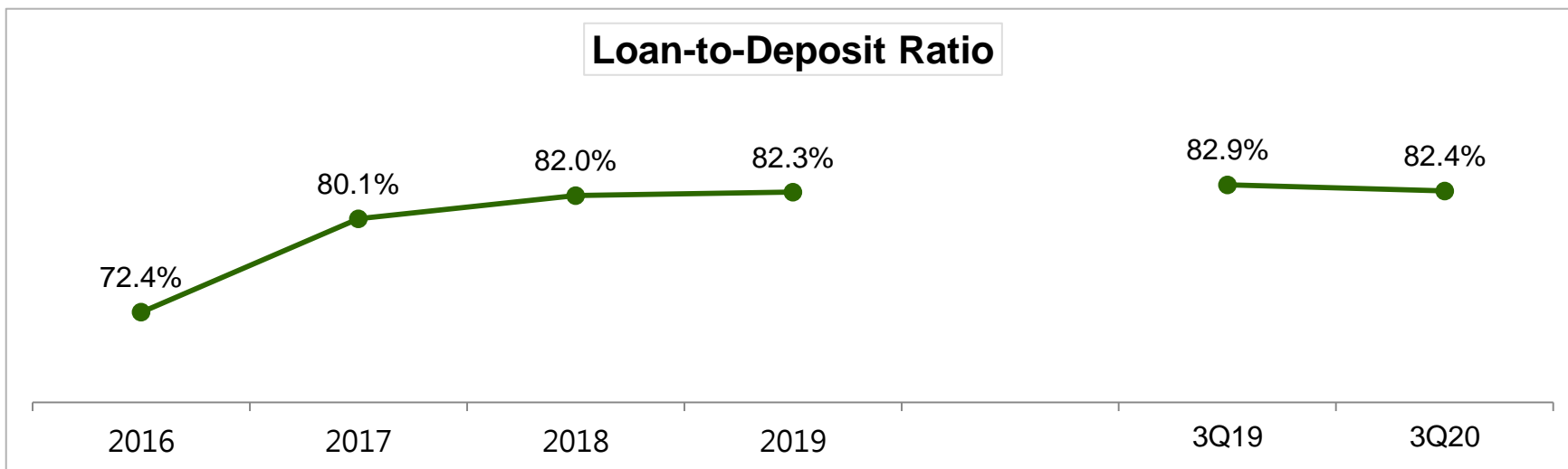
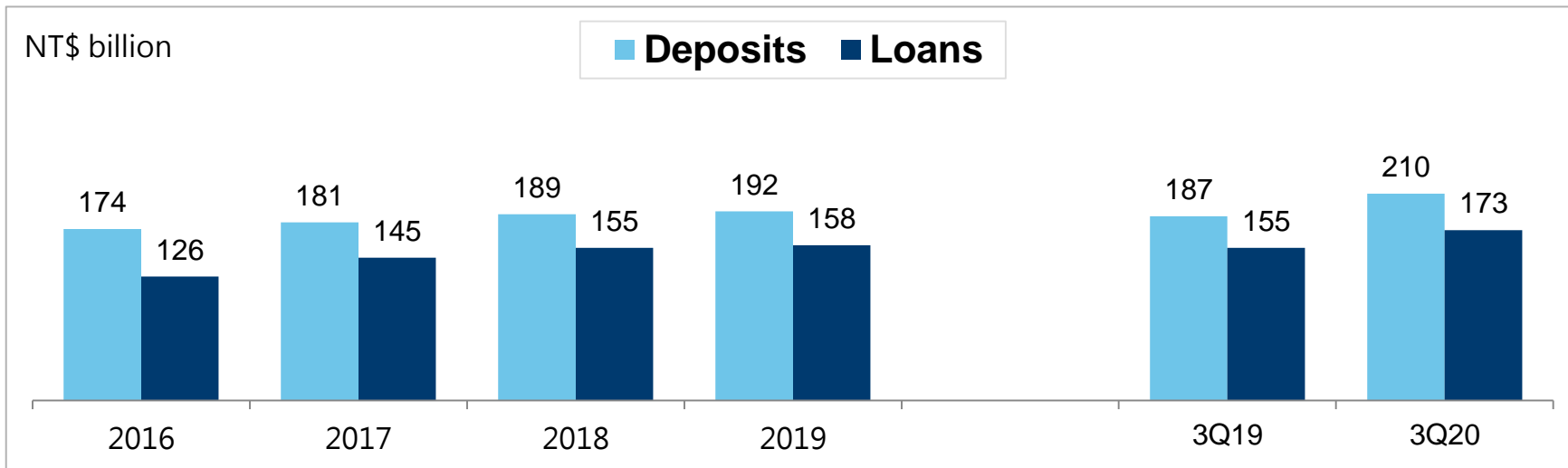
NIM and Spreads



Note: Peers data updated to 2Q/2020.

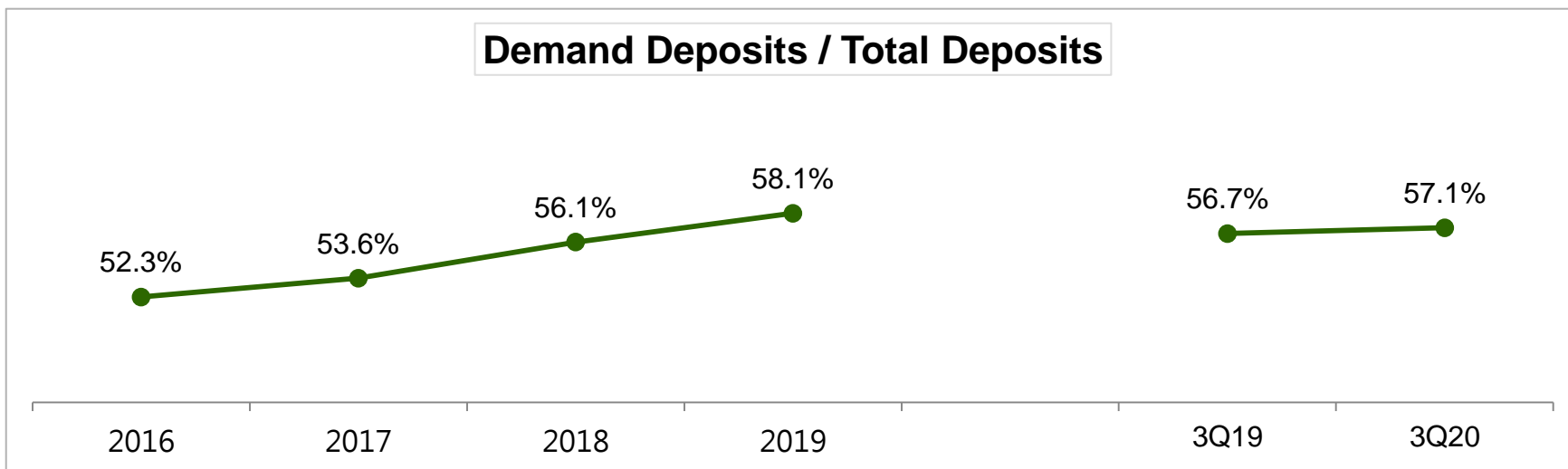
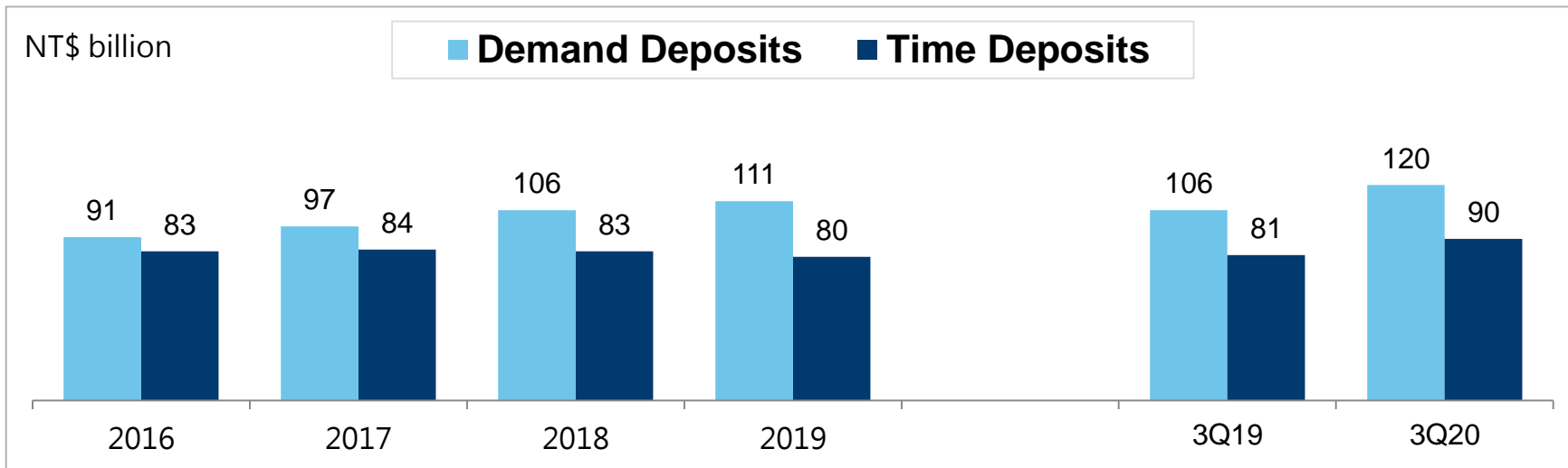


Loans and Deposits





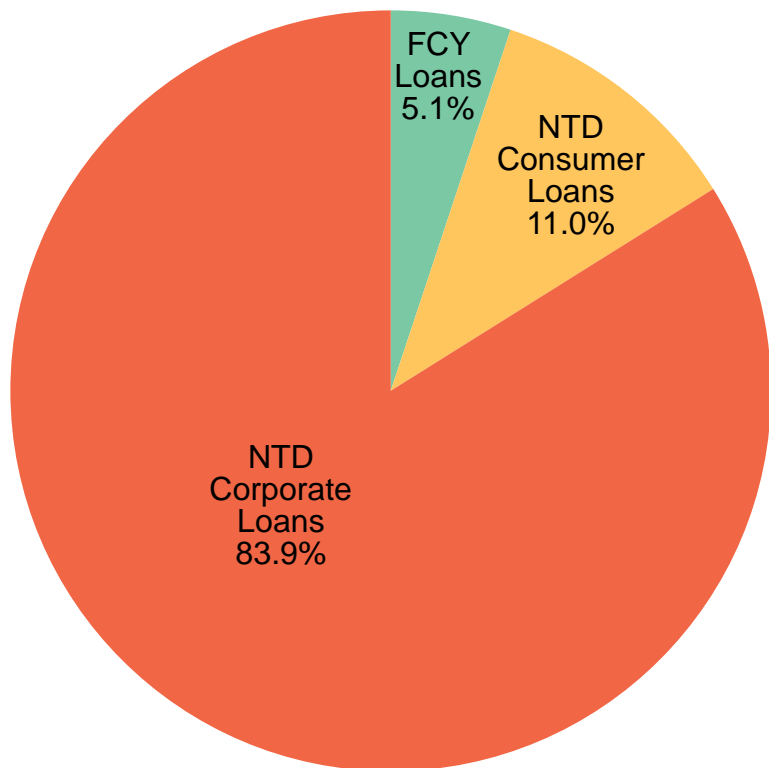
Deposit Breakdown



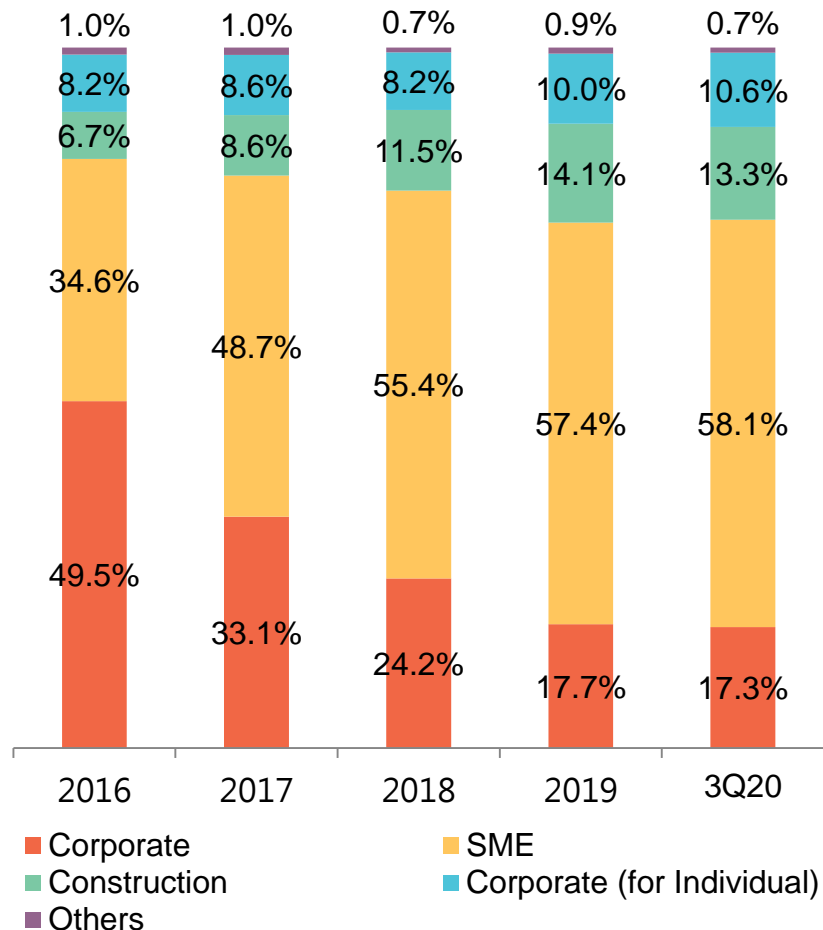


Loan Breakdown

Loan Composition (3Q20)

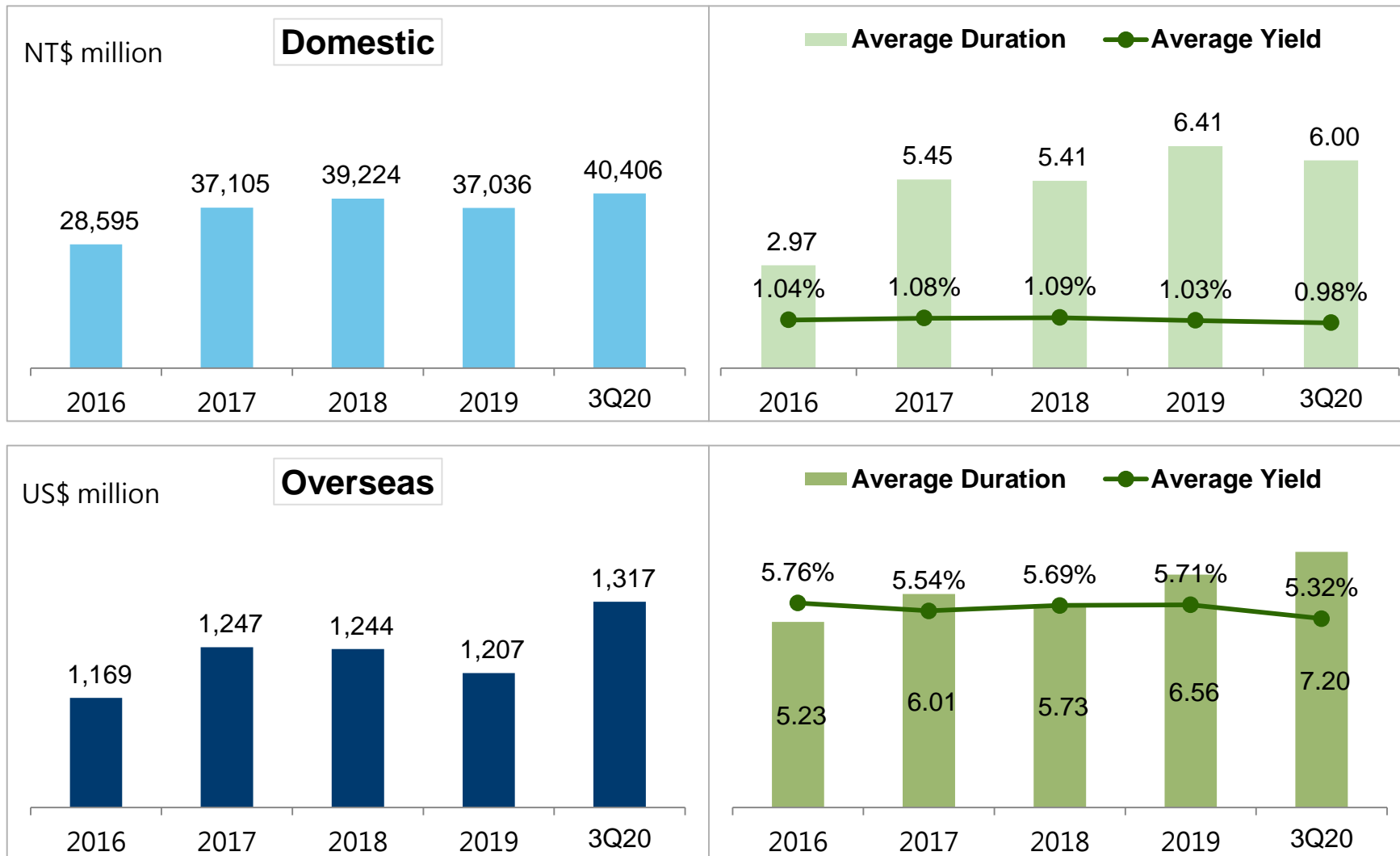


Corporate Loan by Type



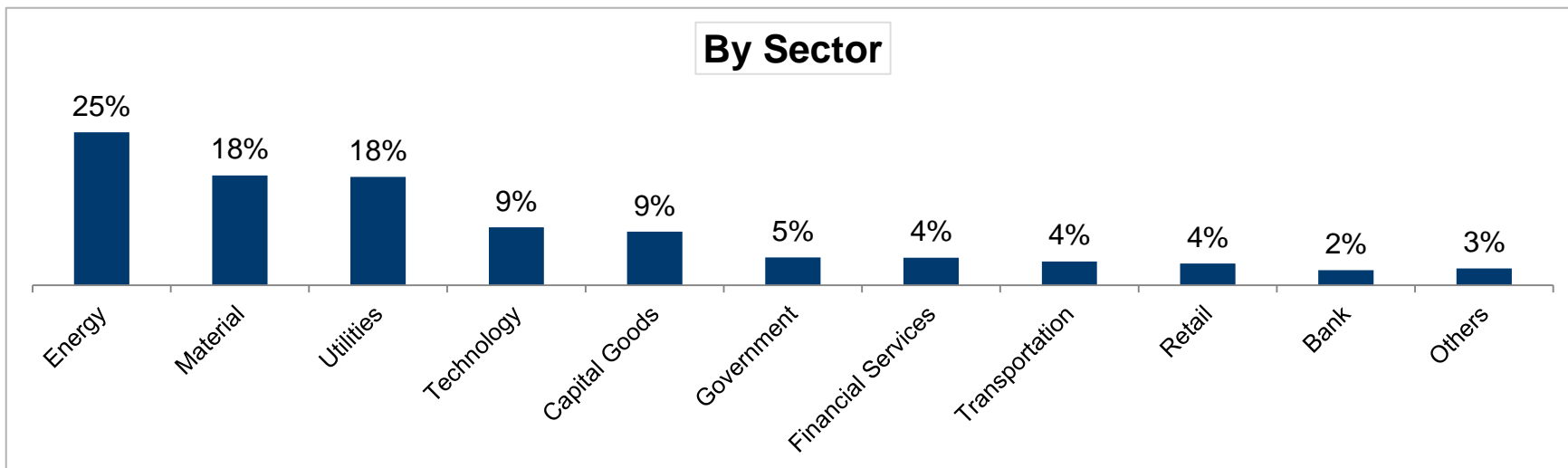
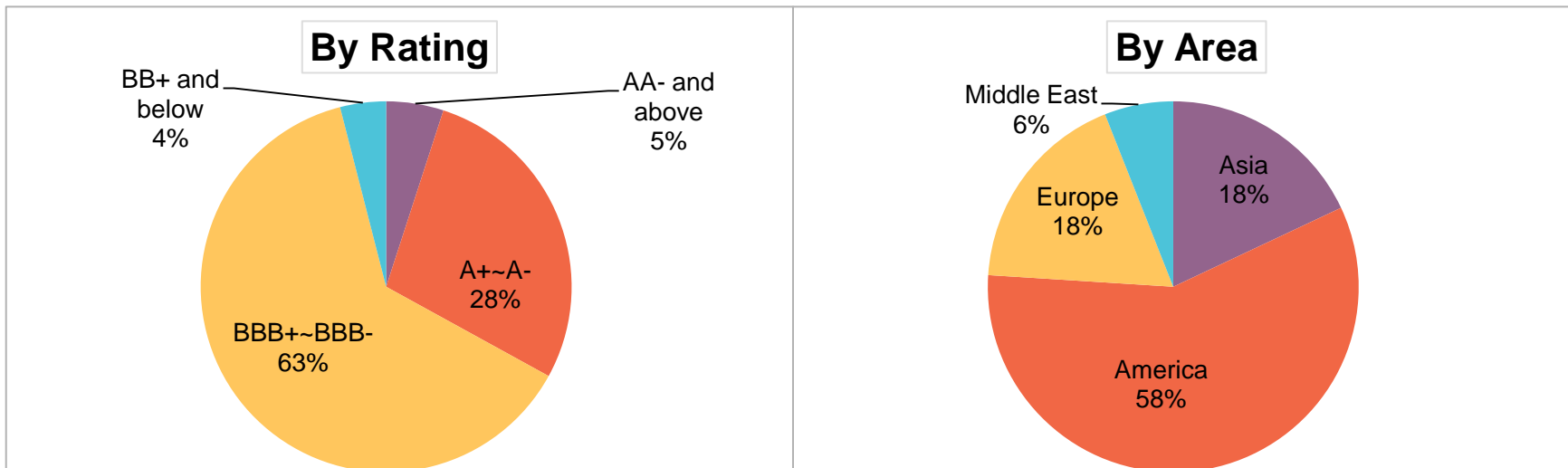


Financial Assets - Fixed Income Investments



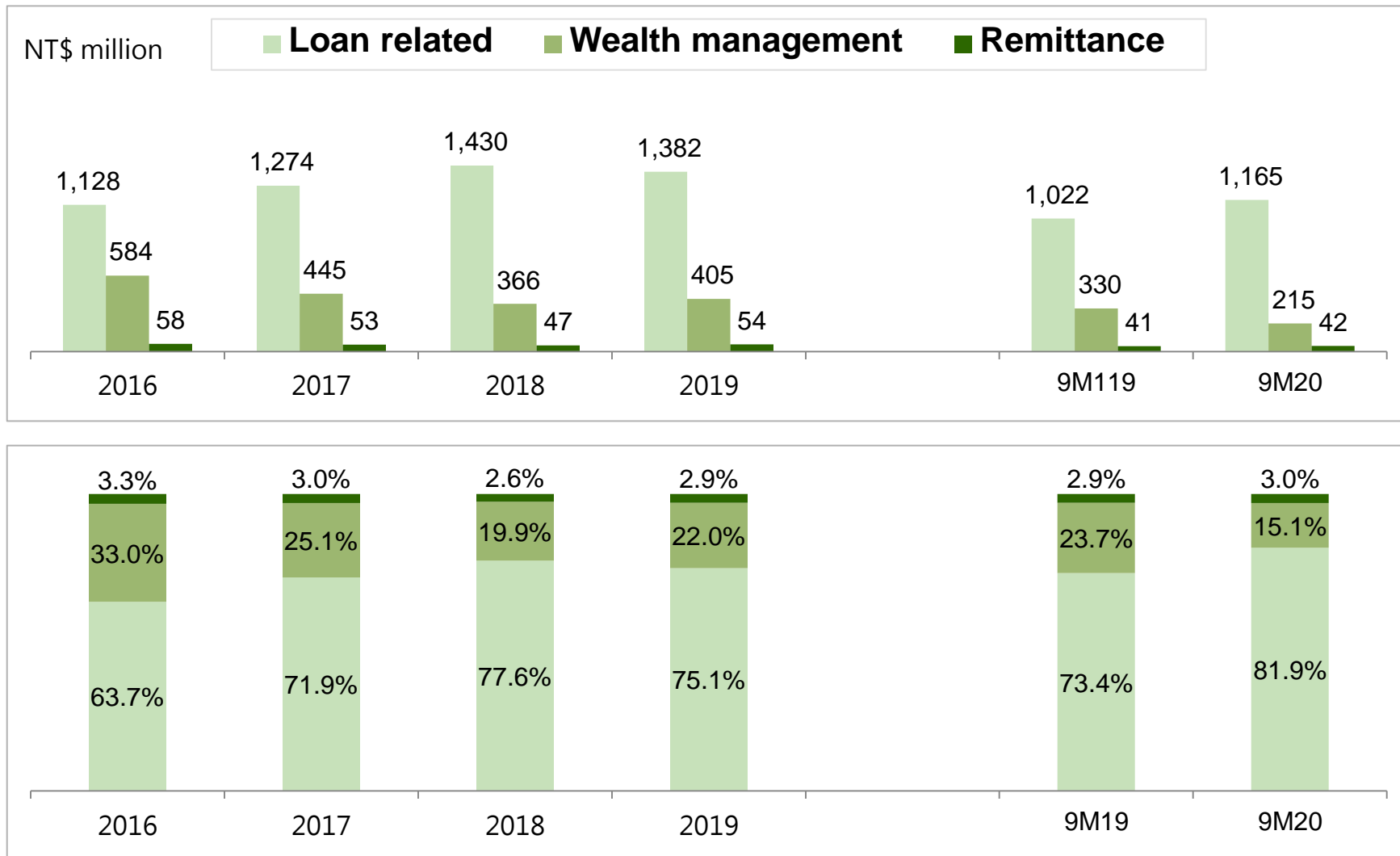


Financial Assets – Overseas Fixed Income Portfolio(3Q20)



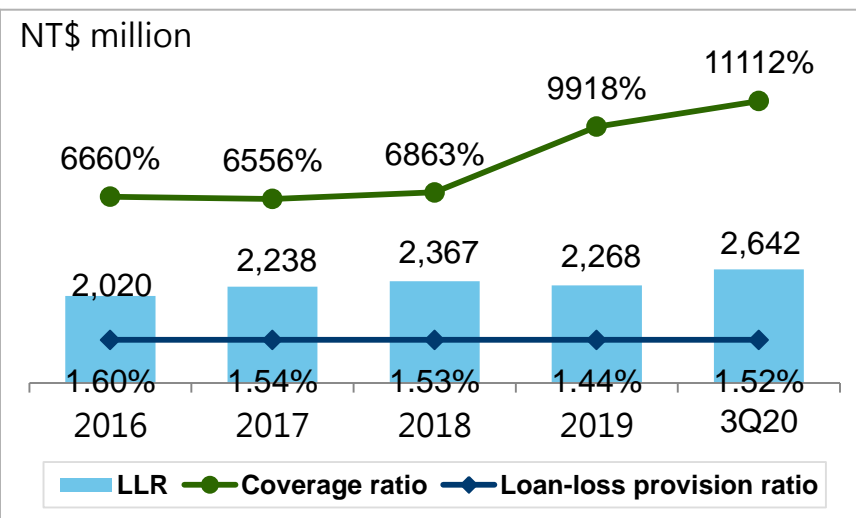
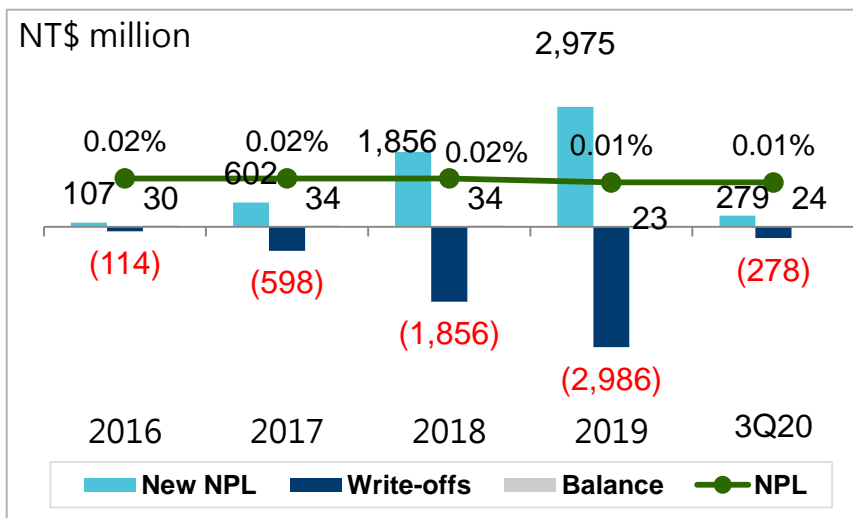
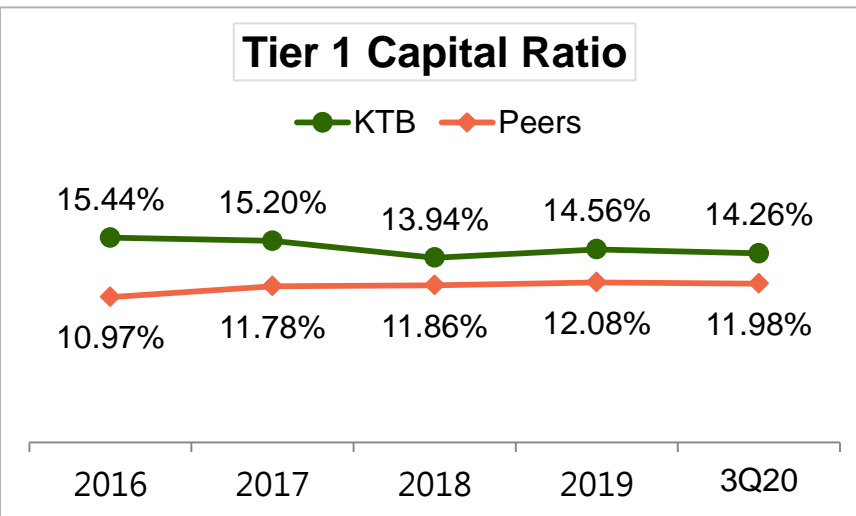
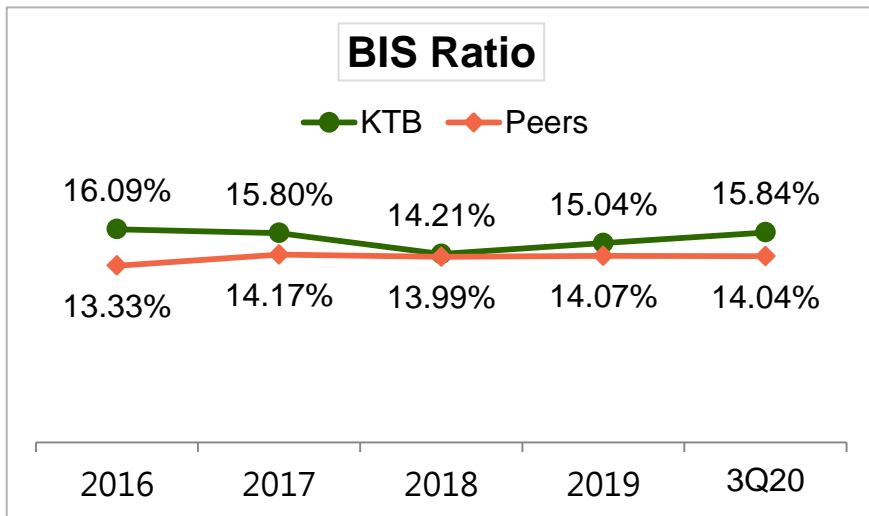


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to June 2020.



Top 1,000 World Banks 2020 - The Banker

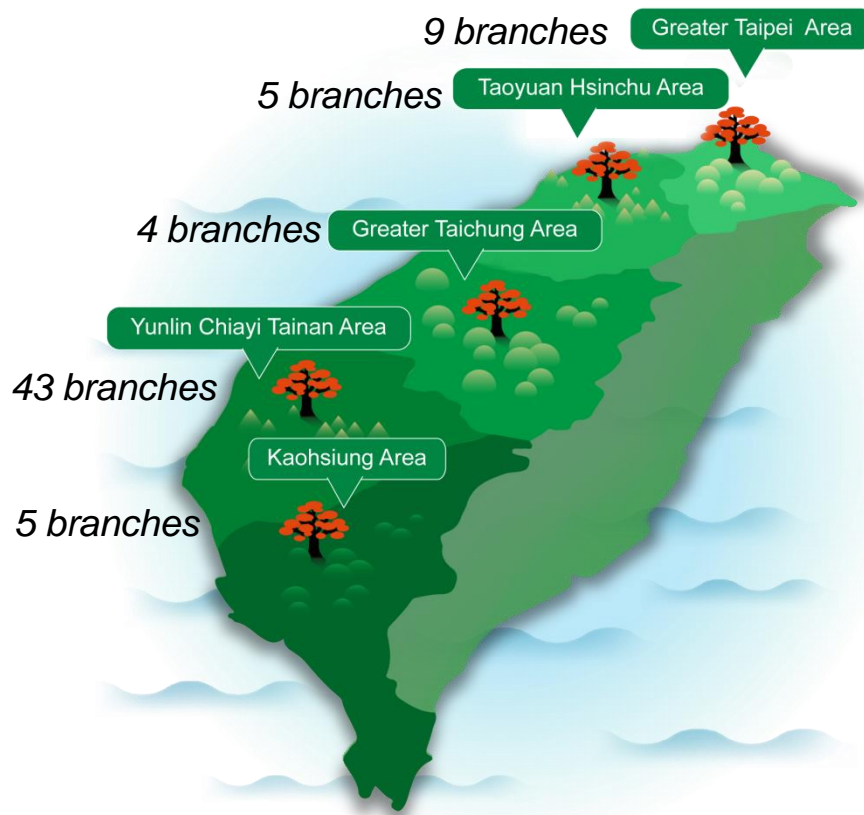
Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Assets (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
692	26	1,186	+8.00%	9,390	+2.66%	799	29

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		ROA (After-Tax)	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.63%	129	2	9.52%	527	8	1.20%	287	2



King's Town Bank at a Glance

- Established in 1948, formerly known as the Tainan Business Bank.
- Headquartered in Tainan City, a city with a population of 1.9 million.
- A total of 66 branches, with approximately 73% of branches located in Southern Taiwan.
- Paid-in capital of NT\$ 11.2 billion.
- 23 Metro branches, contributing
 - 17% of deposits
 - 86% of loans
- 43 Non-metro branches, contributing
 - 83% of deposits
 - 14% of loans
- Ranked in the Top 5% in terms of “Corporate Governance Best-Practice for TWSE Listed Companies” for three consecutive years.
- Credit rating affirmed by Fitch at BBB · local rating at A+(tw) · F1(twn) for 7 consecutive years. Outlook negative in 2020.





Income Statement

NT\$ million

Items	3Q/20	3Q/19	YoY
Net Interest Income	3,853	3,532	9%
Net Fee Income	1,422	1,393	2%
Other Income	1,012	1,409	-28%
Revenue	6,287	6,334	-1%
Operating Expenses	(1,418)	(1,361)	4%
PPOP	4,869	4,973	-2%
Provision for Loan Loss	(655)	(2,633)	-75%
Earnings Before Tax	4,214	2,340	80%
Net Income	3,685	2,027	82%
EPS(Cumulative)(NT\$)	3.29	1.78	85%



Balance Sheet

NT\$ billion

Items	2020.09	2019.09	YoY	Items	2020.09	2019.09	YoY
Cash, CDs, Interbank Deposits, and R/S	18.9	12.7	49%	Interbank Deposits , Interbank Borrowings	30.2	21.4	41%
Securities	113.2	106.3	6%	Deposits	210.3	187.2	12%
Loans	170.7	152.8	12%	R/P	25.8	28.7	-10%
Property and Equipment	3.0	2.6	15%	Other Liabilities	4.4	4.0	10%
Other Assets	7.7	6.0	28%	Total Liabilities	270.7	241.3	12%
Total Assets	313.5	280.4	12%	Shareholder's Equity	42.8	39.1	9%



Thank you