



# **King's Town Bank**

## **Operating Results of 1Q18**

**Stock Code : 2809.TW**



## Disclaimer

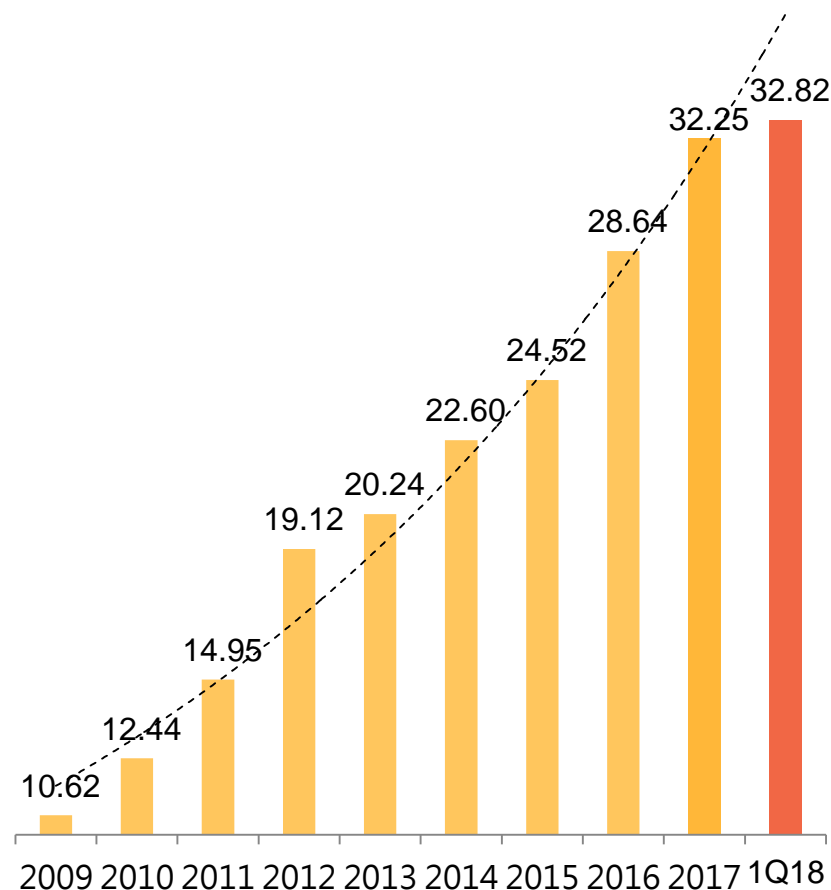
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



# 1Q18 Financial Review

	2018.03	2017.03
Total Assets (NT\$ mm)	274,781	249,954
Book Value/share (NT\$)	32.82	29.88
ROE (pretax)	15.48%	16.48%
ROA (pretax)	2.12%	2.24%
BIS Ratio	15.49%	16.43%
NPL Ratio	0.04%	0.03%
Coverage Ratio	4,207.14%	5,914.09%
Loan-loss Provision Coverage Ratio	1.56%	1.62%
QFII Holdings	24.31%	21.86%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





# 1Q18 Business Summary Updates

## Financial Performance

- Reported after-tax net income for 1Q/18 of NT\$ 1,294 million or NT\$ 1.13 per share after tax (EPS), increased by 4.38% and 4.63% year-on-year respectively.
- Reported ROE of 15.48% and ROA of 2.12% for 1Q/18.
- Asset quality remains sound with NPL ratio at 0.04%, coverage ratio at 4,207% and loan-loss provision coverage ratio at 1.56% .

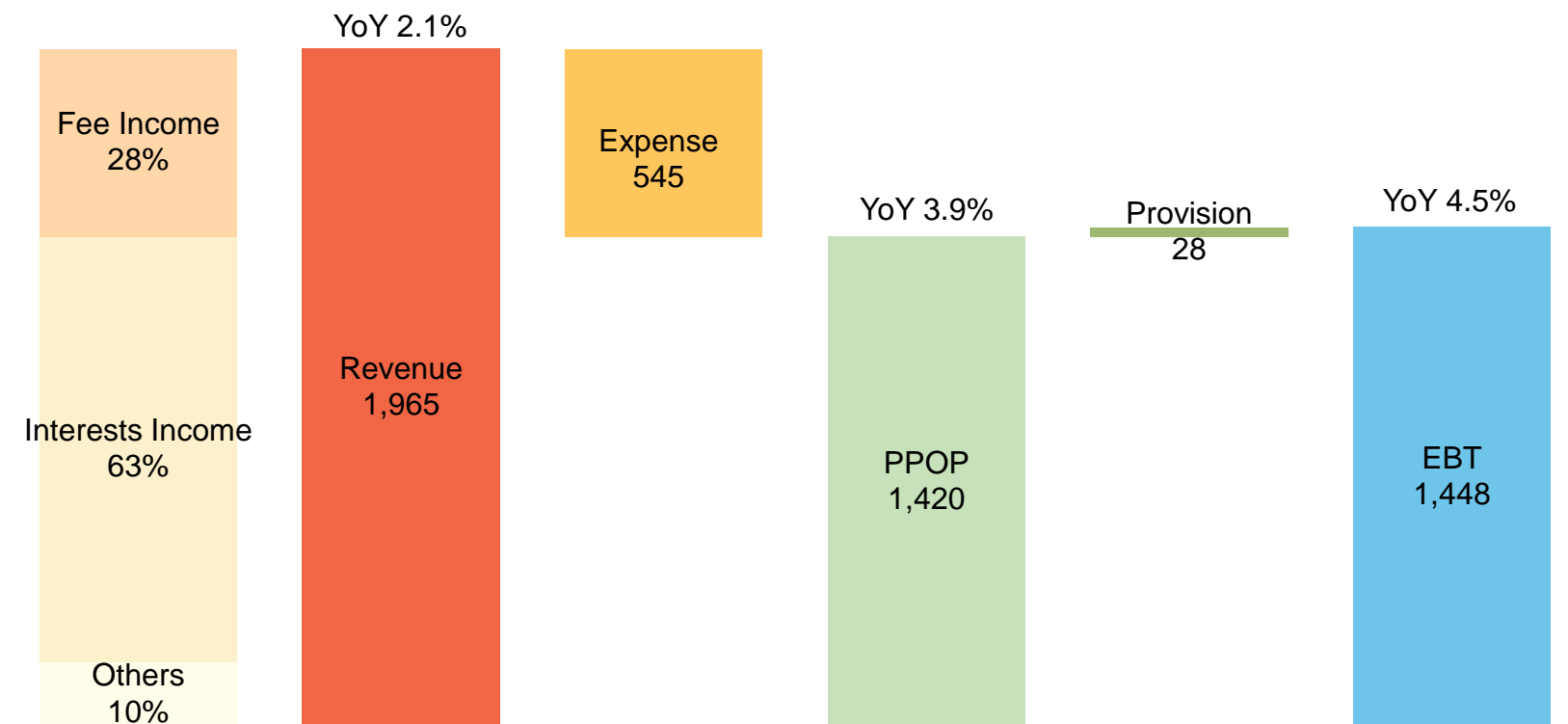
## Financial Strength

- Total loan for 1Q/18 increased 15.9% year-on-year to NT\$ 147.1 billion.
- Net interest income for 1Q/18 of NT\$ 1,232 million increased by 5.4% compared to same period last year.
- Fee income continues to exhibit stable growth momentum, increased by 17.9% compared to same period last year.



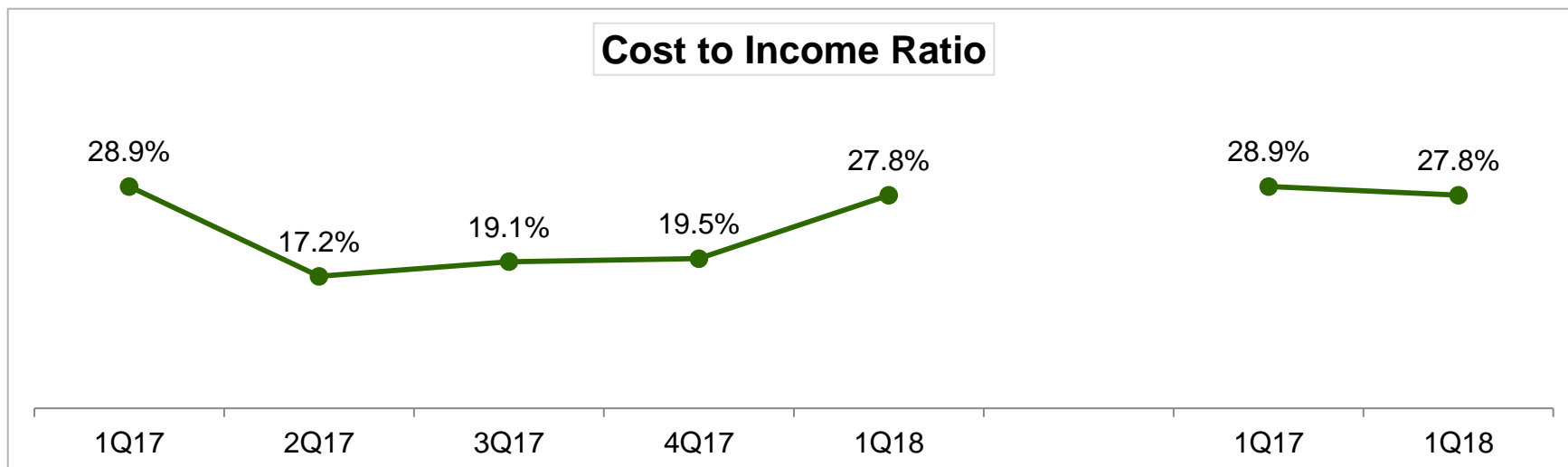
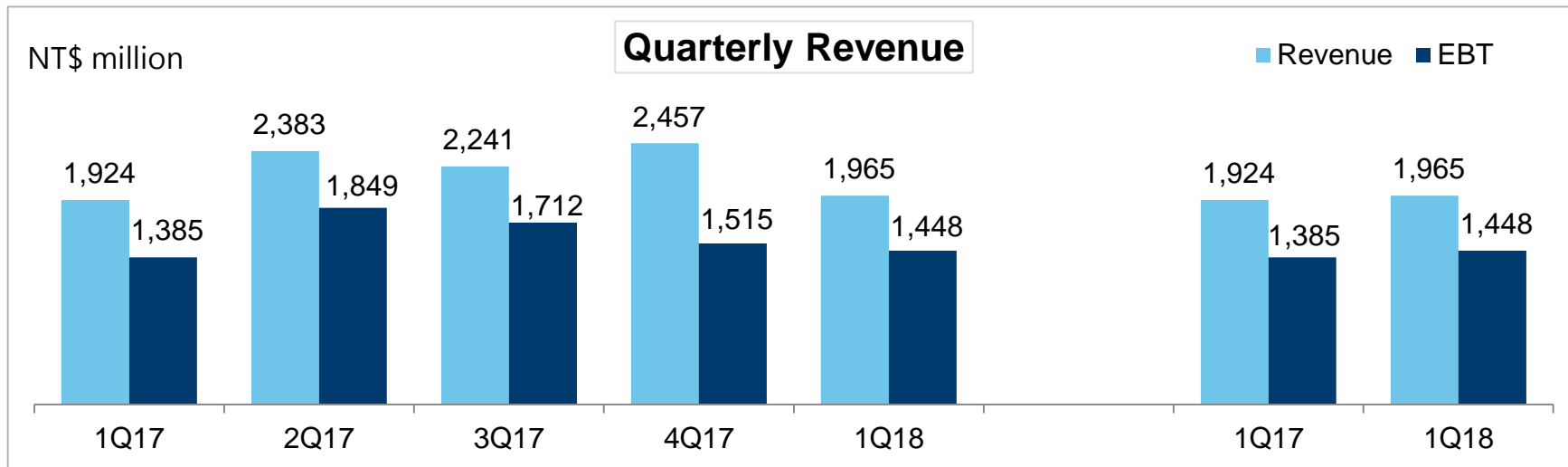
# 1Q18 Revenue Breakdown

NT\$ million



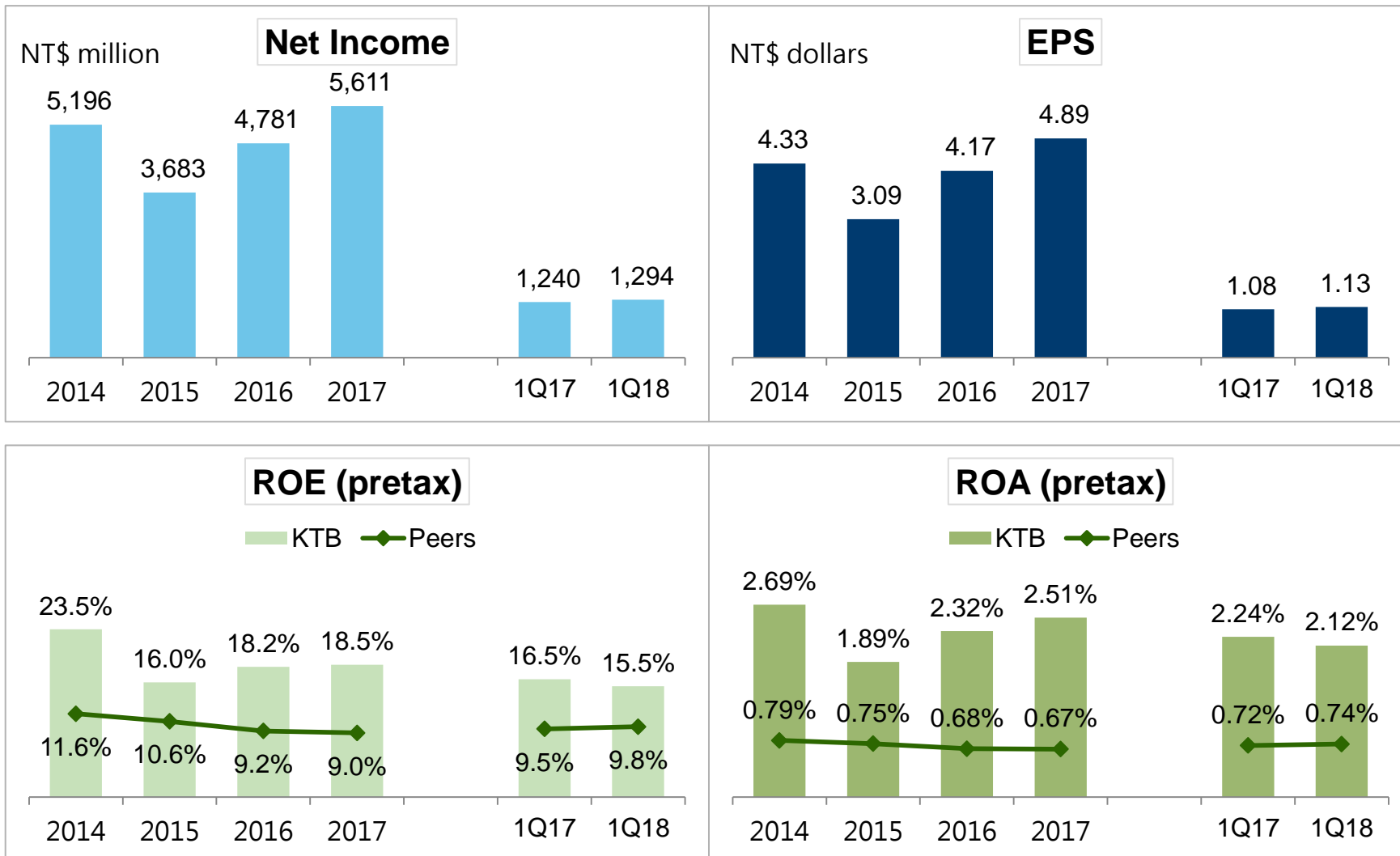


# Quarterly Revenue and Expense





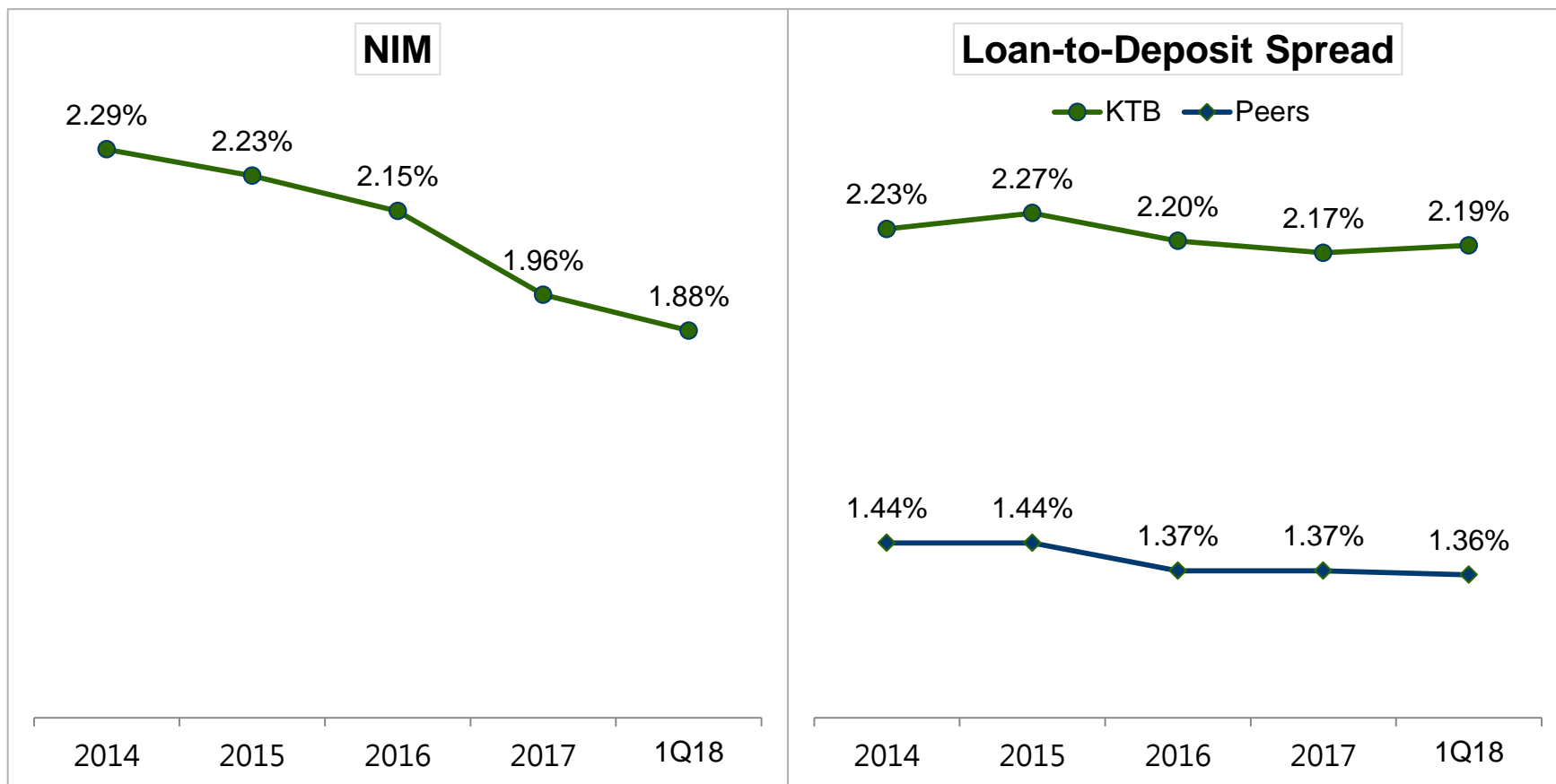
# Profitability



Note: Peers data updated to Feb. 2018 (annualized).



# NIM and Spreads

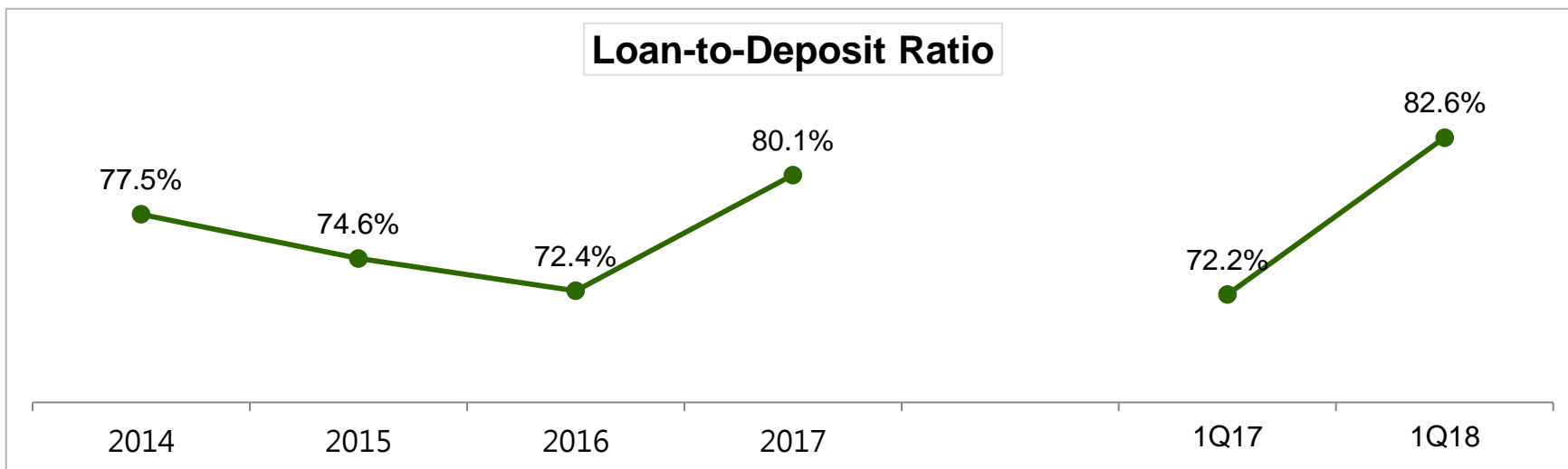
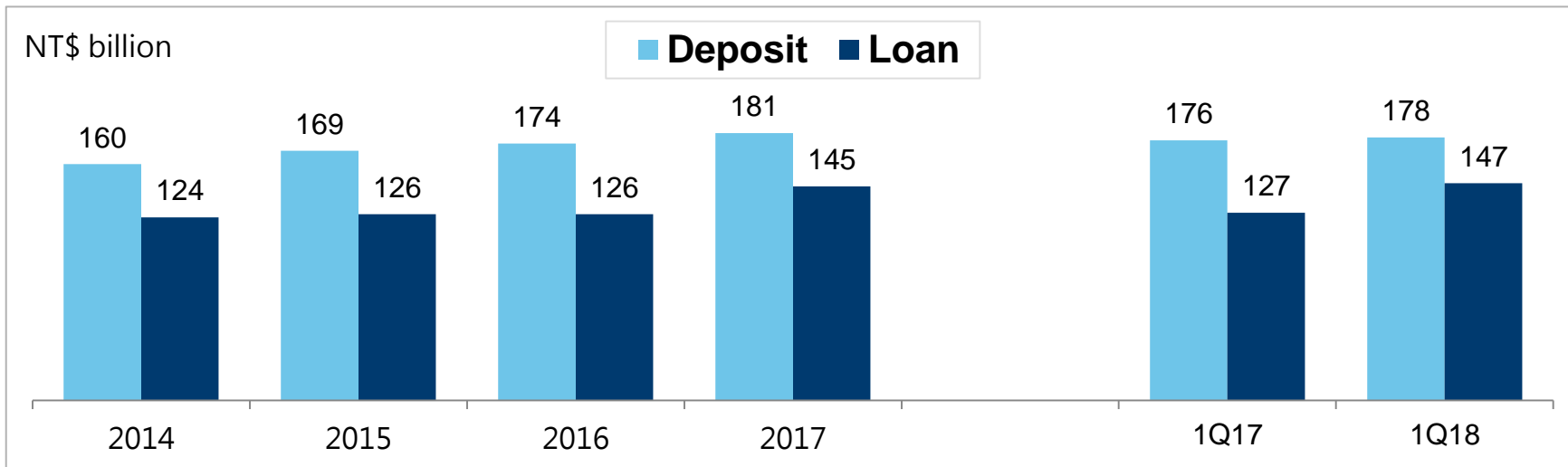


Note: Peers data updated to 4Q/17.



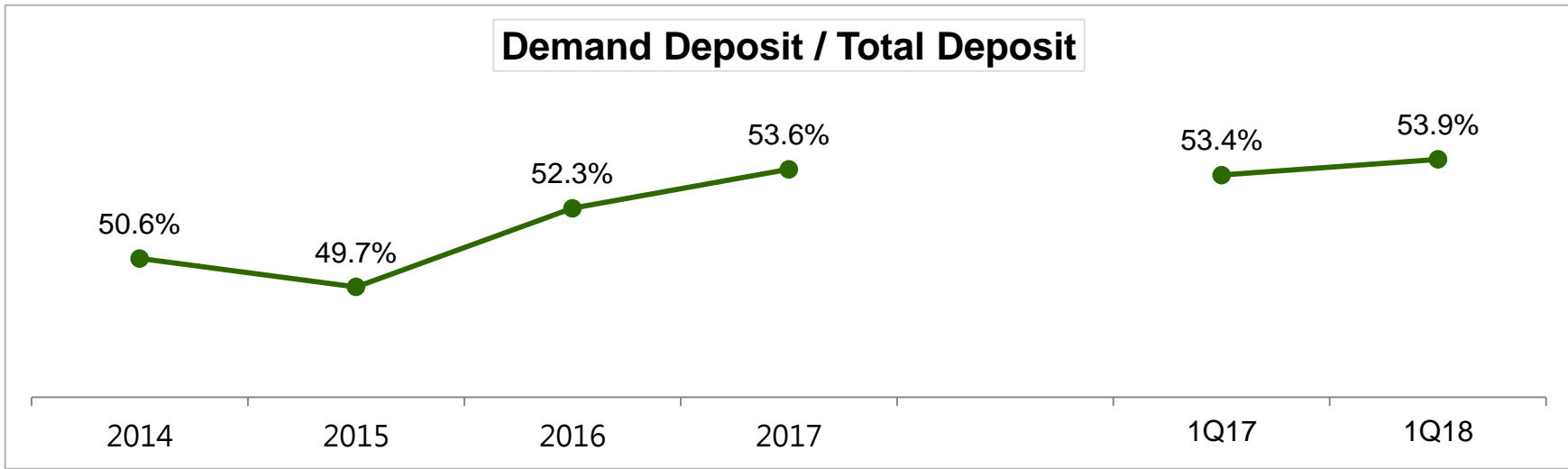
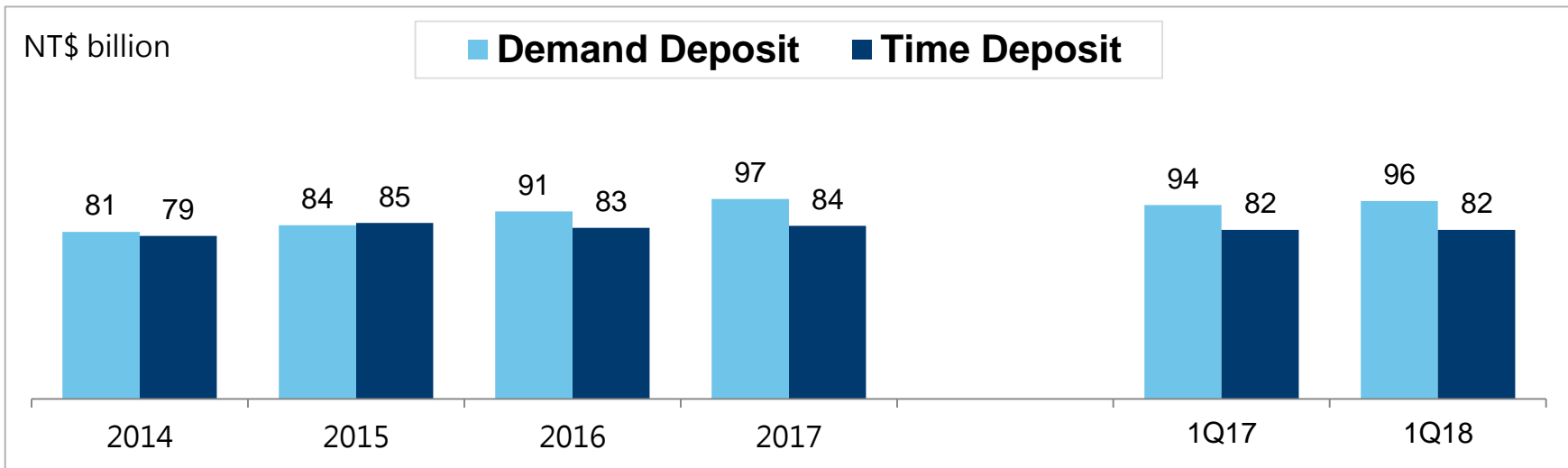


# Loan and Deposit





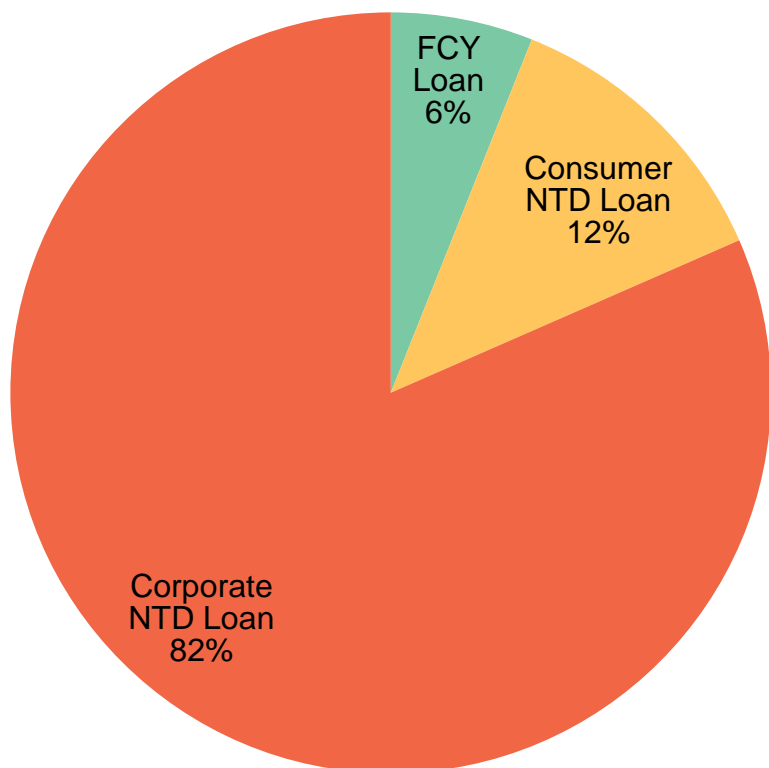
# Deposit Breakdown



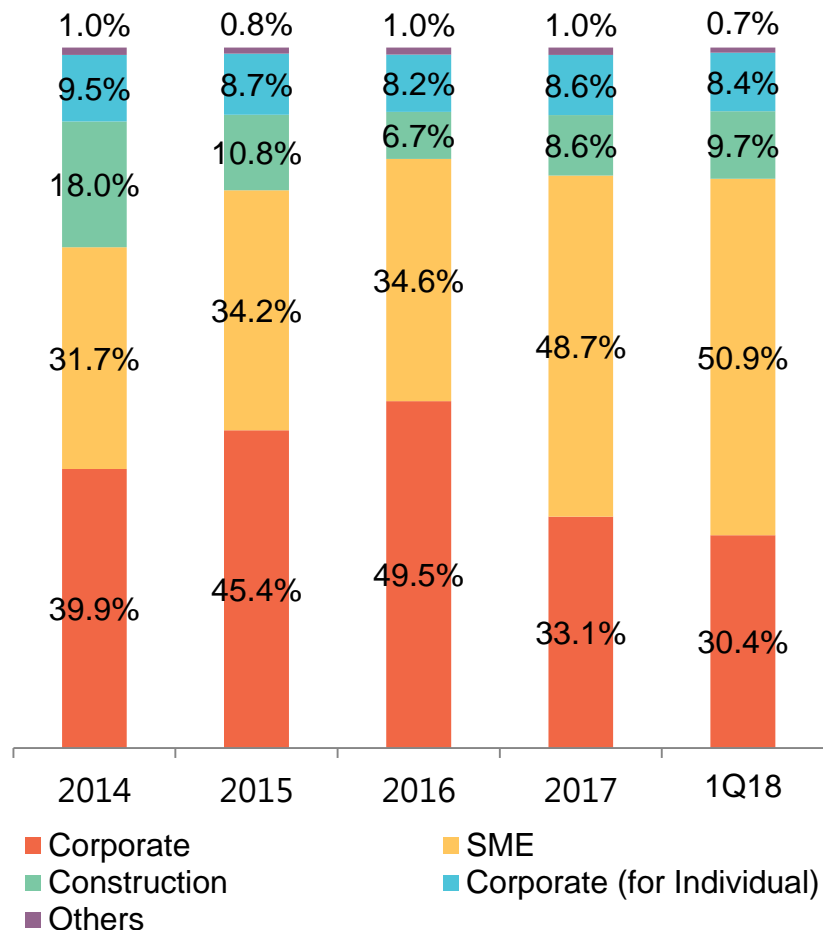


# Loan Breakdown

**Loan Composition (1Q18)**

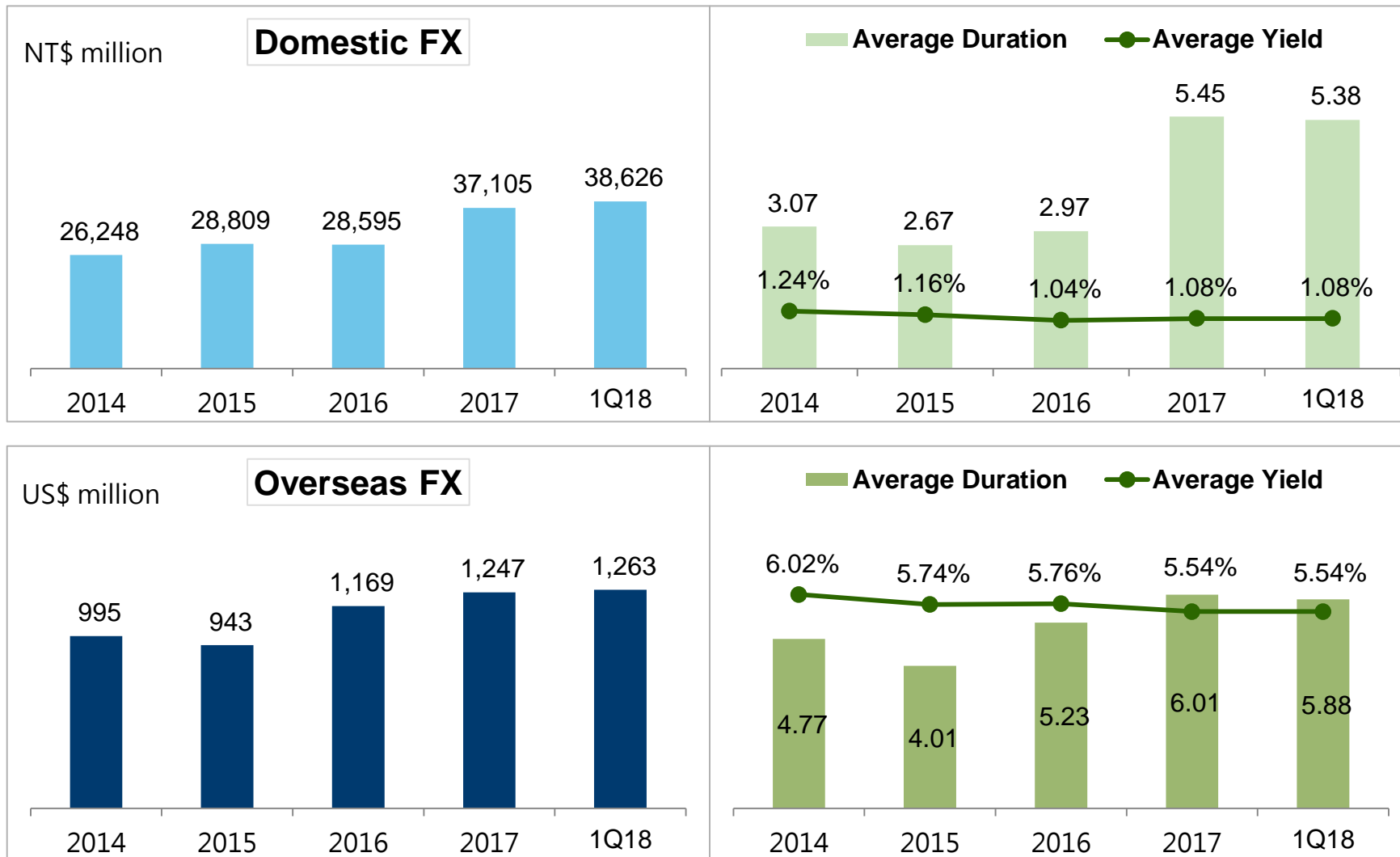


**Corporate Loan by Type**



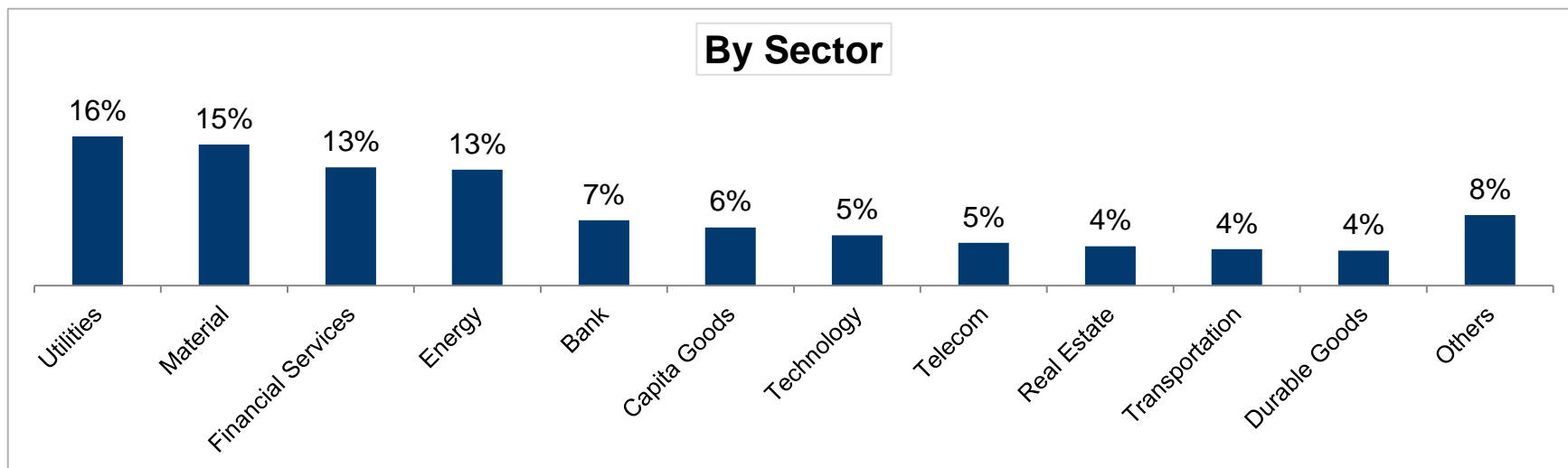
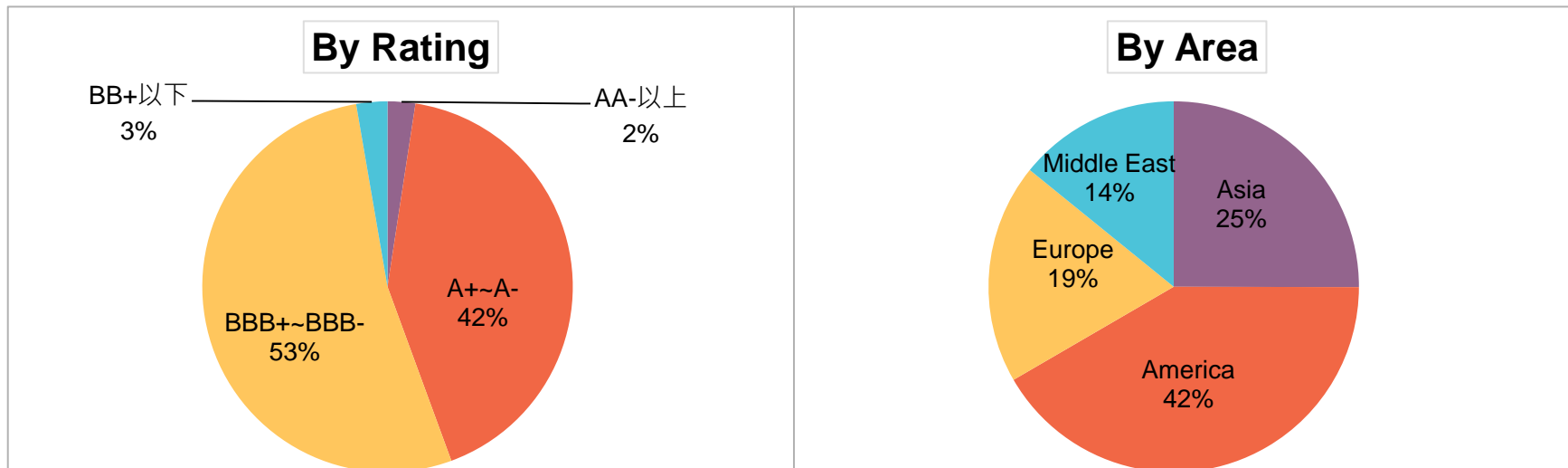


# Financial Asset - Fixed Income Investment



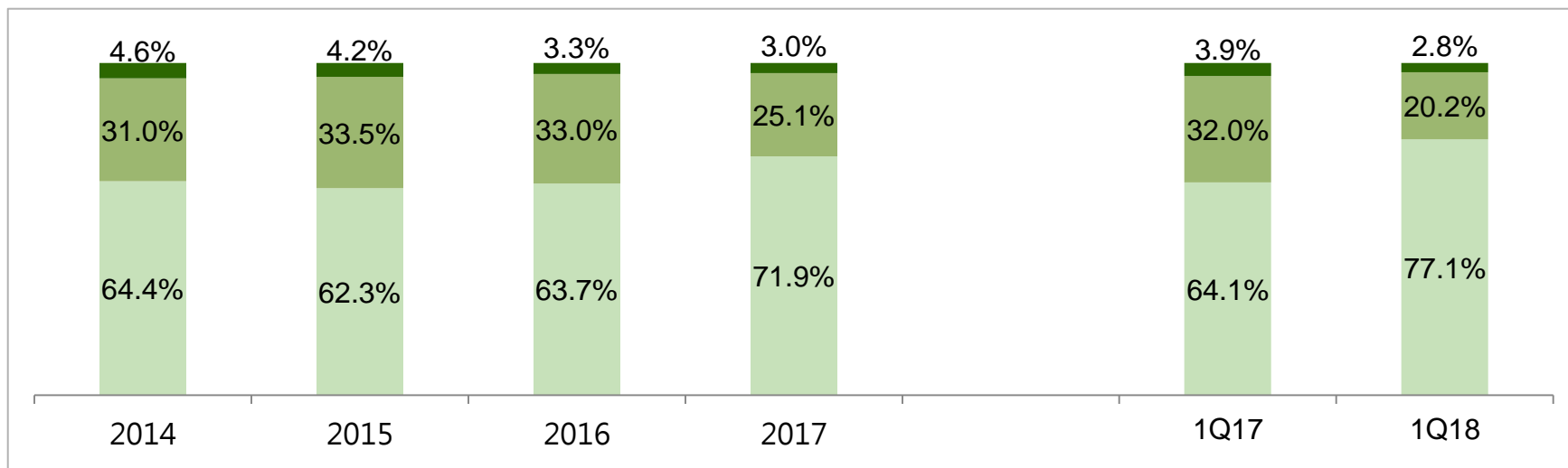
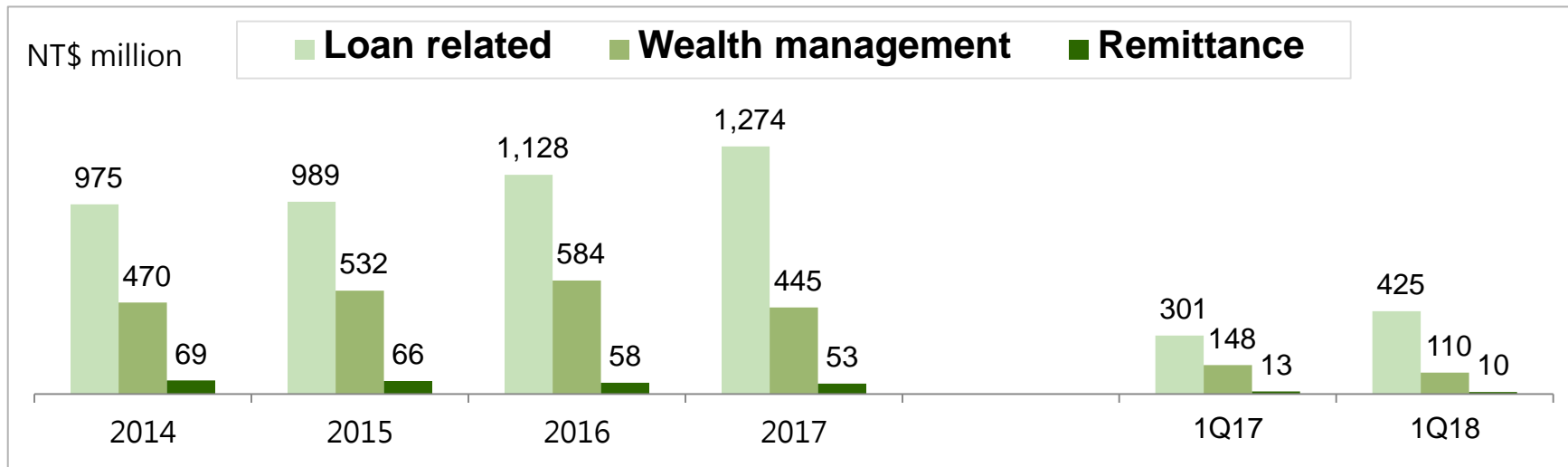


# Financial Asset – Overseas FX Mix (1Q18)



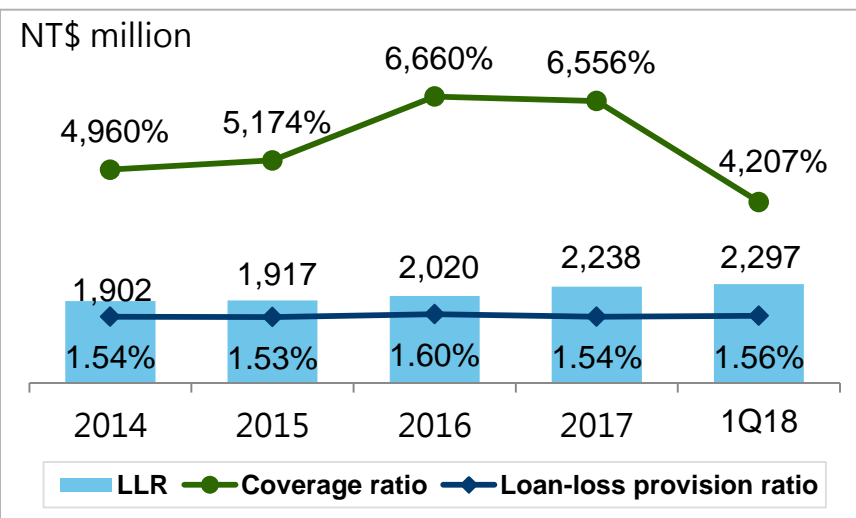
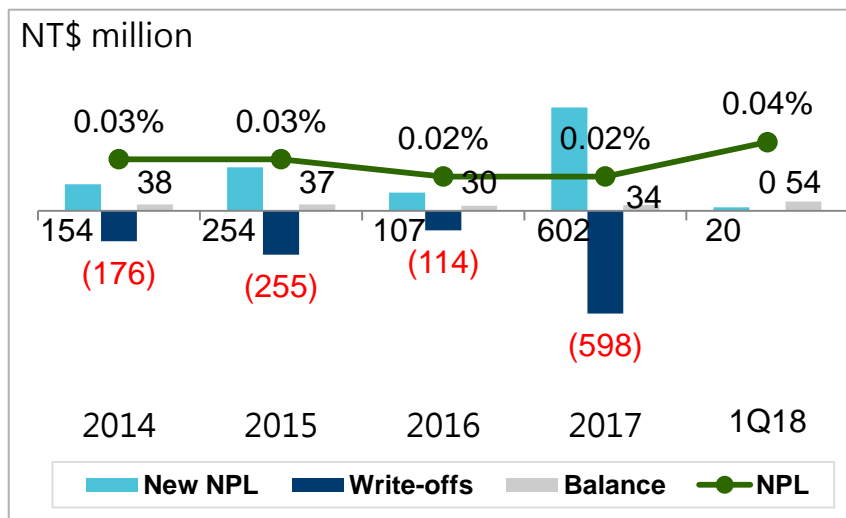
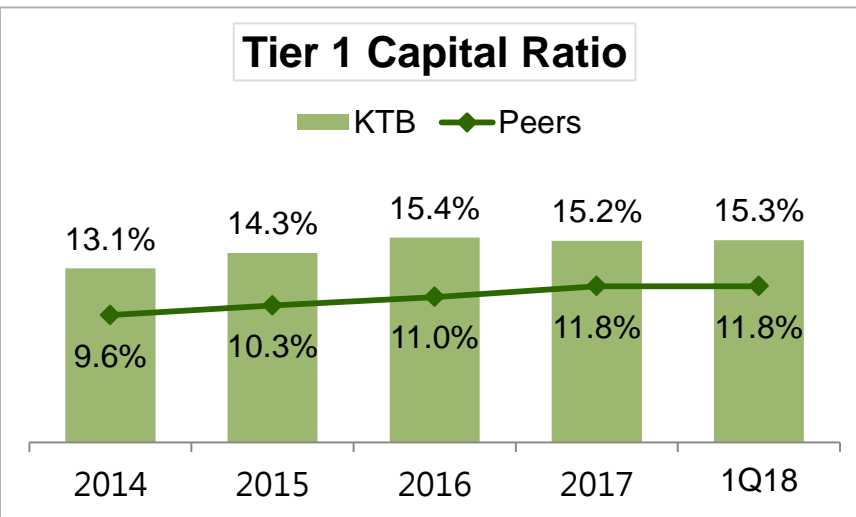
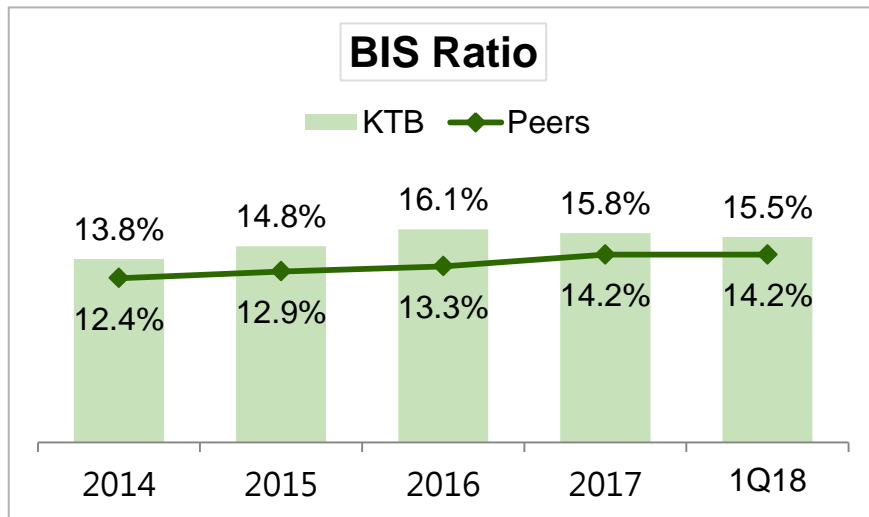


# Fee Income





# Capital Adequacy and Asset Quality



Note: Peers data updated to Dec. 2017.



# Top 1,000 World Banks 2017 - The Banker

Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Asset (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
715	26	946	16.16%	7,553	4.58%	852	29

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		Return on Assets	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.53%	124	<b>3</b>	18.25%	215	<b>1</b>	2.29%	91	<b>1</b>



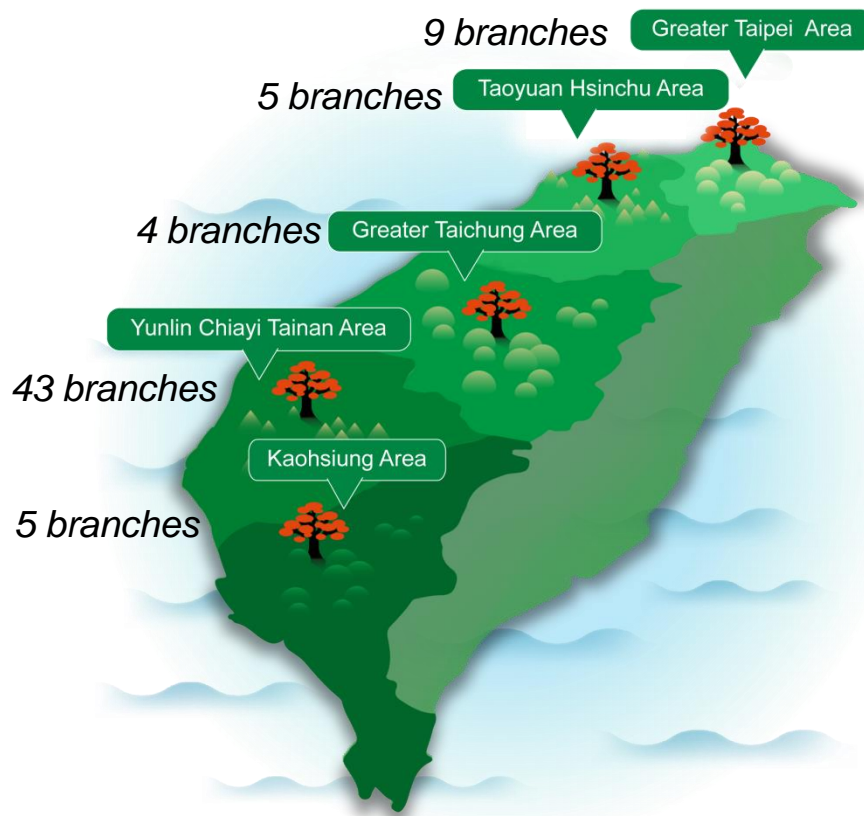


Thank you



# 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\$ 11.5 billion.
- 23 Metro branches, contributing
  - 14% of deposits
  - 87% of loans
- 43 Non-metro branches, contributing
  - 86% of deposits
  - 13% of loans





# Appendix - Income Statement

NT\$ million

Items	1Q/18	1Q/17	YoY
Net Interest Income	1,232	1,169	5%
Net Fee Income	545	462	18%
Other Income	188	293	-36%
Revenue	1,965	1,924	2%
Operating Expense	(545)	(557)	-2%
PPOP	1,420	1,367	4%
Provision for Loan Loss	28	18	56%
Earning Before Tax	1,448	1,385	5%
Net Income	1,294	1,240	4%
EPS(Cumulative)(NT\$)	1.13	1.08	5%



# Appendix - Balance Sheet

NT\$ billion

Items	2018.03	2017.03	YoY	Items	2018.03	2017.03	YoY
Cash, CD, Interbank Deposits, and R/S	19.5	25.1	-22%	Interbank Deposits , Interbank Borrowings	29.8	19.0	57%
Securities	102.7	95.0	8%	Deposits	177.8	175.8	1%
Loans	144.9	125.0	16%	R/P	24.2	17.6	38%
Property and Equipment	2.4	2.4	0%	Other Liabilities	5.2	3.2	63%
Other Assets	5.3	2.5	112%	Total Liabilities	237.0	215.6	10%
Total Assets	274.8	250.0	10%	Shareholder's Equity	37.8	34.4	10%