



# **King's Town Bank**

## **Operating Results of 3Q18**

**Stock Code : 2809.TW**



## Disclaimer

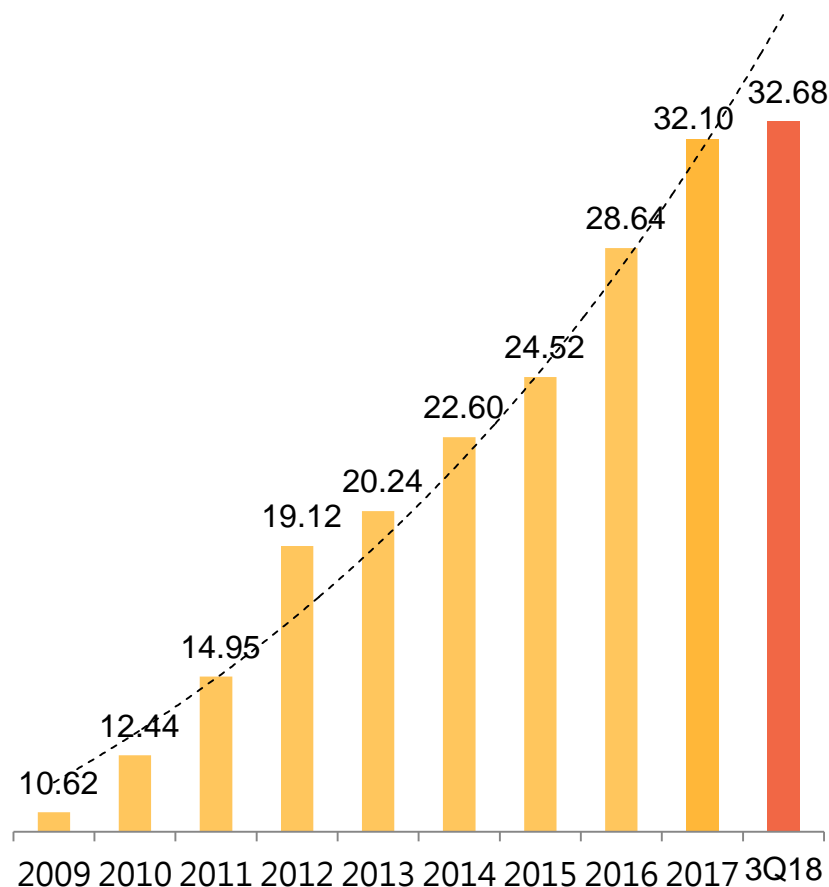
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



# 3Q18 Financial Review

	2018.09	2017.09
Total Assets (NT\$ mm)	285,018	267,326
Book Value/share (NT\$)	32.68	31.94
ROE (pretax)	15.68%	19.00%
ROA (pretax)	2.10%	2.57%
BIS Ratio	15.20%	15.39%
NPL Ratio	0.02%	0.06%
Coverage Ratio	6,874.05%	2,934.35%
Loan-loss Provision Coverage Ratio	1.50%	1.64%
QFII Holdings	22.46%	22.78%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





# 3Q18 Business Summary Updates

## Financial Performance

- Reported after-tax net income for 3Q/18 of NT\$ 3,660 million or NT\$ 3.19 per share after tax (EPS).
- Reported ROE of 15.68% and ROA of 2.10% for 3Q/18 (before tax).
- Asset quality remains sound with NPL ratio at 0.02%, coverage ratio at 6,874% and loan-loss provision coverage ratio at 1.50%.

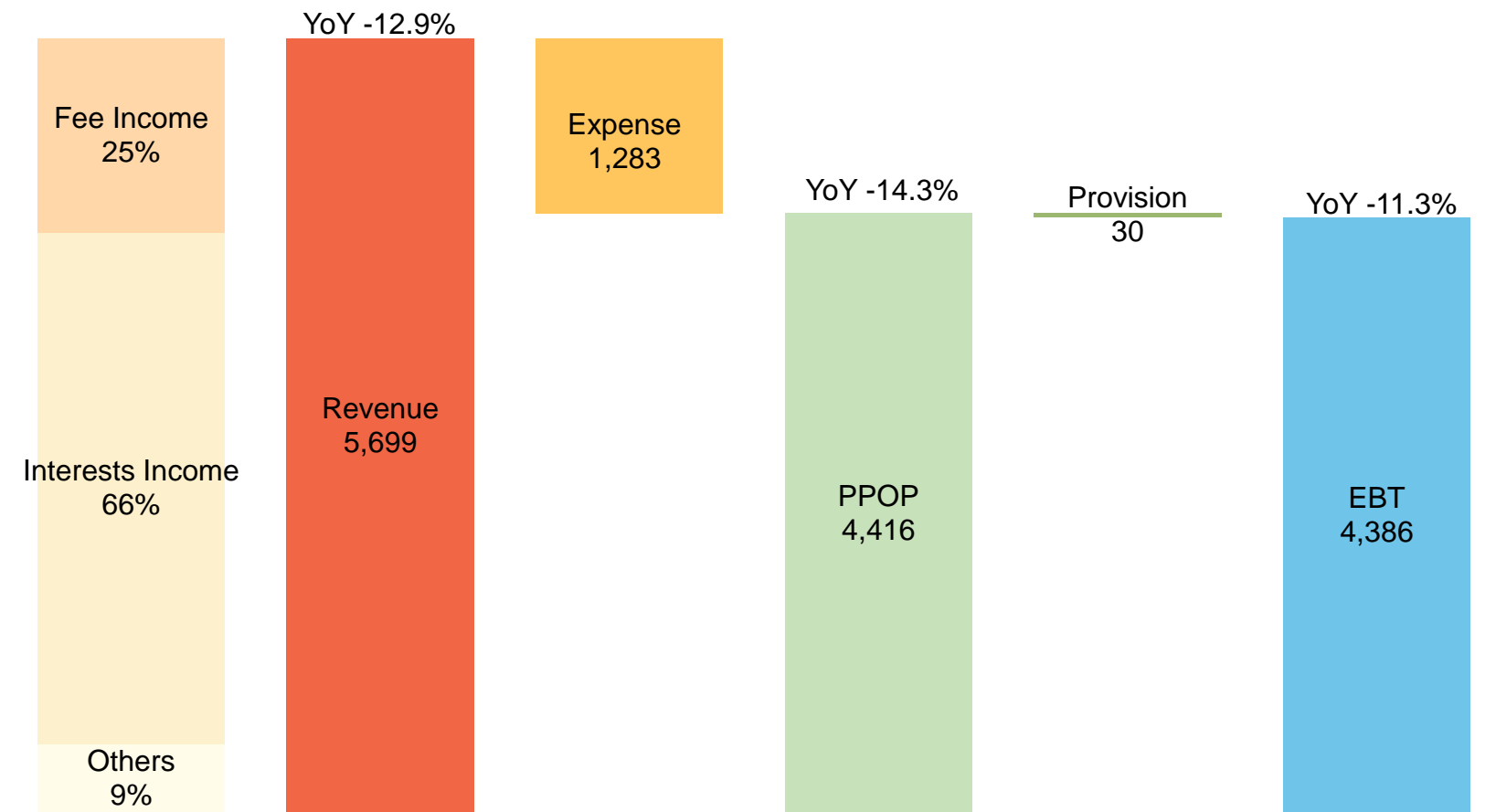
## Operation Highlights

- By focusing on SME and niche market, total loan for 3Q/18 increased 13% year-on-year to NT\$ 160.6 billion.
- Fee income and interest income for 3Q/18 reached NT\$ 1.43 billion and NT\$ 3.75 billion, respectively, representing an increase of 1.9% and 5.2%, among which the loan-related fee contributed NT\$ 1.12 billion, 10.3% increase year-on-year, highlighting the continued loan growth momentum.
- Credit rating affirmed by Fitch at A+(tw) \ F1(tw) for 5 consecutive years.



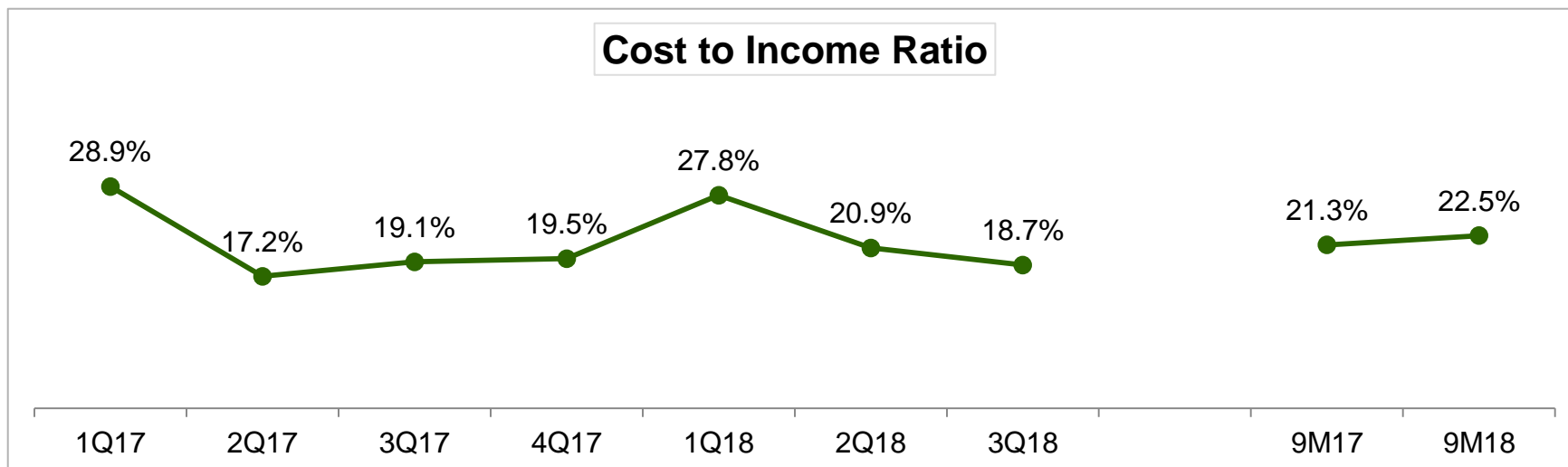
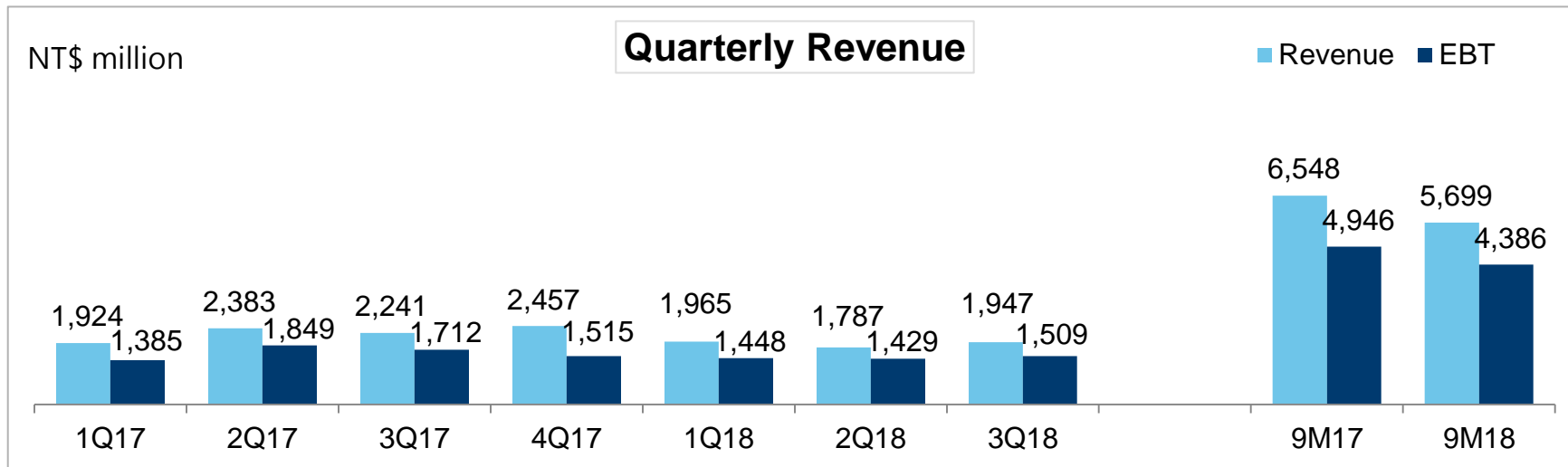
# 9M18 Revenue Breakdown

NT\$ million



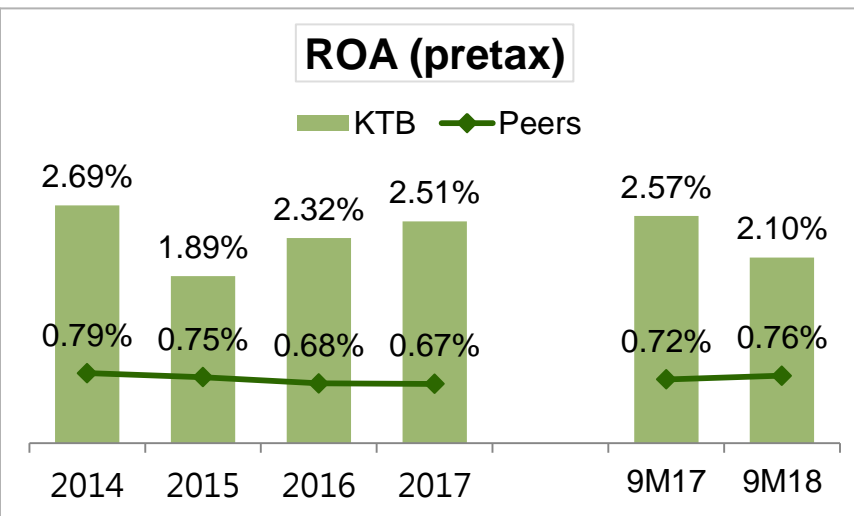
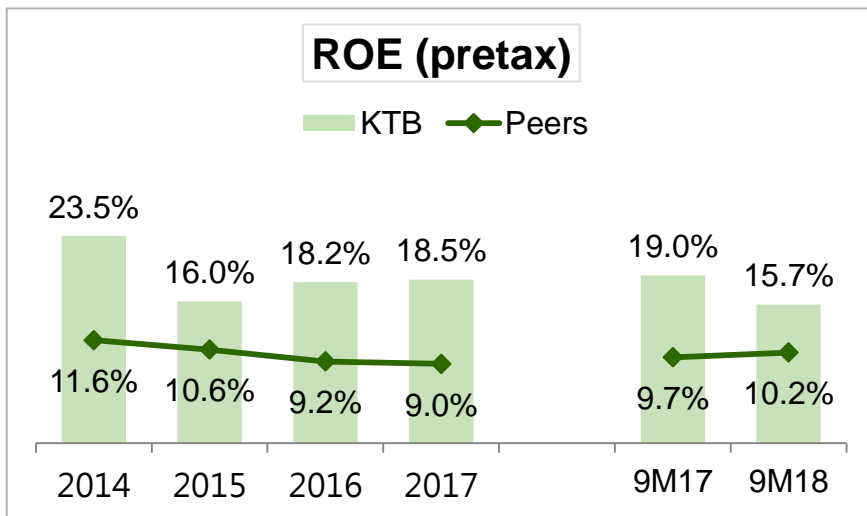
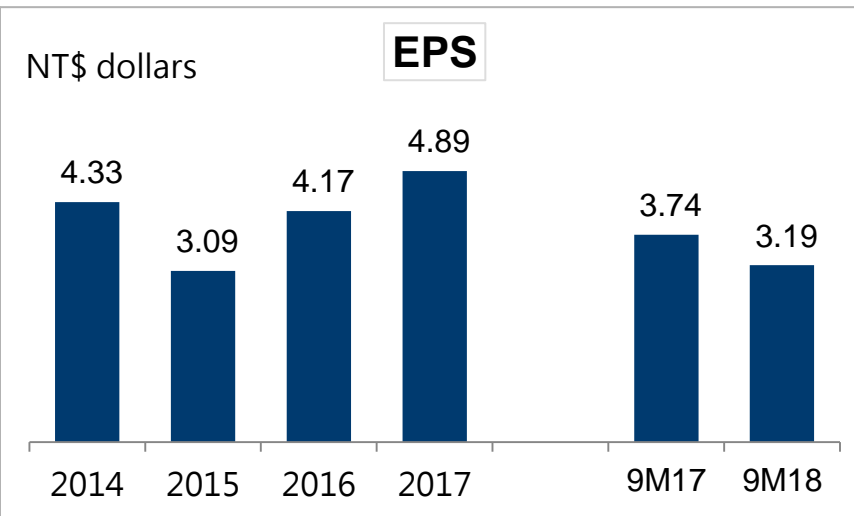
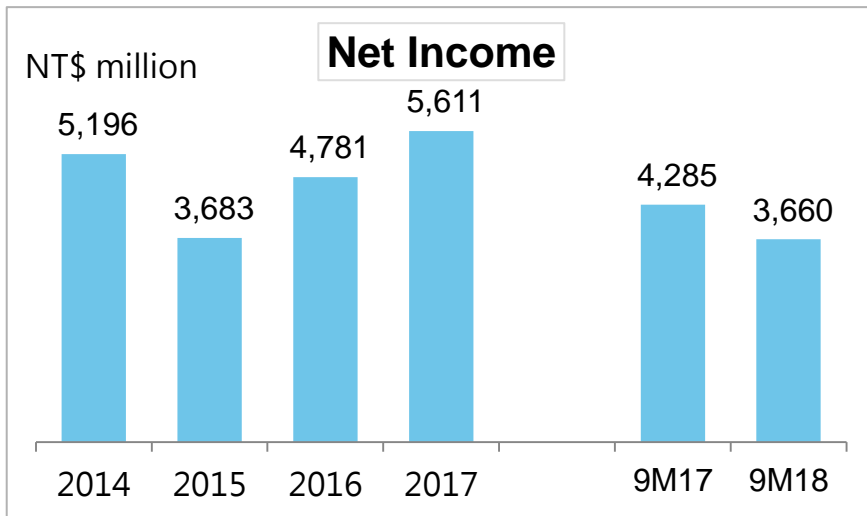


# Quarterly Revenue and Expense





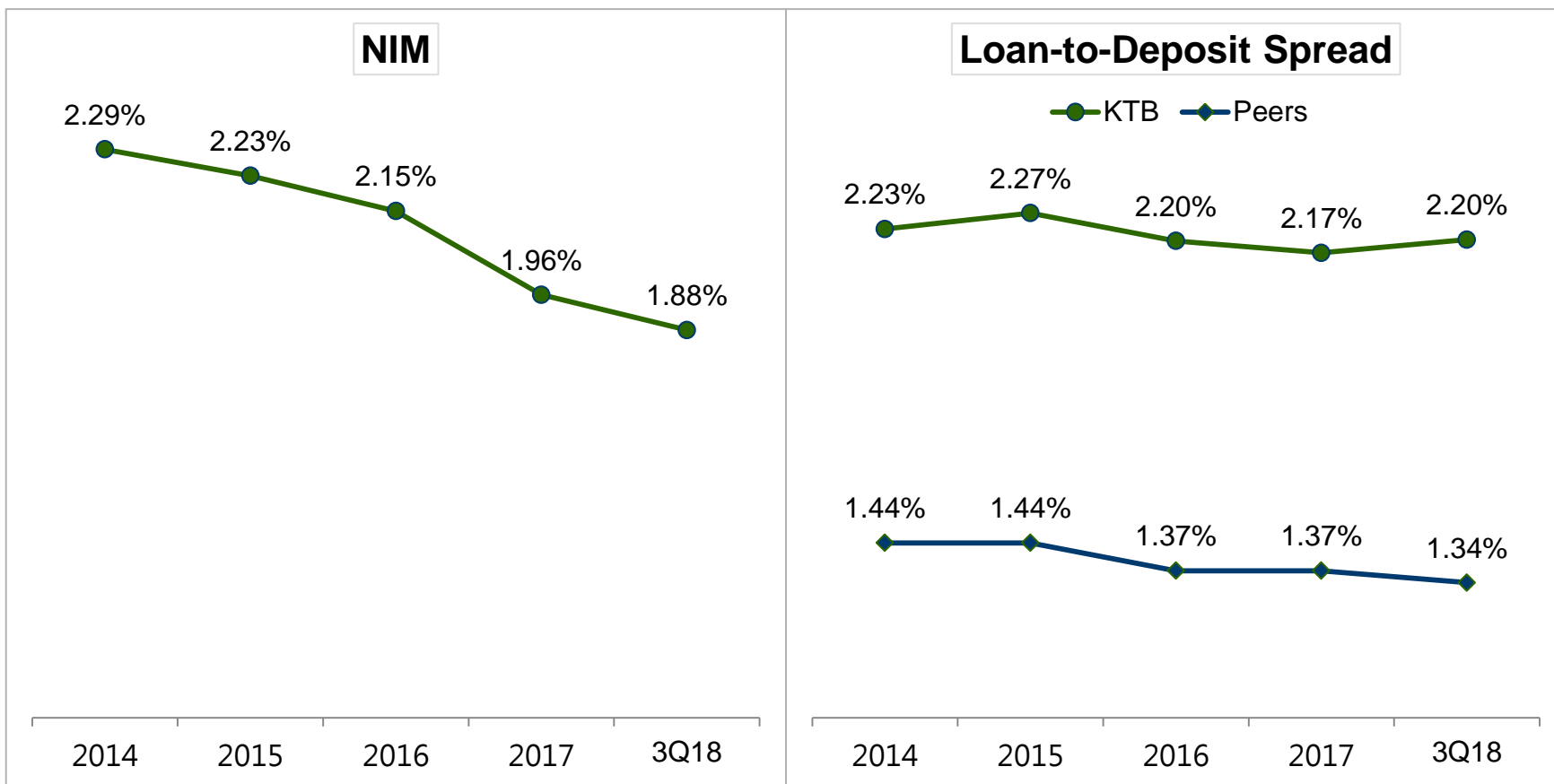
# Profitability



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



# NIM and Spreads

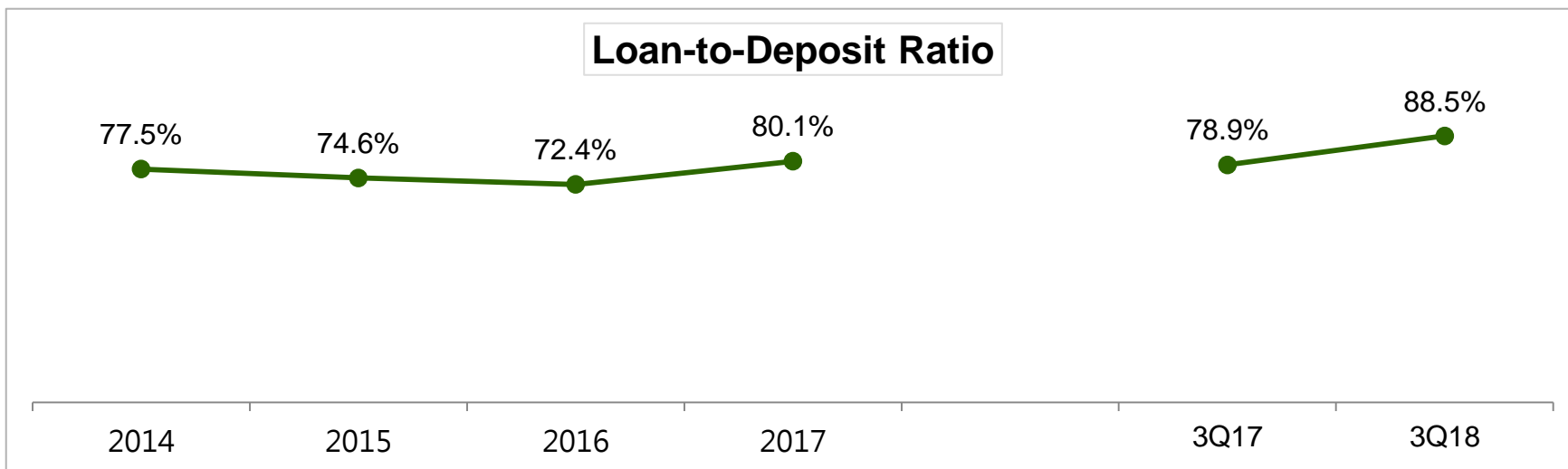
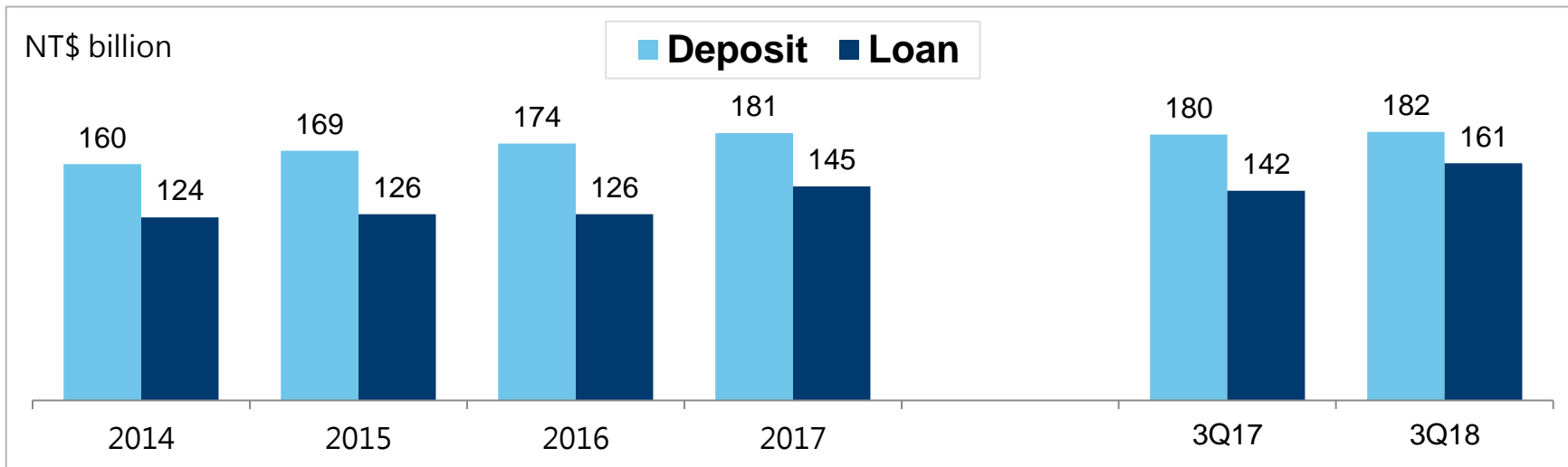


Note: Peers data updated to 2Q/18.



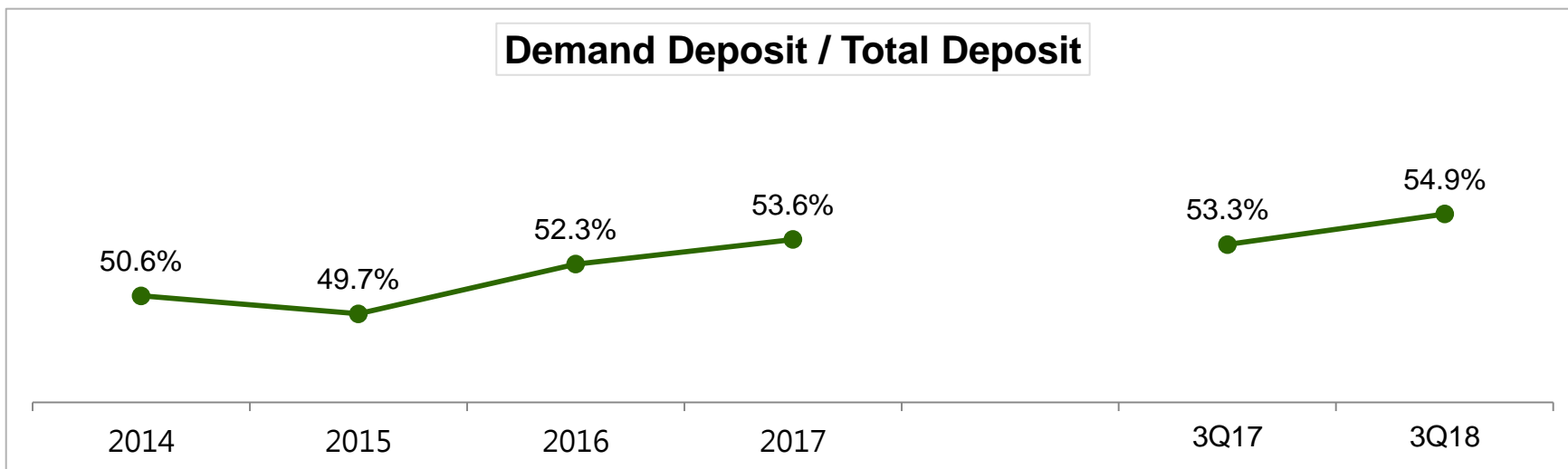
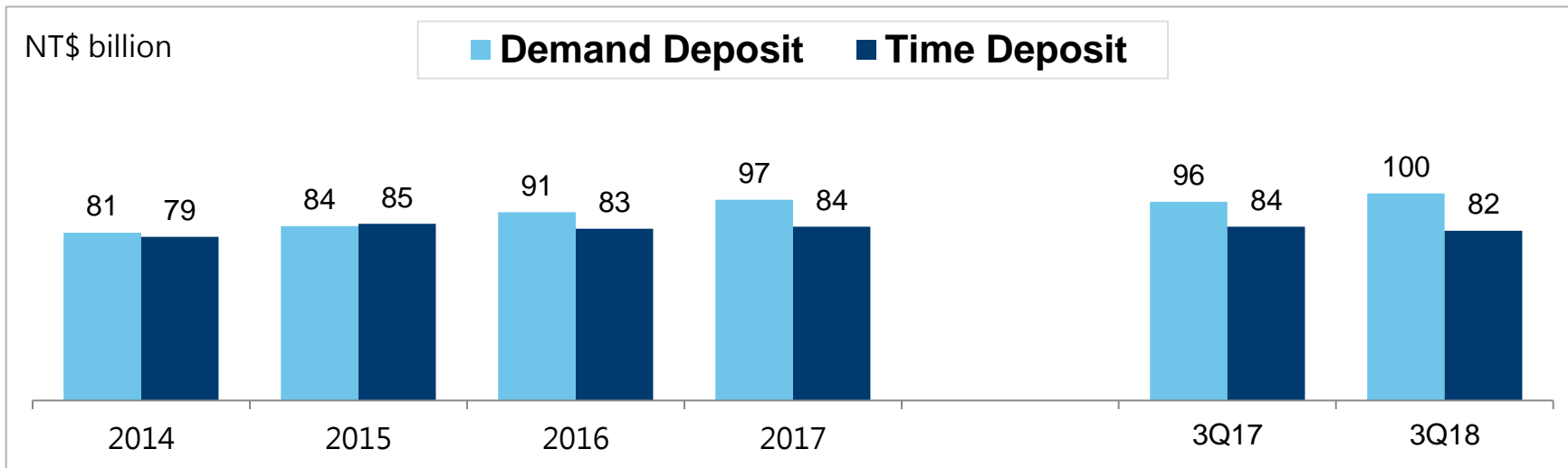


# Loan and Deposit





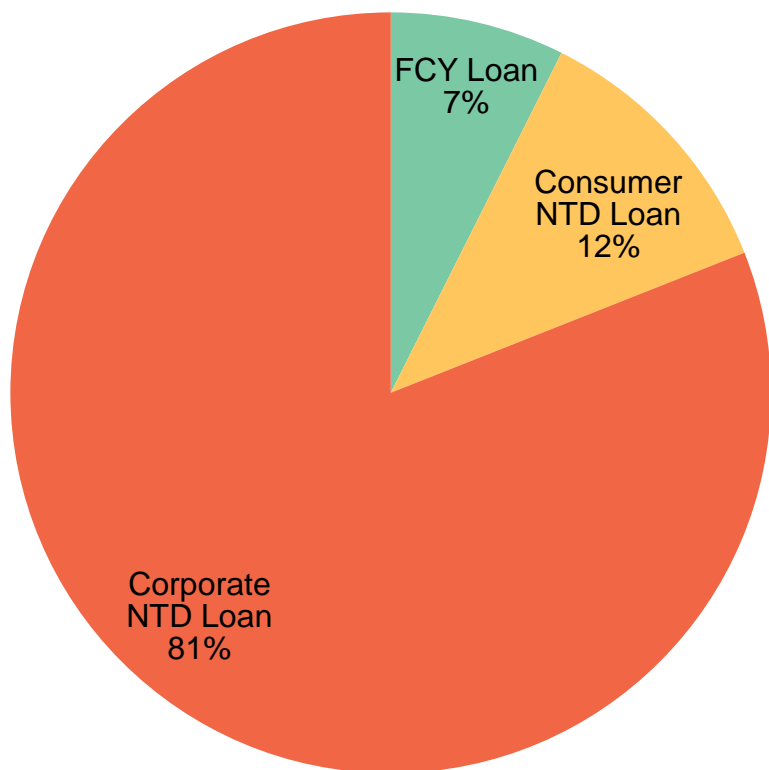
# Deposit Breakdown



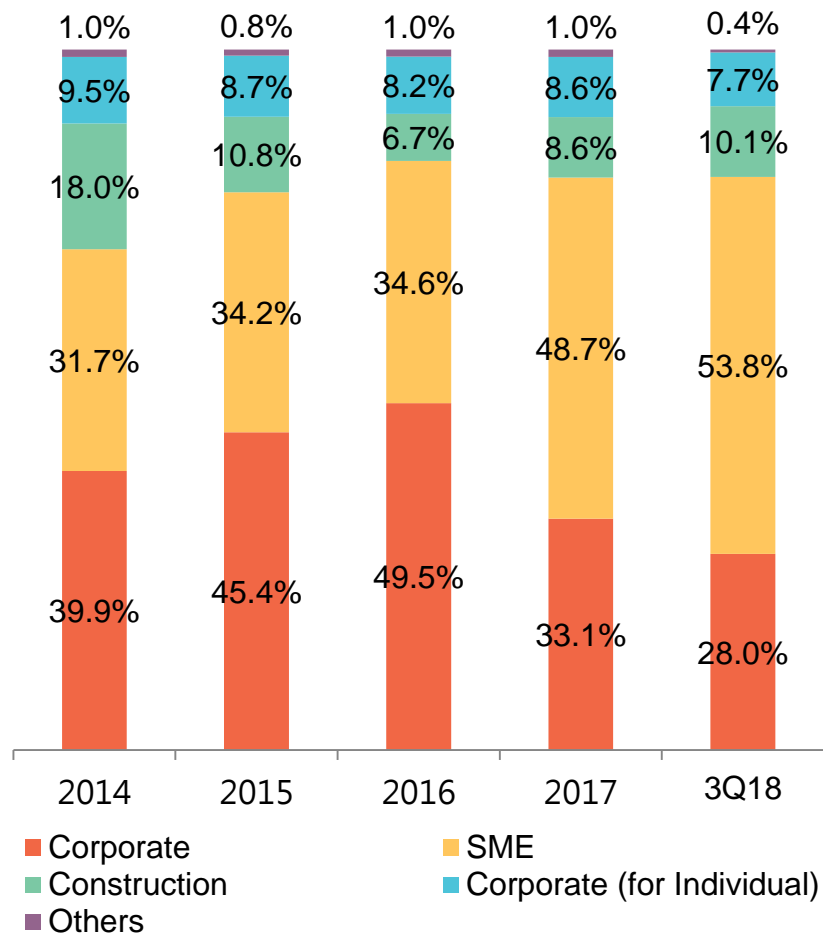


# Loan Breakdown

**Loan Composition (3Q18)**

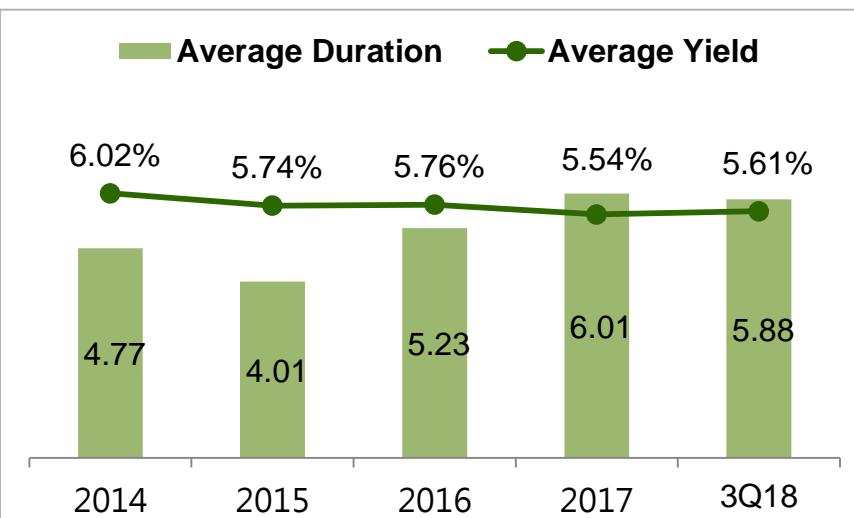
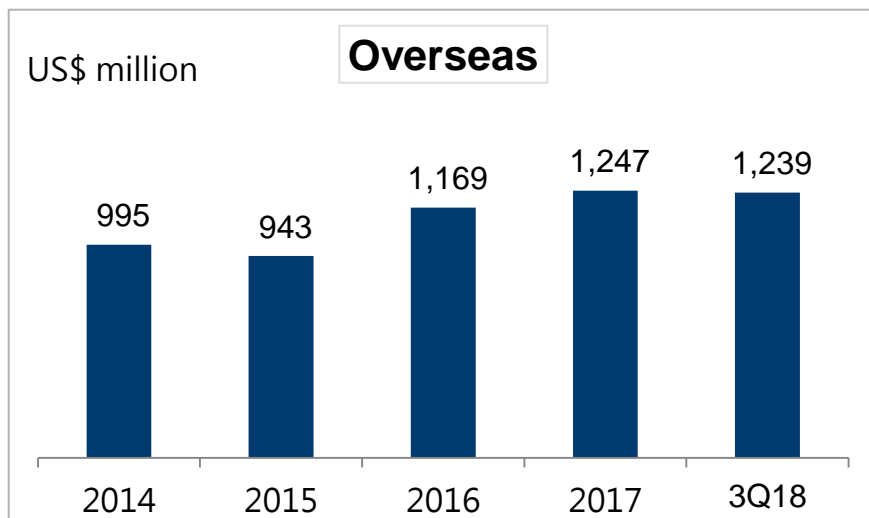
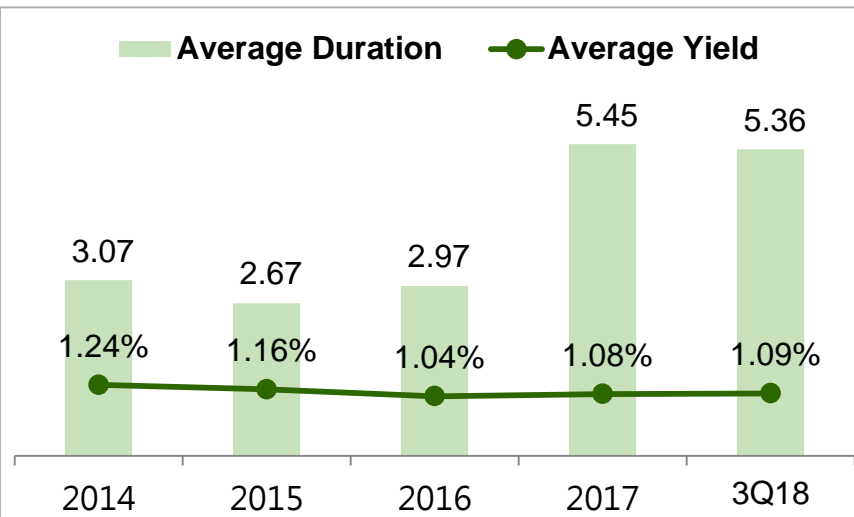
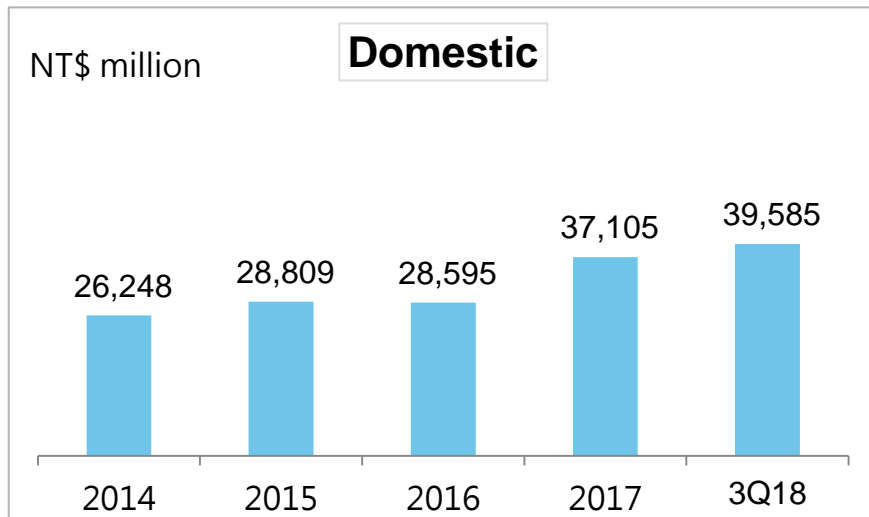


**Corporate Loan by Type**



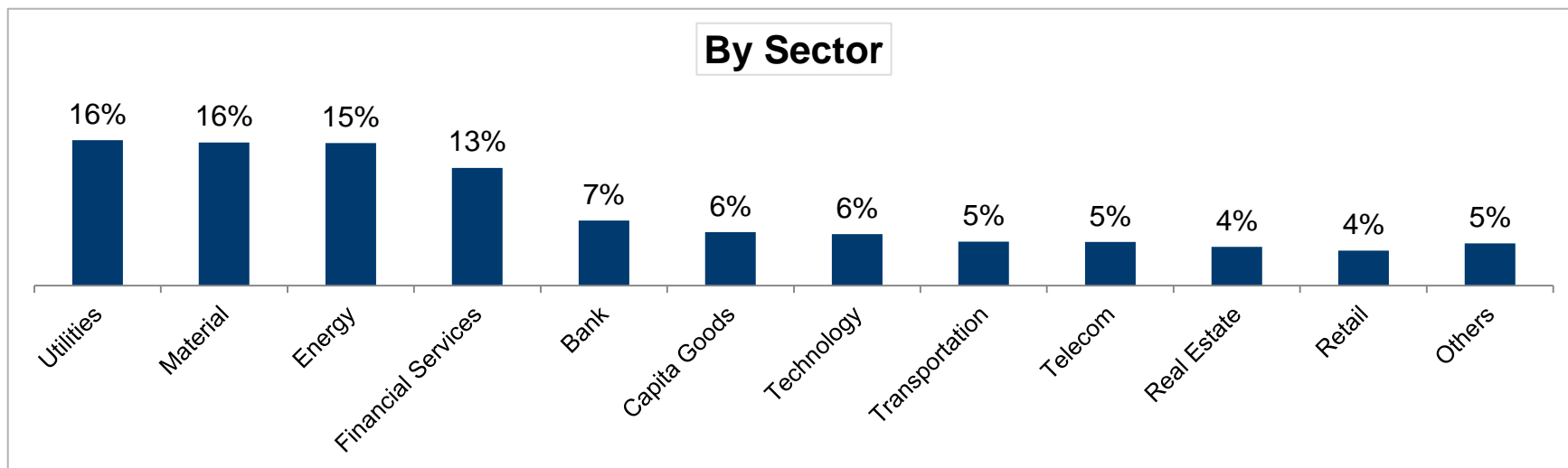
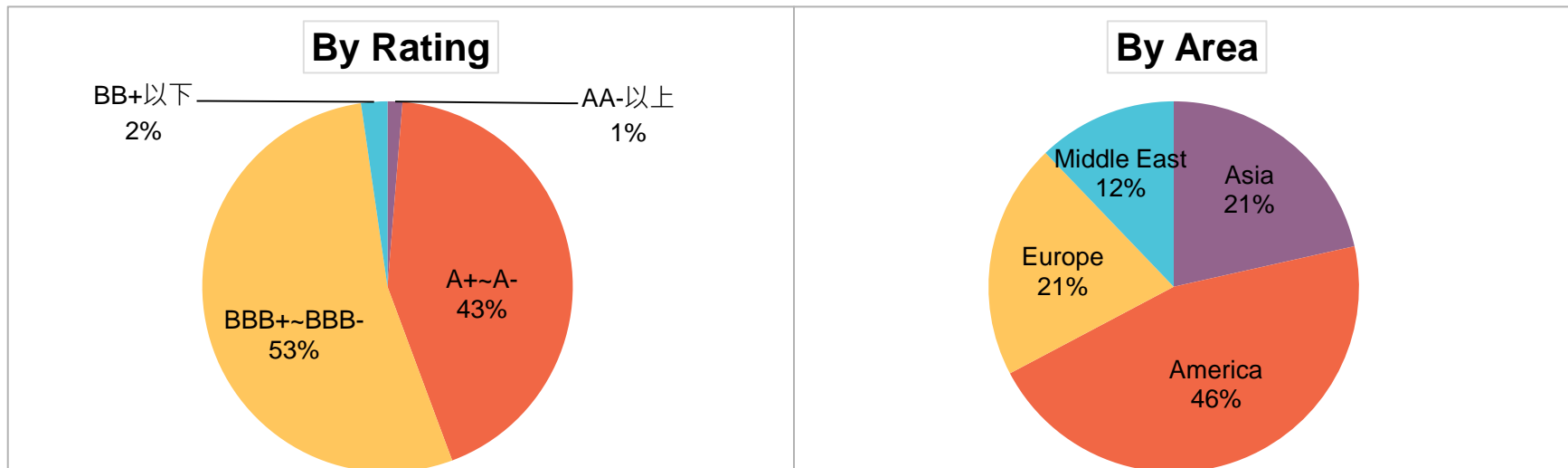


# Financial Asset - Fixed Income Investment



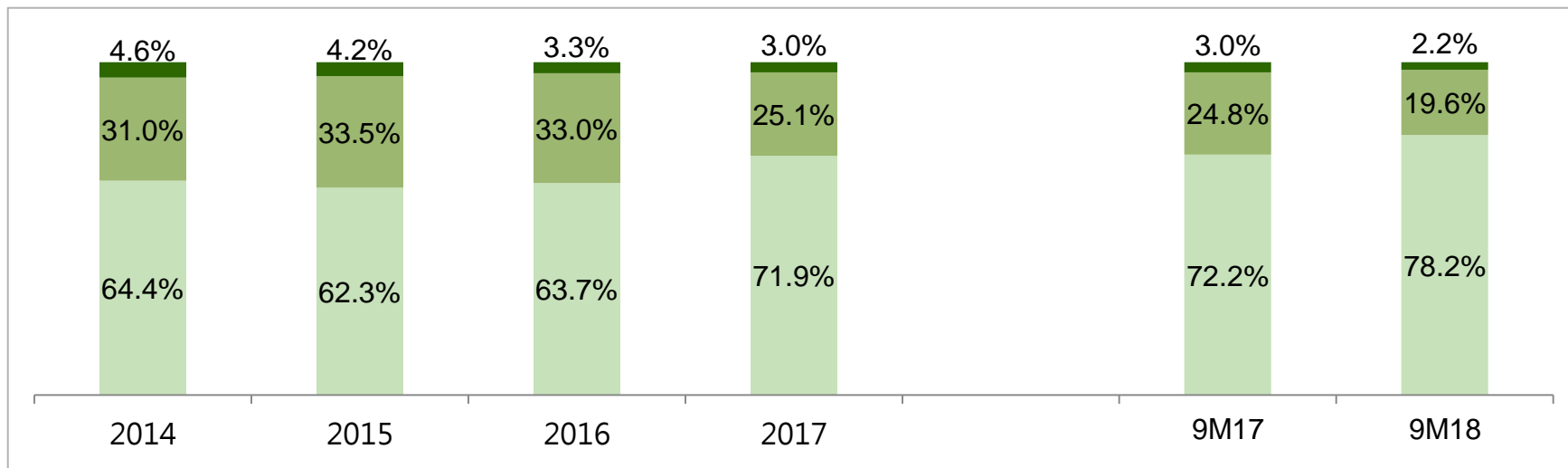
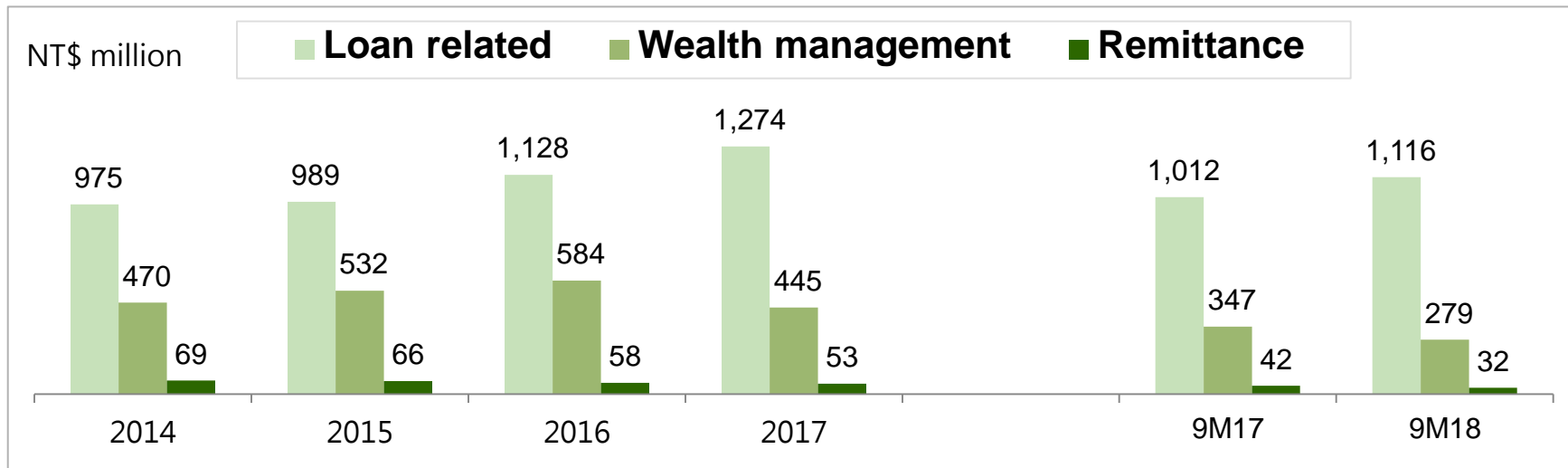


# Financial Asset – Overseas Fixed Income Portfolio (3Q18)



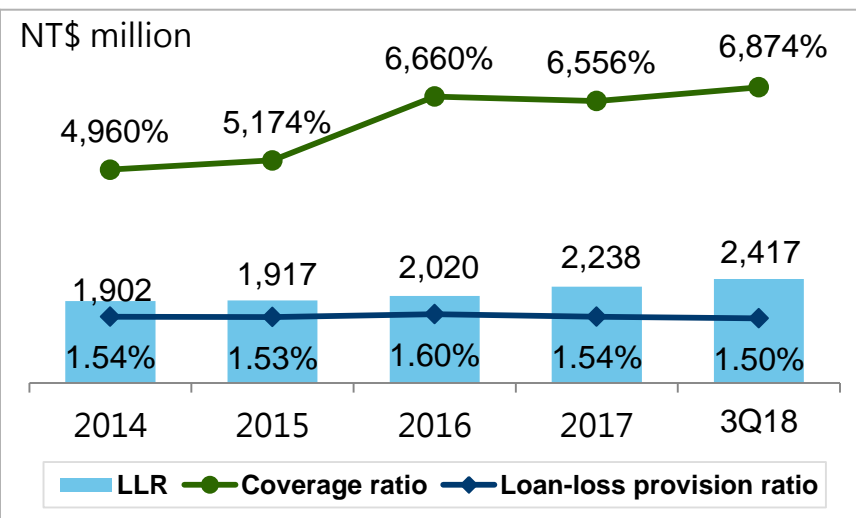
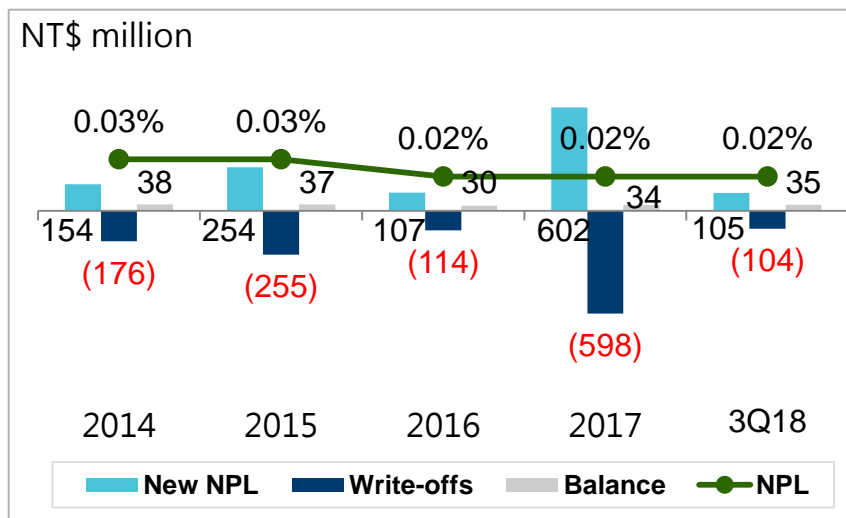
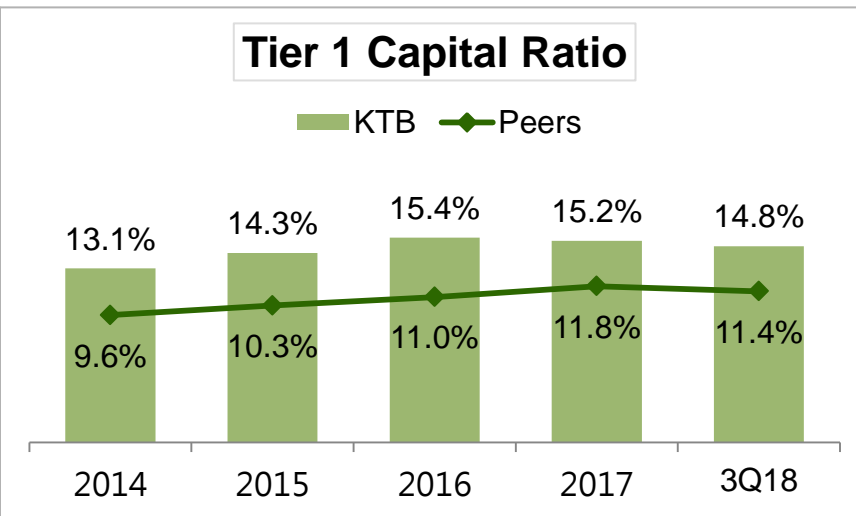
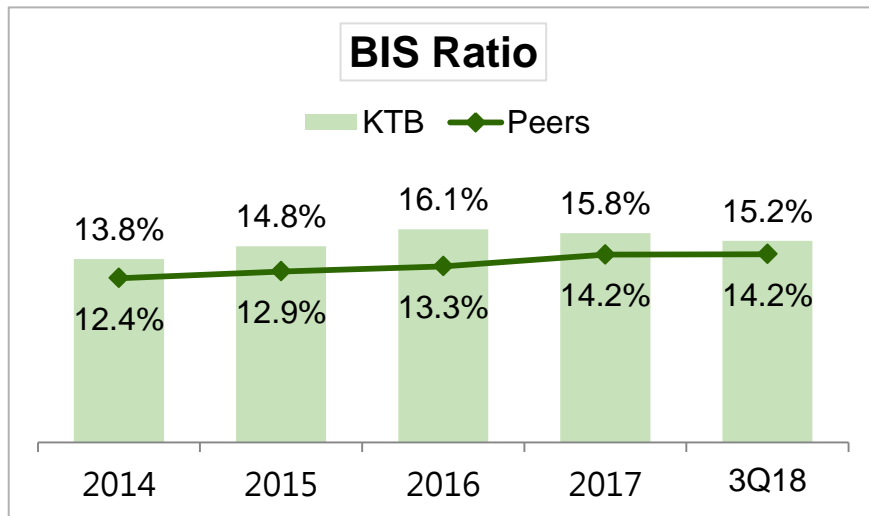


# Fee Income





# Capital Adequacy and Asset Quality



Note: Peers data updated to June 2018.



# 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



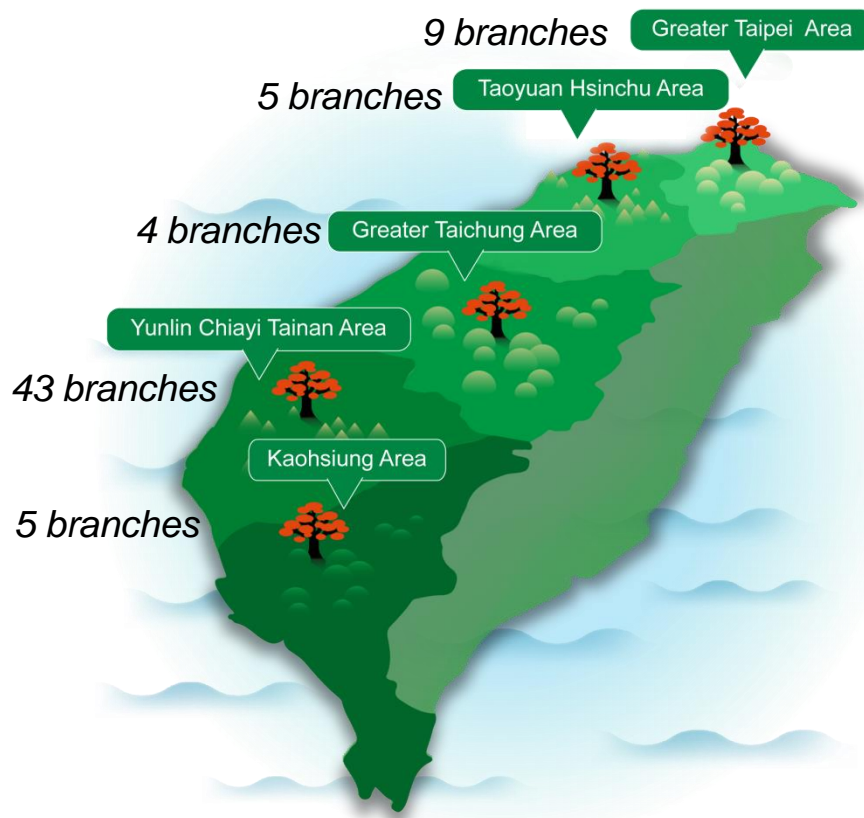


*Thank You !*



# 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\$ 11.5 billion.
- 23 Metro branches, contributing
  - 15% of deposits
  - 85% of loans
- 43 Non-metro branches, contributing
  - 85% of deposits
  - 15% of loans





# Appendix - Income Statement

NT\$ million

Items	3Q/18	3Q/17	YoY
Net Interest Income	3,752	3,564	5%
Net Fee Income	1,427	1,401	2%
Other Income	520	1,583	-67%
Revenue	5,699	6,548	-13%
Operating Expense	(1,283)	(1,395)	-8%
PPOP	4,416	5,153	-14%
Provision for Loan Loss	(30)	(207)	-86%
Earning Before Tax	4,386	4,946	-11%
Net Income	3,660	4,285	-15%
EPS(Cumulative)(NT\$)	3.19	3.74	-15%



# Appendix - Balance Sheet

NT\$ billion

Items	2018.09	2017.09	YoY	Items	2018.09	2017.09	YoY
Cash, CD, Interbank Deposits, and R/S	18.8	19.4	-3%	Interbank Deposits , Interbank Borrowings	31.6	26.5	19%
Securities	101.0	102.7	-2%	Deposits	181.6	180.2	1%
Loans	158.2	139.8	13%	R/P	28.4	21.0	35%
Property and Equipment	2.4	2.4	0%	Other Liabilities	5.7	3.0	90%
Other Assets	4.6	3.0	53%	Total Liabilities	247.3	230.7	7%
Total Assets	285.0	267.3	7%	Shareholder's Equity	37.6	36.6	3%