



# **King's Town Bank Operating Results of FY18**

**Stock Code : 2809.TW**



## Disclaimer

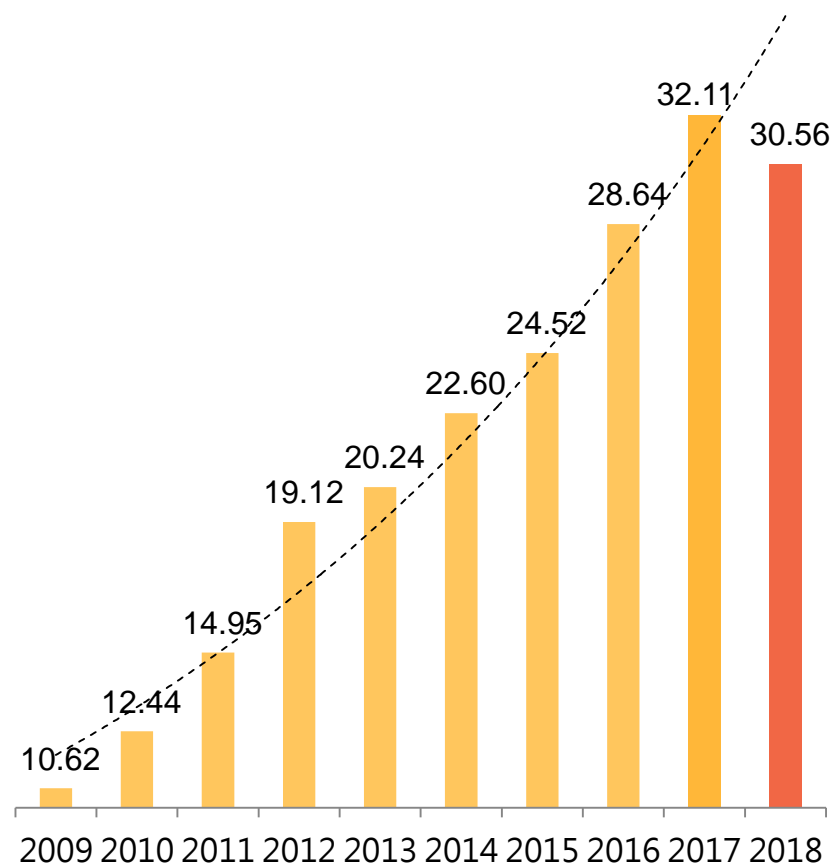
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



# FY18 Financial Review

	2018.12	2017.12
Total Assets (NT\$ mm)	281,095	271,176
Book Value/share (NT\$)	30.56	32.11
ROE (pretax)	9.91%	18.52%
ROA (pretax)	1.29%	2.51%
BIS Ratio	14.21%	15.80%
NPL Ratio	0.02%	0.02%
Coverage Ratio	6,863.31%	6,555.68%
Loan-loss Provision Coverage Ratio	1.53%	1.54%
QFII Holdings	21.96%	23.54%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





# FY18 Business Summary Updates

## Financial Performance

- Reported before-tax net income for year 2018 of NT\$ 3,573 million or NT\$ 3.11 per share before tax (EPS).
- Reported ROE of 9.91% and ROA of 1.29% for year 2018 (before tax).
- Asset quality remains sound with NPL ratio at 0.02%, coverage ratio at 6,863% and loan-loss provision coverage ratio at 1.53%.
- Credit rating affirmed by Fitch at A+(tw) \ F1(twn) for 5 consecutive years.

## Operation Highlights

- By focusing on SME and niche market, total loan for year 2018 increased 6.49% year-on-year to NT\$ 154.6 billion.
- Fee income and interest income for year 2018 reached NT\$ 1.84 billion and NT\$ 5.02 billion, respectively, representing an increase of 4% and 4.5%, among which the loan-related fee contributed NT\$ 1.43 billion, 12.2% increase year-on-year, highlighting the continued loan growth momentum.

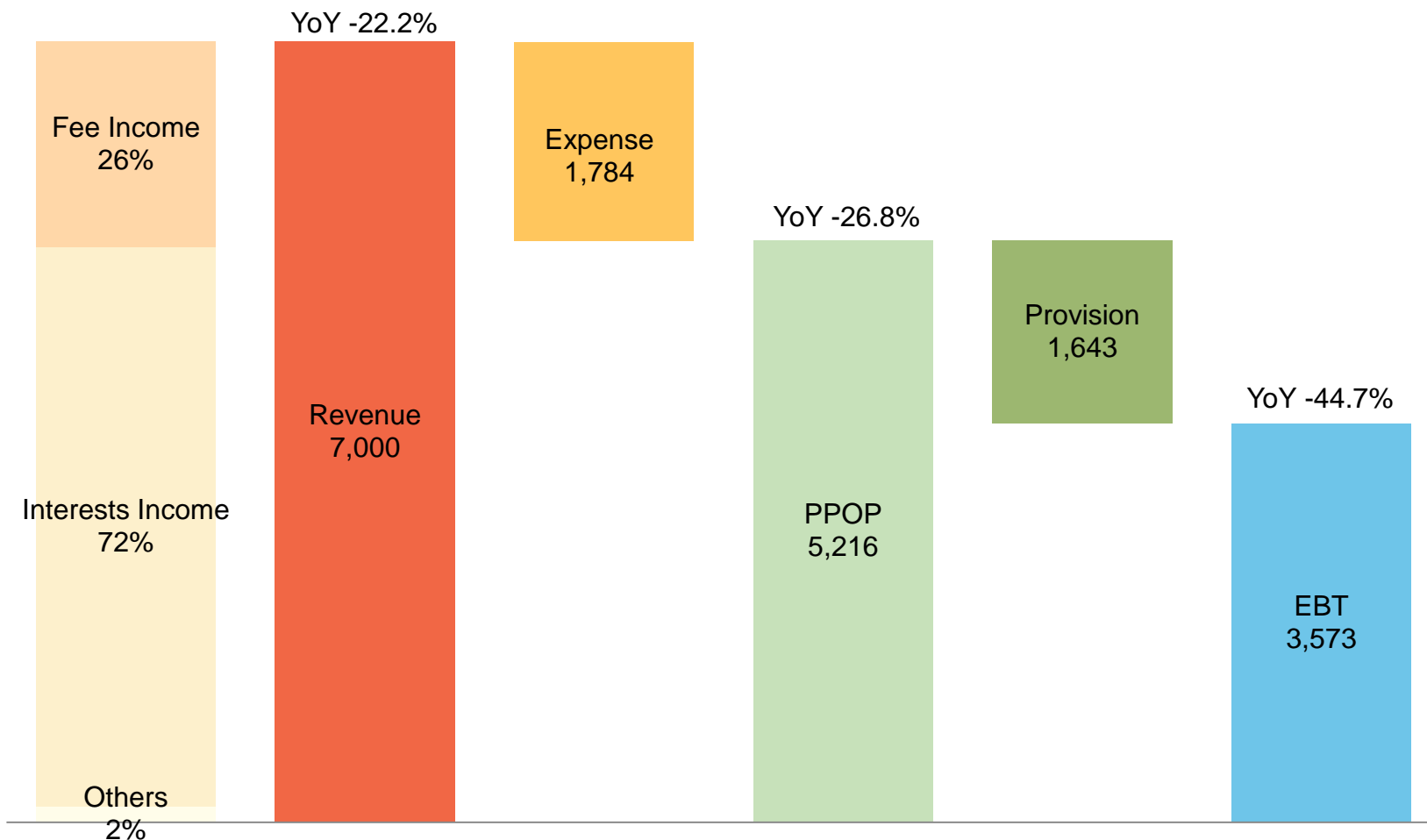
## Awards

- Selected as Top 5% of "Corporate Governance Best-Practice for TWSE Listed Companies".
- "Golden Security Award" and "Golden Quality Award" of credit information by JCIC for year 2018.
- The second place in the "2017 Bank International Competitiveness Evaluation" held by the Center for the study of Banking and Finance of National Taiwan University.



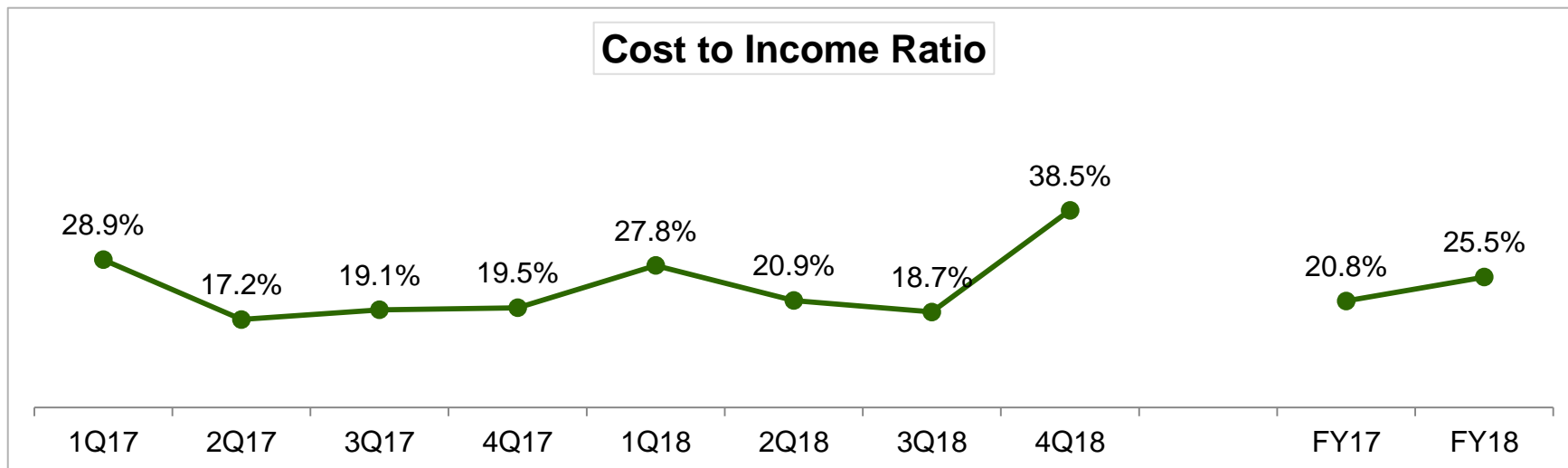
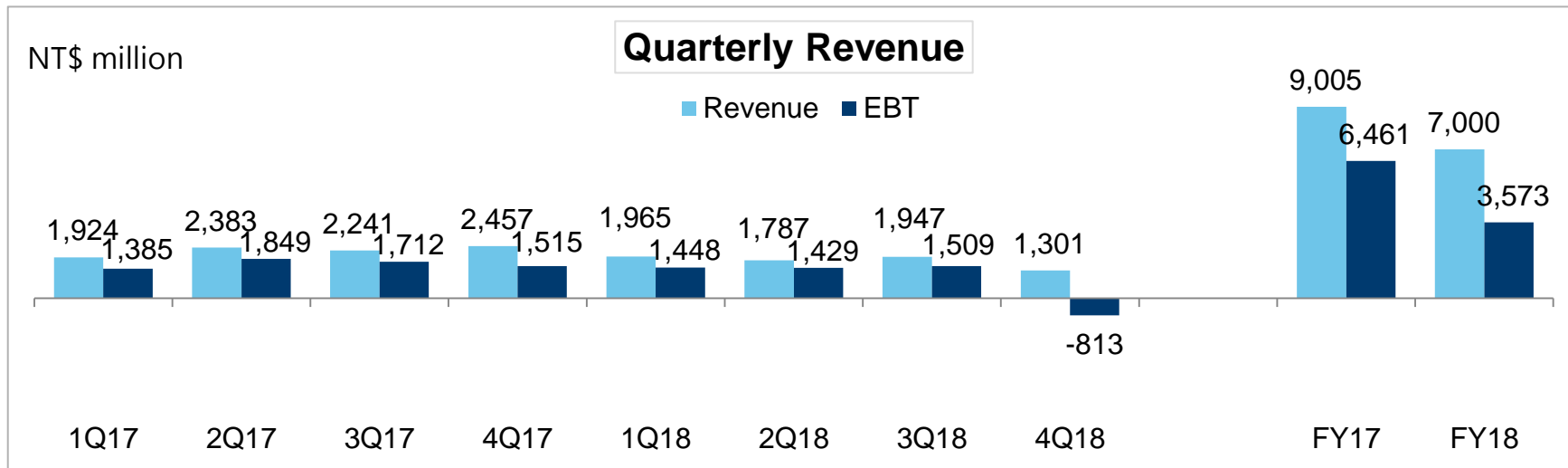
# FY18 Revenue Breakdown

NT\$ million



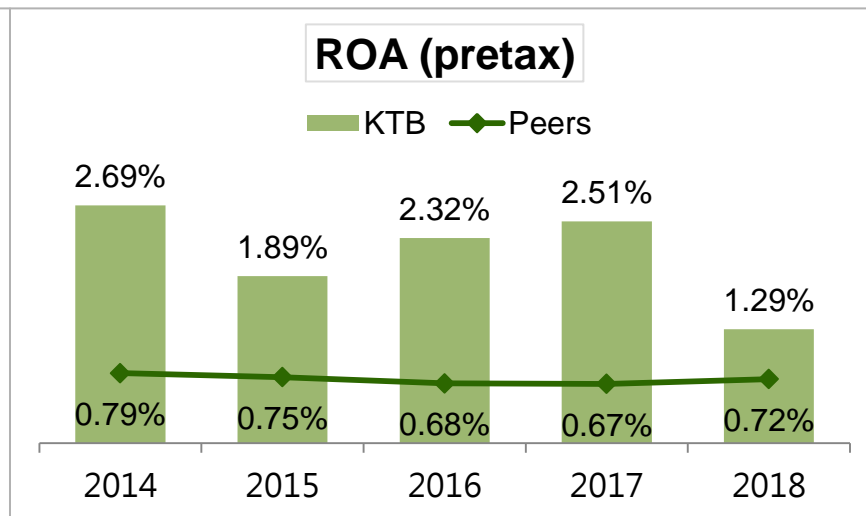
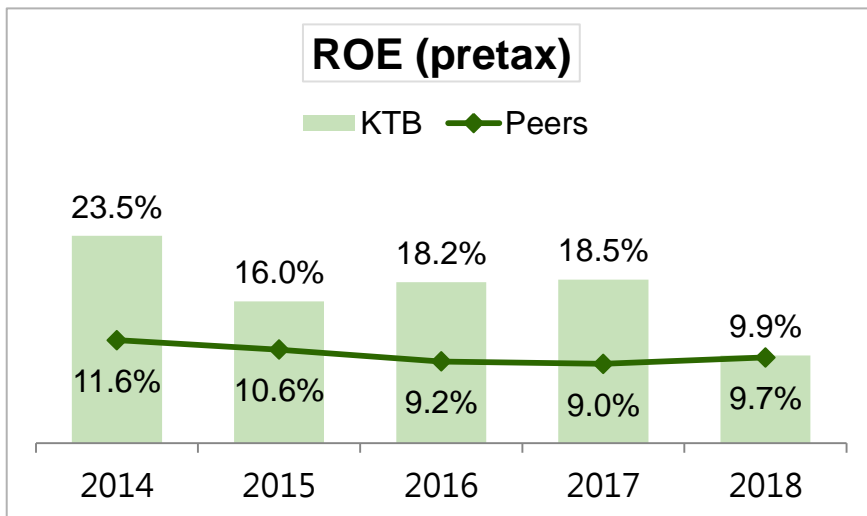
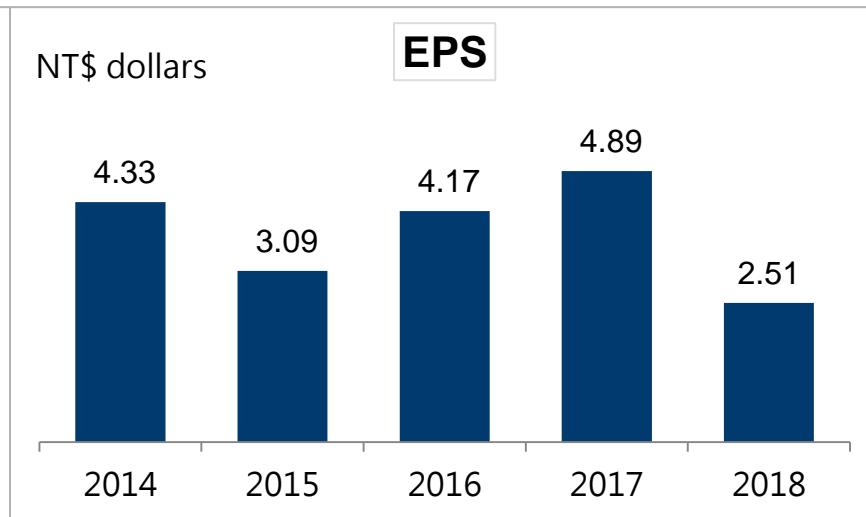
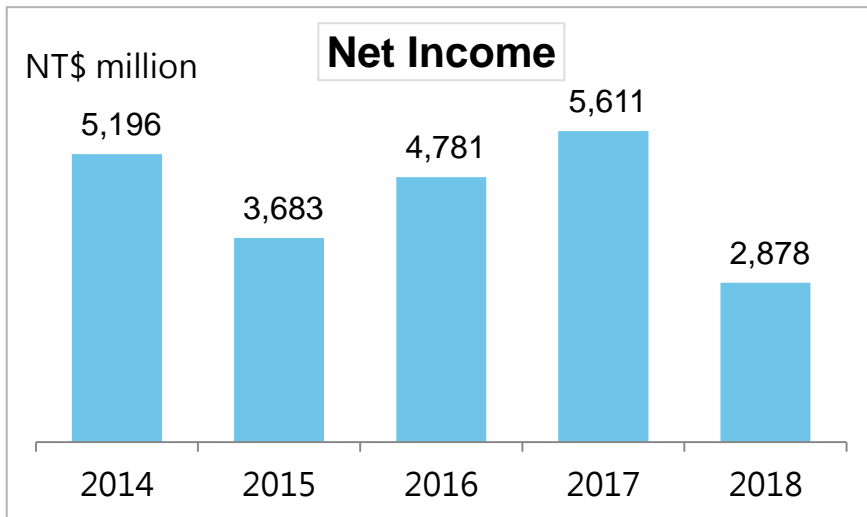


# Quarterly Revenue and Expense





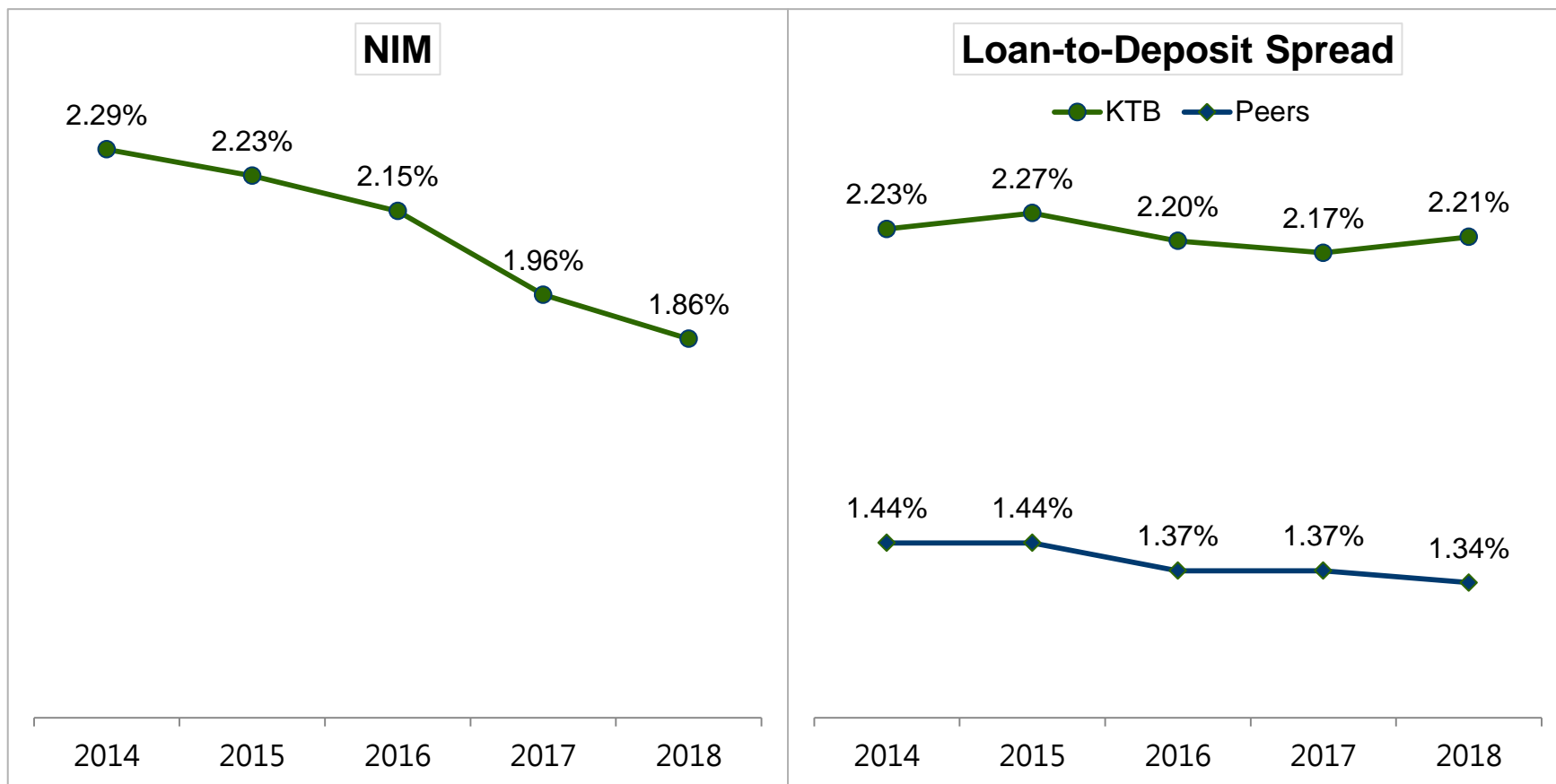
# Profitability



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



# NIM and Spreads

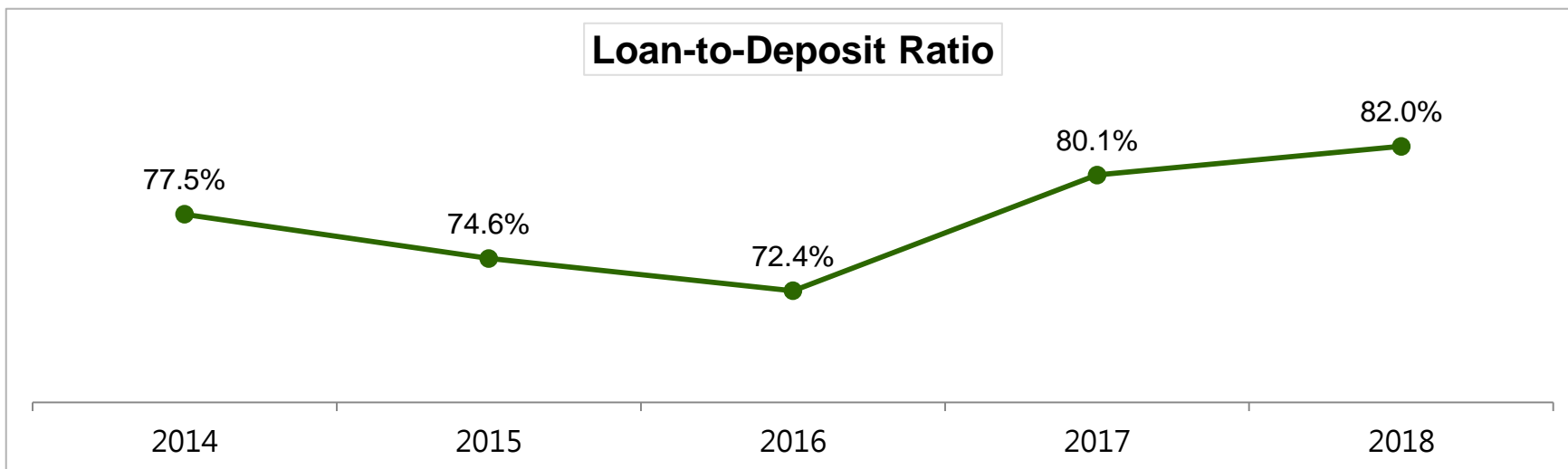
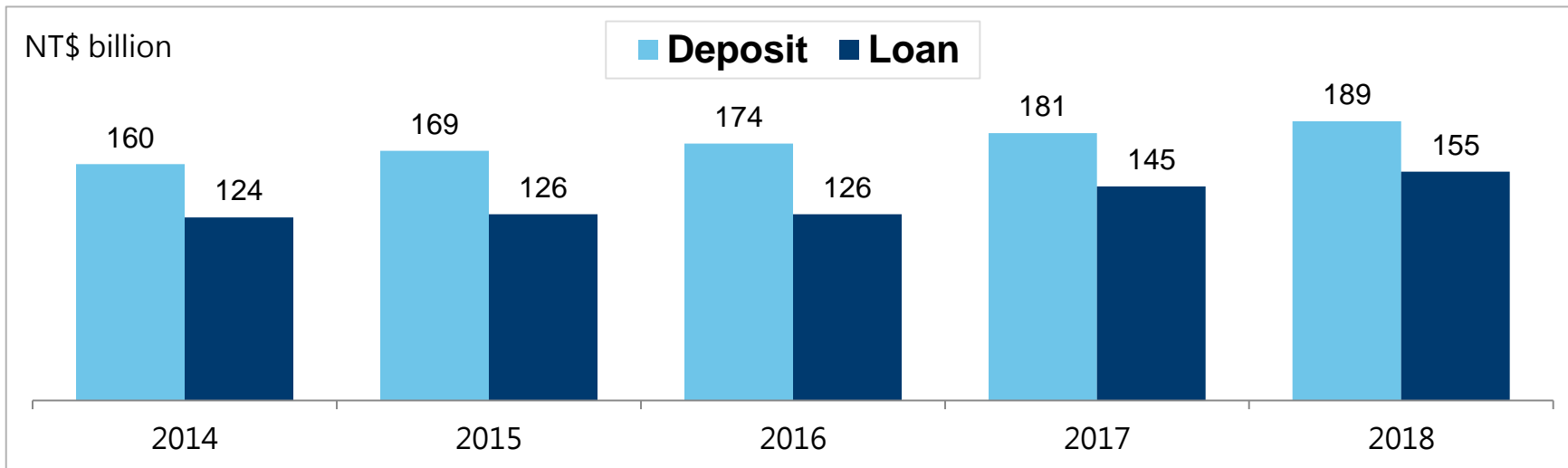


Note: Peers data updated to 3Q/18.



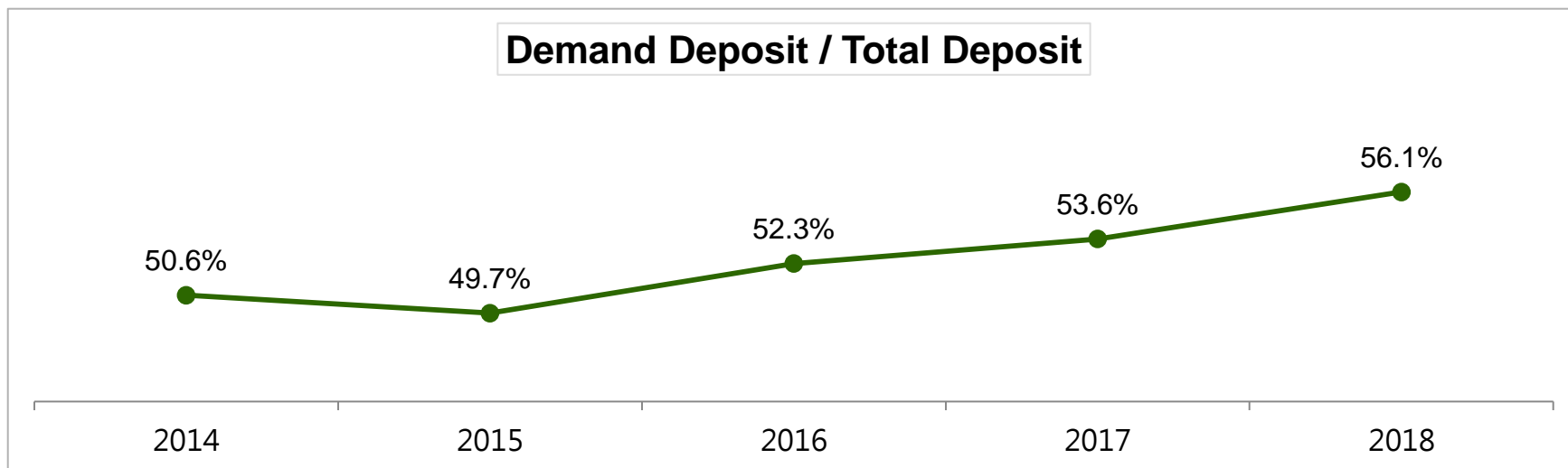
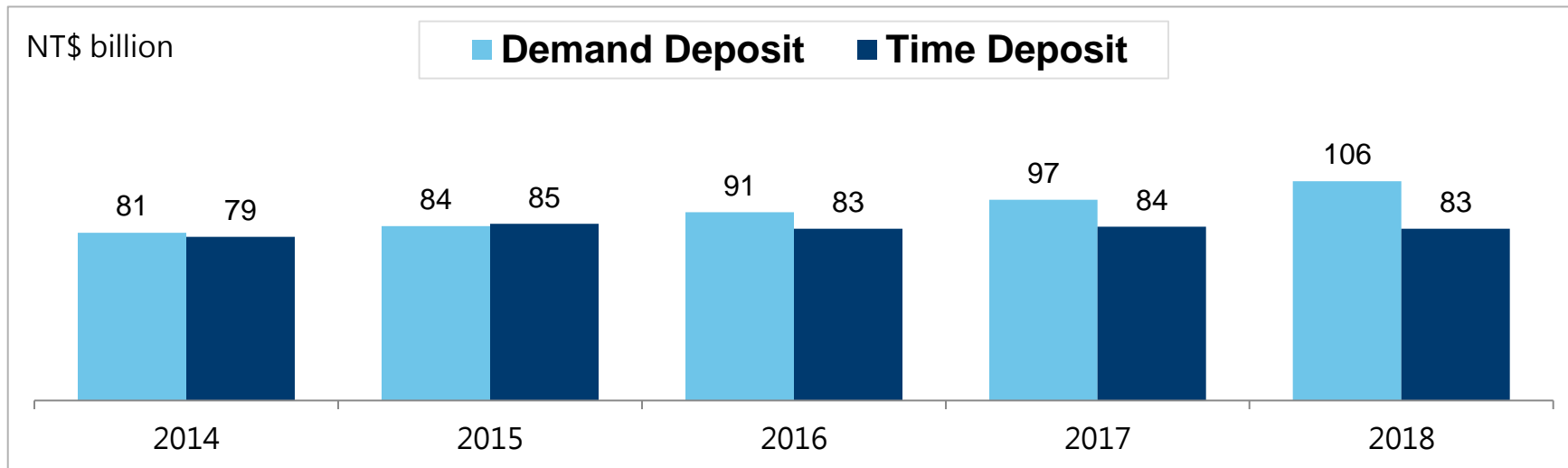


# Loan and Deposit





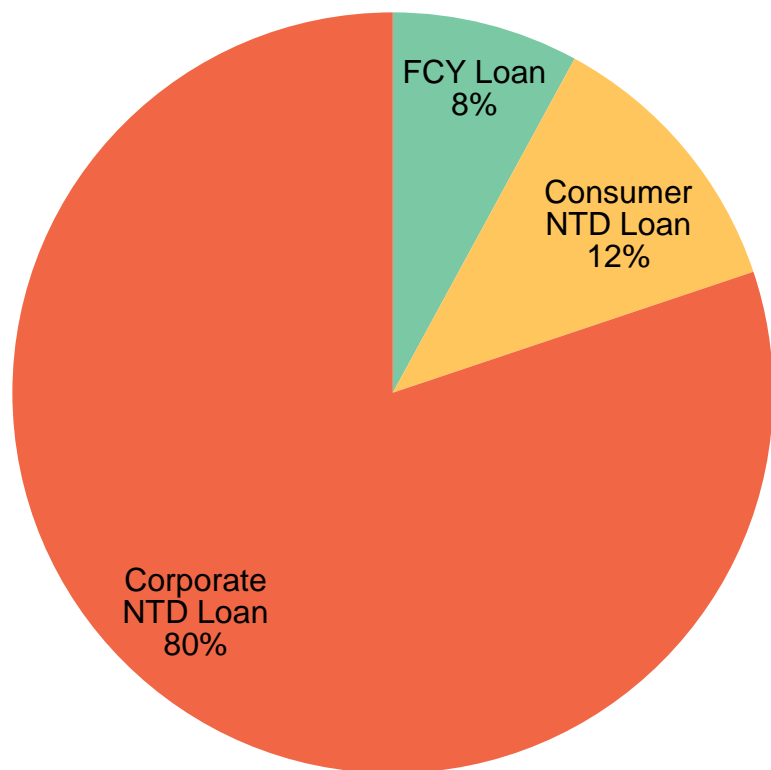
# Deposit Breakdown



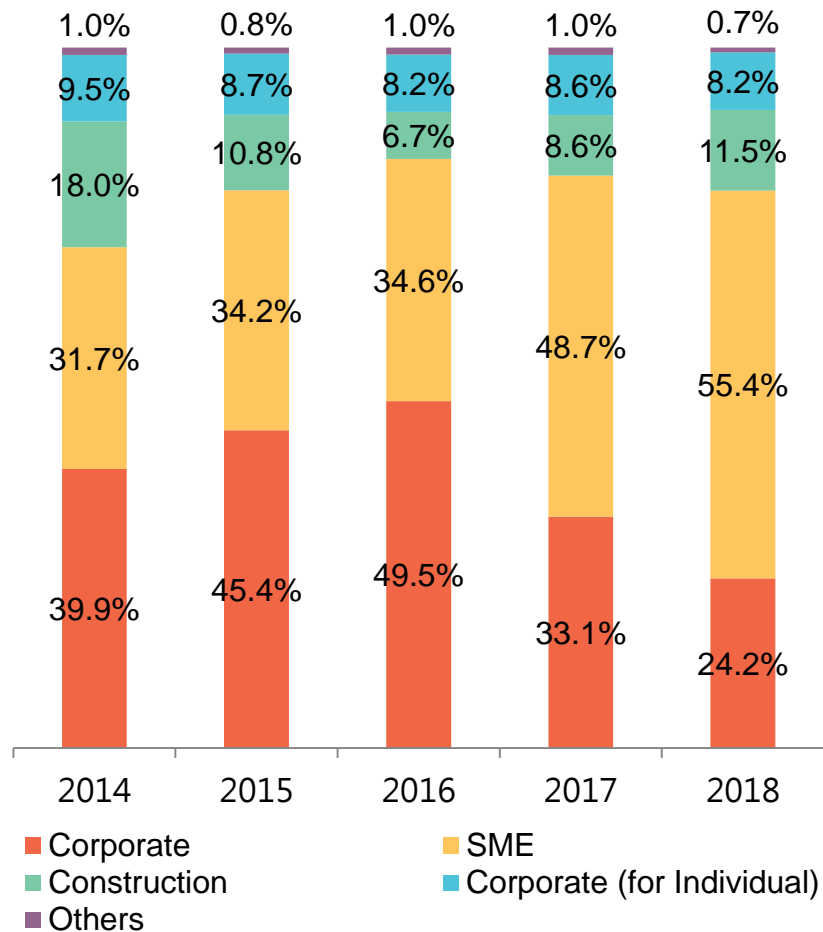


# Loan Breakdown

**Loan Composition (FY18)**

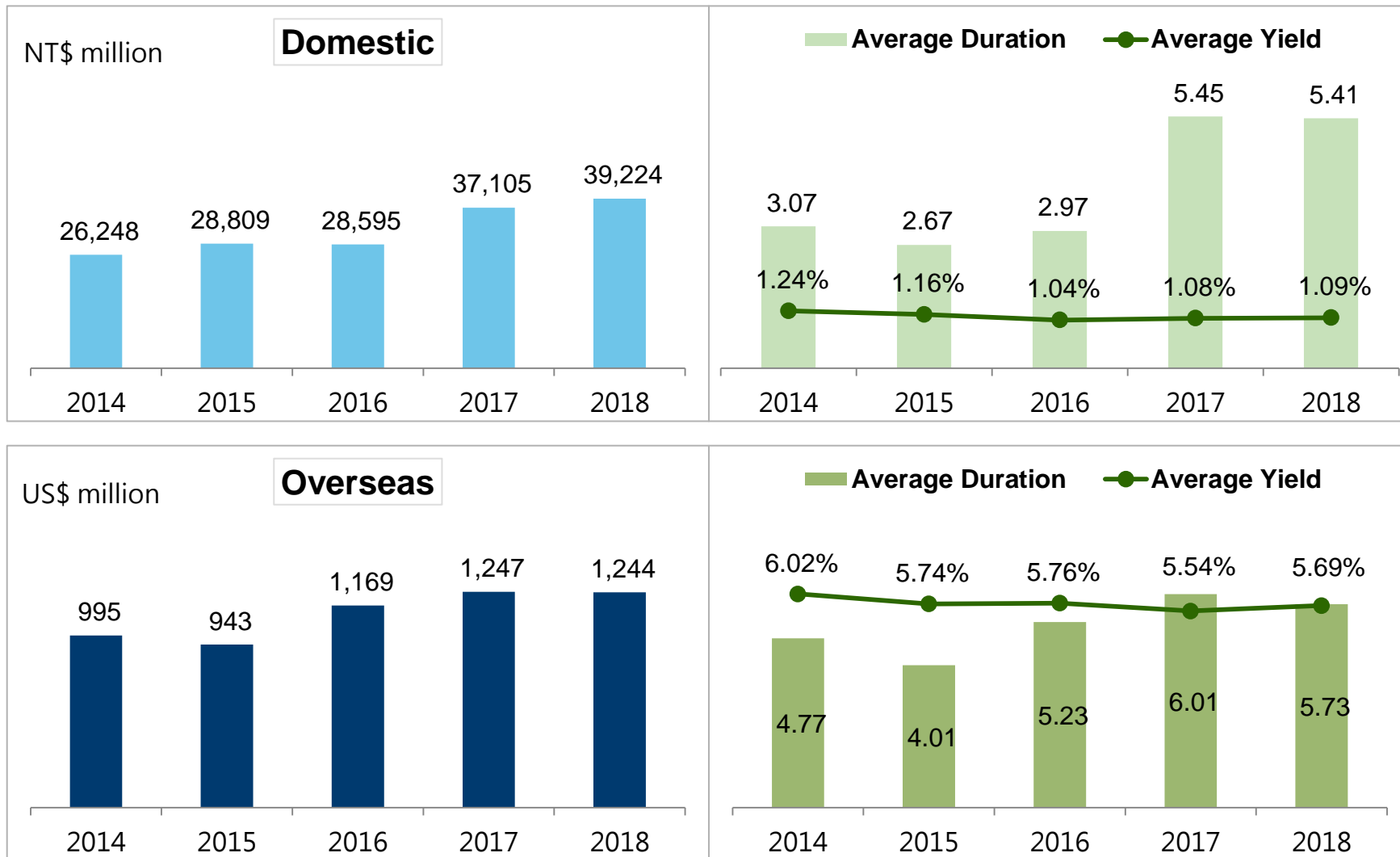


**Corporate Loan by Type**



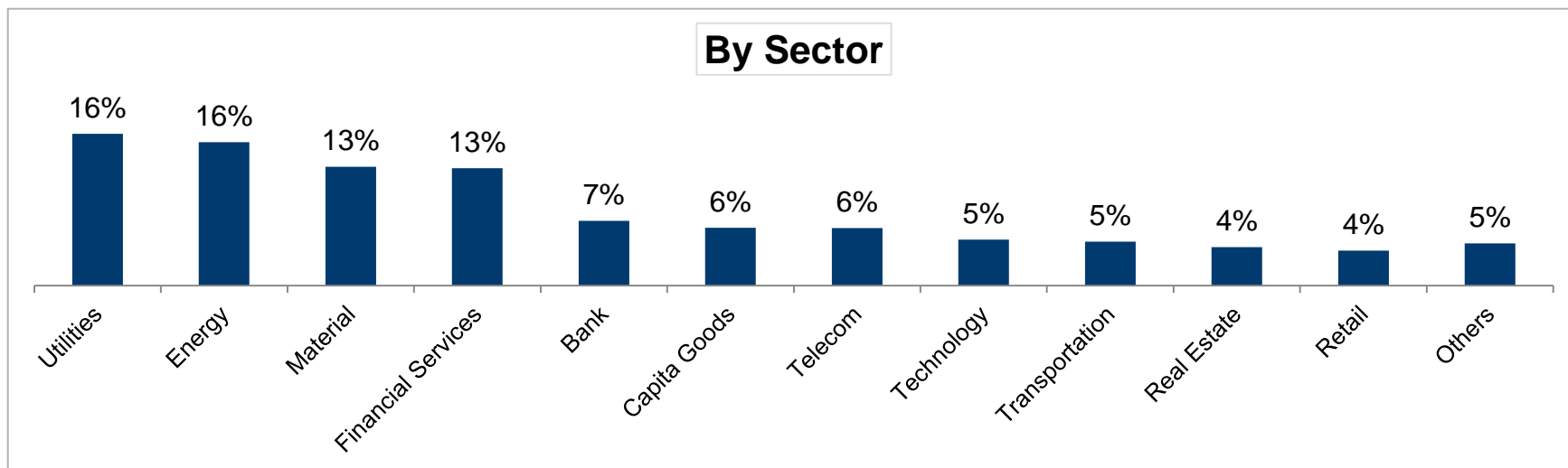
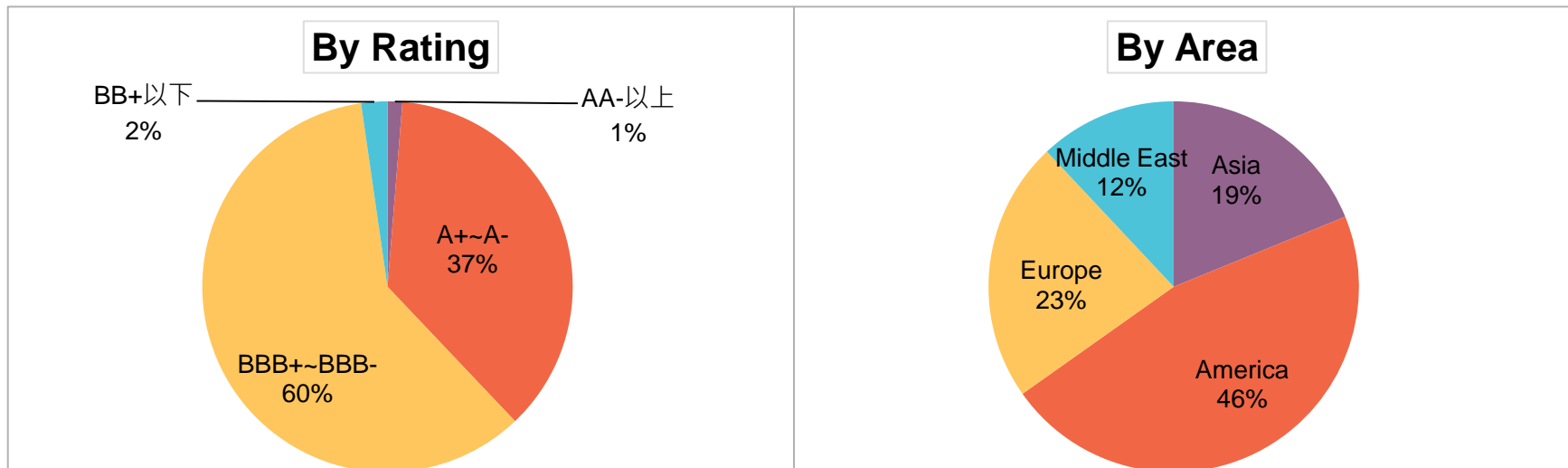


# Financial Asset - Fixed Income Investment



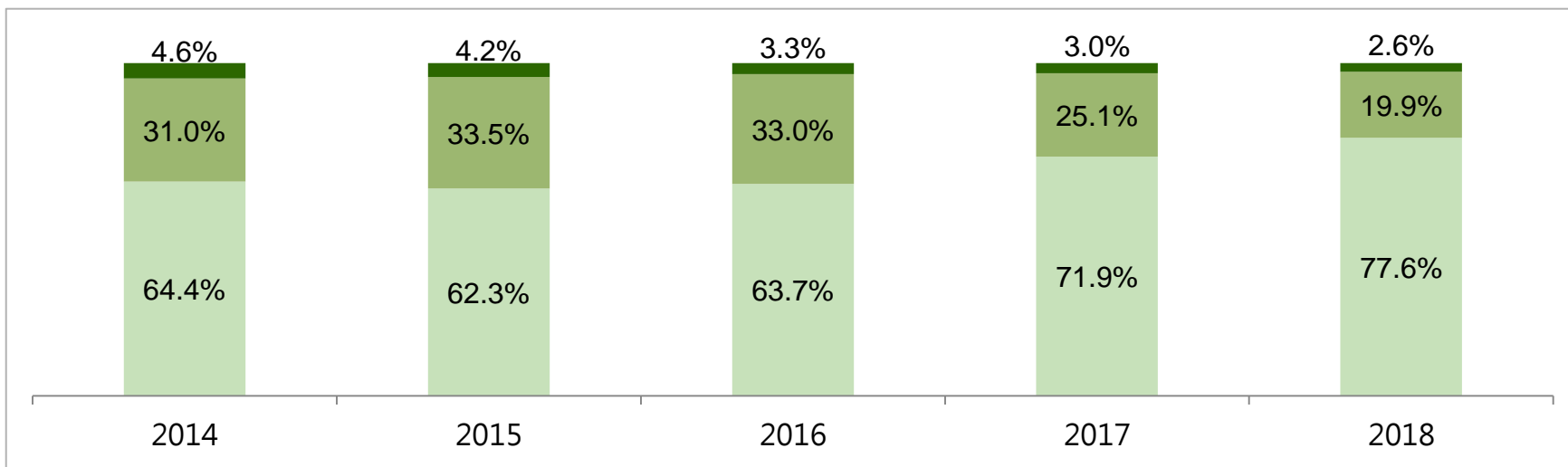
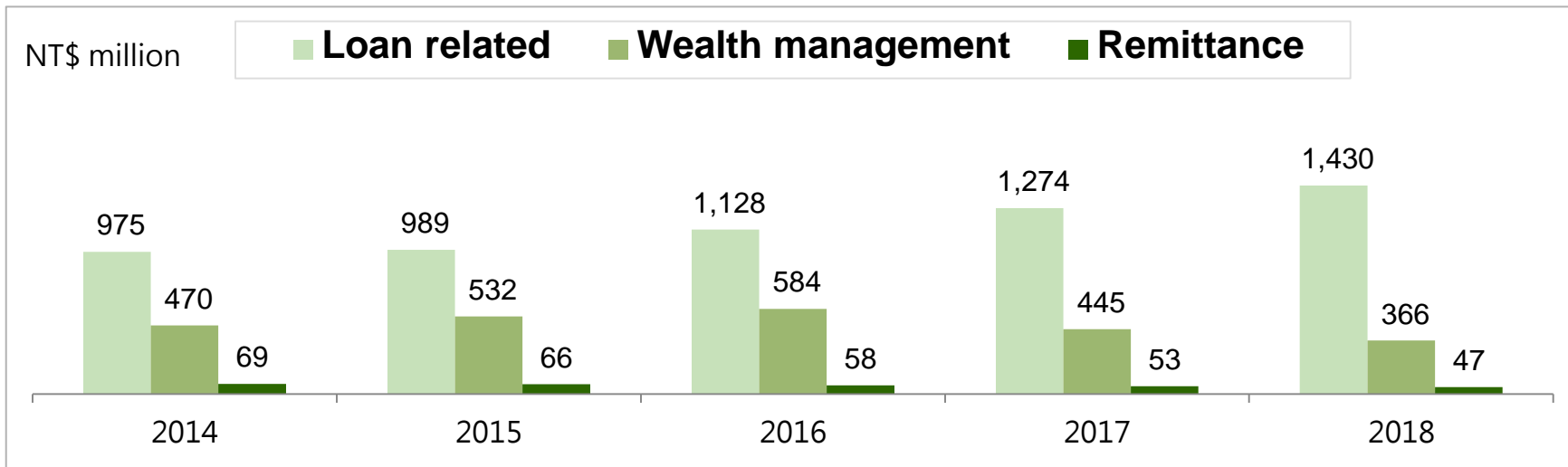


# Financial Asset – Overseas Fixed Income Portfolio (FY18)



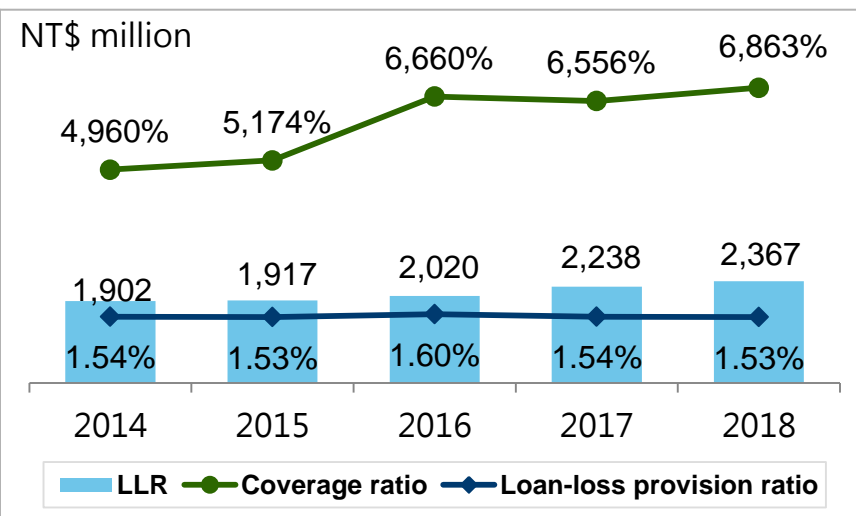
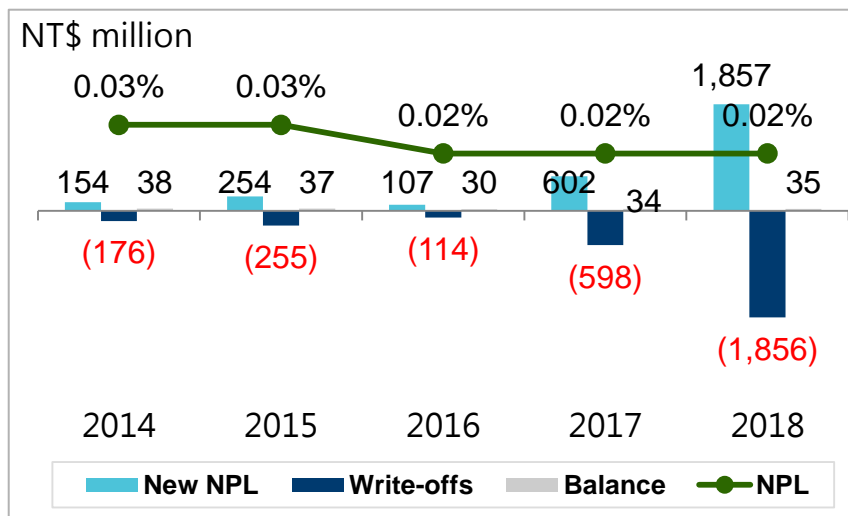
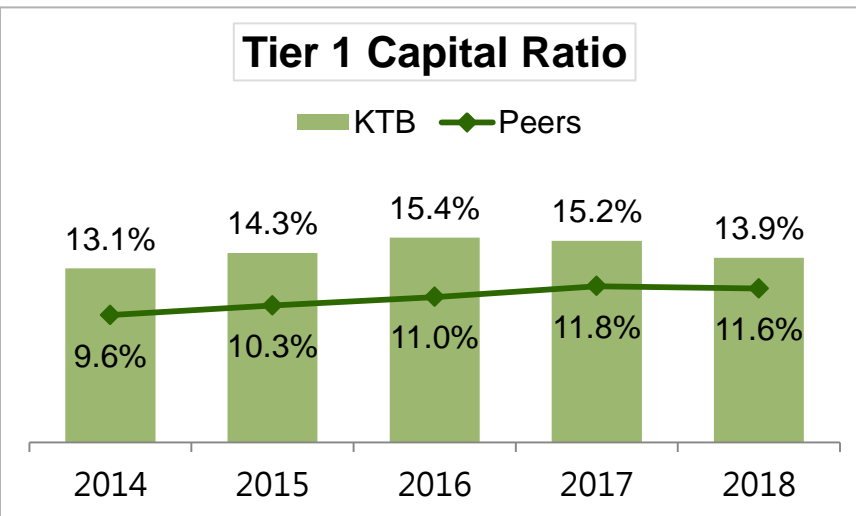
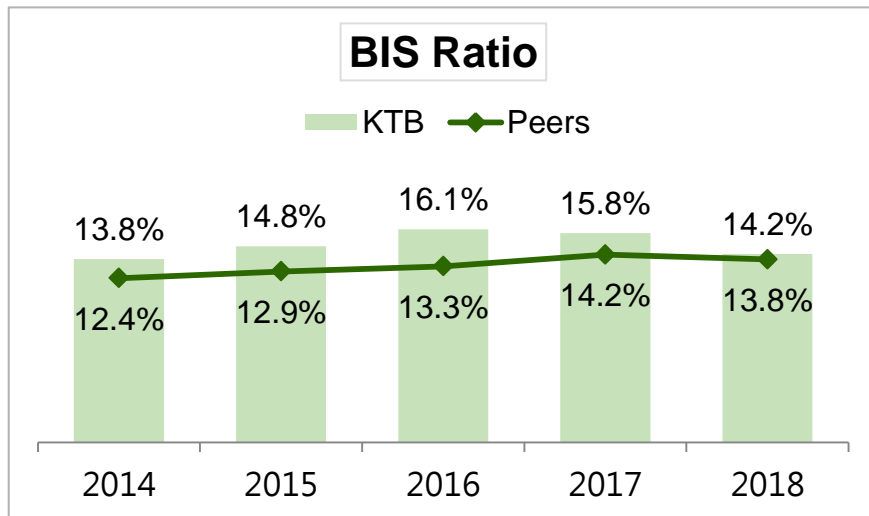


# Fee Income





# Capital Adequacy and Asset Quality



Note: Peers data updated to September 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



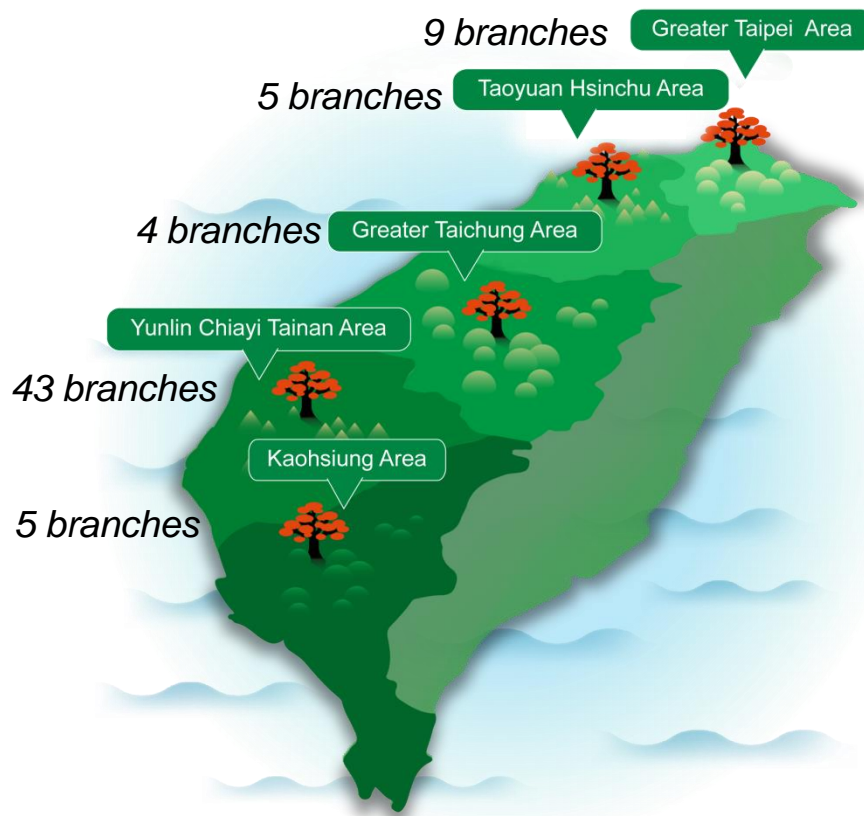


*Thank You !*



# 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
  - 88% of loans
- 43 Non-metro branches, contributing
  - 85% of deposits
  - 12% of loans





# Appendix - Income Statement

NT\$ million

Items	2018	2017	YoY
Net Interest Income	5,017	4,800	5%
Net Fee Income	1,843	1,772	4%
Other Income	140	2,433	-94%
Revenue	7,000	9,005	-22%
Operating Expense	(1,784)	(1,874)	-5%
PPOP	5,216	7,131	-27%
Provision for Loan Loss	(1,643)	(670)	145%
Earning Before Tax	3,573	6,460	-45%
Net Income	2,878	5,611	-49%
EPS(Cumulative)(NT\$)	2.51	4.89	-49%



# Appendix - Balance Sheet

NT\$ billion

Items	2018.12	2017.12	YoY	Items	2018.12	2017.12	YoY
Cash, CD, Interbank Deposits, and R/S	18.8	21.6	-13%	Interbank Deposits , Interbank Borrowings	23.4	27.6	-15%
Securities	102.9	100.6	2%	Deposits	188.4	180.4	4%
Loans	152.2	142.9	7%	R/P	29.3	21.3	38%
Property and Equipment	2.4	2.4	0%	Other Liabilities	4.8	4.9	-2%
Other Assets	4.8	3.7	30%	Total Liabilities	245.9	234.2	5%
Total Assets	281.1	271.2	4%	Shareholder's Equity	35.2	37.0	-5%