



King's Town Bank Investor Presentation

2Q FY20

August 04, 2020

Stock Code : 2809.TW





Disclaimer

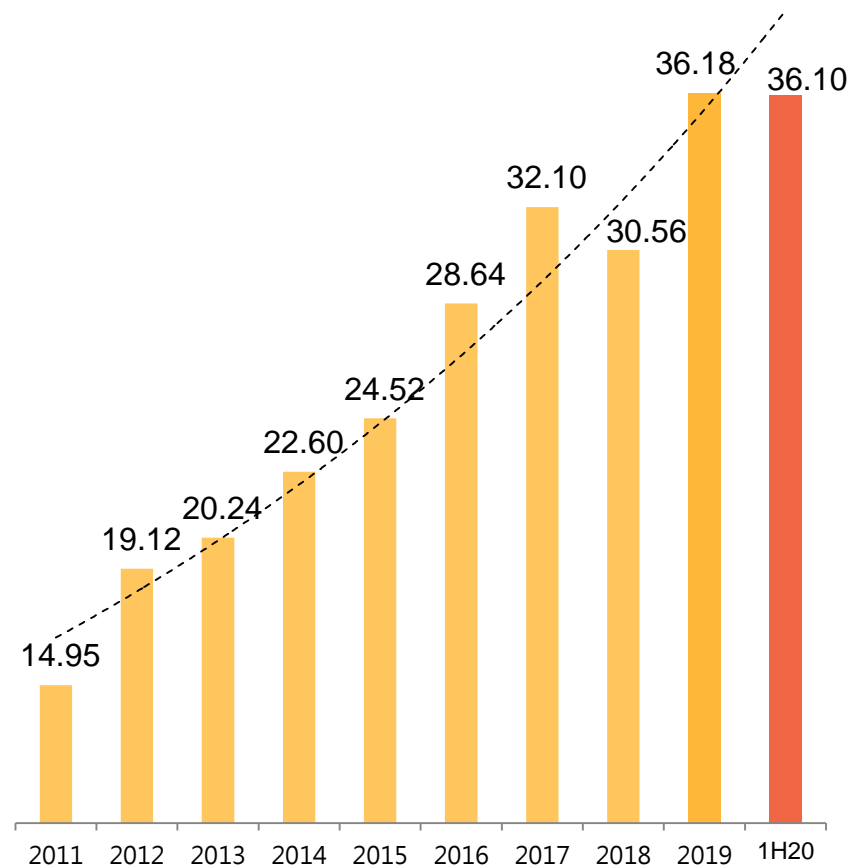
- This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that King's Town Bank expects or anticipates will or may occur in the future are forward-looking statements. King's Town Bank's actual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



1H20 Financial Review

	2020.06	2019.06
Total Assets (NT\$ mm)	298,103	276,910
Book Value/share (NT\$)	36.10	32.63
ROE (pretax)	11.80%	4.98%
ROA (pretax)	1.65%	0.65%
BIS Ratio	15.51%	15.65%
NPL Ratio	0.01%	0.02%
Coverage Ratio	12646%	13364%
Loan-loss Provision Coverage Ratio	1.41%	3.31%
QFII Holdings	14.86%	20.41%
Fitch Rating	A+(tw) 、 F1(twn)	

Book Value per share





1H20 Operating Highlights

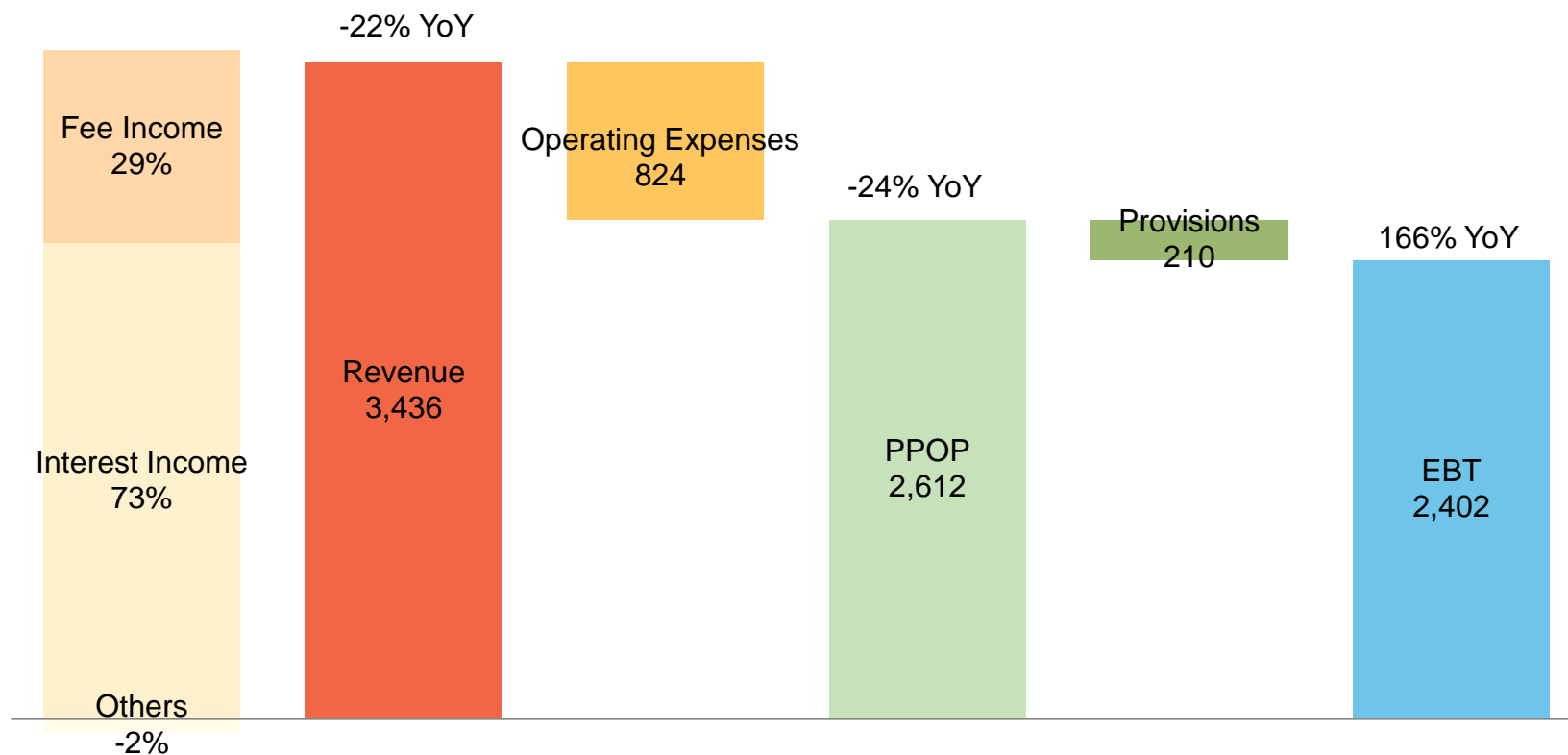
Financial Performance

- Breaking it down into parts, net interest income increased by 6%, net fee income decreased by 2%, and other income decreased by 107%. The increase in net interest income was mainly due to a widening in net interest margins on overseas bonds, which led to increased net interest income on foreign bonds. The decrease in other income was mainly due to impairment charges booked on financial assets.
- Loan-to-deposit spread in 1H20 reflected the continuing impact of the Taiwan Central Bank's interest rate cut, falling further to 1.99%.
- Launched the “Goyee” digital account platform in the second quarter of this year.
- 1H20 operating expenses were NT\$824 million, a decrease of 14% from the same period last year.
- Reported after-tax net income for 1H20 of NT\$1,986 million and EPS of NT\$1.77. ROE before tax was 11.80% and ROA before tax was 1.65%.
- Asset quality remains sound, with our NPL ratio at 0.01%, coverage ratio at 12,646% and loan-loss provision coverage ratio at 1.41%.



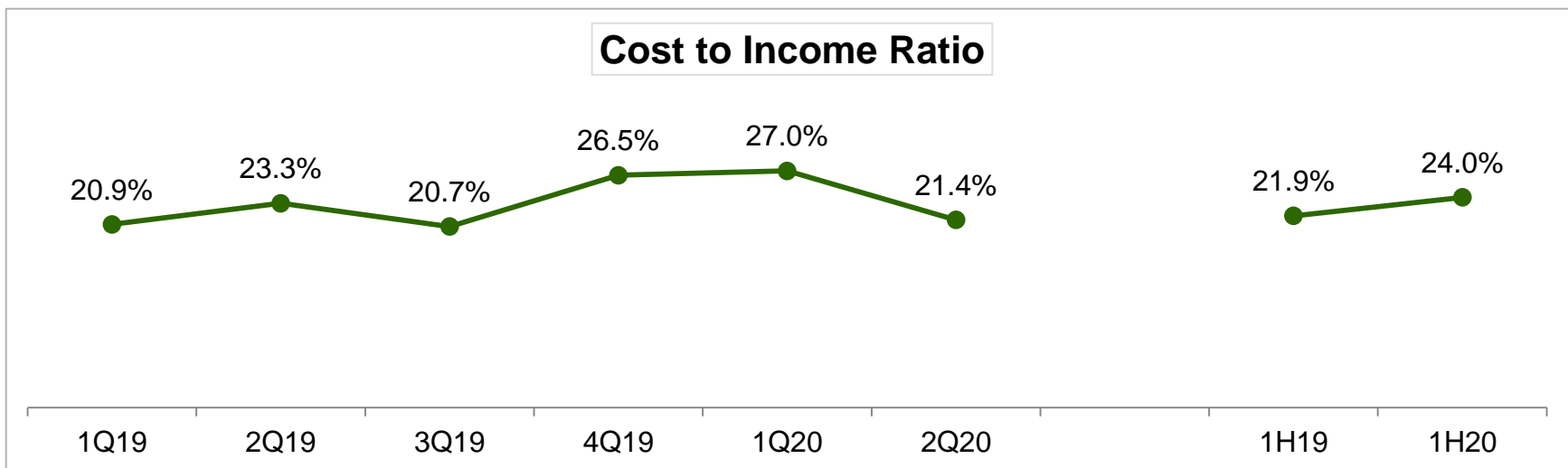
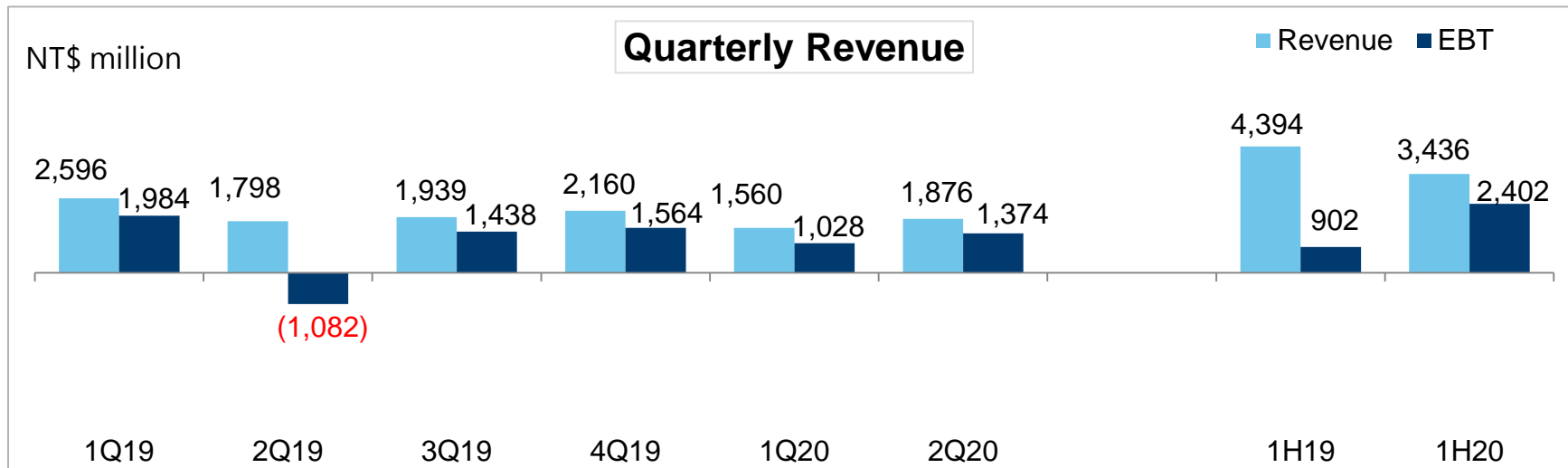
1H20 Revenue Breakdown

NT\$ million



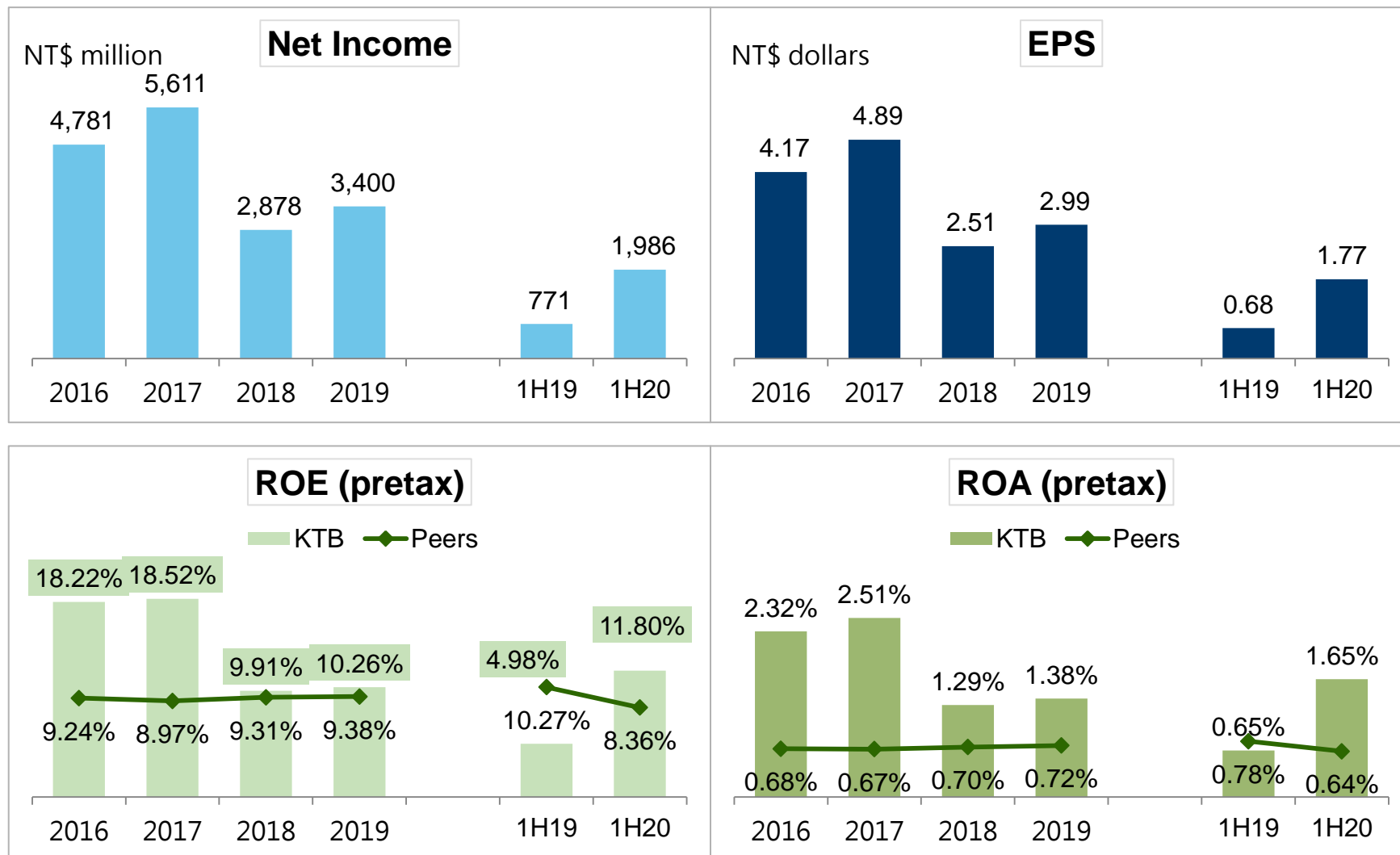


Quarterly Revenue and Expenses





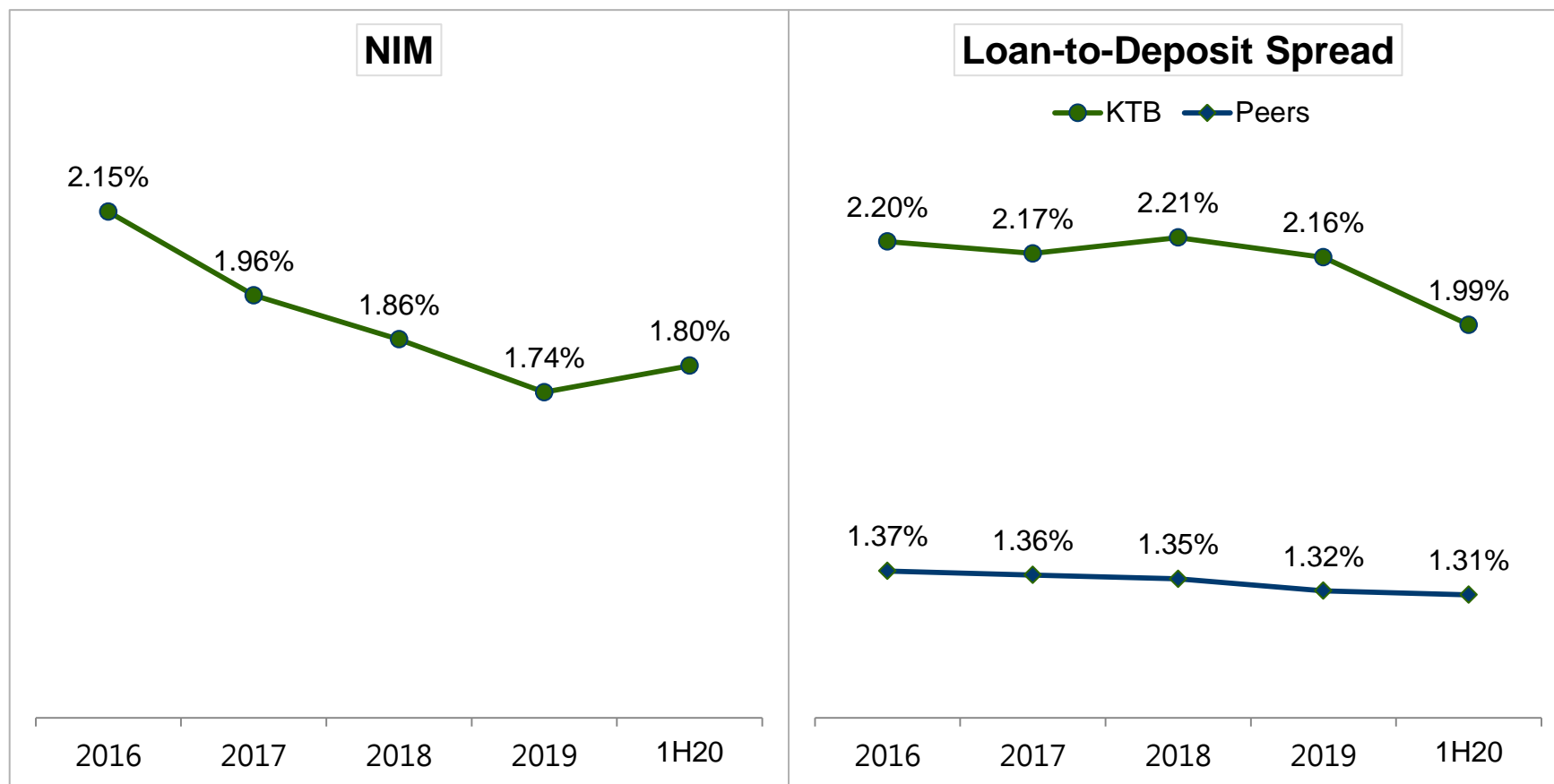
Profitability



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



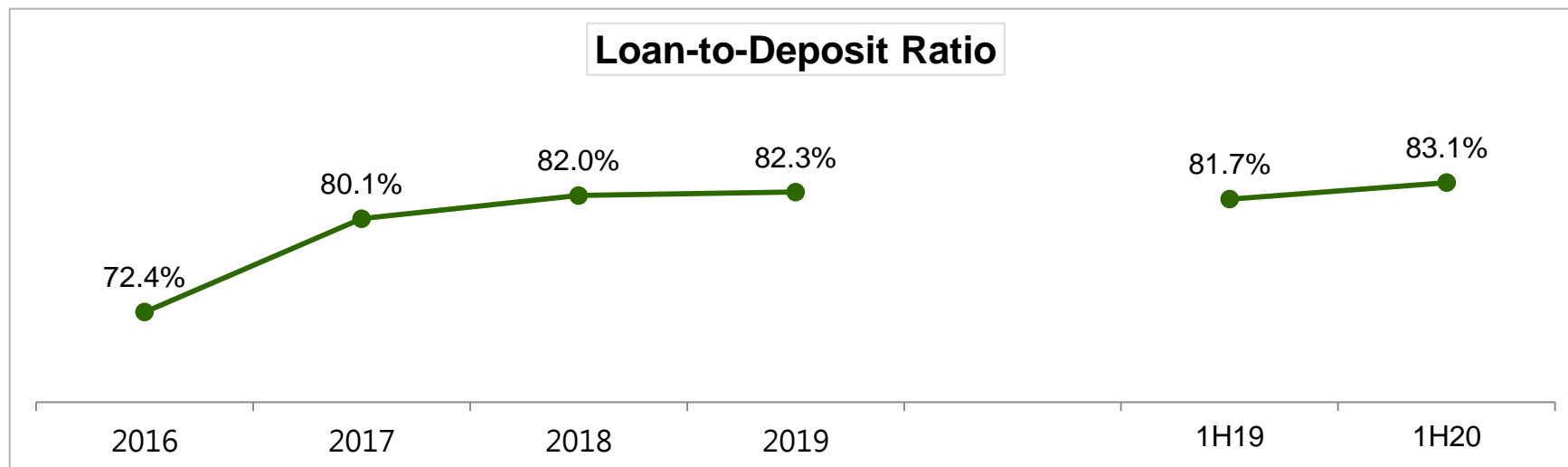
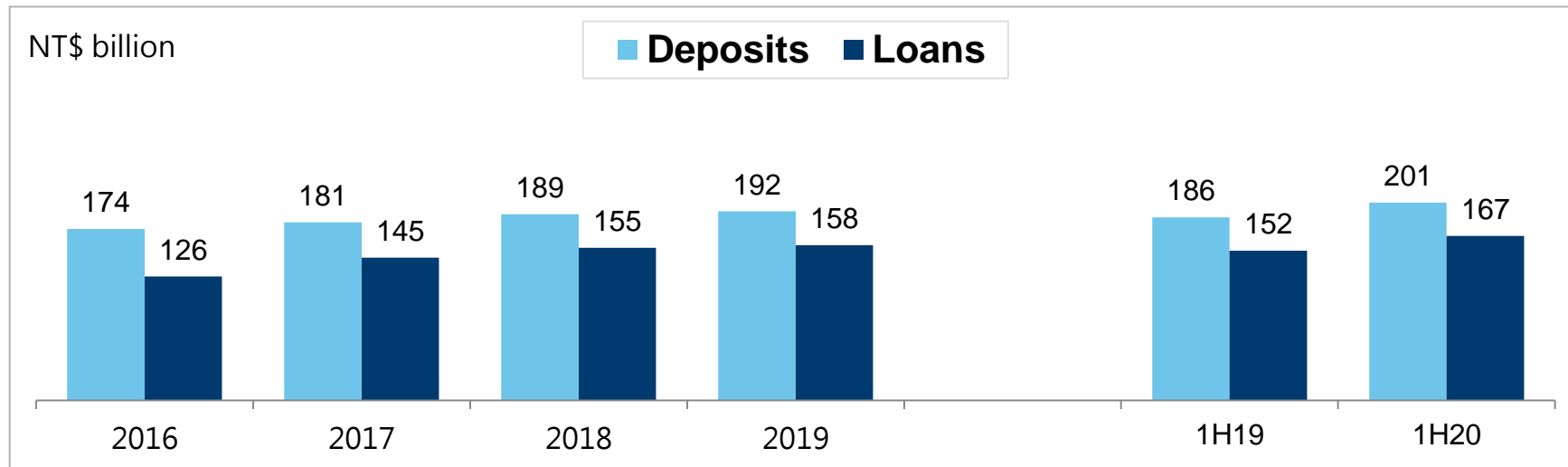
NIM and Spreads



Note: Peers data updated to 1Q/2020.

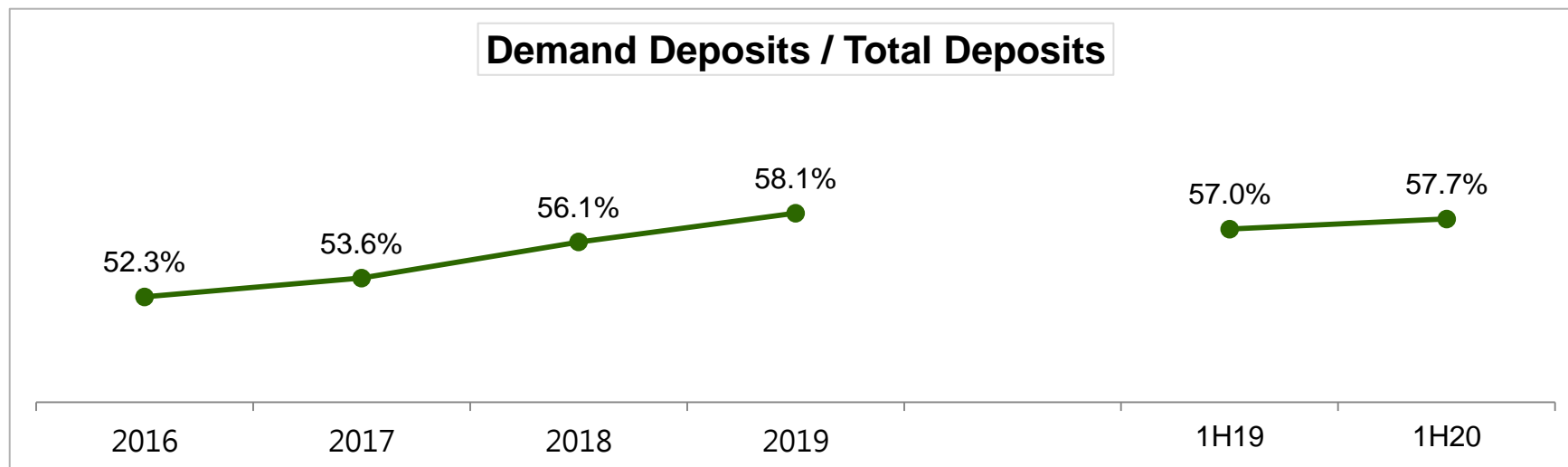
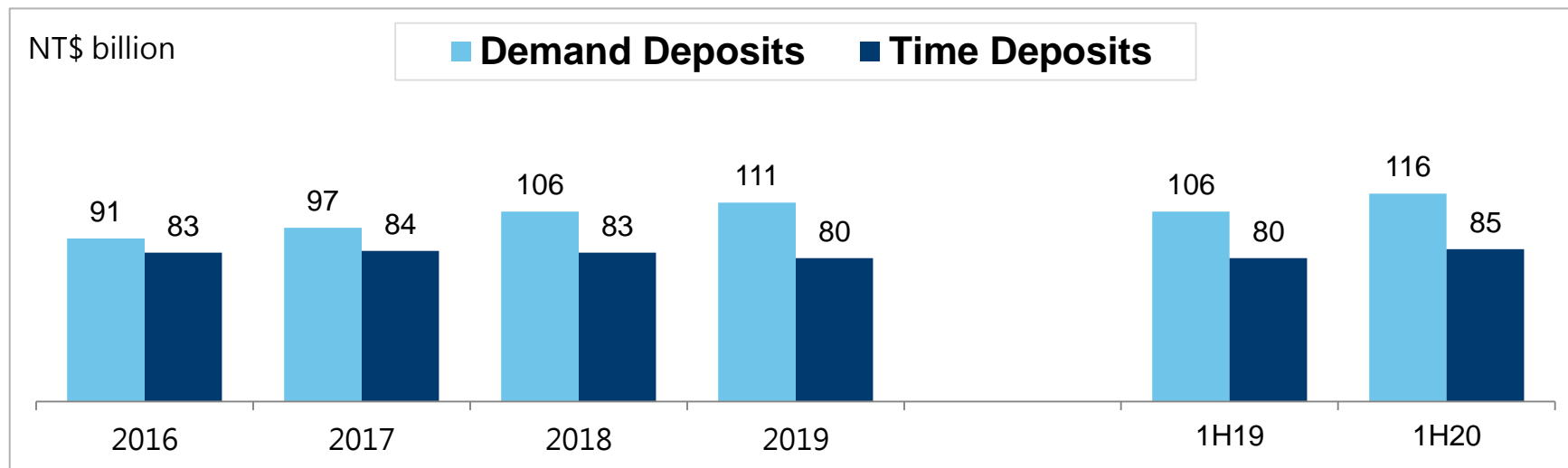


Loans and Deposits





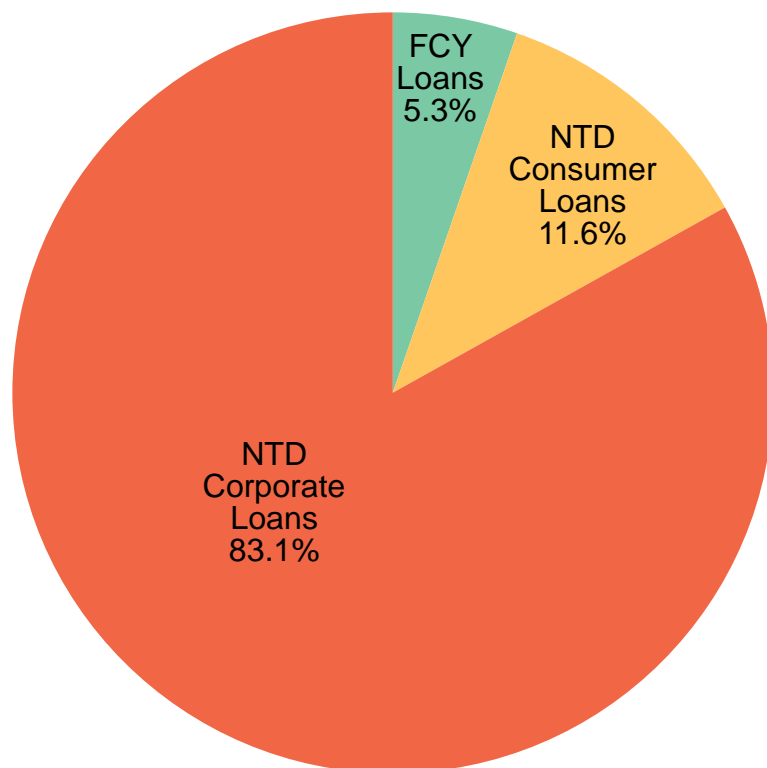
Deposit Breakdown



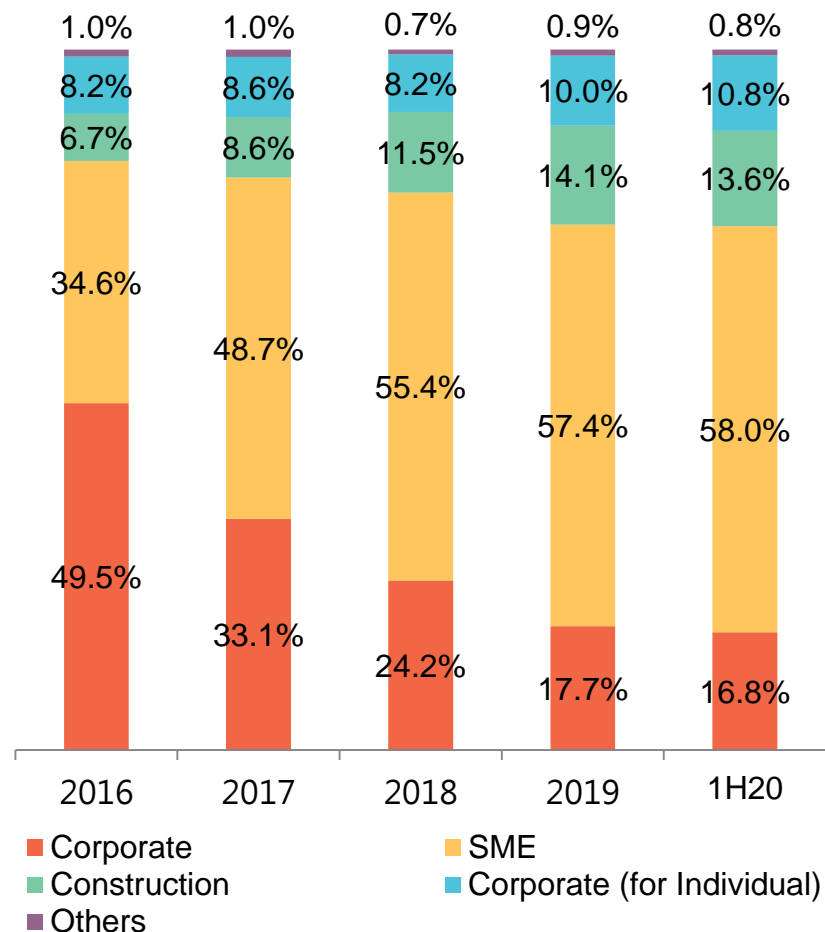


Loan Breakdown

Loan Composition (1H20)

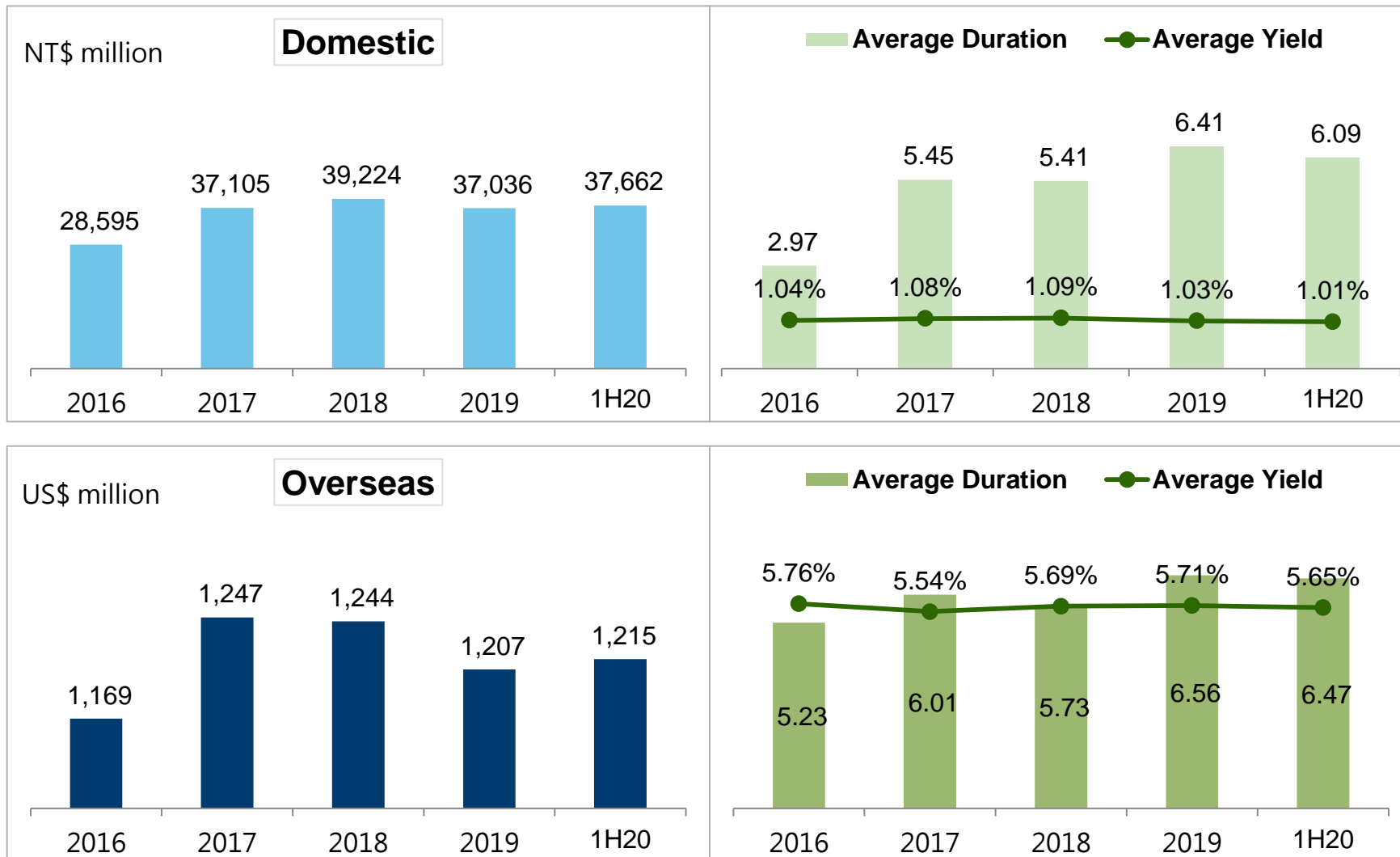


Corporate Loan by Type



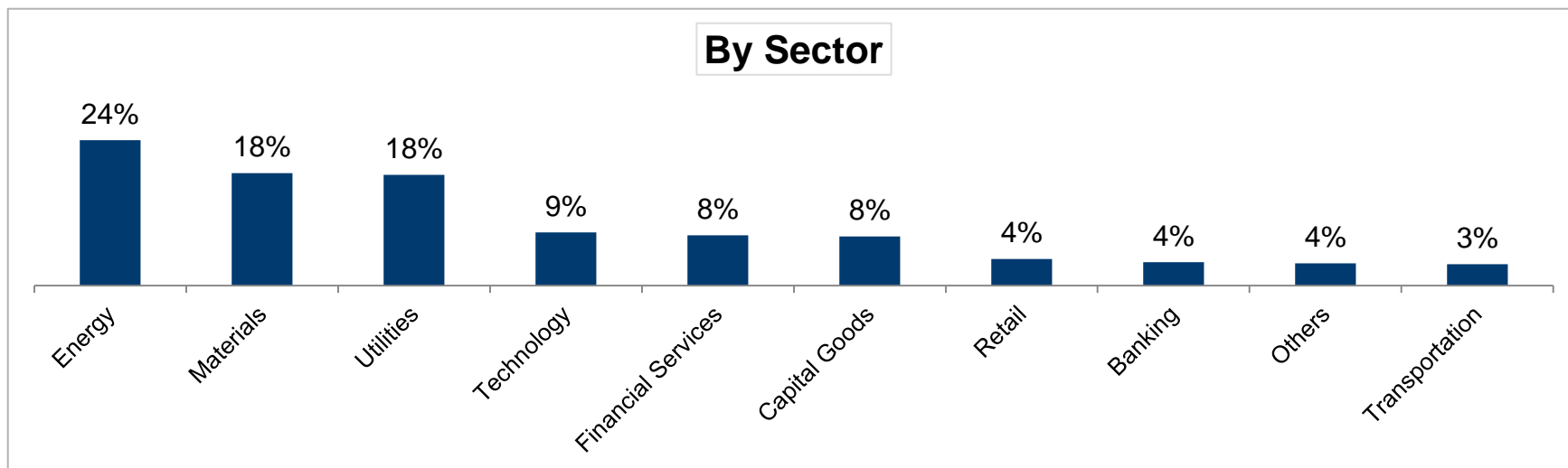
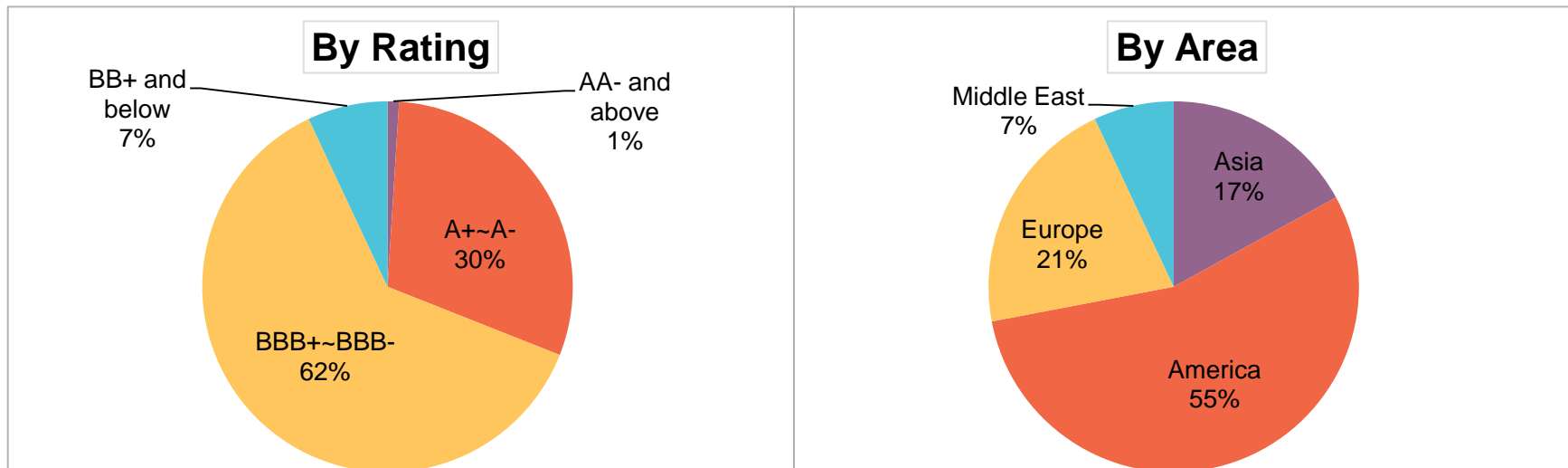


Financial Assets - Fixed Income Investments



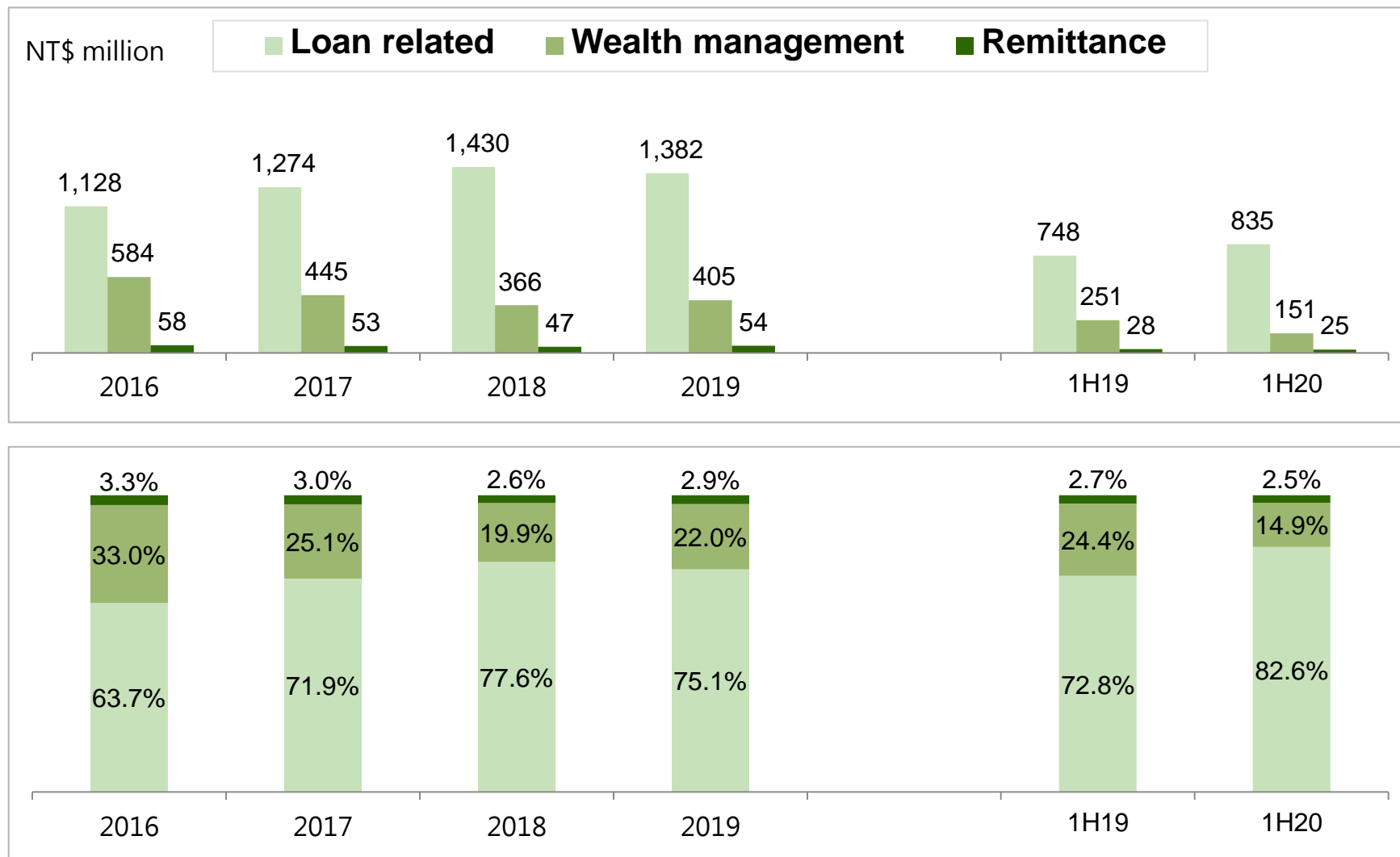


Financial Assets – Overseas Fixed Income Portfolio(1H20)



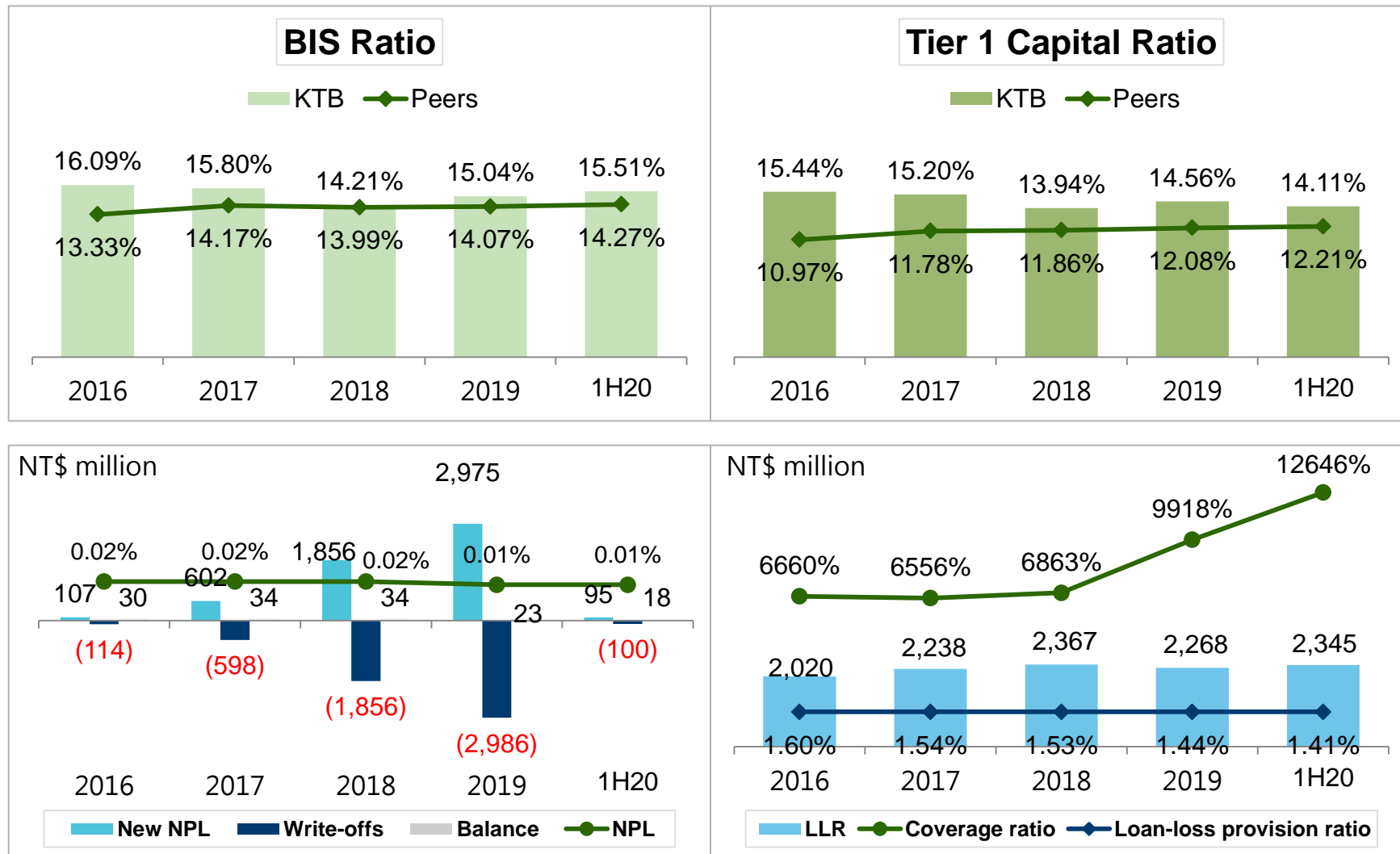


Fee Income





Capital Adequacy and Asset Quality



Note: Peers data updated to Mar. 2020.



Top 1,000 World Banks 2019 - The Banker

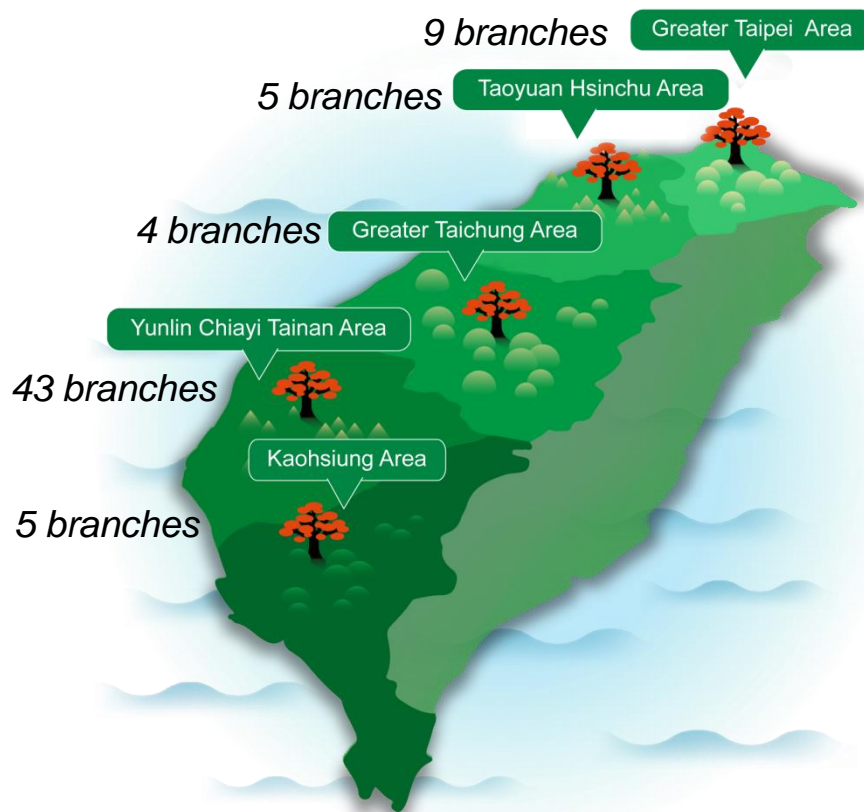
Strength				Size			
Rank		Tier 1 Capital (US\$ million)	%ch.	Assets (US\$ million)	%ch.	Rank	
World	Taiwan					World	Taiwan
712	24	1,098	-5.08%	9,147	0.69%	828	28

Soundness			Performance					
Capital Assets Ratio	Rank		Profits on Capital	Rank		ROA (After-Tax)	Rank	
	World	Taiwan		World	Taiwan		World	Taiwan
12.01%	136	2	8.53%	628	9	1.02%	407	1



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
 - 16% of deposits
 - 85% of loans
- 43 Non-metro branches, contributing
 - 84% of deposits
 - 15% 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 with stable outlook · local rating at A+(tn) 、F1(twn) for 7 consecutive years. Outlook negative in 2020.





Income Statement

NT\$ million

Items	1H/20	1H/19	YoY
Net Interest Income	2,494	2,360	6%
Net Fee Income	1,011	1,027	-2%
Other Income	(69)	1,007	-107%
Revenue	3,436	4,394	-22%
Operating Expenses	(824)	(961)	-14%
PPOP	2,612	3,433	-24%
Provision for Loan Loss	(210)	(2,531)	-92%
Earnings Before Tax	2,402	902	166%
Net Income	1,986	771	158%
EPS(Cumulative)(NT\$)	1.77	0.68	160%



Balance Sheet

NT\$ billion

Items	2020.06	2019.06	YoY	Items	2020.06	2019.06	YoY
Cash, CDs, Interbank Deposits, and R/S	17.9	14.5	23%	Interbank Deposits , Interbank Borrowings	27.8	19.6	42%
Securities	105.9	107.2	-1%	Deposits	200.8	185.9	8%
Loans	164.5	146.9	12%	R/P	24.8	27.6	-10%
Property and Equipment	2.7	2.6	4%	Other Liabilities	4.2	6.6	-36%
Other Assets	7.1	5.7	25%	Total Liabilities	257.6	239.7	7%
Total Assets	298.1	276.9	8%	Shareholder's Equity	40.5	37.2	9%



Thank you