

Financial Soundness Indicators*

Categories	Items	Indicators
Domestic Banks	Asset size	Assets to GDP
	Earnings and profitability	Return on assets (ROA)
		Return on equity (ROE)(Pretax)
		Return on equity (ROE)(After tax)
		Net interest income to gross income
		Net interest expense to gross income
		Gains and losses on financial instruments to gross income
		Employee benefits expenses to non-interest expenses
		Spread between lending and deposit rates (basis points)
		Spread between the highest and the lowest interest rates of interbank O/N lending
	Asset quality	Non-performing loans to total loans
		Provision coverage ratio
	Capital adequacy	Regulatory capital to risk-weighted assets
		Tier 1 capital to risk-weighted assets
		Common equity Tier 1 capital to risk-weighted assets
		Non-performing loans net of provisions to equity
		Leverage ratio
	Liquidity	Customer deposits to total loans
		Liquid assets to total assets
		Liquid assets to short-term liabilities
		Liquidity coverage ratio
		Net stable funding ratio
	Credit risk concentration	Loan concentration by economic activity
		Large exposures to tier 1 capital
		Gross asset positions in financial derivatives to regulatory capital
		Gross liability positions in financial derivatives to regulatory capital

Categories	Items	Indicators
		Geographical distribution of loans to total loans
		Credit of private sector to GDP
	Sensitivity to market risk	Net open position in foreign exchange to capital
		Foreign-currency-denominated loans to total loans
		Net open position in equities to capital
	Foreign-currency-denominated liabilities to total liabilities	
Life Insurance Companies		Assets to GDP
		Return on assets (ROA)
		Return on equity (ROE) (pretax)
		Return on equity (ROE) (after tax)
		Risk based capital (RBC) ratio
		Equity to investment assets
Bills Finance Companies		Assets to GDP
		Return on assets (ROA)
		Return on equity (ROE) (pretax)
		Return on equity (ROE) (after tax)
		Capital adequacy ratio
		0-30 day maturity gap to assets (NTD)
Non-financial Corporate Sector		Total liabilities to equity <ul style="list-style-type: none"> • TWSE-listed companies • OTC-listed companies
		Return on equity <ul style="list-style-type: none"> • TWSE-listed companies • OTC-listed companies
		Net income before interest and tax / interest expenses (times) <ul style="list-style-type: none"> • TWSE-listed companies • OTC-listed companies
		Foreign liabilities to equity <ul style="list-style-type: none"> • TWSE-listed companies • OTC-listed companies
Household		Household debt to GDP

Categories	Items	Indicators
Sector		Debt service and principal payments to total disposable income
		Household debt to total disposable income
Real Estate Market		National housing price index
		Residential real estate loans to total loans
		Commercial real estate loans to total loans

* The FSIs listed in the CBC “Financial Stability Report” from 2006 to 2019 are compiled in accordance with the *IMF 2006 Financial Soundness Indicators Compilation Guide (FSI Guide)*. There are five categories of Taiwan’s FSIs, including domestic banks, corporate sector, household sector, real estate market, and market liquidity, with a total of 42 indicators. Afterwards, in consideration of the *IMF 2019 FSI Guide*, the CBC added two categories of indicators comprising life insurance companies and bills finance companies while removed the indicators of market liquidity from the first quarter of 2020 onwards. Thus, the number of indicators increased from 42 to 58.