

Appendix: Financial soundness indicators

Table 1: Domestic Banks

Unit: %

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
Earnings and profitability						
Return on assets (ROA)	0.28	0.57	0.58	0.67	0.67	0.77
Return on equity (ROE)	4.52	9.08	9.27	10.44	R 10.29	11.62
Net interest income to gross income	59.54	59.52	62.61	63.37	60.97	59.34
Non-interest expenses to gross income	59.81	55.99	55.44	54.71	52.81	50.15
Gains and losses on financial instruments to gross income	16.43	9.93	6.92	11.74	14.63	14.11
Employee benefits expenses to non-interest expenses	57.56	57.67	57.71	59.66	59.32	57.50
Spread between lending and deposit rates (basis points)	1.22	1.36	1.41	1.42	1.42	1.42
Asset quality						
Non-performing loans to total loans	1.15	0.61	0.43	0.41	0.39	0.25
Provision coverage ratio	90.35	157.32	250.08	269.07	311.65	502.87
Capital adequacy						
Regulatory capital to risk-weighted assets	11.83	11.96	12.06	12.54	11.83	12.34
Tier 1 capital to risk-weighted assets	9.03	9.18	9.08	9.49	9.14	9.60
Common equity Tier 1 capital to risk-weighted assets	-	-	-	-	9.06	9.38
Capital to total assets	6.25	6.31	6.29	R 6.59	6.60	6.85
Non-performing loans net of provisions to capital	R 6.39	R 2.92	-0.38	-0.82	-3.24	-3.86
Liquidity						
Customer deposits to total loans	133.13	132.28	128.66	129.06	130.06	130.89
Liquid assets to total assets	15.20	10.46	11.05	9.77	13.40	13.17
Liquid assets to short-term liabilities	20.98	14.65	15.67	14.00	18.42	18.32

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
Credit risk concentration						
Household loans to total loans	46.41	46.67	46.06	46.36	47.73	48.67
Corporate loans to total loans	43.26	43.66	44.91	44.82	44.65	44.32
Large exposures to capital	R 73.05	R 66.91	R 67.57	R 60.60	R 52.40	42.21
Gross asset positions in financial derivatives to capital	8.17	8.54	7.57	5.84	6.79	15.61
Gross liability positions in financial derivatives to capital	8.44	10.02	7.05	6.11	8.09	15.53
Sensitivity to market risk						
Net open position in foreign exchange to capital	2.43	2.72	2.71	2.91	3.04	2.69
Foreign-currency-denominated loans to total loans	16.22	16.28	18.14	R 18.10	R 19.90	21.22
Net open position in equities to capital	25.69	24.48	R 24.25	22.13	22.71	24.33
Foreign-currency-denominated liabilities to total liabilities	19.48	20.31	21.65	21.84	27.01	29.01

Notes: 1. Figures for "Earnings and profitability" from 2012 are on the TIFRSs basis, while prior years are on the ROC GAAP basis.

2. Figures for "Spread between lending and deposit rates" exclude the data of preferred deposits rates of retired government employees and central government lending rates.

3. Figures for "Capital adequacy" from 2013 are on the Basel III basis.

4. Figures for "Large exposures" are revised to the total amount of credit to the first 20 private enterprises at domestic banks after integration.

5. Figures with "R" are revised data.

Table 2: Non-financial Corporate Sector

Units: %, times

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
Total liabilities to equity						
TWSE-listed companies	90.26	94.49	104.22	110.61	R 105.35	101.77
OTC-listed companies	78.18	89.41	83.03	87.95	R 81.22	76.76
Return on equity						
TWSE-listed companies	10.14	16.12	10.99	10.45	R 14.06	14.78
OTC-listed companies	6.95	13.77	8.97	6.91	R 9.92	12.21
Net income before interest and tax / interest expenses (times)						
TWSE-listed companies	9.83	19.40	11.32	8.55	R 13.11	13.38
OTC-listed companies	7.62	13.74	10.59	6.75	R 11.12	14.50

Notes: 1. Data of TWSE-listed and OTC-listed companies are from TEJ.

2. Figures for listed companies are consolidated financial data; prior to 2011 are under ROC GAAP, while from 2012 are under TIFRSs.

3. Figures with "R" are revised data.

Table 3: Household Sector

Unit: %

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
Household borrowing to GDP	R 81.60	R 79.11	R 79.38	R 80.09	R 82.51	82.76
Borrowing service and principal payments to gross disposable income	R 39.17	R 38.46	R 39.34	R 39.21	R 41.97	44.02

Notes: 1. Figures for "gross disposable income" is net household disposable income before deducting rent and interest expenses.

2. Figure of gross disposable income for 2014 is a CBC estimate.

3. Historical GDP and gross disposable income prior to 2013 are both revised by the comprehensive revision of the national accounts.

4. Figures with "R" are revised data.

Table 4: Real Estate Market

Unit: index, %

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
Land price index	R 81.30	R 85.90	R 90.86	R 96.32	R 105.76	115.04
Residential real estate loans to total loans	30.57	29.99	28.64	28.21	27.91	26.80
Commercial real estate loans to total loans	12.47	13.25	13.70	14.14	14.26	14.05

Notes: 1. The land price index is published semiannually, and the reference dates are the end of March and September, respectively, while these figures are based on end-September data every year (March 2013 = 100).

2. Figures with "R" are revised data.

Table 5: Market Liquidity

Unit: %

Items	Year (end of year)					
	2009	2010	2011	2012	2013	2014
The turnover ratio of trading value in stock market	178.28	136.74	119.87	97.33	82.64	84.63
The monthly average turnover ratio in bond market	32.13	32.95	19.73	12.26	8.59	8.26

Notes: 1. The turnover ratio in terms of trading value in stock market is the cumulative figure of the period.

2. The monthly average turnover ratio in bond market is the average figure of the period.