

Appendix: Financial soundness indicators

Table 1: Domestic Banks

Unit: %

Items	Year (end of year)	2003	2004	2005	2006	2007	2008
Earnings and profitability							
Return on assets (ROA)		0.22	0.64	0.30	-0.06	0.28	0.12
Return on equity (ROE)		3.52	10.25	4.74	-0.94	4.32	1.86
Net interest income to gross income		66.86	62.60	66.11	68.34	66.38	78.53
Non interest expenses to gross income		46.35	46.59	47.84	51.21	54.07	62.97
Gains and losses on financial instruments to gross income		15.87	10.13	11.49	12.63	9.08	3.91
Personnel expenses* to non-interest expenses		-	-	-	55.37	55.93	54.80
Spread between lending and deposit rates (basis points)		2.63	2.30	2.22	1.91	1.72	1.66
Asset quality							
Non-performing loans to total loans		6.08	3.82	2.24	2.15	1.83	1.54
Provision coverage ratio		22.68	30.14	50.06	62.26	64.07	69.48
Capital adequacy							
Regulatory capital to risk-weighted assets		10.29	10.87	11.23	10.87	10.80	11.04
Tier 1 capital to risk-weighted assets		10.00	10.25	10.37	9.88	8.50	8.43
Capital to total assets		6.17	6.28	6.45	6.19	6.42	6.12
Non-performing loans net of provisions to capital		51.76	30.61	15.28	15.16	12.22	10.33
Liquidity							
Customer deposits to total loans		117.69	118.10	118.70	119.41	117.98	122.34
Liquid assets* to total assets		-	-	-	-	10.59	12.69
Liquid assets* to short-term liabilities		-	-	-	-	15.66	18.39

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year)					
	2003	2004	2005	2006	2007	2008
Credit risk concentration						
Household loans to total loans	42.65	44.89	46.51	46.74	46.59	45.48
Corporate loans to total loans	42.07	41.30	41.60	43.02	43.90	45.27
Large exposures to capital	-	-	137.32	144.28	136.85	142.38
Gross asset positions in financial derivatives* to capital	-	-	-	5.28	10.35	21.92
Gross liability positions in financial derivatives* to capital	-	-	-	4.79	5.44	16.48
Sensitivity to market risk						
Net open position in foreign exchange* to capital	-	-	-	3.11	5.02	2.41
Foreign-currency-denominated loans* to total loans	-	-	-	13.44	15.57	16.54
Net open position in equities* to capital	-	-	-	28.63	30.88	24.99
Foreign-currency-denominated liabilities* to total liabilities	-	-	-	19.86	22.20	20.41

Notes: 1. The items with "*" are only available from 2006. Liquidity asset related items are disclosed from 2007.

2. The data of earnings and profitability in 2006 and 2007 exclude Chinese Bank and Bowa Bank.

Table 2: Non-financial Corporate Sector

Units: %, times

Items	Year (end of year)					
	2003	2004	2005	2006	2007	2008
Total liabilities to equity						
Corporate sector	95.27	102.15	86.10	85.21	82.20	-
TWSE-listed companies	68.03	66.37	66.06	64.06	63.20	67.59
OTC-listed companies	90.48	76.67	84.03	74.13	^R 76.49	89.44
Return on equity						
Corporate sector	10.18	11.36	10.88	13.04	13.90	-
TWSE-listed companies	12.64	16.67	14.13	15.43	18.03	8.08
OTC-listed companies	8.97	15.69	9.26	17.06	^R 9.20	-5.97
Net income before interest and tax / interest expenses (times)						
Corporate sector	6.03	7.89	8.97	10.10	10.78	-
TWSE-listed companies	9.45	17.72	15.25	16.95	19.08	8.26
OTC-listed companies	4.55	12.72	8.38	14.06	^R 7.88	-

Notes: 1. The data of all corporates are from JCIC, and those of TWSE-listed and OTC-listed corporates are from TEJ.

2. The data of "net income before interest and tax / interest expenses" for OTC-listed companies in 2008 is nil due to the net loss of the same year.

3. The figure with "R" is revised data.

Table 3: Household Sector

Unit: %

Items	Year (end of year)					
	2003	2004	2005	2006	2007	2008
Household borrowing to GDP	77.43	81.66	85.22	85.45	83.24	83.60
Borrowing service and principal payments to gross disposable income	42.66	^R 46.04	48.41	^R 46.02	^R 43.38	41.82

Notes: 1. The figures of disposable income for 2007 and 2008 are CBC estimates.

2. The figure with "R" is revised data.

Table 4: Real Estate Market

Unit: %

Items	Year (end of year)					
	2003	2004	2005	2006	2007	2008
Land price index	91.29	93.35	94.68	96.38	98.92	100.51
Residential real estate loans* to total loans	-	-	-	29.14	30.14	29.16
Commercial real estate loans* to total loans	-	-	-	10.74	11.84	12.14

Notes: 1. Figures of Land price index are on a end-September basis (March 2008 = 100).

2. The items with "*" are only available from 2006.

Table 5: Market Liquidity

Unit: %

Items	Year (end of year)					
	2003	2004	2005	2006	2007	2008
The turnover ratio of trading value in stock market	190.82	177.46	131.36	142.20	153.28	145.45
The monthly average turnover ratio in bond market	-	135.40	215.69	140.58	74.65	47.93

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. This data is available from 2004.