

## Appendix: Financial soundness indicators

Table 1: Domestic Banks

Unit: %

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
<b>Earnings and profitability</b>						
Return on assets (ROA)	0.12	0.28	0.57	0.58	0.67	0.67
Return on equity (ROE)	1.86	4.52	9.08	9.27	R 10.44	10.24
Net interest income to gross income	78.53	59.54	59.52	62.61	R 63.37	60.97
Non-interest expenses to gross income	62.97	59.81	55.99	55.44	R 54.71	52.81
Gains and losses on financial instruments to gross income	3.91	16.43	9.93	6.92	R 11.74	14.63
Employee benefits expenses to non-interest expenses	54.80	57.56	57.67	57.71	R 59.66	59.32
Spread between lending and deposit rates (basis points)	1.75	1.22	1.36	1.41	1.42	1.42
<b>Asset quality</b>						
Non-performing loans to total loans	1.54	1.15	0.61	0.43	0.41	0.39
Provision coverage ratio	69.48	90.35	157.32	250.08	269.07	311.65
<b>Capital adequacy</b>						
Regulatory capital to risk-weighted assets	11.04	11.83	11.96	12.06	12.54	11.83
Tier 1 capital to risk-weighted assets	8.42	9.03	9.18	9.08	9.49	9.14
Common equity Tier 1 capital to risk-weighted assets	-	-	-	-	-	9.06
Capital to total assets	6.12	6.25	6.31	6.29	R 6.53	6.60
Non-performing loans net of provisions to capital	10.33	6.41	2.91	R -0.38	-0.82	-3.24
<b>Liquidity</b>						
Customer deposits to total loans	122.34	133.13	132.28	128.66	129.06	130.06
Liquid assets to total assets	12.69	15.20	10.46	11.05	9.77	13.40
Liquid assets to short-term liabilities	18.39	20.98	14.65	15.67	14.00	18.42

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
<b>Credit risk concentration</b>						
Household loans to total loans	45.48	46.41	46.67	46.06	46.36	47.73
Corporate loans to total loans	45.27	43.26	43.66	44.91	44.82	44.65
Large exposures to capital	142.38	142.48	141.36	141.16	125.50	106.26
Gross asset positions in financial derivatives to capital	21.92	8.17	8.54	7.57	5.84	6.79
Gross liability positions in financial derivatives to capital	16.48	8.44	10.02	7.05	6.11	8.09
<b>Sensitivity to market risk</b>						
Net open position in foreign exchange to capital	2.41	2.43	2.72	2.71	2.91	3.04
Foreign-currency-denominated loans to total loans	16.54	16.22	16.28	18.14	19.04	20.84
Net open position in equities to capital	24.99	25.69	24.48	24.15	22.13	22.71
Foreign-currency-denominated liabilities to total liabilities	20.41	19.48	20.31	21.65	21.84	27.01

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" in 2013 are on the Basel III basis.

4. Figures with "R" are revised data.

Table 2: Non-financial Corporate Sector

Units: %, times

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
<b>Total liabilities to equity</b>						
Corporate sector	90.02	86.88	85.59	96.66	98.84	-
TWSE-listed companies	94.96	90.26	94.49	104.22	110.61	107.07
OTC-listed companies	103.85	78.18	89.41	83.03	87.95	81.65
<b>Return on equity</b>						
Corporate sector	4.76	8.07	13.32	8.66	7.33	-
TWSE-listed companies	9.13	10.14	16.12	10.99	10.45	13.95
OTC-listed companies	-5.21	6.95	13.77	8.97	6.91	9.90
<b>Net income before interest and tax / interest expenses (times)</b>						
Corporate sector	3.39	8.54	16.73	9.64	8.11	-
TWSE-listed companies	5.42	9.83	19.40	11.32	8.55	12.96
OTC-listed companies	-	7.62	13.74	10.59	6.75	11.24

Notes: 1. Data of corporate sector are from JCIC, and those of TWSE-listed and OTC-listed corporates are from TEJ.

2. Figures for the corporate sector are entity financial data in accordance with ROC GAAP. Figures for listed companies are consolidated financial data; prior to 2011 are under ROC GAAP, while 2012 and 2013 are under TIFRS.

3. 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.

**Table 3: Household Sector**

Unit: %

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
Household borrowing to GDP	81.92	84.74	R 82.42	R 82.87	R 83.56	86.26
Borrowing service and principal payments to gross disposable income	40.72	36.80	R 36.04	R 36.93	R 36.98	37.15

Notes: 1. Figure of disposable income for 2013 is a CBC estimate.

2. Figures with "R" are revised data.

**Table 4: Real Estate Market**

Unit: %

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
Land price index	100.51	100.38	105.93	112.05	118.78	130.46
Residential real estate loans to total loans	29.16	30.57	29.99	28.64	28.21	27.91
Commercial real estate loans to total loans	12.14	12.47	13.25	13.70	14.14	14.26

Note: Figures of Land price index are on an end-September basis (March 2008 = 100).

**Table 5: Market Liquidity**

Unit: %

Items	Year (end of year )					
	2008	2009	2010	2011	2012	2013
The turnover ratio of trading value in stock market	145.45	178.28	136.74	119.87	97.33	82.64
The monthly average turnover ratio in bond market	R 49.43	R 32.13	R 32.95	R 19.73	R 12.26	8.59

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.

3. Figures with "R" are revised data.