

Appendix: Financial soundness indicators

Table 1: Domestic Banks

Unit: %

Items	Year (end of year)	2010	2011	2012	2013	2014	2015
Earnings and profitability							
Return on assets (ROA)		0.57	0.58	0.67	0.67	0.77	0.73
Return on equity (ROE)		9.08	9.27	10.44	10.29	11.62	10.65
Net interest income to gross income		59.52	62.61	63.37	60.97	59.34	60.85
Non-interest expenses to gross income		55.99	55.44	54.71	52.81	50.15	52.62
Gains and losses on financial instruments to gross income		9.93	6.92	11.74	14.63	14.11	9.60
Employee benefits expenses to non-interest expenses		57.67	57.71	59.66	59.32	57.50	55.90
Spread between lending and deposit rates (basis points)		1.36	1.41	1.42	1.42	1.42	1.44
Asset quality							
Non-performing loans to total loans		0.61	0.43	0.41	0.39	0.25	0.24
Provision coverage ratio		157.32	250.08	269.07	311.65	502.87	547.66
Capital adequacy							
Regulatory capital to risk-weighted assets		11.96	12.06	12.54	11.83	12.34	12.93
Tier 1 capital to risk-weighted assets		9.18	9.08	9.49	9.14	9.60	10.34
Common equity Tier 1 capital to risk-weighted assets		-	-	-	9.06	9.38	10.03
Capital to total assets		6.31	6.29	6.59	6.60	6.85	7.12
Non-performing loans net of provisions to capital		2.92	-0.38	-0.82	-3.24	-3.86	-3.03
Liquidity							
Customer deposits to total loans		132.28	128.66	129.06	130.06	130.89	136.21
Liquid assets to total assets		10.46	11.05	9.77	13.40	13.17	12.18
Liquid assets to short-term liabilities		14.65	15.67	14.00	18.42	18.32	16.85

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year)					
	2010	2011	2012	2013	2014	2015
Credit risk concentration						
Household loans to total loans	46.67	46.06	46.36	47.73	48.67	49.79
Corporate loans to total loans	43.66	44.91	44.82	44.65	44.32	43.74
Large exposures to capital	66.91	67.57	60.60	52.40	42.21	36.97
Gross asset positions in financial derivatives to capital	8.54	7.57	5.84	6.79	15.61	16.62
Gross liability positions in financial derivatives to capital	10.02	7.05	6.11	8.09	15.53	17.35
Sensitivity to market risk						
Net open position in foreign exchange to capital	2.72	2.71	2.91	3.04	2.69	2.94
Foreign-currency-denominated loans to total loans	16.28	18.14	18.10	19.90	21.22	21.55
Net open position in equities to capital	24.48	24.25	22.13	22.71	24.33	22.52
Foreign-currency-denominated liabilities to total liabilities	20.31	21.65	21.84	27.01	29.01	30.58

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 "return on assets" and "return on equity" from 2013 are on the daily average assets and daily average equity

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

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

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

Table 2: Non-financial Corporate Sector

Units: %, times

Items	Year (end of year)					
	2010	2011	2012	2013	2014	2015
Total liabilities to equity						
TWSE-listed companies	94.49	104.22	110.61	105.35	101.77	94.29
OTC-listed companies	89.41	83.03	87.95	81.22	76.76	76.26
Return on equity						
TWSE-listed companies	16.12	10.99	10.45	14.06	14.78	13.73
OTC-listed companies	13.77	8.97	6.91	9.92	12.21	10.36
Net income before interest and tax / interest expenses (times)						
TWSE-listed companies	19.40	11.32	8.55	13.11	13.38	13.45
OTC-listed companies	13.74	10.59	6.75	11.12	14.50	12.75

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.

Table 3: Household Sector

Unit: %

Items	Year (end of year)					
	2010	2011	2012	2013	2014	2015
Household borrowing to GDP	79.11	79.38	80.09	R 82.46	R 82.73	82.46
Borrowing service and principal payments to gross disposable income	38.46	39.34	39.21	R 42.14	R 43.91	45.30

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

2. Figure of gross disposable income for 2015 is a CBC estimate.

3. Figures with "R" are revised data.

Table 4: Real Estate Market

Unit: index, %

Items	Year (end of year)					
	2010	2011	2012	2013	2014	2015
Land price index	85.90	90.86	96.32	R 105.79	R 115.07	119.28
Residential real estate loans to total loans	29.99	28.64	28.21	27.91	R 28.04	28.96
Commercial real estate loans to total loans	13.25	13.70	14.14	14.26	R 14.70	15.87

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)					
	2010	2011	2012	2013	2014	2015
The turnover ratio of trading value in stock market	136.74	119.87	97.33	82.64	84.63	77.54
The monthly average turnover ratio in bond market	32.95	19.73	12.26	8.59	R 8.64	7.67

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.