

Statistical Analysis

I. Domestic economic situation

The economic growth rate for the year of 2017 was 3.08%, which is higher than 1.51% in 2016. And the annual growth rate of gross domestic product (GDP) at current prices was 1.89%, which is lower than the 2.42% in 2016. The gross capital formation was NT\$3.54 trillion, decreased 0.53% compared with 2016. The fixed capital consumption was NT\$2.73 trillion, increased 2.23%. In 2017, consumer prices rose by 0.62% from 2016, and the wholesale and import prices rose by 0.90% and 1.36% respectively; at the end of 2017, the price-weighted stock index in centralized securities exchange market was 10,643 points, up 15.01% from 9,254 points at the end of 2016.

II. Gross and net national wealth

(gross/net national wealth= gross/net non-financial assets+ net financial assets)

(A)Gross national wealth was NT\$251.59 trillion at the end of 2017, increased NT\$2.74 trillion from the end of 2016

Gross national wealth was NT\$251.59 trillion at the end of 2017, increased NT\$2.74 trillion or 1.10% from the end of 2016, wherein gross non-financial assets increased NT\$1.74 trillion, mainly due to the raise of the price of buildings & constructions and additions and increased NT\$2.03 trillion; net financial assets increased NT\$1.00 trillion, mainly due to the increase in foreign securities investment; land (at announced current land value) , owing to the reduction of the announced current land value (according to Article 40 of Equalization of Land Rights Act and Article 33 of Land Tax Act, government announced current land value should approach gradually to normal transaction price), decreased NT\$0.86 trillion. After deducting depreciation, net national wealth was NT\$202.14 trillion, increased NT\$1.08 trillion or 0.54%, wherein net non-financial assets increased NT\$0.07 trillion, which mainly due to building & constructions increased NT\$0.97 trillion; net financial assets increased NT\$1.00 trillion.

In recent 5 years, the gross and net national wealth increased year by year, for the years before 2016, the main reason is the announced current land value being raised continually; while for the past two years, due to the high growth rates of assets such as machinery equipment, buildings and constructions, the increase rate of gross national wealth in the period from 2016 to 2017 was higher than that of net national wealth.

(B)Gross national wealth by types of asset, land accounted for 45.27%

Viewing gross national wealth by type of assets at the end of 2017, gross non-financial assets accounted for 85.33%, wherein land (at announced current land value) owing to the price reduction of the announced current land value, accounted for 45.27%, decreased 0.84 percentage points from the end of 2016; buildings & constructions accounted for 19.85%, increased 0.60 percentage points; net financial assets accounted for 14.67%, increased 0.24 percentage points. As for the assets structure of net national wealth (depreciation is excluded both in land and in inventories), non-net financial assets accounted for 81.74%, wherein land 56.35%; buildings & constructions 15.53%; net financial assets 18.26%.

(C)Produced assets accounted for 39.78% of gross national wealth at the end of 2017

Viewing gross national wealth by the classification of assets at the end of 2017, gross non-financial assets was NT\$214.67 trillion and accounted for 85.33%, wherein gross non-produced assets were NT\$114.58 trillion, accounted for 45.54%; gross produced assets NT\$100.09 trillion, 39.78%; net financial assets NT\$36.92 trillion, 14.67%.

In recent 5 years, the shares of gross non-produced assets in non-financial assets increased year by year before 2015, which mainly due to the announced current land value raised year by year; while due to the impact of the combined tax on house and land sales, the increase of the announced current land value slowed down in 2016, and decreased in 2017, as a result, the gross structural ratio in the past two years has been reduced by 0.47 percentage points and 0.85 percentage points respectively from the previous year; and the ratio of gross produced assets continued to increase by 0.33 percentage points and 0.60 percentage points respectively over the previous year.

After deducting depreciation, net non-produced assets accounted for 56.68% of net national wealth at the end of 2017, increased 0.70 percentage points from the end of 2013; while net produced assets accounted for 25.05%, decreased 3.49 percentage points.

Between 2013 and 2017, net national wealth increased averagely 4.12% every year, wherein net produced assets increased 0.78% every year only.

(D)In gross produced assets, enterprises was NT\$58.94 trillion and accounted for 58.89%

Gross produced assets by using sector could be divided into households, enterprises, and government and non-profit institutions sectors (for supporting the productive activities of enterprises and elevating the living quality of households.) Gross produced assets by sectors at the end of 2017, of which the enterprises sector was NT\$58.94 trillion, accounted for 58.89%; the households sector NT\$22.62 trillion, 22.60%; government and non-profit institutions NT\$18.53 trillion, 18.51%.

(E) Among produced fixed assets for enterprises of all industries by economic activity, industry accounted for 63.69%

Produced fixed assets for enterprises of all industries was NT\$54.27 trillion at the end of 2017, increased NT\$1.41 trillion or 2.67% from the end of 2016. By kind of activity, industry accounted for 63.69%, services 32.92%, and agriculture, forestry, fishing and animal husbandry 3.39%.

In recent 5 years, industry accounts around for 64% every year the first, wherein manufacturing accounts more than 50% of all enterprises ◦

III. Assets and liabilities by sector

(A) Sectors analysis

1. In net worth (net non-financial assets and net financial assets) by sector at the end of 2017, households was NT\$123.37 trillion and accounted for 61.03%

At the end of 2017, net worth (net national wealth) of all sectors observed by sector, the households sector was NT\$123.37 trillion, accounted for 61.03%; the government sector NT\$52.67 trillion, 26.06%; the non-financial enterprises sector NT\$17.92 trillion, 8.86%; non-profit institutions NT\$7.99 trillion, 3.95%; and the financial enterprises sector NT\$0.19 trillion, 0.10%. In recent 5 years, the share of the households sector topped of all sectors, and the government sector was the second.

Observing the changes in the net worth structure of various economic sectors in the past five years, the household sector was about 58% before 2016, and increased by 2.72 percentage points from the end of 2017 to the end of 2016, mainly due to the increase in life insurance reserve and the rebound of the stock market.

2. Land increased NT\$3.34 trillion at the end of 2017 after revaluation with the urban land market price

At the end of 2017, land on announced current land value was NT\$113.90 trillion. After revaluating the residential, commercial and industrial land — having more market circulation and transaction values — at the urban land market price (data came from the Ministry of The Interior), the value was NT\$117.24 trillion, increased NT\$3.34 trillion, wherein the households sector increased NT\$1.62 trillion, accounted for 48.53%; the government sector increased NT\$1.15 trillion, 34.46%; the non-financial enterprises sector increased NT\$0.43 trillion, 12.82%; non-profit institutions increased NT\$0.10 trillion, 2.97%; and the financial enterprises sector increased only NT\$0.04 trillion, 1.22%.

3. Based on final ownership, the net worth of the households sector was NT\$139.25 trillion and accounted for 67.77% with land revaluated on market value

With land revaluated on the market price and the net worth of enterprises redistributed by final ownership, the net worth of the households sector was NT\$139.25 trillion, accounted for 67.77% of national net worth; the government sector NT\$57.21 trillion, 27.84%; non-profit institutions NT\$9.02 trillion, 4.39%.

(B) Asset and liabilities per household / per capita for the household sector

1. Real estate accounted for 36.82% of the households assets at the end of 2017

At the end of 2017, the net worth of the households sector was NT\$123.37 trillion, increased NT\$6.13 trillion or 5.23% from the end of 2016. By asset, real estate was NT\$45.42 trillion, accounted for 36.82%; life insurance and pension fund reserves NT\$24.41 trillion, 19.78%; portfolio NT\$19.44 trillion, 15.76%. The liabilities of the households sector was NT\$15.56 trillion, wherein loan was NT\$15.02 trillion. After the land being revaluated on the market price, households net worth increased to NT\$124.99 trillion, wherein real estate was NT\$47.04 trillion, accounted for 37.64%.

2. Net worth per household at the end of 2017 was NT\$11.63 million, wherein portfolio increased NT\$0.26 million the most

Net worth per household (after land revaluated on market price) at the end of 2017, excluding life insurance reserves and pension fund reserves, was NT\$11.63 million, increased NT\$0.33 million or 2.95% from the end of 2016, wherein portfolio, owing to the rise of stock market, was NT\$2.25 million,

increased NT\$0.26 million; real estate, owing to the reduction of the announced current land value, was NT\$5.44 million, decreased NT\$0.07 million. Domestic financial liabilities per household was NT\$1.80 million, increased NT\$0.06 million or 3.48% from the end of 2016, mainly due to loan increased to NT\$1.74 million.

In recent 5 years, net worth per household has increased, mainly due to the raise of the announced current land value and the rise in the stock market, which resulted in the increase in the value of real estate and portfolio.

Besides, due to the popularization of insurance and financial management these years, life insurance reserves and pension fund reserves keep increasing, these caused net worth per households to be NT\$14.45 million, increased NT\$0.57 million or 4.07% from the end of 2016.

3. Net worth per capita for household sector at the end of 2017 was NT\$4.27 million, increased NT\$0.16 million from the end of 2016

Net worth per capita (after land revaluated on market price) at the end of 2017, excluding life insurance reserves and pension fund reserves, was NT\$4.27 million, increased NT\$0.16 million or 3.87% from the end of 2016. In recent 5 years, net worth per capita for the household sector increased NT\$0.66 million or 18.16% from NT\$3.61 million (2013) to NT\$4.27 million (2017).

If life insurance reserves and pension fund reserves included, it was NT\$5.31 million, increased NT\$0.25 million or 5.00%, wherein domestic financial assets was NT\$3.48 million, increased NT\$0.25 million or 7.81% from the end of 2016; domestic financial liabilities was NT\$0.66 million, increased NT\$0.03 million or 4.39%.