URN etd-0407109-183723-1925
Author Shang-Feng Tsai
Author's Email Address No Public.
Statistics This thesis had been viewed 60 times. Download 0 times.
Department
Year 2004
Semester 1
Degree Master
Type of Document Master's Thesis
Language zh-TW.Big5 Chinese
Title The Influence of Noninterest Income on the Banking Industry in Taiwan
Date of Defense 0000-00-00
Page Count 43

Keyword
Interest Income
Non-interest Income
diversification
volatile

Abstract
This paper uses aggregate and individual bank data from 1995 to 2004 to examine how noninterest income affects the variation of bank profits and revenues, and to determine empirically whether concentration in nontraditional activities is correlated with risk indicators. We find evidence that at the aggregate level, noninterest income growth is much more volatile than net interest income growth, but expanding product lines and cross-selling opportunities associated with growing noninterest income offers diversification benefits for a bank's revenue portfolio, particularly the effects is more apparent since 2001. In addition, net interest income and noninterest income are very highly correlated with GDP growth, and the banking industry would use loan loss provisions to smooth net income over the cycle. Furthermore, at the bank level, both the cross-sectional correlation and the bank-specific correlation also show diversification benefits in Taiwan banking industry, noninterest income share and the bank-specific correlation have U shape, we can explain bank find the best noninterest income share to the diversification. At risk effect, noninterest income share and return have turn-U shape; and risk have U shape, imply the best noninterest income share can rise return and reduce risk. Finally, we discuss bank expand to noninterest activity, they think about manager quality, operate strategy, human resource, and bank market share to maximize the diversification benefits.
Advisory Committee Hsiao-Jung Chen - advisor

Files No Any Full Text File.
Date of Submission 2005-01-01