Glossary

Data Sources

In order to publish this report on time, all data are collected based on unaudited figures submitted by each domestic bank's headquarter, including the domestic banking units, offshore banking units and overseas branches. However, the information disclosed on the banks' website was audited by the banks or Certified Public Accountant (CPA).

Computation Methodology

The dollar amounts displayed for all income and expense items in the report are shown for the year-to-date period. The income and expense and related data used in ratios are annualized for interim reporting period. However, the year-end report represents a full fiscal year, the data do not have to be annualized. Thus the income and expense items are multiplied by the factors listed below before dividing it by the corresponding assets or liabilities.

March --- 4.0
June-- 2.0
September --- 1.3

The peer-group average, if not noted, is a winsorized mean based on an average of banks within the 25th and 75th percentile values for a given ratio. The values below first quartile (Q1) are substituted by Q1. The values above third quartile (Q3) are substituted by Q3.

Definitions

I. Total Risk-based Capital/ Risk-weighted Assets ratio =

$$\frac{\text{Qualifying capital}}{\text{Credit-risk-weighted assets + (Market-risk-required capital + Operation-risk-required capital) *12.5}}$$

Qualifying capital and risk-weighted assets are defined as "*Regulations Governing the Capital Adequacy and Capital Category of Banks*" amended by the Financial Supervisory Commission.

II. The non-performing loan ratio =

$$\frac{\text{Non-performing loans}}{\text{Total loans}}$$

According to "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans", the definition of "non-performing loans" is：

1.Loans which repayment of principal or interest have been overdue for more than 3 months；
2.Any loan of which the principal debtors and surety have been sued for non-payment or the underlying collateral has been disposed, although the repayment of principal or interest have not been overdue for more than 3 months.

III. The liquidity coverage ratio =

$$\frac{\text{Total amount of high - quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \times 100\%$$

High-quality liquid assets and net cash outflows are defined as "*Standards Implementing the Liquidity Coverage Ratio of Banks*".

IV. The liquidity ratio = $\frac{\text{Liquidity reserves}}{\text{NTD-denominated liabilities}}$

Liquidity reserves and NTD-denominated liabilities are defined as "*Directions for Auditing Liquidity of Financial Institutions*".