

Financial Developments



II. Financial Developments

1. Overview

In the first half of 2024, the annual growth rate of M2 generally increased, primarily driven by faster growth in loans and investments. However, from July to September, net capital outflows led to a decline in the M2 annual growth rate, reaching 5.60% in September. Although there was a temporary rebound in October, the growth rate fell again to 5.47% in November owing to a slowdown in loan and investment growth. In December, the growth rate rebounded to 5.51% as the annual growth rates of time deposits and foreign currency deposits increased. The average annual growth rate of M2 for 2024 was 5.83%, with all monthly figures remaining within the reference range for monetary growth (2.5%–6.5%).

In terms of interest rates, between March 2022 and March 2024, the Bank raised the policy interest rates six times, with a cumulative increase of 0.875 percentage points. Additionally, the required reserve ratios were raised by 0.25 percentage points in both July and October 2024. As a result, banks' posted interest rates on deposits and loans, as well as the weighted average interest rates on deposits and loans of domestic banks, showed an upward trend. Furthermore, the weighted average overnight interbank call loan rate, bills market rates, and government bond yields also increased compared to 2023.

In regard to the exchange rate, the NT dollar broadly depreciated against the US dollar in 2024. At the end of 2024, the NT dollar depreciated by 6.2% against the US dollar compared with a year earlier; on a daily average basis, the NT dollar also depreciated by 3.0% compared with the previous year. In the stock market, with the end of the US rate hike cycle and strong AI demand, the Taiwan Stock Exchange (TWSE) Capitalization Weighted Stock Index, the TAIEX, was on the rise, and the daily average trading value increased.

Growth in Bank Loans and Investments Increased, While M2 Growth Slowed

In 2024, with the annual growth rates of housing loans and personal revolving credit rising and export growth driving up funding demand from private enterprises, the annual growth rate of bank loans and investments reached 8.24% at the end of December, higher than the 6.58% recorded at the end of the previous year. The average annual growth rate of loans and investments also rose from 5.92% in the previous year to 8.03% in 2024. Despite the growth in loans and investments, there was an increase in outbound remittances of trading gains by foreign investors compared to the previous year, leading to a slowdown in M2 growth. As a result, the average annual growth rate of M2 declined from 6.25% in 2023 to 5.83% in 2024, with all monthly figures remaining within the Bank's 2.5% to 6.5% reference range for the year.

Both Deposit and Loan Rates Increased

While domestic inflation has remained at a relatively high level since 2021, there were renewed concerns about the electricity tariff hike in April 2024 pushing up inflation expectations. To contain inflation expectations and promote price stability, the Bank raised the policy interest rates by 0.125 percentage points in March 2024. As a result, banks' posted interest rates on deposits and loans trended upward. The average posted interest rate on one-year time deposits at the five major domestic banks rose from 1.58% at the end of the previous year to 1.70%. Meanwhile, the weighted average rate on newly-extended loans (including treasury loans) increased by 0.218 percentage points to 2.103% in 2024.

The weighted average interest rates on deposits and loans at domestic banks showed a broad uptrend in 2024, reflecting the effect of the Bank's policy rate hikes. The weighted average deposit interest rate for the year was 1.08%, up by 0.14 percentage points from the previous year, while the weighted average loan interest rate increased by 0.12 percentage points to 2.45%. Consequently, the average interest rate spread between deposits and loans narrowed from 1.39 percentage points in the previous year to 1.37 percentage points in 2024.

Money Market Rates Generally Increased

Since the beginning of 2024, the weighted average overnight call loan rate has generally trended upward, mainly influenced by factors such as funding demand, the Bank's policy rate hikes, capital outflows, and seasonal effects. The weighted average rate rose from the yearly low of 0.687% in January to a peak of 0.823% in October, before slightly declining to 0.820% at the end of December. The annual average rate was 0.794%, increasing by 0.148 percentage points from the previous year.

With regard to the bills market, money market rates broadly increased in 2024, while their yearly average rates were all higher than those of the previous year owing to the Bank's rate hikes. The average 1-30 day commercial paper rate in the secondary market was 1.40% in 2024, increasing by 0.2 percentage points over the previous year.

10-Year Government Bond Yield Became Higher than Last Year

In 2024, the rise in US government bond yields and the Bank's March policy rate hike combined to push up Taiwan's government bond yields. However, owing to ample domestic liquidity, the increase in Taiwan's bond yields was relatively moderate. The average yield on Taiwan's benchmark 10-year government bond rose by 22 basis points over the previous year to 1.43%.

In terms of issuance, as the Central Government Debt Service Fund renewed maturing government bonds and increased issuance to meet budget needs, the total issuance amount of government bonds increased by about NT\$60 billion over the previous year.

NT Dollar Broadly Depreciated

In 2024, the NT dollar broadly depreciated against the US dollar. In the year through to July, the NTD/USD exchange rate generally weakened, mainly because of US dollar strength as a resilient US labor market and higher-than-expected CPI inflation continued to dampen market expectations for a Fed rate cut in the first half of the year and because of portfolio outflows from Taiwan as foreign investors net sold on the TWSE. Afterwards, with the August release of the minutes of the Federal Open Market Committee (FOMC) indicating easing upside inflation risk and heightening downside labor market risk, followed by the Fed's half-percentage-point rate cut in Mid-September, the NT dollar strengthened against the US dollar. However, in November, the re-election of Donald Trump as US President raised concerns over potential negative impacts from his trade policies and led to portfolio outflows by foreign investors, causing the NT dollar to soften against the US dollar. The NTD/USD depreciation continued in December mainly because the Fed's Chair Powell signaled for slower rate cuts despite an expected cut in Mid-December.

As of the end of 2024, the NT dollar depreciated by 6.2% against the US dollar compared with the end of the previous year. On an annual average basis, the NT dollar also depreciated by 3.0% against the US dollar.

Stock Index Rose and Trading Value Significantly Increased

From the beginning of 2024, Taiwan's stock market was driven upward by the end of the US rate hike cycle and strong demand for AI technologies. On July 11, the TAIEX reached a historic high of 24,390 points. However, factors such as weak US economic data, Middle East conflicts, and foreign investor sell-offs caused the market to drop to a low of 19,831 points on August 5.

Subsequently, with the Fed's rate cuts, a rebound in US stocks and positive earnings reported by the Taiwan Semiconductor Manufacturing Company (TSMC), the TAIEX surged to 22,035 points at the end of the year, up by 28.5% over the end of the previous year. The daily average trading value on the TWSE increased significantly by 44.3% from 2023 to NT\$381.4 billion in 2024.

2. Banking Sector

Number of Monetary Financial Institutions

At the end of 2024, the number of monetary financial institutions (defined hereafter in this chapter as excluding the central bank) was 405, the same as 2023. The numbers of all types of monetary financial institutions all stood unchanged. As for money market mutual funds, the number stayed zero after the last remaining fund was liquidated in May 2017.

In addition to monetary financial institutions, the number of financial holding companies remained 15.

Number of Monetary Financial Institutions by Type

Types of Institutions	End of 2024	End of 2023	Annual Change
Total Number of Main Offices	405	405	0
Domestic Banks	39	39	0
Foreign and Mainland Chinese Banks	31	31	0
Credit Cooperatives	23	23	0
Credit Departments of Farmers' and Fishermen's Associations	311	311	0
Chunghwa Post	1	1	0
Total Number of Branches	6,065	6,079	-14
Local Branches	5,852	5,866	-14
Overseas Branches	154	154	0
Offshore Banking Units	59	59	0

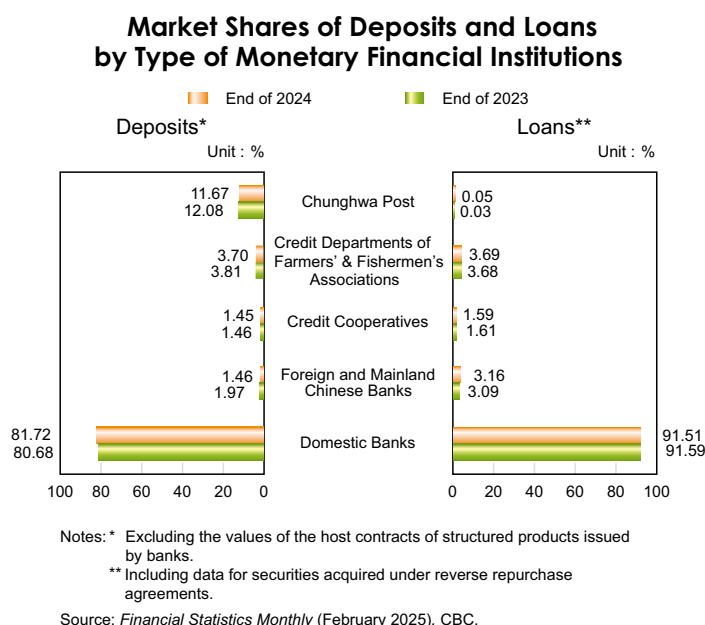
Sources: 1. *Financial Statistics Monthly* (February 2025), CBC.
2. Department of Financial Inspection, CBC.

Market Shares of Deposits and Loans

At the end of 2024, domestic banks maintained a dominant role in the deposit market, with the market share rising to 81.72%. This was primarily due to a more sizeable increase in the deposits of domestic banks, resulting from continued credit growth and ample market liquidity, as well as preferential interest rates for time deposits successively provided by some domestic banks. By contrast, the deposit market shares shrank for the other types of monetary financial institutions, with

the departments of savings and remittances of Chunghwa Post taking up a share of 11.67%, the credit departments of farmers' and fishermen's associations 3.70%, branches of foreign and Mainland Chinese banks 1.46%, and credit cooperatives 1.45%.

In terms of loans, the market share of domestic banks decreased to 91.51%, mainly because of slower annual growth in loans to private enterprises in the second half of the year. In contrast, foreign and Mainland Chinese banks' market share climbed to 3.16%, mainly because of an increase in foreign currency loans extended to private enterprises. Chunghwa Post's market share continued to rise to 0.05%, reflecting an increase in lending to bills finance companies. As for the other institution types, the market share of credit departments of farmers' and fishermen's associations edged up to 3.69%, whereas that of credit cooperatives fell to 1.59%.



Main Uses of Funds in Monetary Financial Institutions

At the end of 2024, the total amount of funds in monetary financial institutions was NT\$68,878 billion, increasing by NT\$2,603 billion compared to the end of 2023. The combined share of transaction and nontransaction deposits was around 87%. The balances of transaction deposits and nontransaction deposits posted annual growth rates of 3.52% and 5.04%, respectively.

In the case of fund uses, bank loans accounted for over 60% of total uses of funds at the end of 2024. Owing to faster growth in loans to the private sector, the annual growth rate of NT dollar loans increased from 6.02% at the end of the previous year to 9.10%. Net foreign assets accounted for a share of 9.10%, lower than the 10.45% recorded a year ago due to the decrease in investment in foreign securities.

Portfolio investments by monetary financial institutions measured on a cost basis dropped from 12.77% at the end of the previous year to 3.69%, mainly due to the substantial increase in banks' securities investment in the previous year, resulting in a higher base effect.

Main Uses of Funds in Monetary Financial Institutions¹

Unit: NT\$ billion

	End of 2024			End of 2023			Annual Change	
	Balance	Share (%)	Annual Growth Rate (%)	Balance	Share (%)	Annual Growth Rate (%)	Balance	Share (%)
Funds Balance:								
Transaction Deposits ²	24,546	35.64	3.52	23,711	35.78	3.73	835	-0.14
Nontransaction Deposits ³	35,631	51.73	5.04	33,922	51.19	9.96	1,709	0.54
NT Dollar Deposits	27,150	39.42	8.79	24,958	37.66	8.41	2,193	1.76
Foreign Currency Deposits ⁴	8,480	12.31	-5.40	8,964	13.53	14.52	-484	-1.22
Government Deposits	1,563	2.27	4.59	1,494	2.25	4.79	69	0.02
Other Items	7,138	10.36	-0.13	7,149	10.78	-0.37	-9	-0.42
Total	68,878	100.00	3.93	66,275	100.00	6.36	2,603	0.00
Uses:								
Net Foreign Assets ⁴	6,267	9.10	-9.51	6,926	10.45	22.68	-659	-1.35
Loans	41,539	60.31	9.13	38,065	57.43	5.54	3,474	2.88
NT Dollar Loans	40,840	59.29	9.10	37,433	56.48	6.02	3,407	2.81
Foreign Currency Loans ⁴	700	1.02	10.73	632	0.95	-17.01	68	0.07
Portfolio Investments ⁵	8,731	12.68	3.69	8,420	12.70	12.77	311	-0.02
Purchases of CDs Issued by CBC	7,245	10.52	-10.32	8,079	12.19	-5.44	-834	-1.67
Deposits with CBC	5,096	7.39	6.49	4,786	7.23	4.35	310	0.16

Notes: 1. Monetary Financial Institutions include domestic banks, local branches of foreign and Mainland Chinese banks, credit cooperatives, credit departments of farmers' and fishermen's associations, Chunghwa Post and money market mutual funds.
2. Including checking accounts, passbook deposits and passbook savings deposits.
3. Including time deposits, time savings deposits, foreign currency deposits, postal savings deposits, non-residents' NT dollar deposits, repurchase agreements and money market mutual funds.
4. Excluding valuation changes in the exchange rate of the NT dollar against foreign currencies.
5. Measured at original costs.
6. Figures may not add up to the total due to rounding.

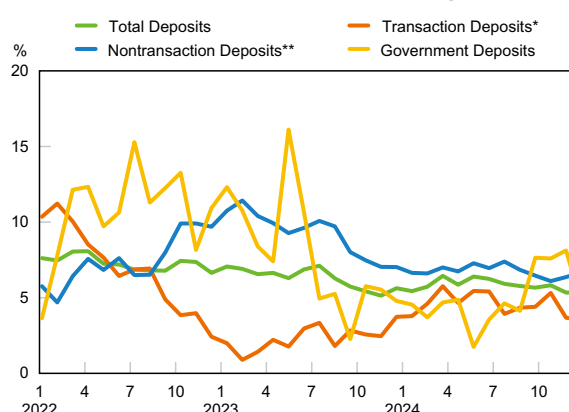
Source: *Financial Statistics Monthly* (February 2025), CBC.

Deposits

Because the net capital outflow in 2024 was higher than in 2023, the annual growth rate of deposits held by monetary financial institutions decreased to 5.36% at the end of 2024 from 5.62% a year earlier. Regarding the composition of deposits, the drop in the annual growth rate was mainly due to slower growth in nontransaction deposits and transaction deposits.

In terms of nontransaction deposits, its annual growth rate decreased to 6.68% at

Annual Growth Rates of Deposits



Notes: * Including checking accounts, passbook deposits and passbook savings deposits.

** Including time deposits, time savings deposits, foreign currency deposits, postal savings deposits, nonresidents' NT dollar deposits, repurchase agreements, and money market mutual funds.

Source: *Financial Statistics Monthly* (February 2025), CBC.

the end of 2024 from 7.02% a year earlier, mainly due to slower growth in time savings deposits and foreign currency deposits. However, its annual growth rate remained higher than that of total deposits and its share in total deposits thus increased to 58.09% at the end of 2024 from 57.38% a year earlier.

The annual growth rate of time savings deposits dropped to 7.43% at the end of 2024 from 10.84% a year earlier, while its share in total deposits increased to 18.45% from 18.10%. With the stock market repeatedly reaching new highs in the first half of 2024, retail investors and social insurance and pension funds adjusted asset allocations to meet investment demand, slowing capital movement from passbook savings deposits to time savings deposits. In the second half of the year, as several banks successively provided preferential time deposit rates, some individuals and social insurance and pension funds transferred time savings deposits into time deposits.

The annual growth rate of foreign currency deposits first rose then fell in 2024. In the first half of the year, inward remittances of overseas sales revenue and increased foreign currency loan balances pushed the annual growth rate of foreign currency deposits upwards to 5.16% by the end of June from 3.35% at the end of the previous year. However, in the second half of 2024, some firms deployed foreign currency deposits for outward direct investments, and some transferred foreign currency deposits into preferential time deposits and into passbook deposits for short-term working capital. Meanwhile, some individuals and social insurance and pension funds invested in overseas long-term bonds and notes. As a result, the annual growth rate of foreign currency deposits dropped to 0.81% at the end of 2024, and its share in total deposits decreased to 14.52% from 15.17% a year earlier.

The annual growth rate of time deposits (including negotiable certificates of deposit) remained stable in the first half of 2024 but surged in the second half to 19.21% at the end of 2024 from 10.66% a year earlier, with its share in total deposits going up to 13.31% from 11.77%. This was primarily because several banks offered preferential interest rates on time deposits in the second half of the year to solicit large-amount time deposits by retail and corporate customers and social insurance and pension funds.

Regarding postal savings deposits, the annual growth rate declined to 1.77% at the end of 2024 from 3.50% a year earlier, and its share in total deposits decreased to 11.41% from 11.81%.

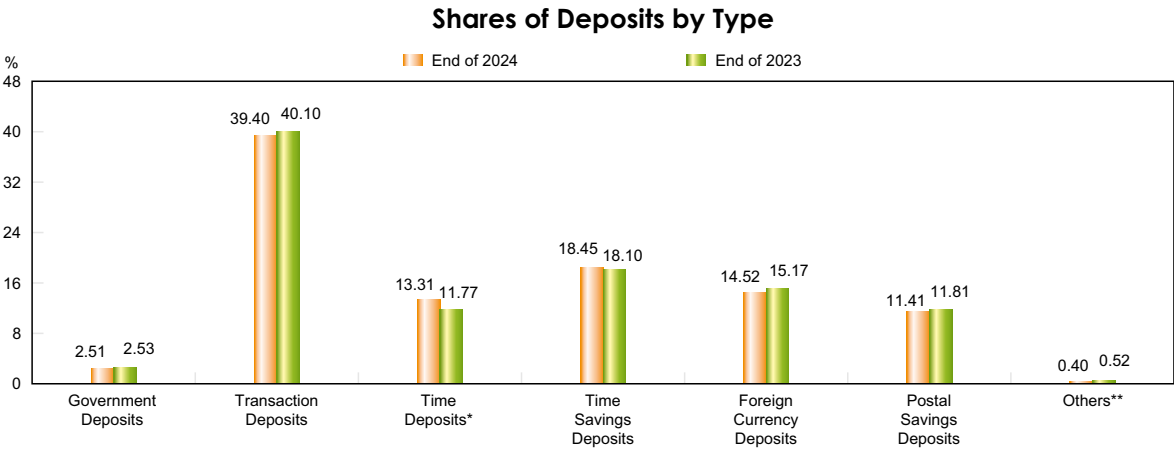
In terms of transaction deposits, its annual growth rate fell to 3.52% at the end of 2024 from 3.73% a year earlier and its share in total deposits shrank to 39.40% from 40.10%, primarily due to a decline in the annual growth rate of passbook savings deposits.

In the first half of 2024, as the stock market repeatedly reached new highs, the trading value

and balances in securities giro accounts both remained at relatively high levels. Therefore, the annual growth rate of passbook savings deposits increased from 4.26% at the end of the previous year to 5.15% by the end of May, its peak in 2024. However, later in the year, a host of depositors moved money from passbook savings deposits into time deposits to avail the higher preferential interest rates of some banks. Additionally, the cash dividends distributed by firms in the second half were lower than the same period of the previous year, and the annual growth rates of the trading value and balances in securities giro accounts also slowed down. As a result, the annual growth rate of passbook savings deposits declined to 1.73% at the end of 2024.

The annual growth rate of passbook deposits rose to 8.32% at the end of 2024 from 2.97% a year earlier. This was mainly owing to the stronger economic performance compared to the previous year, which increased demand for short-term working capital by firms. In addition, as the Fed began cutting the policy rate in September 2024, some domestic firms transferred foreign currency deposits into passbook deposits.

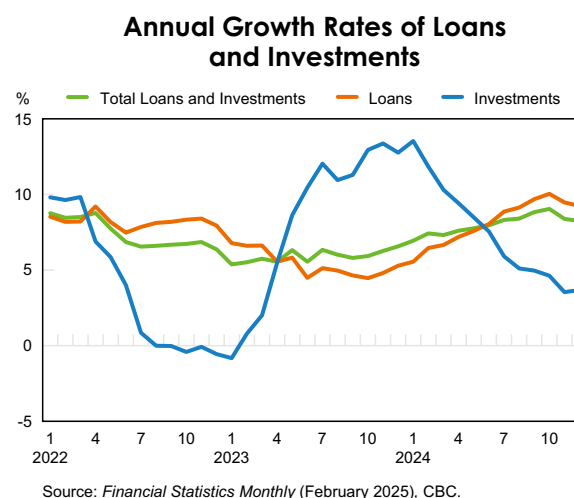
With regard to government deposits, its annual growth rate fluctuated month by month in 2024. This was mainly because the profit growth of exchange-listed and OTC-listed companies and active trading in the stock and real estate markets combined to result in an increase in the revenue of government taxes, such as securities transaction tax, individual income tax, enterprise income tax, business tax, and house and land transactions income tax. With ample tax revenue, the national treasury administration was able to repay loans ahead of time, causing the annual growth rate of government deposits to decrease to 4.59% at the end of 2024 from 4.79% a year earlier. Its share in total deposits also slightly decreased to 2.51% from 2.53%.



Notes: * Including NCDs.
** Including repurchase agreements, nonresidents' NTD deposits and money market mutual funds.
Source: *Financial Statistics Monthly* (February 2025), CBC.

Bank Loans and Investments

The annual growth rate of loans and investments of monetary financial institutions was 8.24% at the end of 2024, up from 6.58% at the end of 2023. Growth in loans increased to an annual pace of 9.25% at the end of 2024 from 5.30% at the end of the previous year, whereas growth in portfolio investment decelerated to 3.69% at the end of 2024 from 12.77% a year earlier.



Loans by Sector

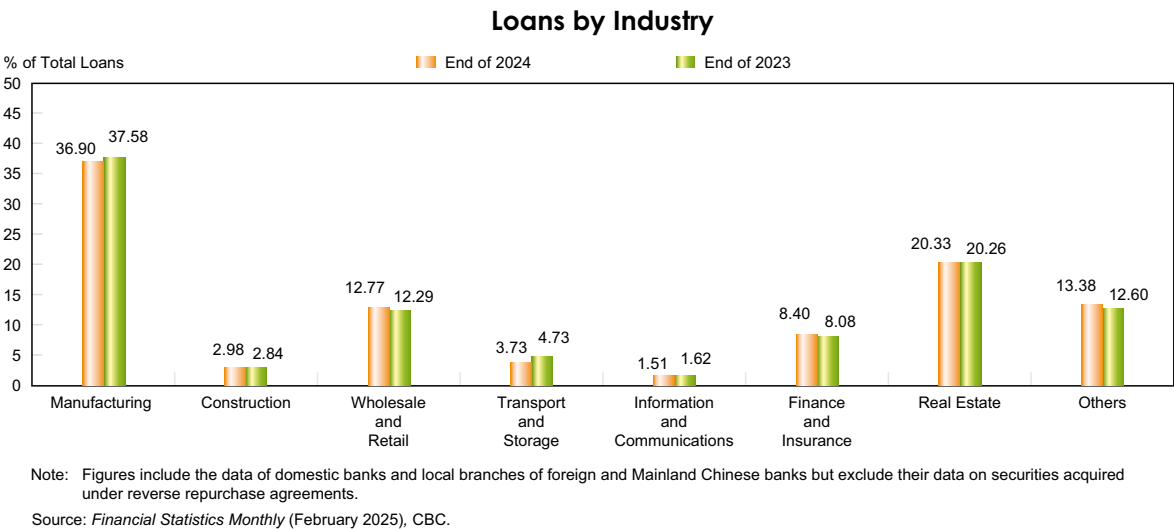
The annual growth rate of private sector loans extended by banks (defined in the following paragraphs as including domestic banks and local branches of foreign and Mainland Chinese banks) climbed to 9.80% at the end of 2024 from 5.33% a year earlier. The increase was largely due to faster annual growth in house-purchasing loans and investment loans, as well as an increase in private enterprises' demand for funds driven by steady export growth. The annual growth rate of loans to government enterprises fell into negative territory at -2.25% as of the end of 2024 from 6.98% a year earlier, owing to a larger debt repayment by the former Taiwan Railways Administration in the wake of the agency being restructured as a state-owned corporation. Meanwhile, the annual growth rate of loans to government agencies turned positive from -5.93% to 2.50% at the end of 2024 because of an increase in demand for funds by the government.

In terms of loan composition, loans extended to the private sector accounted for 94.04% of total loans at the end of 2024, higher than the 93.52% recorded at the end of 2023. Loans extended to government agencies and government enterprises accounted for 3.38% and 2.57%, respectively, at the end of 2024, lower than 3.61% and 2.87% at the end of 2023.

Loans by Industry

Broken down by industry sector, bank loans to the manufacturing sector continued to account for the largest portion, at 36.90% at the end of 2024 compared to 37.58% at the end of 2023, with its annual growth rate up from 0.93% to 4.79%. This was mainly attributable to an increase in loans extended to electronic parts and components manufacturing as export growth turned positive in 2024. Meanwhile, the share of loans extended to the construction industry continued to rise, with its annual growth rate up from 7.86% to 12.05% at the end of 2024, reflecting sustained growth in the real estate market.

The growing housing market also helped buoy the share and the annual growth rate of loans extended to the real estate industry. Meanwhile, the share and the annual growth rate of loans extended to the wholesale and retail industry both rose because of stronger export growth. As for the finance and insurance industry, the share and the annual growth rate of loans to this sector both increased because of more borrowing by securities firms and investment holding companies.



Consumer loans

The annual growth rate of consumer loans extended by banks increased from 6.37% at the end of 2023 to 9.81% at the end of 2024. Among them, house-purchasing loans increased the most by NT\$1,045.4 billion or 10.42% in 2024, a faster year-on-year increase than 7.04% in 2023. This was mainly due to support for homebuyers from the government's new Preferential Housing Loans for the Youth program, a picked up in domestic economic growth compared to the previous year, and an impressive uptrend in the stock market, along with a surge in loan applications for newly-completed pre-sale housing units in the latter half of 2024.

As for the shares of various types of consumer loans, house-purchasing loans remained the largest component, with its share increasing from 85.30% at the end of 2023 to 85.77% at the end of 2024. Car loans accounted for 1.85%, decreasing from 1.87%, mainly because the automobile market in 2024 experienced slower growth than the previous year. Meanwhile, house-repairing loans, revolving credit for credit cards, employee welfare loans, and other consumer loans accounted for 0.27%, 0.89%, 0.27%, and 10.94%, respectively.

Portfolio Investment

Owing to valuation changes, portfolio investment by monetary financial institutions, measured at fair value, recorded a year-on-year increase of NT\$362.2 billion, while the increase was smaller, at NT\$310.7 billion, when measured on a cost basis.

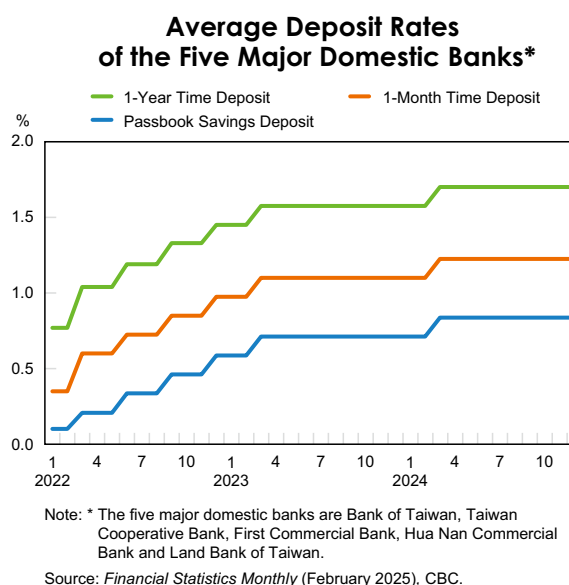
Portfolio investment by monetary financial institutions (measured on a cost basis) grew at a slower pace of 3.69% in 2024, mainly because of a higher base effect in 2023 when a significant expansion in the total balance of corporate bonds and commercial paper caused banks to increase portfolio investment.

In terms of tool types, government bonds accounted for a share of 51.31%, slightly smaller than the 51.84% recorded a year ago, reflecting slower growth in banks' investment in government bonds. At the end of 2024, commercial paper accounted for a share of 21.40%, higher than a year ago, as enterprises increasingly issued commercial paper to meet their funding needs. In addition, corporate bonds accounted for a share of 19.67%, increasing from the end of 2023.

Bank Interest Rates

The Bank raised the policy rates by 0.125 percentage points in March 2024, in order to contain domestic inflation expectations. As a result, banks' posted interest rates on deposits and loans trended upward. In the case of the five major domestic banks, the average fixed rates on one-month and one-year time deposits moved upward to 1.23% and 1.70% at the end of March from 1.10% and 1.58% at the end of February, respectively, while remaining steady for the rest of the year.

After the March hike, the Bank decided to keep the policy rates on hold in June, September and December in 2024 in view of the gradual decline in domestic inflation, downside risks facing the global economy, and mild growth expectations for the domestic economy thanks to a boost from domestic demand. Furthermore, in order to enhance the management of bank credit resources and curb real estate speculation and hoarding, the Bank adjusted the selective credit control measures and raised the reserve requirement ratios by 0.25 percentage points both in June and September. By strengthening the



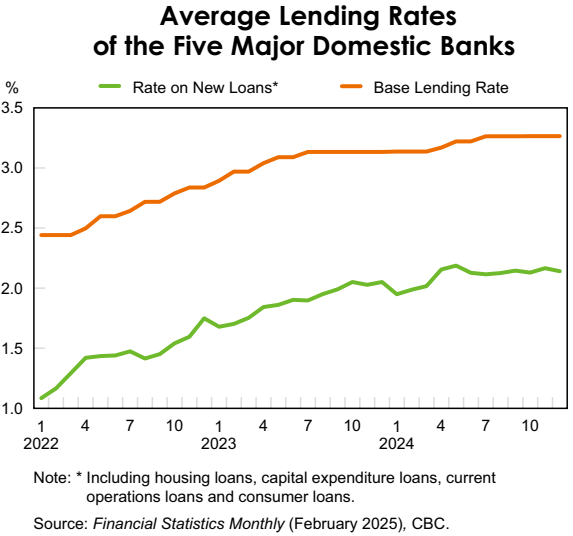
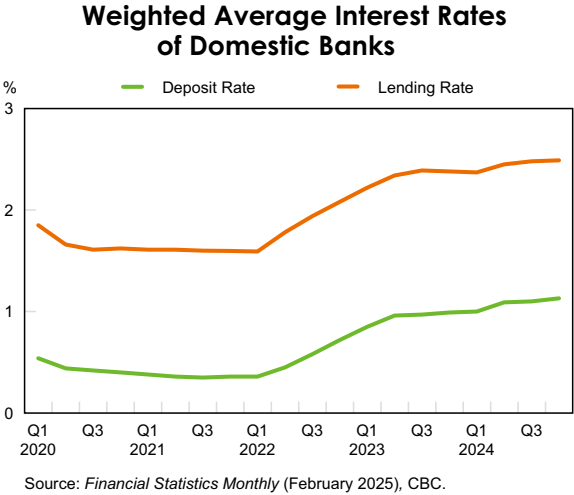
quantitative management of monetary credit, these measures would reinforce the effectiveness of the selective credit control measures and help mitigate excessive allocation of credit resources to the real estate market.

The weighted average interest rates on deposits and loans of domestic banks generally showed an upward trend in 2024. In terms of deposit interest rates, following the Bank's policy rate hike in late March 2024, banks' posted interest rates on deposits went upward. This, and the increases in both the amount of time deposits and their share in total deposits, contributed to the rise in the weighted average deposit interest rate to 1.13% in the fourth quarter of 2024 from 0.99% in the fourth quarter of the previous year. On the whole, the weighted average deposit interest rate of domestic banks was 1.08% in 2024, which was 0.14 percentage points higher than that recorded in the previous year.

In terms of loan interest rates, after the Bank's March policy rate hike, various banks successively increased their base lending rates and the index rates on adjustable-rate mortgages. In addition, lower-rate borrowings from government enterprises also increased. As a result, the weighted average interest rate on new loans of the five major domestic banks trended upward from 1.949% in January to 2.141% in December. For the year as a whole, the rate increased from 1.885% in the previous year to 2.103%, up by 0.218 percentage points. Excluding central government loans, the weighted average interest rate on new loans increased from 1.899% in the previous year to 2.121% in 2024, up by 0.222 percentage points. Moreover, the average base lending rate increased to 3.264% at the end of 2024 from 3.133% at the previous year-end.

In the first quarter of 2024, the weighted average interest rate on total loans of domestic banks slightly declined from 2.38% in the fourth quarter of 2023 to 2.37%, owing to an increase in low-rate large-amount loans to governments and corporations and rate reductions for loans to large or prime corporate borrowers by some banks. From the second quarter on, guided by the Bank's policy rate hike in March, banks successively increased their base lending rates and the index rates on adjustable-rate mortgages. Combined with increased mortgage lending at some banks and a higher proportion of long-term loans, the weighted average interest rate on loans of domestic banks continued rising to 2.49% in the fourth quarter. For the year as a whole, the weighted average interest rate on loans of domestic banks was 2.45%, which was 0.12 percentage points higher than that recorded in the previous year.

As some banks offered preferential loan interest rate programs for prime borrowers and some other banks used better interest rates to attract deposits, the increase in the average lending rate was thus smaller than that in the average deposit rate. As a result, the average interest rate spread between deposits and loans decreased to 1.37 percentage points in 2024, which was 0.02 percentage points lower than that recorded in the previous year.



3. Money Market

In 2024, supported by growth in exports and private investment, as well as the expanded operations of bills finance companies, financial institutions' demand for interbank call loans rebounded. As a result, the total turnover in the interbank call loan market increased by 2.11% compared to the previous year. However, as the exact timing of the Lunar New Year holidays shifted (e.g., the holidays occurred on February 10 in 2024, yet on January 29 in 2025), the number of days for interbank call loans with maturities beyond the year-end 2024 and before the 2025 Lunar New Year holidays decreased compared to the same period of the previous year. Consequently, the outstanding amount of interbank call loans at the end of 2024 fell by 14.41%.

In terms of the short-term bills market, the total turnover registered an increase of 17.94% from a year before, while the total issuance of short-term bills grew by 13.38% in 2024 in response to corporate funding needs. At the end of the year, the outstanding amount of short-term bills went up by 10.91% compared to the previous year end.

With regard to money market rates, as the Bank implemented a policy rate hike in late March 2024 and increased the reserve requirement ratios on NT dollar demand deposits and time (savings) deposits in July and October, short-term money market rates broadly displayed an uptrend during the year.

Rise in Interbank Call Loans

In 2024, the global economy experienced a gradual recovery, pushing up Taiwan's export growth. Private investment showed steady expansion, and the year-on-year growth in bank loans and investments accelerated. Meanwhile, bills finance companies expanded their operations. Against this backdrop, financial institutions' demand for interbank call loans strengthened, leading total annual turnover of interbank call loans to reach NT\$23,563.5 billion, an increase of NT\$486.3 billion or 2.11% over the previous year.

With respect to borrowers, domestic banks still made the largest contribution to total transactions with a share of 74.76%, followed by bills finance companies, foreign and Mainland Chinese banks, and Chunghwa Post, with shares of 14.19%, 10.11%, and 0.94%, respectively.

The amount borrowed by domestic banks grew by NT\$94.1 billion or 0.54% from a year earlier, primarily owing to a lower base effect. On the other hand, with a contraction in their asset and liability positions, foreign and Mainland Chinese banks witnessed a year-on-year decline in both interbank borrowing and lending. The amount borrowed by foreign and Mainland Chinese banks shrank by NT\$213.2 billion or 8.85% over the previous year.

The amount borrowed by bills finance companies rose significantly by NT\$713.0 billion or 27.09% compared with a year ago. The growth was mostly driven by the expansion of the bills finance business, resulting in greater funding needs. In addition, multiple typhoon-related holidays in 2024 prompted bills finance companies to increase interbank borrowing to manage short-term liquidity needs. Meanwhile, the amount borrowed by Chunghwa Post dropped by NT\$89.6 billion or 28.72% over the previous year.

In terms of lenders, domestic banks remained the largest supplier of funds, making up 63.22% of total transactions in 2024. Foreign and Mainland Chinese banks came in second with a share of 34.62%, followed by Chunghwa Post and bills finance companies contributing 2.00% and 0.16% of total transactions, respectively.

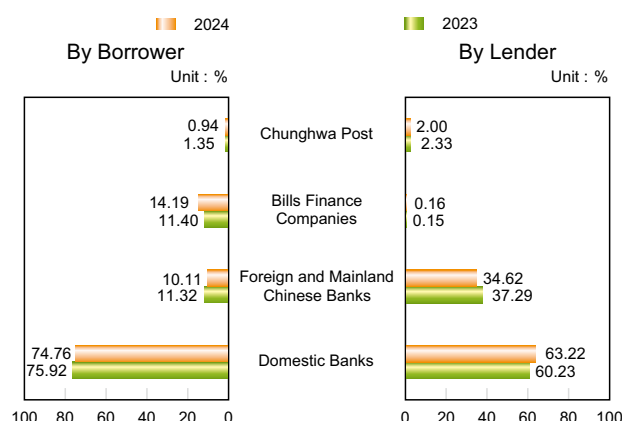
The amount of call loans made by domestic banks went up by NT\$998.6 billion or 7.18% compared with the previous year, mainly owing to an increase in lending to bills finance companies as a result of their higher funding needs.

Foreign and Mainland Chinese banks decreased their interbank lending by NT\$449.9 billion or 2.68% over the previous year. The reduction was attributable to net foreign capital outflows in 2024 and a contraction in lending as elevated money market rates, weakened counterparty demand for interbank borrowing.

On the other hand, the amount of call loans made by Chunghwa Post fell by NT\$65.5 billion or 12.20% from a year before, reflecting its reallocation of funds toward overseas asset investments, which in turn limited the funds available for interbank lending. As for bills finance companies, the amount lent by this group registered an increase of NT\$3.1 billion or 8.83% year on year.

In respect of maturity, interbank overnight call loans remained the most actively traded instrument in the market with a predominant share of 44.00%, though slipping by 1.55 percentage points from that of the previous year. The second were those with a maturity of one week, rising by 1.52 percentage points to 39.07% over the previous year, while the share of loans with a two-week maturity climbed by 1.09 percentage points to 11.22%.

Composition of Interbank Call Loan Market by Participant



Source: *Financial Statistics Monthly* (February 2025), CBC.

Growth in Short-Term Bill Transactions

For the year 2024, newly issued short-term bills stood at NT\$23,218.8 billion. Commercial paper made up a dominant 93.99% of the new issues, followed by negotiable certificates of deposit (NCDs) with a share of 4.90%.

Newly issued short-term bills posted a year-on-year increase of NT\$2,740.2 billion or 13.38% in 2024. The rise was mainly attributable to commercial paper with an increased issuance of NT\$2,431.6 billion. This reflected that sustained corporate funding needs caused the amount of issuance to exceed that of repayments despite an upswing in short-term bills market rates.

The second-largest contributor to the overall increase was NCDs, with issuance rising by NT\$320.2 billion compared to the previous year. The growth was because financial institutions such as banks and bills finance companies boosted their NCD holdings as part of their fund allocation strategies. In contrast, the issuance of treasury bills slid by NT\$10.0 billion from a year before as the Ministry of Finance reduced issuance of treasury bills in view of ample tax revenues.

Overall, with the total amount of short-term bill issuance exceeding that of repayments, the outstanding of short-term bills stood at NT\$3,713.3 billion as of the end of 2024, representing an increase of NT\$365.3 billion or 10.91% from that of the previous year end.

Short-Term Bills Market

Unit: NT\$billion

Year	Total		Treasury Bills		City Treasury Bills		Commercial Paper		Banker's Acceptances		Negotiable Certificates of Deposit	
	Issues	Year-End Outstanding	Issues	Year-End Outstanding	Issues	Year-End Outstanding	Issues	Year-End Outstanding	Issues	Year-End Outstanding	Issues	Year-End Outstanding
2015	11,512.8	1,677.7	233.7	90.0	-	-	10,426.0	1,346.6	20.8	3.5	832.3	237.6
2016	12,778.5	1,873.5	217.3	90.0	-	-	11,371.3	1,480.1	18.3	4.1	1,171.6	299.4
2017	14,878.5	2,154.5	220.0	25.0	-	-	13,077.8	1,709.0	19.4	4.2	1,561.3	416.4
2018	14,971.9	2,223.1	160.0	30.0	-	-	12,965.0	1,760.6	18.5	4.0	1,828.5	428.5
2019	14,927.3	2,353.2	314.0	65.0	-	-	13,613.6	2,034.1	14.0	2.6	985.7	251.5
2020	16,005.2	2,747.2	336.6	125.0	-	-	14,824.7	2,344.3	13.0	2.8	830.9	275.1
2021	17,254.0	2,911.2	320.0	115.0	-	-	16,107.5	2,560.1	17.8	4.5	808.7	231.6
2022	18,674.8	2,891.0	230.0	30.0	-	-	17,296.9	2,584.8	15.9	2.7	1,131.9	273.5
2023	20,478.6	3,348.0	260.0	30.0	-	-	19,390.6	3,000.9	11.1	2.3	816.9	314.8
2024	23,218.8	3,713.3	250.0	30.0	-	-	21,822.2	3,272.5	9.5	1.9	1,137.0	408.9

Source: *Financial Statistics Monthly* (February 2025), CBC.

The total turnover of short-term bills in 2024 went up by NT\$9,939.3 billion or 17.94% to NT\$65,355.5 billion. Of the total transactions, commercial paper still made up the lion's share of

94.48%, while NCDs came in with the second largest share of 5.09%.

In terms of market participants, private enterprises were still the largest player in the market with a dominant share of 47.32%, followed by banks and bills finance companies with shares of 26.90% and 15.68%, respectively.

Broad Uptrend in Money Market Rates

The weighted average interbank overnight call loan rate in 2024 displayed a broad uptrend. Funding needs increased in January 2024 in the lead-up to the Lunar New Year and remained elevated in February amid the holiday period. Thereafter, the Bank raised the policy rates in late March. In April, the lagged effect of the policy rate hike, along with net selling of TWSE stocks by foreign investors and the resulting outward remittances of principal and earnings, contributed to a continued rise in short-term market rates.

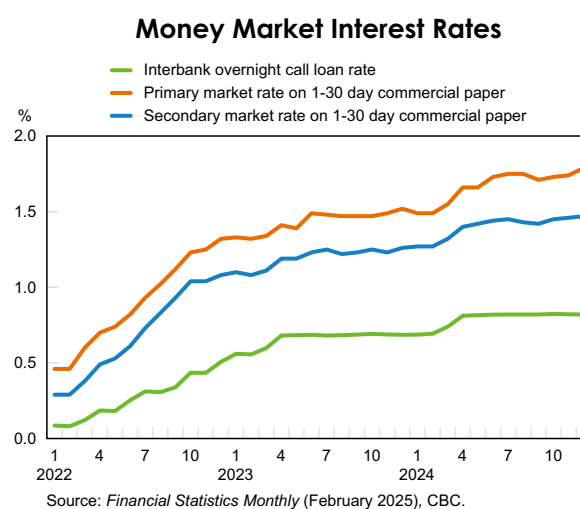
Later in the year, several factors led to a steady uptrend in the interbank overnight call loan rate. These included liquidity tightening resulting from profit-seeking enterprise income tax collections in May, three consecutive months of net foreign capital outflows beginning in June, and the Bank's policy hike on reserve requirement ratios taking effect in October, which increased the required reserves held by banks. Consequently, the interbank overnight call loan rate rose steadily from 0.686% in December 2023 to 0.823% in October 2024.

In November and December, frequent trading of TWSE stocks by foreign investors, accompanied by capital outflows, resulted in slight imbalances in interbank fund allocation. As a result, short-term market rates experienced mild fluctuations, with the interbank overnight call loan rate recording 0.821% in November and 0.820% in December.

The primary market rate on commercial paper with a maturity of 1-30 days moved upwards from 1.49% in January to 1.79% in December. Meanwhile, the secondary market rate on commercial paper with a maturity of 1-30 days also rose from 1.27% in January to 1.47% in December.

Increase in Money Market Funds

Following several policy rate hikes by the Bank in recent years, fund yields gradually increased, attracting investor subscriptions.



Moreover, as most banks reduced their acceptance of long-term deposits, funds shifted into money market mutual funds.

Meanwhile, uncertainties related to geopolitical risks, global economic growth momentum, and inflation trends remained in international markets. Furthermore, with the re-elected US President Donald Trump set to take office in January 2025, markets anticipated that potential shifts in trade and economic policies could trigger heightened volatility in stock and bond markets. Against this backdrop, investors showed a stronger tendency to temporarily park capital in domestic money market funds.

At the end of 2024, there were a total of 36 money market funds in Taiwan, and the total assets stood at NT\$879.4 billion with an increase of NT\$15.9 billion or 1.84% from the previous year end.

With regard to portfolio composition, the largest use of funds was short-term bills with a share of 52.73% at the end of the year. Following short-term bills were bank deposits and repurchase agreements, accounting for 39.83% and 7.12% of the total money market funds, respectively.

Portfolio Composition of Money Market Funds

Unit: NT\$billion

Year/Month End	Total	Bank Deposits		Short-Term Bills		Repurchase Agreements		Bonds	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
2022	781.4	208.4	26.67	474.4	60.71	95.0	12.16	3.6	0.46
2023	863.5	344.5	39.89	427.2	49.47	86.5	10.02	5.4	0.62
2024	879.4	350.3	39.83	463.7	52.73	62.6	7.12	2.8	0.32
2024/ 1	902.6	379.5	42.05	425.0	47.09	92.8	10.28	5.3	0.58
2	911.2	394.3	43.27	427.5	46.92	84.3	9.25	5.2	0.56
3	889.9	394.7	44.35	428.3	48.13	61.2	6.88	5.7	0.64
4	928.6	396.9	42.74	445.9	48.02	80.1	8.63	5.6	0.61
5	883.6	380.7	43.09	433.5	49.06	64.1	7.25	5.4	0.60
6	884.0	350.8	39.68	458.4	51.86	70.1	7.93	4.7	0.53
7	894.6	332.7	37.19	475.5	53.15	80.6	9.01	5.7	0.65
8	906.2	330.1	36.43	487.4	53.79	84.0	9.27	4.8	0.51
9	904.1	350.1	38.72	481.5	53.26	67.7	7.49	4.8	0.53
10	921.6	357.2	38.76	487.6	52.91	73.4	7.96	3.4	0.37
11	916.3	359.1	39.19	481.1	52.50	72.9	7.96	3.2	0.35
12	879.4	350.3	39.83	463.7	52.73	62.6	7.12	2.8	0.32

Source: Securities Investment Trust & Consulting Association of the R.O.C.

4. Foreign Exchange Market

The NT Dollar Exchange Rate

In 2024, on a daily average basis, the NT dollar appreciated against the Japanese yen and the Korean won but depreciated against the euro, the US dollar and the renminbi (RMB). The trade-weighted nominal effective exchange rate index of the NT dollar decreased by 1.13% on a daily average basis. The exchange rate movements of the NT dollar vis-à-vis each of the above foreign currencies are as follows.

During the course of the year, the NT dollar depreciated broadly against the US dollar. In the first half of the year, the US dollar strengthened as signs of US labor market resilience and higher-than-anticipated CPI inflation repeatedly delay market expectations of a Fed rate cut. Combined with a capital outflow in July as foreign investors cut their equities holdings in Taiwan, the NT dollar generally weakened against the US dollar in the first seven months of the year. Later, the US dollar softened as the August-release of FOMC meeting minutes showed that the upside risk to inflation had diminished while downside risks to the labor market had increased, and the Federal Reserve cut its policy rate by 0.50 percentage points in mid-September; consequently, the NT dollar appreciated against the US dollar. By November, though, the NT dollar weakened again as foreign investors became net sellers in the Taiwan stock market and resulted in a portfolio outflow amidst market concerns about the potential adverse impact of Trump's trade policies after he was re-elected as US President. The local currency weakness continued as the US dollar rebounded on Fed Chair Powell's remarks signaling slower rate cuts despite the expected mid-December cut by 0.25 percentage points. At the end of 2024, the NT dollar depreciated by 6.2% against the US dollar compared with the end of the previous year. On a daily average basis, the NT dollar depreciated against the US dollar by 3.0% in 2024.

In 2024, the NT dollar first depreciated against the euro and then appreciated, mainly tracking the monetary policy actions of the European Central Bank (ECB). In the first few months of the year, the ECB first kept its policy rate unchanged with headline inflation moderating but core inflation still higher than expected. Then, although core inflation in the euro area was consistent with previous expectations and most economic data were positive as of late May, which supported a 0.25 percentage point rate cut in early June, the ECB raised its inflation forecast on concerns about persisting inflationary pressures. Against this backdrop, the NT dollar broadly depreciated against the euro in the first half of the year. Later, despite ECB's mid-July rate hold and market expectations of a September rate cut that led to a weakening of the euro against the US dollar, the NT dollar depreciated against the euro owing to net

foreign capital outflows. Thereafter, as expected, the ECB delivered three 0.25 percentage point rate cuts in September, October and December, while its dovish tone in the December rate decision also prompted market expectations of further monetary easing, all of which helped drive the appreciation of the NT dollar against the euro. Overall, compared with the end of the previous year, the NT dollar depreciated against the euro by 0.4% at the end of 2024. On a daily average basis, the NT dollar depreciated against the euro by 3.1%.

In the first half of 2024, the NT dollar appreciated against the Japanese yen; however, it weakened in the third quarter before consolidating and rebounding thereafter. At the beginning of the year, the yen weakened on the continuous accommodative stance of the Bank of Japan (BoJ) as inflation moderated, leading to an appreciation of the NT dollar against the yen. In March, as the market had expected and reacted in advance to the BoJ's discontinuation of negative interest rate and yield curve control (YCC) policies, coupled with a considerable US-Japan interest rate spread, the yen weakened instead of strengthening against the US dollar and the NT dollar vis-à-vis the yen fluctuated within a range. In the following quarter, the NT dollar strengthened against the yen as the market viewed the BoJ's rate holds in April and June as dovish. However, the NT dollar then weakened against the yen in the third quarter, which mainly reflected market sentiment for yen strength amid more hawkish BoJ actions, including: In July, alongside market anticipation of a narrowing US-Japan interest rate spread owing to their monetary policy divergence, the BoJ delivered a rate hike on July 31; in September, Shigeru Ishiba, who was generally viewed as supporting the BoJ's monetary tightening, was elected as president of the ruling party and on the way to becoming the next prime minister. Afterwards, the yen depreciated again, as comments from the incoming Prime Minister Ishiba and BoJ Governor Kazuo Ueda both lowered the possibility of further interest rate hikes and, with the October 27 parliamentary election giving no party majority, the ensuing political uncertainty led to market expectation for slower BoJ hikes. This yen weakness then caused the NT dollar to appreciate against the yen. In late November, with Japan's higher-than-expected inflation boosting market expectation for a December BoJ rate hike, which strengthened the yen, the NT dollar thus depreciated against the yen. However, the BoJ later maintained, not raised, its policy rate, prompting the NT dollar to appreciate against the yen. Compared to the end of 2023, the NT dollar appreciated by 3.6% against the yen by the end of 2024. In terms of average exchange rates, the NT dollar appreciated by 4.5% against the yen compared to the previous year.

In 2024, the NT dollar fluctuated within a certain range against the RMB. The NT dollar started the year with a general downtrend vis-à-vis the RMB. This was mainly because China's deflation risk prompted the People's Bank of China (PBoC) to first lower the reserve requirement ratio for financial institutions by 0.50 percentage points on February 5 and then cut the 5-year loan prime

rate (LPR) by 0.25 percentage points on February 20 to stimulate the economy, which resulted in a depreciation of the NT dollar against the RMB. Subsequently, as China's sluggish property market dampened its economic performance, coupled with weak investment and consumer confidence and ongoing deflationary risks, the PBoC conducted multiple reverse repo operations to inject liquidity into the market, leading to a rebound in the NT dollar exchange rate against the RMB. In the third quarter, July's release of June export growth exceeded expectations, boosting the RMB and weakening the NT dollar against the RMB. The PBoC's rate cut in late July amid continued weak demand and persistent overcapacity caused the NT dollar to appreciate against the RMB. In September, though, the NTD-RMB softened again as market expectation of a shift toward the Fed's policy easing prompted an unwinding of RMB carry trades. In the last quarter of the year, the RMB softened and the NTD firmed up, mainly because October's signal of new fiscal stimulus measures, announced later in November, fell short of market expectations, and concerns over heightened US-China trade friction under Trump's administration further weighed on the RMB. The weakness of China's currency continued in December as the PBoC's hold on the LPR was met with the claim from its *China Financial Stability Report* to implement "moderately accommodative" monetary policy and a range of policy tools to maintain ample liquidity. Consequently, the NTD-RMB exchange rate rebounded. Compared to the end of 2023, the NT dollar depreciated by 3.5% against the RMB by the end of 2024. In terms of average exchange rates, the NT dollar depreciated by 1.4% against the RMB compared to the previous year.

In 2024, the NT dollar fluctuated within a certain range against the won in the first three quarters of 2024, before appreciating in the final quarter. The Bank of Korea (BoK) maintained its policy

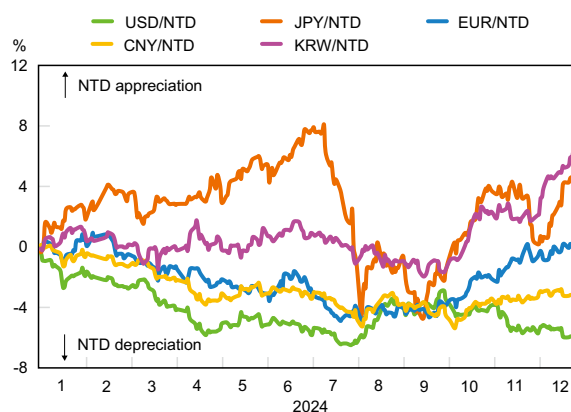
Annual Changes of NTD Exchange Rate Against Major Currencies

	NTD/USD	NTD/EUR	NTD/JPY	NTD/CNY	NTD/KRW
Exchange Rate (2024/12/31)	32.781	34.132	0.2098	4.4913	0.0223
Exchange Rate (2023/12/29)	30.735	34.011	0.2173	4.3338	0.0237
Annual Change	-6.2%	-0.4%	3.6%	-3.5%	6.5%
Average Exchange Rate (2024)	32.108	34.753	0.2121	4.4610	0.0236
Average Exchange Rate (2023)	31.150	33.682	0.2217	4.3973	0.0239
Annual Change	-3.0%	-3.1%	4.5%	-1.4%	1.3%

Source: Department of Economic Research, CBC.

rate to wait for further assessment on the progress in disinflation and the still-elevated uncertainties surrounding the monetary policies of major economies and geopolitical factors. Consequently, the NT dollar moved within a narrow range against the won during this period. In the second half of the year, the BoK's rate hold in August caused a range-bound downtrend in the NTD-won exchange rate, followed by won depreciation as the BoK implemented two consecutive rate cuts in October and November alongside a slowdown in export growth. Then, Korea's December 3 martial law incident and the following presidential impeachment added to political uncertainty and further weakened the won, leading to NT dollar appreciation against the won. At the end of 2024, the NT dollar appreciated by 6.5% against the Korean won compared to the end of 2023. On a daily average basis, the NT dollar appreciated by 1.3% against the won in 2024.

**Percentage Changes of NT Dollar
Against Major Currencies**
(Compared with End-2023)



Source: Department of Economic Research, CBC.

Foreign Exchange Trading

Trading in the Taipei foreign exchange market increased in 2024. Total net trading volume for the year was US\$10,923.6 billion, representing a 16.9% year-on-year increase. The daily average turnover was US\$44.59 billion in 2024.

In terms of trading partners, transactions between banks and nonbank customers accounted for 30.5% of the total turnover, while interbank transactions made up 69.5%, including 19.9% for transactions among local banks and 49.6% for those between local banks and overseas banks.

As far as traded currencies were concerned, NT dollar trading against foreign currencies accounted for 43.6% of the total trading volume, of which trading against the US dollar made up a dominant 42.1%. Transactions in third currencies contributed to 56.4% of the total trading volume, with trading in currency pairs of USD-RMB, USD-yen, and USD-euro accounting for respective shares of 18.8%, 9.7%, and 6.7%. Compared with 2023, the volume of NT dollar trading against foreign currencies increased by 13.1% while that of transactions in third currencies increased by 20.1%.

With respect to types of transactions, the major types were foreign exchange swaps and spots, accounting for 51.8% and 38.0% of total turnover, respectively. Compared with 2023, the trading volume in all categories increased, including foreign exchange swaps, spot transactions, forward transactions, options, cross currency swaps, and margin trading.

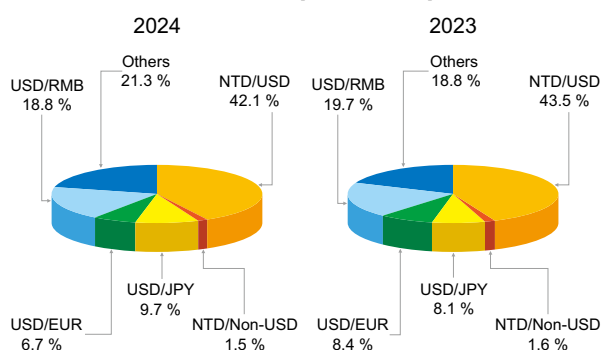
Turnover of Major Products in the Taipei Foreign Exchange Market

Unit: US\$billion

Year	Spots	Forwards	Forex Swaps	Margin Trading	Options	Cross Currency Swaps	Total
2020	3,408.8	503.7	4,110.9	7.3	206.0	34.5	8,271.0
2021	3,584.5	507.6	3,839.4	4.7	222.7	29.1	8,188.1
2022	3,658.9	522.1	4,174.0	6.6	206.0	14.9	8,582.6
2023	3,608.3	681.0	4,773.8	4.2	258.3	15.6	9,341.0
2024	4,145.6	761.7	5,657.3	4.6	333.6	20.9	10,923.6
2023-2024 Annual Growth Rate (%)	14.9	11.9	18.5	11.1	29.2	34.1	16.9

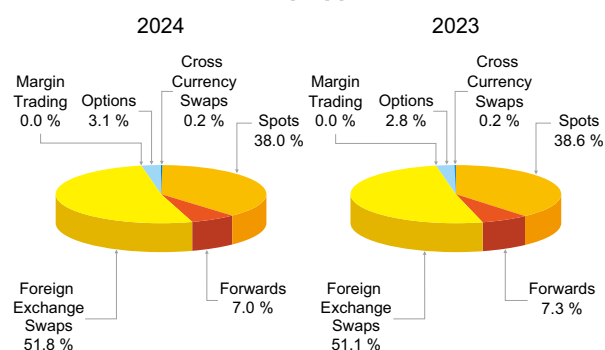
Source: Department of Foreign Exchange, CBC.

Composition of Foreign Exchange Transactions by Currency Pair



Source: Department of Foreign Exchange, CBC.

Composition of Foreign Exchange Transactions by Type of Product



Source: Department of Foreign Exchange, CBC.

For other foreign currency derivatives, including forwards, swaps, and options based on foreign currency interest rates, stock price indices, commodity prices, and credit derivatives, their combined

Turnover of Other Products in the Taipei Foreign Exchange Market

Unit: US\$billion

Year	Interest Rate-Related Products				Commodity-Related Products	Stock Index Options	Credit Derivatives	Total
	Interest Rate Swaps	Interest Rate Options	Foreign Currency Interest Rate Futures	Subtotal	Commodity Options			
2020	52.1	9.6	34.9	96.6	3.1	0.1	0.4	100.2
2021	79.0	10.7	104.3	194.0	4.1	0.4	0.6	199.2
2022	90.4	14.7	202.6	307.6	2.9	0.3	0.8	311.7
2023	79.8	8.6	168.3	256.6	1.8	1.9	0.5	260.8
2024	92.7	6.4	188.6	287.7	2.6	2.4	0.8	293.5
2023-2024 Annual Growth Rate (%)	16.2	-25.5	12.1	12.1	44.4	27.2	66.3	12.5

Note: "Forward Rate Agreements" is excluded from the table because the turnover has been 0 since 2017.

Source: Department of Foreign Exchange, CBC.

turnover was US\$293.5 billion. Of this amount, interest rate-related derivatives accounted for the lion's share at 98.0% with US\$287.7 billion, rising by 12.1% from the previous year owing mainly to the increase in interest rate futures turnover.

Renminbi Business

Renminbi investment tools became even more diversified during 2024. By the end of 2024, there were 65 domestic banking units (DBUs) and 56 offshore banking units (OBUs) engaging in renminbi business. The balance of renminbi deposits amounted to RMB119.1 billion; renminbi remittances totaled RMB2,871.7 billion in 2024; renminbi settlement through the Taipei Branch of the Bank of China totaled RMB5,998.5 billion.

Renminbi Business Conducted by Financial Institutions

Unit: RMB Billions

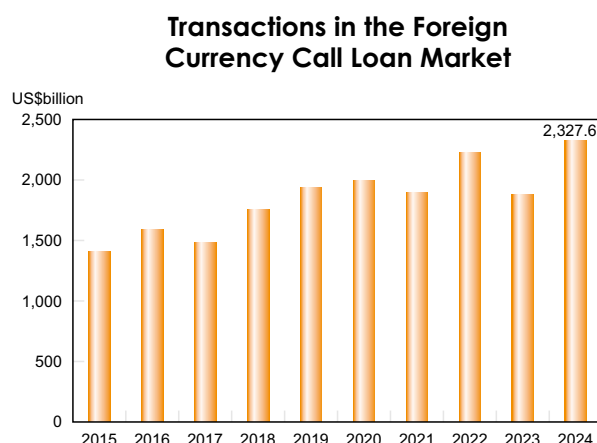
Business Items	Amount
Deposit balance (including NCDs, end of 2024)	119.1
Total remittances (February 2013 to December 2024)	22,336.9
Total settlement through the Taipei Branch of the Bank of China (February 2013 to December 2024)	55,202.5
Total value of 206 RMB-denominated bonds issued (as of the end of 2024)	135.9
Accumulated premium receipts from RMB-denominated investment-linked insurance business (February 2013 to December 2024)	21.9
Accumulated premium receipts from RMB-denominated traditional insurance business (April 2014 to December 2024)	10.1

Source: Department of Foreign Exchange, CBC.

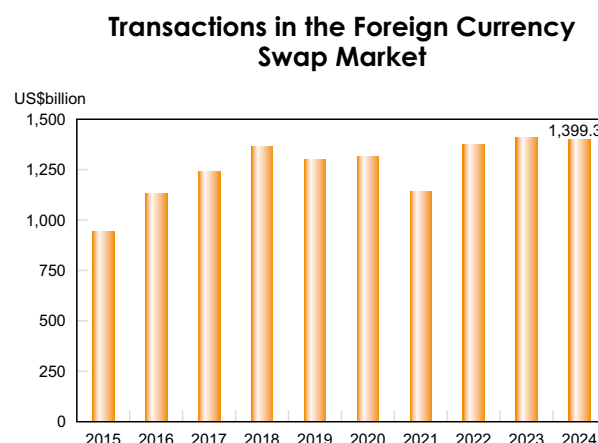
Foreign Currency Call Loan & Swap Markets

The transaction volume in the foreign currency call loan market in 2024 was US\$2,327.6 billion, an increase of 23.9% over the previous year. Of the total, US dollar transactions accounted for a dominant share of 81.6% with US\$1,899.8 billion, increasing by 9.5% from 2023. Renminbi transactions decreased by 10% year on year to RMB626.7 billion in 2024, making up a share of 3.7% of the total. Japanese yen transactions reached ¥45,761.5 billion in 2024, representing a share of 12.8% of the total with a year-on-year increase of 2,803.0% in volume. The amount of euro transactions was around €15.4 billion, with a modest share of 0.7%. Other currencies accounted for a combined 1.2% of the total transaction volume. Meanwhile, the balance of foreign currency call loan transactions stood at US\$49.3 billion at the end of 2024.

The volume of foreign currency-NTD swap transactions reached US\$1,399.3 billion, 0.7% less than 2023, while the balance was US\$253.5 billion at the end of 2024.



Source: Department of Foreign Exchange, CBC.



Source: Department of Foreign Exchange, CBC.

OBU Assets

There were 59 OBUs at the end of 2024, with 35 of them operated by domestic banks and the other 24 by foreign banks. The total assets of all OBUs decreased to US\$276.6 billion at the end of the year, down by US\$0.7 billion or 0.2% from the previous year end owing to a decrease in claims on financial institutions. Domestic banks' OBUs made up 90.1% of these combined assets with an amount of US\$249.3 billion, and the OBUs of foreign banks accounted for 9.9% of the total with US\$27.4 billion.

In terms of the uses of funds, portfolio investments represented the majority share of 47.1% of total OBU assets with an amount of US\$130.3 billion. Loans to nonfinancial institutions and claims on financial institutions came in second and third place, respectively, accounting for 26.7% and 22.8% of total OBU assets. In terms of the destinations for funds, Asia accounted for the majority with a share of 42.1%, followed by America at 34.3%.

The OBUs' main source of funds came from due to financial institutions, making up 48.8% of total liabilities and equity. Deposits of nonfinancial institutions accounted for 42.6% of the total. The main funding origin of OBUs was Asia, accounting for 64.8%, followed by America with a share of 25.3%.

Forex trading turnover of all OBUs increased by 23.1% to US\$1,462.6 billion, of which US\$524.2 billion went for spot transactions, US\$238.1 billion for forward transactions, and US\$700.3 billion for forex swap transactions. Compared with the previous year, the growth rates of trading of spots, forwards, and forex swaps were -14.1%, 29.3%, and 78.0%, respectively.

For OBUs, total turnover of other derivatives products increased by 52.5% to US\$661.7 billion over the previous year. Of this amount, interest rate swaps registered the highest turnover of US\$255.6 billion, making up 38.6% of the total.

Balance Sheet of OBUs in the Banking System

Unit: US\$billion

Year / Month (End of month)	Loans to Non-financial Institutions	Portfolio Investment	Claims on Financial Institutions	Other Assets	Total Assets= Total Liabilities & Equity	Deposits of Non-financial Institutions	Due to Financial Institutions	Securities Issued	Other Liabilities & Equity
2020/12	79.0	86.0	61.9	12.5	239.5	91.1	124.9	0.0	23.5
2021/12	78.5	93.7	68.2	9.5	249.9	104.5	125.1	0.0	20.3
2022/12	76.0	108.2	75.7	6.2	266.1	117.7	128.0	0.0	20.5
2023/12	70.2	122.0	78.3	6.7	277.3	113.3	138.8	0.0	25.2
2024/12	73.7	130.3	63.1	9.5	276.6	117.9	134.9	0.0	23.8
2023/12-2024/12 Growth Rate (%)	5.0	6.8	-19.4	40.9	-0.2	4.1	-2.8	0.0	-5.8

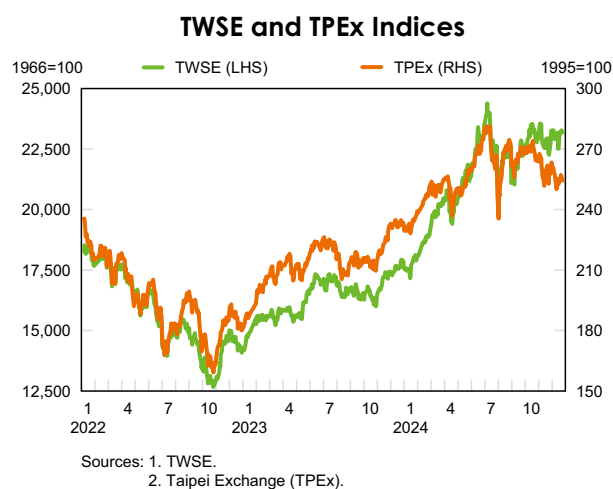
Sources: *Financial Statistics Monthly*, CBC; Department of Foreign Exchange, CBC.

5. Stock Markets

In the first half of 2024, Taiwan's stock markets generally trended upwards, with the TAIEX reaching a historical high in July. The domestic market upswings mainly tracked the US tech stock rallies, reflecting the end of the US Fed's rate-hiking cycle and strong demand for AI and other emerging technology applications. However, what followed was a slump in the TAIEX through to early August owing to several adverse impacts including weak US economic indicators, escalation in the Middle East geopolitical conflicts, stock crashes in major markets around the world, and massive foreign investor selloffs of TWSE shares. Thereafter, buoyed by stellar earnings from TWSE-listed companies and rate cuts by the Fed, the TAIEX rebounded, mirroring the recovery in US stocks. In the fourth quarter, though, investors became concerned about inflationary consequences of the US President-elect Trump's economic and trade policies and the resultant delay or halt of the Fed's rate cuts. Against this backdrop, coupled with foreign investor net-sales, the TAIEX zigzagged sideways to close the year at 23,035 points, up by 28.5% over a year ago.

Most TWSE stock groups trended down in 2024. However, Electronics shares, which accounted for more than 70% of TWSE market capitalization, surged by 43.2% on a continued AI boom and US tech stock rallies, driving the TAIEX vigorously higher. Recording the second large increase were Shipping & Transportation shares, which rose by 30.8% owing not only to global shipping rate upturns but also to a spike in demand for services of major ocean freight carriers as importers rushed to front-load shipments ahead of Trump's new tariffs. Also rising significantly were Electric Machinery shares, with prices going up by 30.1% amid booming AI and green energy demand. Overall, the daily average trading value on the TWSE increased by 44.3% year on year to NT\$381.4 billion in 2024, mainly driven by bullish TAIEX trends and strong domestic investor interest in ETFs.

On the Taipei Exchange (TPEx), the over-the-counter market's mainboard index, referred to as the TPEx Index or TPEX, rose by 9.3% year on year at the end of 2024, with most categories posting share price gains. The best performer was Cultural/Creative Industries, whose shares surged by 86.2% as the global gaming industry continued thriving and the domestic cultural/creative industries benefited from strong government support measures. Building Material & Construction



shares came in second with a 22.7% price gain, reflecting heated housing market transactions as housing prices climbed further. Electric Machinery and Electronics stock groups were both buttressed by the continued AI demand boom and US tech stock rallies, rising by 15.1% and 11.0%, respectively. Over all, the daily average trading value on the Taipei Exchange amounted to NT\$96.1 billion, up by 36.3% from the previous year.

The TWSE Market

Listings Increased and Capitalization Rose to Record High

At the end of 2024, the number of TWSE listings increased by 34 over the previous year to a total of 1,031. The par value of total shares rose by 2.4% year on year to NT\$7.8 trillion, and total market capitalization grew significantly by 30.0% to a historical record of NT\$73.9 trillion amid the domestic stock market bull runs. Meanwhile, the total number of Taiwan depositary receipts (TDRs) remained 10 as of the end of the year.

Major Statistics of the TWSE Market

Year/Month	Stock Price Index (end of period)	Daily Average Trading Value (NT\$billion)	Turnover Rate (%)	Market Capitalization (NT\$billion)	Net Buying Positions (NT\$billion)		
					Foreign Investors Net Buy/Sell	Securities Investment Trust Companies Net Buy/Sell	Securities Dealers Net Buy/Sell
2022	14,137.7	228.0	115.4	44,266.0	-1,232.7	284.2	-293.8
2023	17,930.8	264.3	121.2	56,842.1	275.4	237.3	-262.0
2024	23,035.1	381.4	135.4	73,898.7	-695.1	832.1	-823.8
2024/ 1	17,889.6	280.8	10.9	56,865.5	-1.7	32.8	-48.5
2	18,966.8	363.9	7.9	60,273.0	116.2	-17.7	25.4
3	20,294.5	441.2	14.4	64,512.8	22.7	202.0	-37.4
4	20,396.6	416.3	12.8	64,864.4	-149.5	54.8	-64.1
5	21,174.2	435.8	14.2	67,390.3	81.8	51.8	-2.6
6	23,032.3	458.4	11.9	73,397.5	3.6	60.1	-48.6
7	22,199.4	470.1	13.9	70,824.7	-350.3	119.1	-165.6
8	22,268.1	372.2	11.5	71,086.0	-134.8	123.2	-199.9
9	22,224.5	316.3	8.9	70,978.4	-95.1	81.3	-84.9
10	22,820.4	338.3	8.8	73,067.9	39.1	40.4	-48.3
11	22,262.5	350.2	10.3	71,369.0	-272.9	85.0	-116.8
12	23,035.1	332.9	9.9	73,898.7	45.7	-0.7	-32.5

Source: Securities and Futures Bureau, FSC.

TAIEX Surged amid High Volatility

After entering 2024, the TAIEX trended upwards on the back of the conclusion of the Fed's rate-hiking cycle and robust demand for AI and other emerging tech applications. The rallies, along with US stock market uptrends, took the TAIEX to the historical high of 24,390 on July 11.

However, the index was later dragged down by US economic data softening, Middle-East geopolitical conflicts escalating, global major stock markets plunging, and foreign investors shedding TWSE share holdings. By August 5, the TAIEX slumped to 19,831 points.

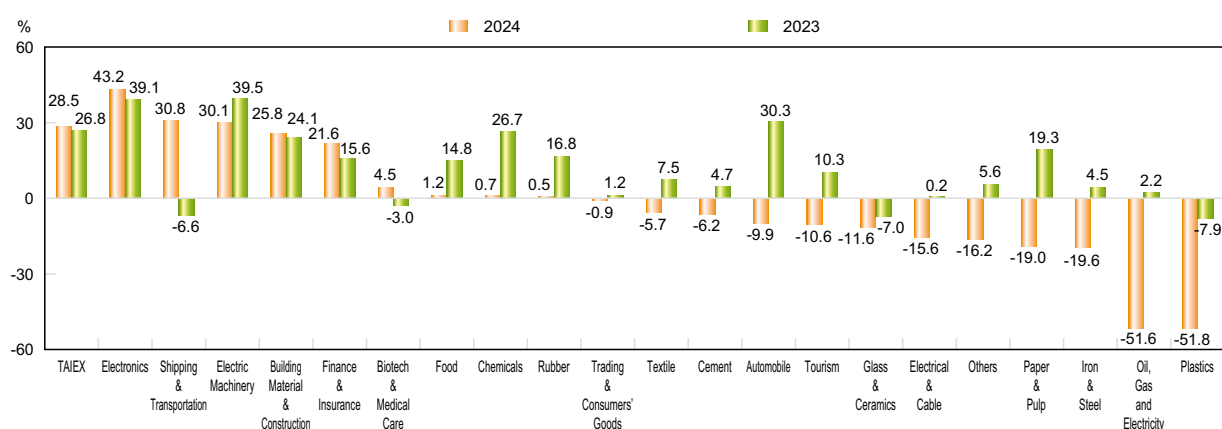
Afterwards, the TAIEX was able to rebound to 22,371 on August 28 owing to US stock rallies and domestic listed companies reporting strong earnings. However, the index retreated to 21,031 by September 11 due to market concerns over a US economic recession and foreign investor net sales. Thereafter, the TAIEX recovered lost ground as the Fed reduced the policy rate, the US stock market rebounded, and the major chipmaker TSMC's earnings call pointed to good profits and outlook, which combined to take the index upwards to 23,554 points on November 8.

The uptrend was, though, losing steam as investors feared that Trump's future policies such as tariffs and tax cuts would push up inflation and consequently cause the Fed to slow or stop the rate reductions. Coupled with foreign investors' net sales, the range-bound TAIEX fluctuations took the index to 23,035 points at the end of 2024, still up by 28.5% from 17,931 at the end of 2023.

Broken down by subcategory, most stock groups posted year-on-year price decreases, but the 43.2% surge in Electronics shares, which accounted for more than 70% of market capitalization, on the back of the continued AI boom and US tech bull runs led the TAIEX to take off in 2024. The second best performing group was Shipping & Transportation, rising by 30.8% on higher shipping rates and major orders from importers frontloading shipments ahead of Trump's potential tariff measures. Electric Machinery shares came in third with a 30.1% increase on AI and green energy booms. Building Material & Construction stocks gained by 25.8% as high housing prices spurred housing transactions in the first half of the year. Finance & Insurance also posted a 21.6% price increase, reflecting prospective merger deals and financial holdings companies reaping higher profits.

Among the categories posting price decreases, Plastics shares were the worst performer with a 51.8% drop because of slow demand for plastic chemicals as well as declining profits owing to overcapacity in China. The category of Oil, Gas & Electricity had a similarly heavy fall of 51.6% as shares were weighed down by weak international oil prices. Iron & Steel share prices decreased by 19.6% on China's overcapacity and a global supply-demand imbalance. Paper & Pulp dropped by 19.0%, reflecting escalated pulp costs and softer demand as paperback books were increasingly replaced by e-books amid rising environmental protection concerns.

TWSE Stock Price Changes by Industrial Group



Source: TWSE.

Market Turnover Increased

Driven by the TAIEX upswings and resident investors' zeal for ETF trades, the TWSE trading value expanded to a daily average of NT\$381.4 billion in 2024, surging by 44.3% from NT\$264.3 billion in 2023. The turnover rate thus climbed from 121.2% in 2023 to 135.4%.

Net Buying by Investment Trust Companies Hit New High

In 2024, as investment trust companies actively ramped up their issuance and offering of TWSE stock/index-linked ETFs, leading to a historical net-buying amount of NT\$832.1 billion. Meanwhile, foreign institutional investors (FINIs) and local securities dealers posted net sales of NT\$695.1 billion and NT\$823.8 billion, respectively.

The FINIs trading activity in 2024 are summarized below:

- (1) January: A modest net sale, as the FINIs adjusted share holdings.
- (2) February to March: Net buying, driven by tech stock rallies on account of market expectations of the Fed ending its rate-hiking cycle and stronger demand for AI and related technologies.
- (3) April: Net selling owing to Middle-East conflicts-induced global stock market crashes.
- (4) May to June: Net buying on the back of record-breaking US stock market rallies as well as an ongoing AI boom.
- (5) July to September: A series of net sales as the FINIs, amid caution over unimpressive US economic performance and US stock slumps, dialed back local share holdings to lock in profits of the rallying TWSE stocks.

- (6) October: Net buying, boosted by better-than-expected earnings reported by TSMC and the US tech rally.
- (7) November: Net sale, reflecting US treasury yield rises and investor concerns about Trump waging a new round of trade war.
- (8) December: Net buying, supported by an expected consumption boom in the holiday season.

In respect of local securities investment trust companies, they were mostly net buyers, except for February and December when they net sold to meet fund redemption demand or to lock in gains from the rallying stocks. In particular, they considerably stepped up stock positions in preparation for new ETF offers in March, July, and August, taking the total net buying amount in 2024 to a historical high.

With respect to local securities dealers, who are inclined to conduct short swing trades to buy the rallies and sell the dips, they only net bought in February, while in the rest of the year they net sold for portfolio adjustments or profit-taking.

The TPEX Market

Listings and Capitalization Both Increased

At the end of 2024, the number of TPEX listings increased by 22 from the year before to 838 in total, with the total par value rising by 5.0% to NT\$795.5 billion. The TPEX market capitalization rose on the back of share price gains, reaching NT\$6.54 trillion after a 12.8% increase from the end of 2023.

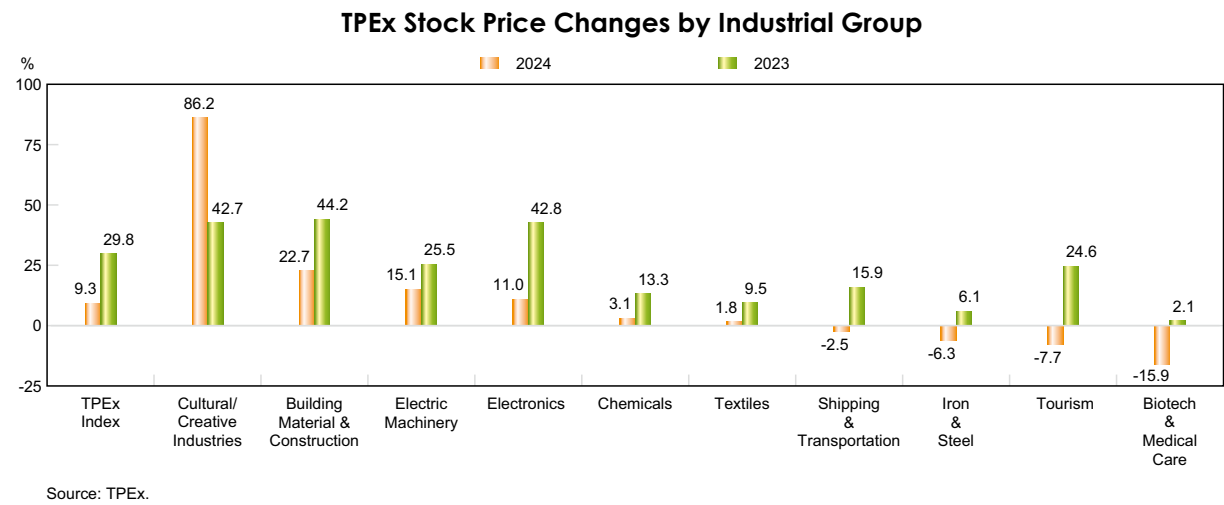
TPEX Index First Rose Then Fell; Trading Value Increased

In 2024, alongside the bullish TAIEX, the TPEX Index opened the year at the yearly low to swing up successively to an all-time high of 281.3 points on July 11. Thereafter, though, affected by international stock market corrections, the TPEX Index swung downwards towards 255.8 points at the end of the year, albeit still 9.3% higher than the 234.0 points at the end of 2023.

By stock category, there was a broad uptrend across the TPEX market. Cultural/Creative Industries surged by 86.2%, the greatest gain among the stock groups as globally the gaming industry was on the rise and domestically the government buoyed up cultural/creative industries with robust support measures. Building Material & Construction came in second with a 22.7% increase as the first half of 2024 saw housing prices rising and the real estate market thriving. The categories of Electric Machinery and Electronics gained by 15.1% and 11.0%, respectively, owing to AI demand continuously expanding and US tech stock prices rising.

By type of institutional investor, local securities dealers net sold TPEX equities worth NT\$596.7 billion, whereas local securities investment trust companies and FINIs both posted net buying, with the respective amounts of NT\$72.8 billion and NT\$90.7 billion.

Propelled by high-level fluctuations and increased local investor enthusiasm, the TPEX market recorded a daily average trading value of NT\$96.1 billion, up by 36.3% compared to NT\$70.5 billion the previous year.



Key Measures for the Stock Markets

Key measures for Taiwan's stock markets in 2024 included the following:

- (1) January 1: Stocks listed on the TWSE's Taiwan Innovation Board would be allowed for margin trading (i.e., margin purchase, short sale, and securities borrowing), provided that (1) the stock has already been listed for more than six months, (2) its book value per share is above the stock's par value, and (3) it is judged to be free of excessive price volatility, over-concentration of equity, and aberrant trading volume.
- (2) May 10: Pursuant to the amendment to Paragraph 1, Article 43-1 of the *Securities and Exchange Act*, the disclosure threshold for major shareholding acquisition was lowered from 10% to 5% of the total issued shares of a public company, effectively immediately.
- (3) December 2: To promote market efficiency, the matching interval of intraday odd lot trades would be shortened from one minute to five seconds.
- (4) December 31: The Parliament passed the partial amendments to the *Securities Transaction Tax Act*, extending the measure of halving the day trading transaction tax to 1.5‰ for another three years to the end of 2027.

6. Bond Market

In 2024, the total volume of bond issuance reached NT\$1,679.5 billion, showing an increase of NT\$99.6 billion compared to the previous year. At the end of 2024, the total outstanding bonds amounted to NT\$17,354.3 billion, up by NT\$402.1 billion or 2.37% from the end of 2023.

Central government bond issuance for 2024 stood at NT\$538.0 billion, an increase of NT\$60.0 billion from a year ago. The issuance was primarily to support debt refinancing operations of the Central Government Debt Service Fund and to raise funds for the general and special budgets of the central government.

Issuance of corporate bonds in the year reached NT\$693.8 billion, decreasing by NT\$79.5 billion from a year before, mainly because rising market interest rates led corporations to reduce bond issuance.

Bank debenture issuance totaled NT\$98.1 billion, an increase of NT\$35.5 billion compared to the previous year. The rise was largely due to banks issuing more subordinated bank debentures to strengthen their capital bases and improve their capital adequacy ratios.

NT dollar-denominated foreign bonds issued in Taiwan by foreign institutions amounted to NT\$7.3 billion, up by NT\$3.3 billion from 2023. Meanwhile, foreign currency-denominated international bonds issued in Taiwan by foreign institutions rose by NT\$72.7 billion over the previous year to NT\$315.1 billion.

In the secondary market, following a rise in US bond yields in 2024, Taiwan's 10-year government bond yield also moved higher, averaging 1.43% for the year, an increase of 22 basis points from the previous year.

Furthermore, annual transactions reached NT\$38,136.5 billion, increasing by NT\$2,730.1 billion compared to the previous year. The growth was mainly attributable to rising government bond yields, which widened the yield spread of bond holdings and boosted demand for bonds.

Rise in Government Bond Issuance

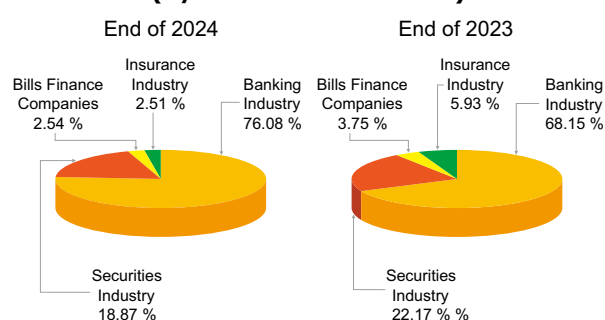
In order to support debt refinancing operations of the Central Government Debt Service Fund and to raise funds for the general and special budgets of the central government, central government bond issuance amounted to NT\$538.0 billion in 2024, up by NT\$60.0 billion from a year ago. Government bonds were available with various maturity periods from 2 years, 5 years, 10 years, 20 years, to 30 years.

Broken down by institutional investor, bonds held by the banking industry made up the lion's share at 76.08%. The securities industry came in second with a share of 18.87%, followed by bills finance companies with a share of 2.54%.

As of the end of 2024, the total outstanding amount of central government bond issuance stood at NT\$6,034.1 billion, representing an increase of NT\$121.6 billion or 2.06% compared to 2023.

Moreover, new bonds issued by the governments of all special municipalities in 2024 amounted to NT\$27.2 billion. At the end of the year, the outstanding amount of bonds issued by the governments of all special municipalities reached NT\$140.2 billion, a decrease of NT\$7.4 billion or 5.01% from the previous year end.

Shares of Government Bond Holdings (by Institutional Investor)



Source: Department of the Treasury, CBC.

Issues and Outstanding Values in Bond Market by Category

Unit: NT\$billion

Year/ Month	Total		Central Government Bonds		Local Government Bonds*		Corporate Bonds		Bank Debentures		Beneficiary Securities**		Foreign Bonds		Int'l Bonds	
	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding	Issues	Outstanding
2022	1,652.7	16,319.1	520.1	5,799.5	-	150.7	473.1	3,125.2	148.9	1,255.4	5.9	11.2	10.9	55.1	493.9	5,921.9
2023	1,580.0	16,952.2	478.0	5,912.5	19.7	147.6	773.3	3,564.4	62.7	1,221.5	-	5.9	3.9	50.0	242.4	6,050.2
2024	1,679.5	17,354.3	538.0	6,034.1	27.2	140.2	693.8	3,836.9	98.1	1,160.9	-	5.9	7.3	45.9	315.1	6,130.4
2024/ 1	221.0	17,099.0	90.0	5,957.5	4.5	149.7	66.1	3,607.9	1.4	1,221.9	-	5.9	-	49.3	59.1	6,106.8
2	57.5	17,085.0	35.0	5,932.5	-	149.7	-	3,601.7	2.5	1,221.0	-	5.9	-	49.2	20.0	6,124.9
3	176.3	17,094.1	55.0	5,861.1	17.6	167.3	72.0	3,652.3	5.4	1,215.0	-	5.9	0.3	49.3	26.0	6,143.2
4	207.7	17,221.0	65.0	5,926.1	-	155.8	89.2	3,703.2	8.3	1,212.4	-	5.9	-	49.2	45.2	6,168.4
5	102.3	17,222.9	33.0	5,959.1	-	155.8	58.7	3,713.9	5.9	1,189.0	-	5.9	1.6	49.2	3.1	6,150.0
6	154.8	17,255.6	35.0	5,994.1	-	147.6	78.1	3,739.3	10.5	1,169.6	-	5.9	-	49.1	31.2	6,150.0
7	136.7	17,248.1	30.0	5,979.1	-	147.6	33.7	3,713.7	0.3	1,162.9	-	5.9	0.7	49.5	71.9	6,189.4
8	75.9	17,244.1	30.0	6,009.1	-	147.6	43.4	3,714.7	1.1	1,156.8	-	5.9	1.1	50.4	0.2	6,159.5
9	139.3	17,205.9	50.0	5,954.1	-	147.6	56.9	3,732.6	20.6	1,150.1	-	5.9	0.3	50.2	11.5	6,165.3
10	191.5	17,247.7	35.0	5,989.1	-	135.1	108.7	3,810.6	11.5	1,094.7	-	5.9	2.0	51.5	34.3	6,160.8
11	99.5	17,319.4	45.0	5,999.1	-	135.1	36.2	3,827.1	5.2	1,159.7	-	5.9	1.3	52.2	11.8	6,140.2
12	117.1	17,354.3	35.0	6,034.1	5.1	140.2	50.7	3,836.9	25.3	1,160.9	-	5.9	-	45.9	1.0	6,130.4

Notes: * Referring to bonds issued by governments of special municipalities.

** Including those purchased back by originators for credit enhancement.

Sources: 1. Financial Statistics Monthly (February 2025), CBC.

2. Banking Bureau, Financial Supervisory Commission.

3. Department of Foreign Exchange, CBC.

Decrease in Corporate Bond Issuance

Corporate bonds refer to NT dollar- or foreign currency-denominated bonds issued in Taiwan by domestic corporations. In 2024, the issuing amount of corporate bonds totaled NT\$693.8 billion, shrinking by NT\$79.5 billion from a year before, reflecting a reduction in corporate bond issuance amid rising market interest rates.

In terms of bond maturities, 5-year corporate bonds accounted for a dominant share of the issuance at 42.02%, followed by 10-year bonds with a share of 31.07%. At the end of 2024, the outstanding amount of corporate bonds rose by NT\$272.5 billion or 7.64% to NT\$3,836.9 billion over the previous year.

Growth in Bank Debenture Issuance

In 2024, domestic banks issued bank debentures with an amount of NT\$98.1 billion, up by NT\$35.5 billion compared to a year ago, primarily because banks increased the issuance of subordinated bank debentures to strengthen their capital bases and improve their capital adequacy ratios.

In respect of the maturity of new issues, 10-year debentures made up the largest share of total issuance at 46.83%, while 5-year bonds came in second with a share of 26.30%. At the end of the year, the outstanding amount of bank debentures stood at NT\$1,160.9 billion, a decrease of NT\$60.6 billion or 4.96% from a year before.

No Change in Asset Securitization Products

New issues of asset securitization products were nil in 2024 and no principal was repaid for existing asset securitization products. The outstanding amount of asset securitization remained at NT\$5.9 billion, same as the previous year end.

Uptick in Foreign Bond Issuance

Foreign bonds are defined as NT dollar-denominated corporate bonds issued in Taiwan by foreign institutions. The foreign bonds currently in circulation are mostly corporate bonds issued by offshore companies listed on the TWSE or the TPEX (the over-the-counter market).

For the year 2024, foreign bond issuance went up by NT\$3.3 billion from a year before to NT\$7.3 billion. At the end of the year, the outstanding amount of foreign bonds reached NT\$45.9 billion, dropping by NT\$4.1 billion or 8.15% over the previous year end.

Growth in International Bond Issuance

International bonds currently refer to foreign currency-denominated corporate bonds issued in

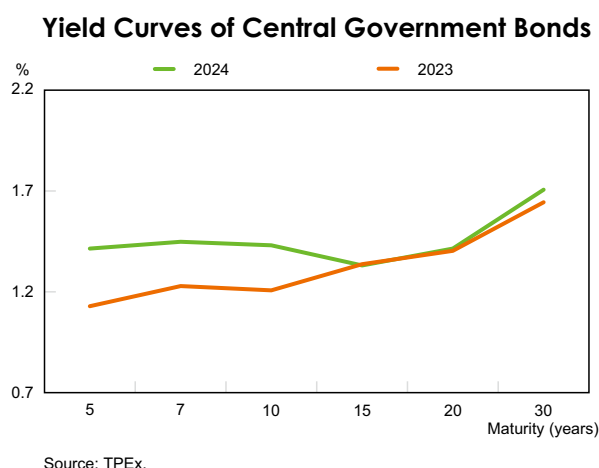
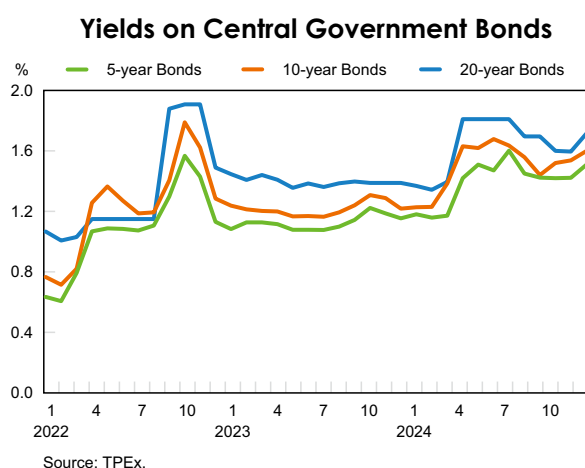
Taiwan by foreign institutions. During 2024, issuance of international bonds climbed by NT\$72.7 billion from a year before to NT\$315.1 billion. The rise reflected that foreign institutions increased international bond issuance on account of a downswing in US dollar-denominated interest rates.

With regard to currency composition, the majority of total international bond issuance went for US dollar-denominated bonds with a share of 99.17%, followed by Australian dollar-denominated bonds at 0.45%. At the end of the year, the outstanding amount of international bonds stood at NT\$6,130.4 billion, representing a year-on-year increase of NT\$80.1 billion or 1.32%.

Uptrend in Average Government Bond Yields and Slight Increase in Transactions

With US bond yields rising and the Bank raising the policy rates in the first quarter of 2024, yields on Taiwan government bonds also trended upward. However, owing to ample domestic liquidity, Taiwan government bond yields recorded a smaller increase than US bond yields. The average 10-year bond yield rose to 1.43% in 2024, 22 basis points higher than the 1.21% registered in the previous year.

Among government bonds of the other maturity ranges, average yields on 5-year, 20-year, and 30-year bonds went up by 28, 1, and 7 basis points, respectively, over the previous year.



In respect of transaction volume, annual transactions rose by NT\$2,730.1 billion or 7.71% to NT\$38,136.5 billion. The growth was mainly attributable to rising government bond yields, which widened the yield spread of bond holdings and boosted demand for bonds.

Of the components, outright transactions of government bonds fell by NT\$908.4 billion or 18.27%, whereas repurchase agreement (repo) transactions of government bonds increased by NT\$3,638.5 billion or 11.96% from a year before.

By type of bonds, the majority of total bond transactions went for corporate bonds with a share of 62.00% and an annual trading volume of NT\$23,645.0 billion. The second most actively traded were government bonds, contributing to 31.77% of total transactions with an annual trading volume of NT\$12,115.3 billion. Bank debentures ranked third, accounting for a share of 3.14% with an annual trading volume of NT\$1,197.1 billion.

Meanwhile, international bonds, foreign bonds, and asset securitization products made up marginal shares of 1.80%, 1.28%, and 0.01% in total transactions, with their respective annual trading registering NT\$687.6 billion, NT\$486.8 billion, and NT\$4.7 billion.

Turnover in Bond Market by Category

Unit: NT\$billion

Year/ Month	Total	Government Bonds	Corporate Bonds		Bank Debentures	Beneficiary Securities	Foreign Bonds	Int'l Bonds
			Nonconvertible	Convertible				
2022	35,404.9	13,137.8	17,473.1	1,502.5	1,980.0	26.7	537.3	747.5
2023	35,406.4	12,916.4	18,011.0	2,014.3	1,312.3	5.5	578.5	568.3
2024	38,136.5	12,115.3	21,057.8	2,587.2	1,197.1	4.7	486.8	687.6
2024/ 1	3,443.6	1,173.1	1,856.7	195.3	98.9	-	54.9	64.7
2	2,368.7	816.1	1,261.2	143.0	67.3	-	40.2	40.9
3	3,447.9	1,217.1	1,795.2	227.3	91.7	-	62.0	54.6
4	3,095.7	913.4	1,793.1	186.6	83.5	-	60.1	59.0
5	3,199.6	960.3	1,807.9	219.5	105.4	-	53.8	52.6
6	2,987.1	903.8	1,676.9	198.2	114.0	0.5	39.2	54.5
7	3,107.0	869.1	1,810.0	238.9	88.8	3.5	33.8	62.9
8	3,295.4	1,109.0	1,762.9	256.9	95.2	-	31.7	39.7
9	3,287.2	1,103.9	1,775.0	218.0	107.0	-	23.9	59.5
10	3,344.1	976.5	1,938.5	215.2	114.7	0.5	31.2	67.5
11	3,267.4	1,037.8	1,769.5	241.5	108.9	0.1	34.5	75.1
12	3,292.9	1,035.3	1,811.0	246.8	121.8	-	21.4	56.5

Source: TPEx.