

4.3 The Bank will adopt measures in a timely manner to promote financial stability

In 2024, Taiwan's economy demonstrated steady growth, while inflation gradually eased. Against this backdrop, Taiwan's financial markets continued to develop in a sound manner, financial institutions maintained robust operations, and the financial infrastructure functioned smoothly. Overall, Taiwan's financial system remained broadly stable. The Bank continued to adopt appropriate monetary, credit and FX policies in response to changes in global and domestic economic and financial conditions, with the aim of promoting financial stability. Meanwhile, the FSC revised relevant financial regulations and enhanced financial supervisory measures to facilitate sound operations of financial institutions and safeguard financial stability.

However, since early 2025, the spillover effects from the US tariff policies have not only undermined global financial market stability and clouded the global growth outlook, but also fueled inflationary pressures in many countries. These developments may further cause negative impacts to spill over from the real economy to the financial system, thereby posing potential risks to Taiwan's financial stability, which would warrant a careful response. In addition, the ongoing economic slowdown in China, geopolitical conflicts, climate change, and supply chain shifts are all factors which may adversely affect global economic development and financial stability.

In light of such a myriad of downside risks to the economic outlook, the Bank will continue to pay close attention to subsequent developments and their potential effects on domestic economic and financial conditions. It will also take appropriate response measures in a timely manner to promote financial stability.