# 6. Bond Market

For the year 2025, the total volume of bond issuance stood at NT$1,885.0 billion, increasing by NT$205.2 billion compared to the previous year. At the end of 2025, the total outstanding bonds reached NT$17,960.3 billion, representing an increase of NT$605.7 billion or 3.49% from the end of 2024.

Central government bond issuance amounted to NT$433.5 billion in 2025, mainly to support debt refinancing operations of the Central Government Debt Service Fund and to meet funding needs for the general and special budgets of the central government. However, the total issuance decreased by NT$104.5 billion from a year earlier.

Issuance of corporate bonds totaled NT$873.7 billion in the year, up by NT$179.6 billion from 2024, primarily reflecting increased issuance by corporations to meet working capital needs and finance the green energy transition.

Bank debenture issuance amounted to NT$209.7 billion, increasing by NT$111.6 billion from a year ago. The rise was mainly driven by banks strengthening their capital structures and improving capital adequacy ratios to meet regulatory requirements, as well as higher demand for bond issuance to support green financing and sustainability-related activities.

NT dollar-denominated foreign bonds issued in Taiwan by foreign institutions totaled NT$13.6 billion in 2025, an increase of NT$6.4 billion from 2024. Meanwhile, foreign currency-denominated international bonds issued in Taiwan by foreign institutions rose by NT$12.3 billion from the previous year to NT$327.4 billion.

In the secondary market, influenced by volatility in U.S. bond yields and shifting market expectations regarding the timing of policy rate cuts by major central banks, the average yield on Taiwan's 10-year government bond stood at 1.45% for the year, up by 2 basis points from 2024.

Overall, the annual turnover of the domestic bond market totaled NT$38,013.7 billion in 2025, decreasing by NT$122.8 billion from a year before. The slight decline was mainly attributable to relatively ample domestic liquidity, which reduced financial institutions' demand for funding through repurchase agreement (repo) transactions.

### Reduction in Government Bond Issuance

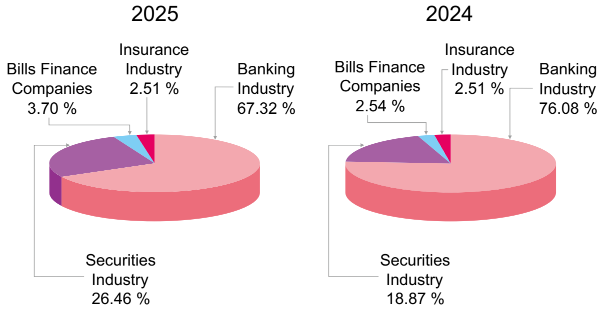
In order to support debt refinancing operations of the Central Government Debt Service Fund and to meet funding needs for the general and special budgets of the central government, central government bond issuance amounted to NT$433.5 billion in 2025, down by NT$104.5 billion from a year ago. Government 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 67.32%. The securities industry came in second with a share of 26.46%, followed by bills finance companies with a share of 3.70%.

As of the end of 2025, the total outstanding amount of central government bond issuance reached NT$6,032.6 billion, showing a slight decrease of NT$1.5 billion or 0.03% compared to the end of 2024.

Furthermore, new bonds issued by the governments of all special municipalities in 2025 stood at NT$27.2 billion. At the end of the year, the outstanding amount of bonds issued by the governments of all special municipalities totaled NT$157.1 billion, an increase of NT$16.9 billion or 12.02% 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 |
| 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 | 1,679.8 | 17,354.6 | 538.0 | 6,034.1 | 27.2 | 140.2 | 694.1 | 3,837.2 | 98.1 | 1,160.9 | - | 5.9 | 7.3 | 45.9 | 315.1 | 6,130.4 |
| 2025 | 1,885.0 | 17,960.3 | 433.5 | 6,032.6 | 27.2 | 157.1 | 873.7 | 4,199.0 | 209.7 | 1,246.1 | - | 1.7 | 13.6 | 57.3 | 327.4 | 6,266.6 |
| 2025/ 1 | 180.8 | 17,445.6 | 67.0 | 6,041.1 | 2.5 | 142.7 | 32.0 | 3,845.9 | 5.1 | 1,165.9 | - | 5.9 | 0.5 | 46.3 | 73.8 | 6,197.7 |
| 2 | 120.7 | 17,415.7 | 60.0 | 6,006.1 | - | 142.7 | 20.8 | 3,860.2 | 9.2 | 1,164.9 | - | 5.9 | 3.3 | 49.1 | 27.4 | 6,186.7 |
| 3 | 216.0 | 17,464.9 | 51.5 | 5,957.6 | 1.2 | 143.9 | 33.9 | 3,876.7 | 50.6 | 1,188.3 | - | 5.9 | 0.5 | 49.4 | 78.4 | 6,243.1 |
| 4 | 115.0 | 17,484.9 | 30.0 | 5,987.6 | - | 135.2 | 68.9 | 3,882.1 | 7.7 | 1,190.8 | - | 4.7 | - | 49.4 | 8.3 | 6,235.2 |
| 5 | 186.8 | 17,611.2 | 50.0 | 6,037.6 | - | 135.2 | 61.2 | 3,891.0 | 5.8 | 1,190.5 | - | 4.2 | - | 49.4 | 69.8 | 6,303.4 |
| 6 | 143.9 | 17,660.9 | 30.0 | 6,067.6 | - | 135.2 | 73.4 | 3,911.4 | 22.5 | 1,202.9 | - | 3.8 | - | 49.1 | 18.0 | 6,291.0 |
| 7 | 108.5 | 17,615.5 | 20.0 | 6,037.6 | - | 135.2 | 54.7 | 3,898.7 | 10.0 | 1,199.9 | - | 3.4 | 0.2 | 48.9 | 23.7 | 6,291.8 |
| 8 | 158.8 | 17,683.2 | 25.0 | 6,062.6 | - | 135.2 | 124.7 | 3,974.6 | 3.7 | 1,195.1 | - | 3.0 | 2.0 | 50.8 | 3.4 | 6,261.9 |
| 9 | 232.3 | 17,731.3 | 20.0 | 5,987.6 | - | 135.2 | 152.1 | 4,062.0 | 59.6 | 1,242.4 | - | 2.6 | - | 50.6 | 0.6 | 6,250.9 |
| 10 | 99.9 | 17,777.1 | 30.0 | 6,017.6 | - | 135.2 | 46.9 | 4,061.9 | 8.5 | 1,250.6 | - | 2.3 | 2.2 | 52.4 | 12.4 | 6,257.1 |
| 11 | 140.6 | 17,865.6 | 20.0 | 6,037.6 | - | 135.2 | 92.7 | 4,122.7 | 12.3 | 1,245.0 | - | 2.0 | 4.5 | 56.9 | 11.1 | 6,266.3 |
| 12 | 181.8 | 17,960.3 | 30.0 | 6,032.6 | 23.5 | 157.1 | 112.4 | 4,199.0 | 14.8 | 1,246.1 | - | 1.7 | 0.5 | 57.3 | 0.6 | 6,266.6 |

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 2026), CBC.
2. Banking Bureau, Financial Supervisory Commission.
3. Department of Foreign Exchange, CBC.

### Growth in Corporate Bond Issuance

Corporate bonds refer to NT dollar- or foreign currency-denominated bonds issued in Taiwan by domestic corporations. In 2025, corporate bond issuance amounted to NT$873.7 billion, rising by NT$179.6 billion from a year before, reflecting expanded issuance by corporations to meet working capital needs and finance the green energy transition.

In terms of bond maturities, 5-year corporate bonds accounted for a dominant share of the issuance at 44.84%, followed by 10-year bonds with a share of 23.49%. At the end of 2025, the outstanding amount of corporate bonds grew by NT$361.8 billion or 9.43% to NT$4,199.0 billion over the previous year.

### Significant Increase in Bank Debenture Issuance

In 2025, domestic banks issued bank debentures with an amount of NT$209.7 billion, a substantial increase of NT$111.6 billion or 113.7% from 2024. The rise was mainly attributable to banks strengthening their capital structures and improving capital adequacy ratios to meet regulatory requirements, as well as stronger demand for bond issuance to support green financing and sustainability-related activities.

In respect of the maturity of new issues, 10-year debentures made up the largest share of total issuance at 32.98%, while 5-year bonds came in second with a share of 29.21%. At the end of the year, the outstanding amount of bank debentures stood at NT$1,246.1 billion, growing by NT$85.2 billion or 7.34% from a year before.

### Contraction in Asset Securitization Products

New issues of asset securitization products were nil in 2025. The outstanding amount of asset securitization was NT$1.7 billion at the end of the year, shrinking by NT$4.2 billion or 71.15% from the previous year end.

### Rise 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 2025, foreign bond issuance went up by NT$6.4 billion from a year before to NT$13.6 billion. At the end of the year, the outstanding amount of foreign bonds stood at NT$57.3 billion, increasing by NT$11.4 billion or 24.74% over the previous year end.

## Uptick in International Bond Issuance

International bonds herein refer to foreign currency-denominated corporate bonds issued in Taiwan by foreign institutions. During 2025, issuance of international bonds increased by NT$12.3 billion from the previous year to NT$327.4 billion. The growth was mainly driven by continuously strong demand from life insurance companies for long-term US dollar-denominated bonds to align with the new-generation solvency regime (i.e., TW-ICS), which in turn attracted foreign institutions to issue US dollar-denominated bonds in Taiwan.

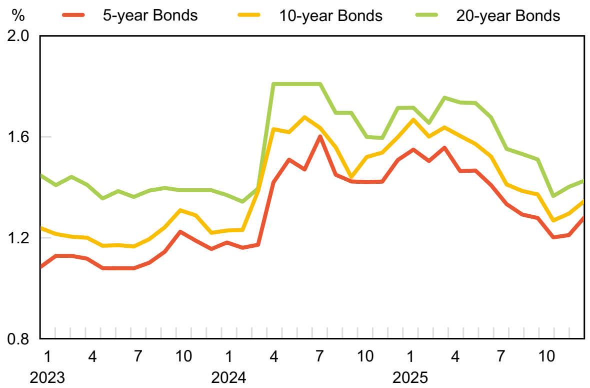
With regard to currency composition, the majority of total international bond issuance went for US dollar-denominated bonds with a share of 99.11%, followed by Australian dollar-denominated bonds at 0.89%. At the end of the year, the outstanding amount of international bonds totaled NT$6,266.6 billion, representing a year-on-year increase of NT$136.3 billion or 2.22%.

## Uptrend in Average Government Bond Yields and Slight Decline in Transactions

Influenced by volatility in U.S. bond yields and shifting market expectations regarding the timing of policy rate cuts by major central banks, the average yield on Taiwan's 10-year government bond rose to 1.45% in 2025, up by about 2 basis points from 1.43% in 2024.

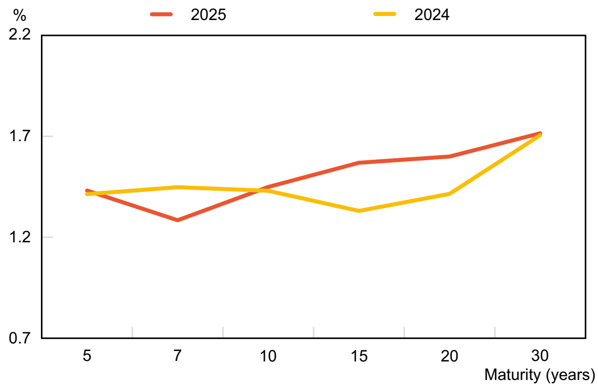
Among government bonds of the other maturity ranges, average yields on 5-year, 20-year, and 30-year bonds went up by 2, 19, and 1 basis points, respectively, over the previous year. This reflected that life insurance companies adjusted their asset allocation in response to the new solvency regime, leading to mixed demand for longer-term government bonds, which resulted in a relatively larger increase in the 20-year bond yield.

### Yields on Central Government Bonds




Source: TPEx.

### Yield Curves of Central Government Bonds




Source: TPEx.

In terms of trading value, annual turnover fell by NT$122.8 billion or 0.32% to NT$38,013.7 billion in 2025. The slight decline in overall trading value was primarily attributable to relatively ample domestic liquidity, which reduced financial institutions' demand for funding through repo transactions.

Of the components, outright transactions of government bonds went up by NT$918.4 billion or 22.60%, whereas repo transactions of government bonds dropped by NT$1,041.3 billion or 3.06% from a year before.

By type of bonds, the majority of total bond turnover went for corporate bonds with a share of 64.48% and an annual trading value of NT$24,509.9 billion. The second most actively traded were government bonds, contributing to 28.41% of total transactions with an annual trading value of NT$10,801.1 billion. Bank debentures ranked third, accounting for a share of 3.83% with an annual trading value of NT$1,454.7 billion.

Meanwhile, international bonds, foreign bonds, and asset securitization products made up marginal shares of 1.96%, 1.31%, and 0.01% in total transactions, with their respective annual trading registering NT$747.0 billion, NT$498.7 billion, and NT$2.4 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 | | | | |
| 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 |
| 2025 | 38,013.7 | 10,801.1 | 21,516.4 | 2,993.5 | 1,454.7 | 2.4 | 498.7 | 747.0 |
| 2025/ 1 | 2,601.8 | 805.5 | 1,436.7 | 185.4 | 88.7 | 1.0 | 14.2 | 70.3 |
| 2 | 2,956.7 | 979.1 | 1,537.5 | 237.2 | 108.8 | 0.1 | 24.2 | 69.7 |
| 3 | 3,138.3 | 952.6 | 1,642.4 | 278.2 | 146.8 | 0.7 | 38.3 | 79.2 |
| 4 | 3,116.5 | 854.0 | 1,821.9 | 252.1 | 111.0 | 0.1 | 26.3 | 51.1 |
| 5 | 3,012.3 | 814.0 | 1,753.2 | 235.3 | 113.6 | - | 27.7 | 68.4 |
| 6 | 3,335.0 | 1,007.2 | 1,861.5 | 270.2 | 123.0 | - | 26.2 | 46.9 |
| 7 | 3,604.7 | 1,149.4 | 1,959.5 | 261.4 | 125.6 | 0.3 | 44.8 | 63.8 |
| 8 | 3,086.3 | 816.8 | 1,818.0 | 253.7 | 97.3 | 0.3 | 50.0 | 50.2 |
| 9 | 3,299.3 | 812.5 | 1,927.8 | 261.7 | 177.2 | - | 55.1 | 64.9 |
| 10 | 3,161.7 | 842.4 | 1,839.6 | 233.3 | 115.0 | - | 58.1 | 73.3 |
| 11 | 3,200.7 | 832.2 | 1,866.0 | 260.4 | 124.0 | - | 58.9 | 59.2 |
| 12 | 3,500.6 | 935.4 | 2,052.3 | 264.6 | 123.7 | - | 74.8 | 49.8 |

Source: TPEx.