



The Bankers Association of the Republic of China

Annual Report 2022

2022

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Annual Report 2022

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I. Chairman's Preface

The world continued to emerge from the pandemic in 2022, and due to the easing of disease prevention measures, economic activity gradually returned to normal. However, the Russia-Ukraine war that broke out in February continued to rage, affecting markets for energy, commodities, and grains. The result was persistent inflation, and the world's key central banks hiked interest rates in response. Meanwhile, China's lockdown and zero-Covid policies depressed production and consumption activities, and brought China's economic growth rate down sharply. The global economy cooled



Chairman Paul C. D. Lei

off in the latter half of the year. Consumer demand declined, and economic growth momentum fell off. The International Monetary Fund (IMF) in January 2023 estimated that the global economy had grown 3.4% in 2022. In Taiwan, private consumption began growing stably as the pandemic control measures were relaxed, but the rate of export growth was down year-on-year in the first three quarters due to weakened overseas consumption demand and slower global economic growth, and Taiwan's exports were actually down in Q4 year-on-year. Taiwan's 2022 economic growth rate was 2.45%, sharply down from 6.53% in 2021.

The Central Bank of the Republic of China (Taiwan) raised interest rates in March 2022, which caused deposit and lending rates to rise and triggered a widening of the average interest spread, from 1.24 percentage points in 2021 to 1.32 percentage points in 2022. The pre-tax earnings of domestic banks totaled NT\$391.9 billion in 2022, up 16.3% from the 2021 figure of NT\$337 billion. The return on assets (ROA) of domestic banks in 2022 was 0.64%, up from 0.59% in 2020 and 2021, while return on equity (ROE) was 9.19%, up from 8.03% and 7.70% in 2020 and 2021. However, both of these figures remained below the pre-COVID 2019 numbers, when ROA was 0.72% and ROE was 9.38%. In terms of the quality of banks' assets, as of the end of 2022 the non-performing loan ratio (NPL) was 0.15%, down 0.02 percentage points from 0.17% 2021. The NPL coverage ratio as of the end of 2022 was 910.46%, up by 134.22 percentage points compared to the figure of 776.24% as of the end of 2021, an indication that the risk-bearing capacity of domestic banks has improved, and banks overall are on sound financial footing.

The Bankers Association of the Republic of China (BAROC) was founded to help the government implement its financial policy, spur economic development, and coordinate relations among peers in the industry so as to bring about the generation of benefits that can be shared among them. In 2022, BAROC continued helping to ensure sound development of the banking industry by: closely monitoring legislative developments at home and abroad; helping member banks respond to relevant legislative provisions; drafting self-regulatory rules for the banking industry; taking steps to safeguard the interests of member banks; and issuing best practice principles.

Cooperating with the Financial Supervisory Commission's Green Finance Action Plan 2.0, BAROC integrated the main amended contents of the Equator Principles 4 into the "Credit Standards for Members of the ROC Bankers Association" to help banks implement climate risk management. And as banks face steadily rising challenges associated with legal compliance, BAROC continues to hold seminars on legal compliance, internal auditing, and internal controls in order to raise domestic banks' overall awareness of and expertise regarding legal compliance, and to improve their business operations.

In addition, to make Taiwan more competitive in the field of digital finance, and to help our member banks respond to Fintech development trends, BAROC since 2018 has dispatched three "Israel FinTech and Cybersecurity Missions" to Israel to interact with financial services firms and startup firms. Meanwhile, banks have cooperated with the Taiwan government's New Southbound Policy by providing payment services to offshore Taiwanese companies that help them to build up a presence in the markets of Southeast Asia. To establish channels for interaction between Taiwanese banks and other Asian financial supervisory authorities, BAROC organized its sixth "Study Trip for Asian Financial Supervisory Officials" in December 2022 and invited senior financial supervisory officials from Vietnam and the Philippines to speak about how they supervise foreign banks, and to share information on current financial industry conditions in their respective countries, so as to help Taiwanese banks to better understand business environments and legislative provisions in the countries targeted by the New Southbound Policy.

To ensure the fulfillment of corporate social responsibility, in 2022 BAROC helped banks provide conveniently accessible consumer-friendly financial services and continued making donations to a number of charity organizations, including the Financial Services Education Charity Fund, and provided assistance to economically disadvantaged groups.

In January of 2023 the World Bank estimated that the global growth rate for 2023 would be about 1.7%, making this the worst economic slowdown in the last three decades other than 2009 (the year of the financial tsunami) and 2020 (COVID). The global economic environment continues to face numerous risks, including high interest rates and high inflation (which would undercut consumer demand, thus depressing

trade activity and economic growth) and intensified geopolitical and political risks. Meanwhile, US-China tech and trade disputes will continue unabated, and restrictions placed on China's semiconductor industry by the US and Europe will affect the ability of Taiwan's semiconductor makers to develop and expand their international presence, so our banking enterprises would be well advised to pay close attention to the economic and financial impact of related risks. In addition, the global monetary environment took a sharp deflationary turn in 2022. Accordingly, the monetary policies of the world's key central banks will continue to affect Taiwan's monetary policies and financial environment, and must be monitored carefully.

We thank the competent authority for its guidance and our member banks for their support, coordination, and participation in our work over the past year. This support ensured the smooth achievement of many different tasks. In 2023, BAROC will continue to coordinate with government policies by adopting relevant financial measures designed to help promote development of the nation's key industries. And in order to improve the business operations of Taiwanese banking enterprises, BAROC will also help banks to: guide their corporate borrowers to pursue a transformation to low-carbon sustainability; create a more friendly financial services environment; improve internal corporate governance rules; and strengthen cyber defense capabilities. At the same time, BAROC will continue to serve as a platform for communication among member banks, and act as a bridge between the government, its member banks, and the general public, and encourage banks to continue improving and providing outstanding financial services in order to contribute to Taiwan's financial environment and the development of our economy.

Chairman

Paul C. D. Lei



II. Introduction of the Bankers Association of the Republic of China

A. History

The Bankers Association of the Republic of China (hereinafter referred to as BAROC) was founded on August 9, 1983, as the successor to the Bankers Association of Taipei, which joined with the Bankers Association of Taiwan and the Bankers Association of Kaohsiung to form BAROC in accordance with the regulations of the Commercial Group Act. The merger was approved by the Ministry of the Interior. The Association was located on the eighth floor of No. 46, Guancian Road, Taipei at the time. In January 1984, the Bankers Association of Taipei transferred the national aspects of its operations to BAROC. After Taipei County and Taoyuan County were upgraded to special municipalities of New Taipei City and Taoyuan City, the Bankers Association of Taipei County and the Bankers Association of Taoyuan County withdrew from the Bankers Association of Taiwan in May of 2010 and in May of 2013, respectively, and joined BAROC. At the same time, the Bankers Association of Taipei County changed its name to Bankers Association of New Taipei City, and the Bankers Association of Taoyuan County was renamed The Bankers Association of Taoyuan. Later, the special municipalities of Taichung, Tainan, and Kaohsiung were established. In response, the Bankers Association of Taichung, the Bankers Association of Taichung City (the former Bankers Association of Taichung County), the Bankers Association of Tainan, the Bankers Association of Tainan City (the former Bankers Association of Tainan County), and the Bankers Association of Kaohsiung City (the former Bankers Association of Kaohsiung County) withdrew from the Bankers Association of Taiwan and joined BAROC in May of 2016. As a result, BAROC membership now includes 10 local bankers associations.

The Chairmen of BAROC from the first session of the first General Assembly in August 1983 to the fourteenth session of the first General Assembly in September 2022 are shown as follows:

Chairman	Session	Duration
I-Shuan Sun	1, 2	1983-1989
Y. D. Sheu	3, 4	1989-1995
James C. T. Lo	5, 6	1995-2000
Yung-San Lee	7	2000-2002
Mu-Tsai Chen	7	2002-2004
Shen-Chih Cheng	8	2004-2006
Jer-Shyong Tsai	8	2006-2007
Teh-Nan Hsu	8, 9	2007-2008
Susan S. Chang	9,10	2008-2012
Teng-Cheng Liu	10	2012-2013
Jih-Chu Lee	11	2013-2016
Jye-Cherng Lyu	12,13	2016-2022
Paul C. D. Lei	14	2022-

B. Aims, Functions and Organization

1. Aims

- (1) To assist the government in implementing financial policies
- (2) To promote economic development

- (3) To coordinate with its member banks
- (4) To improve its members' mutual benefits

2. Functions

- (1) To help implement economic and financial policies and commercial decrees
- (2) To study the balance of funds in supply and demand among various sectors in line with economic development
- (3) To formulate and compile common rules and regulations relating to various businesses of its members
- (4) To enhance communications, surveys, statistics, consultations, research, development and publications relating to national and international financial businesses
- (5) To protect the legitimate rights of its members and to help settle disputes among them
- (6) To promote the exchange, analysis and reporting of credit information among its members and to establish the credit files of the major clients of its members
- (7) To consolidate the planning of information systems among its members
- (8) To strengthen mutual support, assistance, education and interaction among the employees of its members, to sponsor activities for public benefit, and to help implement service ethics and self-disciplinary measures
- (9) To participate in international financial organizations and meetings
- (10) To enhance communications and collaborations with overseas bankers associations and to promote national diplomacy
- (11) To conduct research and make recommendations in response to requests from the government or private organizations
- (12) To participate in social charitable activities

3. Organization

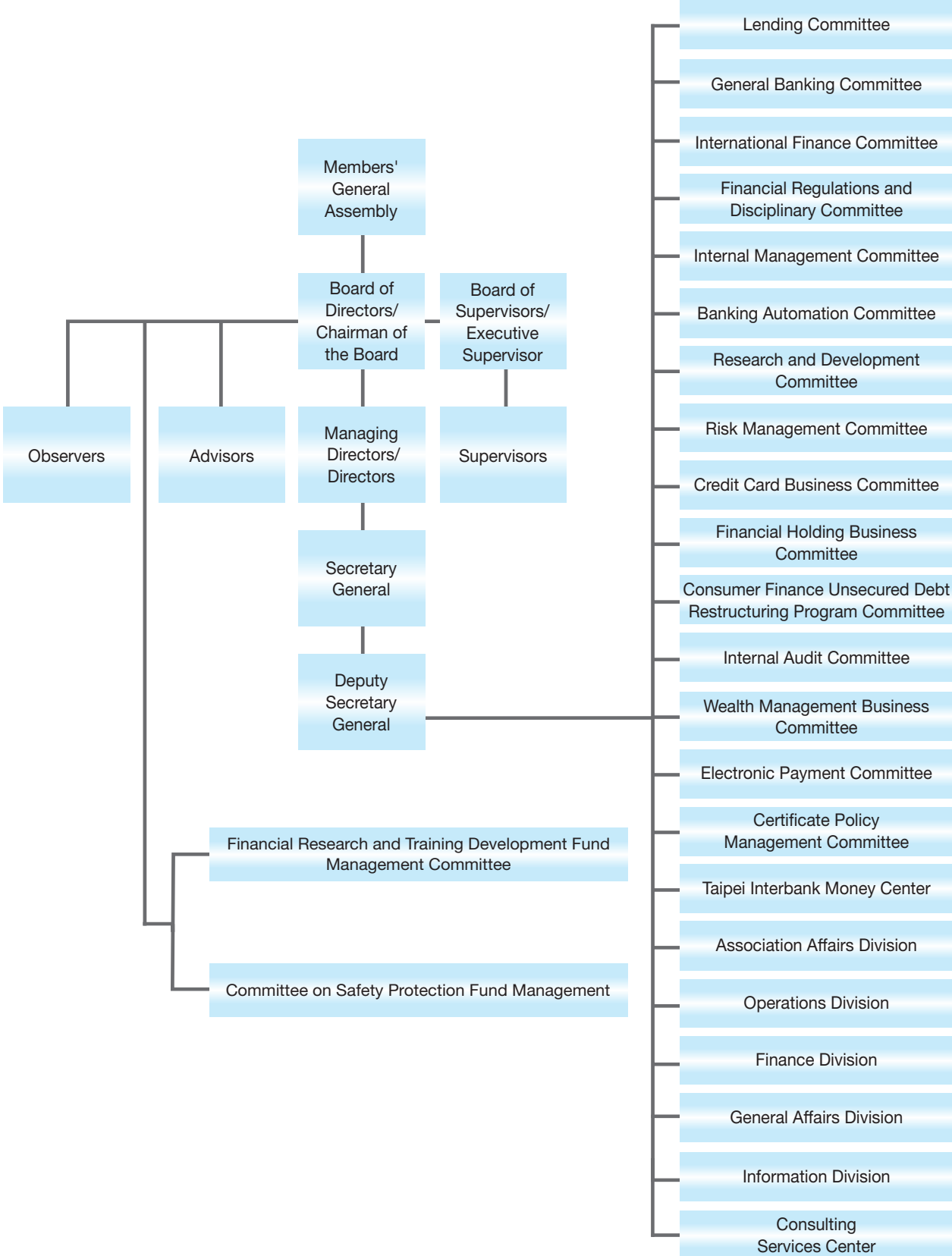
The 10 local bankers associations that have joined as BAROC members are the following: The Bankers Association of Taipei; Bankers Association of Taiwan; Bankers Association of New Taipei City; The Bankers Association of Taoyuan; The Bankers Association of Taichung; The Bankers Association of Taichung City; The Bankers Association of Tainan; The Bankers Association of Tainan City; The Bankers Association of Kaohsiung; and The Bankers Association of Kaohsiung City. As of the end of 2022, the head offices of member banks totaled 61, of which 56 belong to The Bankers Association of Taipei, 1 belongs to the Bankers Association of New Taipei City, 2 belong to The Bankers Association of Taichung, 1 belongs to The Bankers Association of Tainan, and 1 belongs to The Bankers Association of Kaohsiung. The branches of member banks located in the six special municipalities (Taipei City, New Taipei City, Taoyuan City, Taichung City, Tainan City, and Kaohsiung City) and each county join their respective local bankers associations and participate in local association activities.

Number of Member Banks of the Bankers Associations

Dec. 31, 2022

Member Banks	Headquarters	Branches	Total
The Bankers Association of the Republic of China	62		
The Bankers Association of Taipei	56	884	940
Bankers Association of Taiwan		582	582
Bankers Association of New Taipei City	1	512	513
The Bankers Association of Taoyuan		252	252
The Bankers Association of Taichung	2	227	229
The Bankers Association of Taichung City		145	145
The Bankers Association of Tainan	1	134	135
The Bankers Association of Tainan City		96	96
The Bankers Association of Kaohsiung	1	297	298
The Bankers Association of Kaohsiung City		90	90
Bankers Association of Keelung City		26	26
Bankers Association of Hsinchu City		83	83
Bankers Association of Hsinchu County		55	55
Bankers Association of Miaoli County		46	46
Bankers Association of Changhwa County		95	95
Bankers Association of Nantou County		36	36
Bankers Association of Yunlin County		47	47
Bankers Association of Chiayi City		44	44
Bankers Association of Chiayi County		19	19
Bankers Association of Pingtung County		48	48
Bankers Association of Ilan County		41	41
Bankers Association of Hualien County		22	22
Bankers Association of Taitung County		15	15
Bankers Association of Penghu County		5	5

Organizational Structure of BAROC



C. Directors, Supervisors, Advisors and Observers

February 2023

Title	Name	Company Affiliation
Chairman of the Board	Chung-Dar Lei	Chairman, Taiwan Cooperative Financial Holding Co., Ltd.
Managing Directors	Jye-Cherng Lyu	Director, Taiwan Financial Holding Co., Ltd.
	Chao-Shun Chang	Chairman, Mega Financial Holding Co., Ltd.
	Yun-Peng Chang	Chairman, Hua Nan Financial Holdings Co., Ltd.
	Ye-Chin Chiou	Chairman, First Financial Holding Co., Ltd.
	Chuan-Chuan Hsieh	Chairman, Land Bank of Taiwan
	Chang-Ken Lee	President, Cathay Financial Holding Co., Ltd.
	Directors	Chien-Hao Lin
Pei-Jean Liu		Chairman, The Export-Import Bank of the Republic of China
Wen-Long Yen		Chairman, CTBC Financial Holding Co., Ltd.
Jerry Harn		President, Fubon Financial Holding Co., Ltd.
Tony Shen		Chairman, Yuanta Financial Holdings Co., Ltd.
Joseph N.C. Huang		Chairman, E. Sun Commercial Bank, Ltd.
Amy Tsao		President, KGI Bank.
Chih-Hung Lin		President, The Shanghai Commercial & Savings Bank, Ltd.
Tseng-Chang Lee		Chairman, Shin Kong Commercial Bank
Thomas Chou		President, Far Eastern International Bank
Wei-Wen Hsu		President, Union Bank of Taiwan
Sheng-Hung Chen		Chairman, Sunny Bank
Ming-Ming Wu		Chairman, Agricultural Bank of Taiwan
Chenli Yang		Chief Operating Officer, DBS Bank (Taiwan)
Jesse Ding		Chairman, EnTie Commercial Bank
Chi-Lin Wea		Chairman, IBF Financial Holdings Co., Ltd.
Chia-Nan Fang		President, Bank of Panhsin
Tina Y. Lo		Chairman, O-Bank Co., Ltd.
Sung-Yie Liao		Chairman, Cota Commercial Bank
Chao-Hsien Lai		Chairman, Hwatai Bank
I-Meng Hwang	President, Line Bank Taiwan Limited	
Berlin Hsu	President, Next Commercial Bank Co., Ltd.	
Jonathan Wei	President, China Bills Finance Co.	

Title	Name	Company Affiliation
	Chih-Wen Hsu	President, Bank of Taiwan
	Morris Li	Chairman, CTBC Bank
	Eric Chen	Chairman, Taipei Fubon Commercial Bank
Alternate Directors	Tommy Lin	Vice Chairman, Hua Nan Commercial Bank, Ltd.
	Chien Weng	Chairman, Yuanta Bank
	Olivia Wu	President, Shin Kong Financial Holding Co., Ltd.
	Yen-Lang Chiu	President, International Bills Finance Co.
Executive Supervisor	Joanne Ling	Chairman, Chang Hwa Commercial Bank
Supervisors	Welch Lin	President, Taishin Financial Holding Co., Ltd.
	Shi-Kuan Chen	Chairman, Sinopac Financial Holdings Co., Ltd.
	Jui-Tang Chiang	President, Changhua Post Co., Ltd.
	Kuei-Fong Wang	Chairman, Taichung Commercial Bank
	Adam Chen	President, HSBC Bank (Taiwan) Limited
	Ian Charles Anderson	President, Standard Chartered Bank(Taiwan) Limited
	Terence Tai	Chairman, King's Town Bank
	Leo Kuo	Chairman, Taipei Star Bank
	Jennifer M.C. Liao	Chairman, Mega Bills Finance Co., Ltd.
	Kazuhiko Saiki	President, Rakuten International Commercial Bank
Alternate Supervisor	Andrew Ming-Jian Kuo	Chairman, Cathay United Bank
	Oliver Shang	President, Taishin International Bank
Advisors	Jiann-Jong Guo	Chairman, Joint Credit Information Center
	Oscar Lin	Chairman, Financial Information Service Co., Ltd.
	Han-Chiang Chu	Chairman, Taiwan Depository & Clearing Corporation
	Tong Liang Lin	President, National Credit Card Center of R.O.C
	Shu-Chuan Kao	President, The National Federation of Credit Co-operatives R.O.C
	Shih-Yuan Tseng	Chairman, The Taiwan Clearing House
	Nancy Young	Advisor, The Bankers Association of the Republic of China
Observers	Karen Ree	Vice President, ING Bank Taipei Branch
	Natalie Kuo	Executive Director, Credit Agricole Corporate & Investment Bank, Taipei Branch
	Esther Su	Vice President, The Bank of New York Mellon, Taipei Branch
	Nicole Wu	Director, BNP Paribas, Taipei Branch

D. Major Staff Members of BAROC

As of Feb.14 2023

Title / Position in BAROC	Name	Full-time or Part-time
Chairman, Financial Research and Training Development Fund Management Committee	Paul C. D. Lei	Chairman, Taiwan Cooperative Bank, Part-time
Chairman, Committee on Safety Protection Fund Management	Paul C. D. Lei	Chairman, Taiwan Cooperative Bank, Part-time
Secretary General	Tsong-Ming Wang	Full-time
Deputy Secretary General	Kou-Liang Tsai	Full-time
Deputy Secretary General	Kuo-En Wen	Full-time
Secretary	Shao-I Chou	Full-time
Secretary	Yuan-Yuan Wang	Full-time
Chairperson, Lending Committee	Tien-Sheng Chiu	EVP, Land Bank of Taiwan, Part-time
Chairperson, General Banking Committee	Chang-Yu Lin	EVP, Taiwan Business Bank, Part-time
Chairperson, International Finance Committee	Chien-Chung Chen	SEVP, Mega International Commercial Bank, Part-time
Acting Chairperson, Financial Regulations and Disciplinary Committee	Kuei-Feng Liang	SVP & General Manager Compliance Department Taiwan Cooperative Bank, Part-time
Chairperson, Internal Management Committee	Fu-Jinn Chiou	Chang Hwa Bank Division Head of Financial Management Division, Part-time
Acting Chairperson, Banking Automation Committee	Chin-Li Di	First Deputy Executive Vice President, Information Technology R&D Dept., The Shanghai Commercial & Savings Bank, Ltd, Part-time
Chairperson, Research and Development Committee	Kuo-Chung Lee	Executive Vice President, Taiwan Cooperative Bank, Part-time
Chairperson, Risk Management Committee	Chun-jen Hsu	CEO, Global Capital Market, CTBC Bank, Part-time
Chairperson, Credit Card Business Committee	Sean Lin	Senior Executive Vice President of Credit Card and Payment Division, E.SUN Commercial Bank, Ltd., Part-time
Chairperson, Financial Holding Business Committee	Chang-Ken (C.K.) Lee	President, Cathay Financial Holdings, Part-time
Chairperson, Internal Audit Committee	Emily Chen	Chief Auditor, First Commercial Bank, Part-time
Chairperson, Wealth Management Business Committee	Tim Kuo	President, Taipei Fubon Commercial Bank, Part-time
Chairperson, Consumer Finance Unsecured Debt Restructuring Program Committee	Allen Day	SVP, Head of Retail Banking, Taishin International Bank, Part-time
Chairperson, Electronic Payment Committee	Hugo Shen	Chief Strategy Officer of Credit Card and Payment Division, E.SUN Commercial Bank, Ltd., Part-time
Chairperson, Certificate Policy Management Committee	Tsung-Hsien Li	Executive Vice President, Hua Nan Commercial Bank, Part-time
Director, Taipei Interbank Money Center	Chih-Wen Hsu	President, Bank of Taiwan, Part-time
Chief, Association Affairs Division	Yu-Min Chou	Full-time
Chief, Operations Division	Yun-May Liao	Full-time
Chief, Finance Division	Huei-Ling Li	Full-time
Chief, General Affairs Division	Yeng-Ming Lee	Full-time
Chief, Information Division	Mei-Ling Tsai	Full-time
Chief, Consulting Services Center	Yin-Tarng Lee	Full-time

III. An Overview of the Banking Operations

A. Macroeconomic Summary

1. International Economic and Financial Conditions

(1) Slower Pace of Global Economic Growth

Economic activity returned to normal in 2022 as countries around the world continued to relax their anti-COVID restrictions, but the inflation that began in late 2021 continued to worsen, and then war broke out between Russia and Ukraine in February, affecting commodities and energy prices and fueling further inflation. Key central banks around the world then took action to control the inflation by sharply raising interest rates. High inflation coupled with high interest rates put a significant damper on consumer demand in the latter half of the year, and the zero-COVID measures implemented by China devastated the manufacturing sector and consumer demand. The International Monetary Fund (IMF) in January 2023 estimated that the global economy had grown 3.4% in 2022, down from 6.2% in 2021.

In terms of the performance of major economies around the world in 2022, the economic growth rate in the US was 2.1%, steeply down from 5.9% in 2021; economic growth in the euro area was 3.5%, the first time that the growth rate there has outstripped that of both China and the US since 1974; Japan's GDP grew by 1.1%, down from 2.1% in 2021; and China's annual GDP growth rate was 3.0%, almost that country's slowest growth rate in 50 years, second only to the 2.2% growth it posted in 2020 after the outbreak of the COVID pandemic, and far lower than the Chinese government's targeted growth rate of 5.5%.

(2) Key Central Banks Adopt Deflationary Monetary Policies in 2022

To deal with rampant inflation, the world's key central banks in late 2021 abandoned the accommodative monetary policies of the previous few years and switched to deflationary policies. And then after the Russia-Ukraine war in 2022 further exacerbated the problem of inflation, central banks doubled down on their deflationary monetary policies.

The US Federal Reserve (Fed) adopted a hawkish monetary policy in March 2022, and by end-December it had raised the benchmark federal funds rate target range by a cumulative 4.25 percentage points from 0–0.25% to 4.25–4.5%, the highest rate since December 2007 amid the financial tsunami. The federal funds rate was raised another 0.25 percentage points in February 2023, and again in March. The European Central Bank (ECB) began raising interest rates in July 2022, thus putting an end to the eurozone's negative interest rate policy, and by December it had raised rates by 2.5 percentage points (the ECB overnight deposit rate had been raised from 0.5% to 2.0%, the ECB refinancing rate had been raised from 0% to 2.5%, and the ECB refinancing rate had been raised from 0.25% to 2.75%). The ECB raised rates by 0.5 percentage points in February 2023, and again in March. The Bank of England (BOE) turned hawkish in December 2021, and by December 2022 had raised rates by a total of 3.4 percentage points (with the BOE base rate rising from 0.1% to 3.5%), the highest interest rate level since 2008. The BOE raised its base rate by another 0.5% in February and 0.25% in March.

The Bank of Japan (BOJ) kept its short-term interest rate target at -0.1% in 2022, but in December 2022 widened its tolerance range on the 10-year bond yield to fluctuate plus-or-minus 0.5% . Observers saw this move as signaling a shift by the BOJ away from its strongly accommodative monetary policy, but at its interest rate meetings in January and March 2023 the BOJ kept its short-term interest rates unchanged. The Bank of Korea (BOK) raised the base rate by 0.25% in August and November 2021, then raised it seven times in 2022, and once more in January 2023 to 3.50% , the highest the base rate had been since 2008. The base was kept unchanged in February 2023.

2. Domestic Economic and Financial Conditions

(1) Slower Domestic Economic Growth

Taiwan's domestic economy in the first half of 2022 benefitted from a global economic rebound, lessening of supply chain problems, active steps by domestic semiconductor makers to expand fabrication facilities, the return to Taiwan of offshore Taiwanese businesses, and continued investment in Taiwan by locally based manufacturing firms. All these factors helped to spur domestic economic growth, which came to 3.87% and 2.95% in the first and second quarters, respectively. In the latter half of the year, however, global inflation and interest rate hikes put a damper on end-user demand, and on top of that a worsening of the pandemic in China depressed consumption and production activities. For Taiwan, this meant a clear decline in export demand. In the third quarter, due to increased private consumption and a low base period the year before, the economy still grew by 3.64% , but in the fourth quarter both exports and imports declined and the GDP growth rate plummeted to -0.41% . For 2022 as a whole the economy grew by 2.45% , down sharply from a growth rate of 6.53% for 2021.

External demand: In the first half of 2022, emerging technology applications and digital transformation needs brought about a better situation with end-user products, while higher product prices drove a big jump in exports. In the latter half of the year, however, high inflation, rising interest rates, and China's zero-COVID policy depressed consumer demand. Weakening market demand and increasing inventory adjustments clamped down on export momentum. Taiwan's goods exports in 2022 were up by 7.42% from 2021. Combining trade in goods and services, and offsetting exports and imports, net external demand contributed -0.72 percentage points to economic growth.

Domestic demand: In 2022 the pandemic situation in Taiwan put a crimp on consumption momentum, but the level 3 COVID alert put in place during the same quarter of the previous year made for a low base period, so private consumption in 2022 grew. In the latter half of the year, as anti-COVID measures continued to be relaxed, consumers began returning. In addition, quarantine requirements for international arrivals were gradually lifted and cross-border travel picked up again, bringing a further boost to private consumption. Private consumption in 2022 grew by 3.59% from 2021. In total, domestic demand contributed 3.17 percentage points to economic growth.

(2) Taiwan Central Bank Hikes Rates by 0.625 Percentage Points

The supply chain troubles of late 2021 continued into early 2022, causing goods prices to continue rising. In addition, the Russia-Ukraine war that broke out in February 2022 caused commodities prices to rise, and key economies in Europe, North America, and elsewhere adopted deflationary monetary policies, hiking interest rates to control inflation. At a Board Meeting of the Central Bank on 17 March 2022 it was decided to raise rates by 0.25 percentage points to restrain expectations for domestic inflation. The Central Bank subsequently raised rates by 0.125 percentage points after Board Meetings in June, September, and December, respectively. By the end of 2022, the discount rate, the rate on accommodations with collateral, and the rate on short-term accommodations had been raised to 1.75%, 2.125%, and 4.0%, respectively. Rates were again raised by 0.125 percentage points in March 2023.

(3) Interest Spread

The average interest spread between deposits and loans at Taiwan's domestic banks in 2022 widened from 1.23 percentage points in the first quarter of 2022 to 1.33 percentage points in the second quarter and then 1.36 percentage points in the third and fourth quarters. For all of 2022, the average interest spread was 1.32 percentage points, an increase of 0.08 percentage points over the spread of 1.24 in 2021.

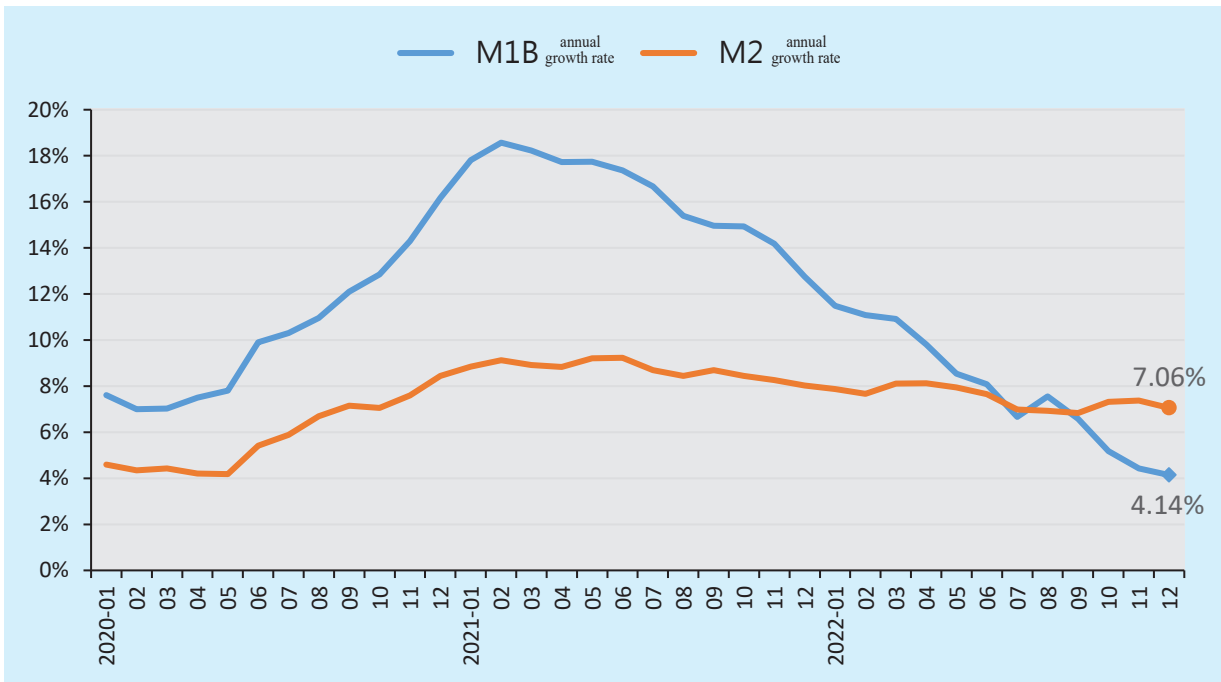
(4) Monetary Aggregates

Average M2 money supply in 2022 showed an average increase for the whole year of 7.48%, which was down by 1.24 percentage points from the 8.72% increase in 2021. This figure exceeded the upper limit of the target range for monetary growth set by the Central Bank (2.5% to 6.5%). For the more narrowly defined average M1B money supply, the growth rate was 7.81%, down by 8.48 percentage points from 16.29% from in 2021. Therein, the M1B annual growth rates for July and for September through December were below the M2 growth rate for the year as a whole.

(5) NTD Exchange Rates

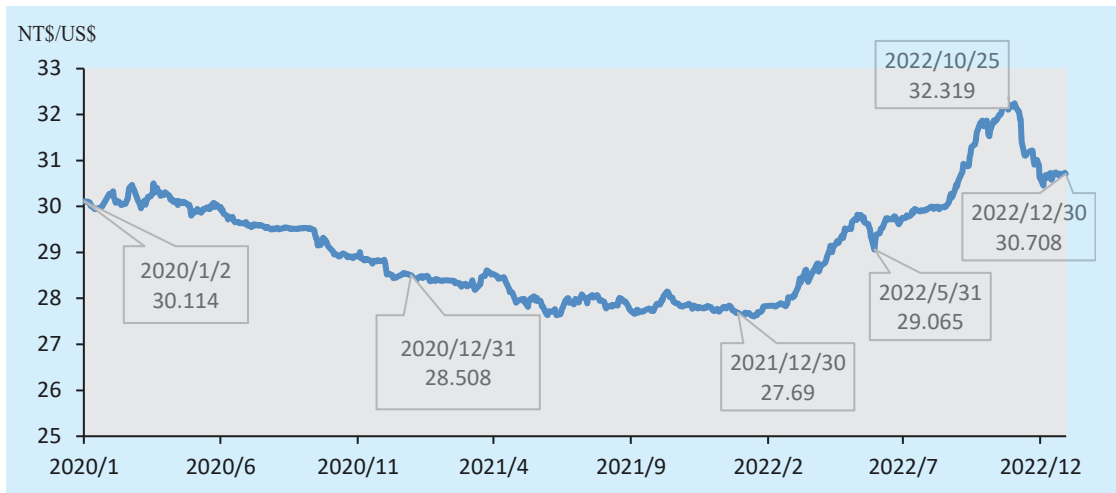
Due to the US Fed's adoption of a hawkish monetary policy, the US Dollar remained strong. In the first half of 2022 the NT Dollar tended to depreciate versus the US Dollar and at the end of June 2022 closed at US\$1 : NT\$27.690, down by NT\$2.036 from US\$1 : NT\$27.690 at end-2021, for a depreciation rate of 7.35%.

Annual Growth Rates of Daily Monetary Aggregates



Source: Central Bank of the Republic of China (Taiwan)

Exchange Rates of the NT dollar against the US dollar



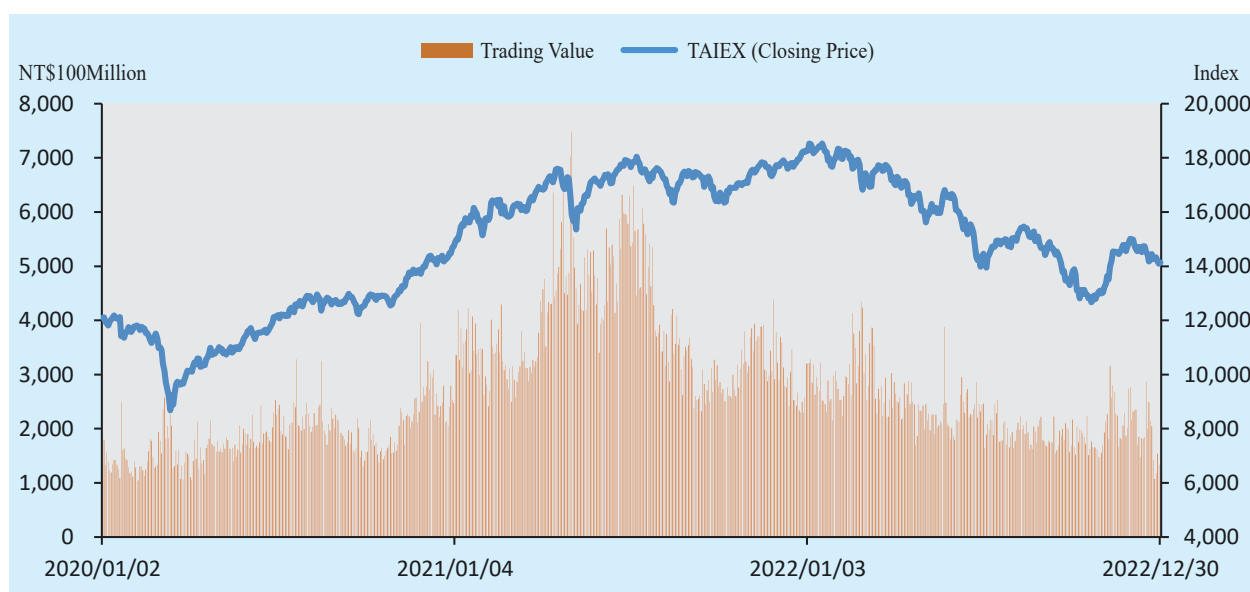
Source: Central Bank of the Republic of China (Taiwan)

(6) Taiwan Stock Exchange TAIEX Index

In 2022 the entire world was adversely affected by inflation and the Russia-Ukraine war, which slowed the pace of economic recovery, while the world's key central banks continued to pursue deflationary monetary policies. Taiwanese stocks fell as world stock prices cut a

choppy path on international markets. Thereafter, Taiwan's exports slowed and the US placed restrictions on the semiconductor industry, and the TAIEX as a result fell to a low of 12,666.12 points in October 2022. In November, however, as a result of lower-than-expected inflation in the US and an easing of rate hike pressure on the US Fed, the TAIEX rebounded. On 30 December 2022 the TAIEX closed at 14,137.69 points, down by 4,081.15 points (22.40%) from 18,218.84 points at end-2021.

TAIEX and Trading Volume



Source: Taiwan Stock Exchange

3. The Domestic and International Economic Outlook for 2023

(1) Global Economic Outlook

The "World Economic Outlook" published by the International Monetary Fund on 31 January upped its forecast for global economic growth in 2023 to 2.9% from its October 2022 forecast of 2.7%, mainly because inflation has moderated and household spending has been stronger than expected. However, rising interest rates and the Russia-Ukraine war could still put pressure on the economy. The 2023 growth estimate for the US economy was adjusted upward by 0.4 percentage points to 1.4%, for the eurozone it was adjusted upward by 0.2 percentage points to 0.7%, for Japan it was adjusted upward by 0.2 percentage points to 1.8%, for China it was adjusted upward by 0.8 percentage points to 5.2%, and for the UK it was adjusted

downward by 0.9 percentage points to -0.6%. Prices for goods, energy and commodities prices fell back from previous highs, and countries around the world adopted more accommodative monetary policies, so the global inflation rate, which peaked at 8.8% in 2022, is expected to drop to 6.6% in 2023 and 4.3% in 2024.

In January of 2023 the World Bank estimated that the global growth rate for 2023 would be about 1.7%, making this the worst economic slowdown in the last three decades other than 2009 (the year of the financial tsunami) and 2020 (COVID). Economic growth forecasts for the US, the eurozone, and Japan have all been adjusted downward, and for the eurozone the forecast is even for negative growth. In China, a sudden lifting of the zero-COVID measures led to a sharp spike in the number of persons infected with COVID, and this is having a severe impact on economic prospects. China's 2023 economic growth forecast was adjusted downward in June 2022 by 0.9 percentage points to 4.3%.

Global & major country economic growth forecasts

Unit: %

Area	Institute	International Monetary Fund		World Bank	
		2023	2024	2023	2024
Global		2.9% (2.7%)	3.1% (3.2%)	1.7% (3.0%)	2.7% (3.0%)
US		1.4% (1.0%)	1.0% (1.2%)	0.5% (2.4%)	1.6% (2.0%)
Eurozone		0.7% (0.5%)	1.6% (1.8%)	0.0% (1.9%)	1.6% (1.9%)
Japan		1.8% (1.6%)	0.9% (1.3%)	1.0% (1.3%)	0.7% (0.6%)
China		5.2% (4.4%)	4.5% (4.5%)	4.3% (5.2%)	5.0% (5.1%)

Note: Figures in parentheses are the previous forecast.

Source: IMF (Jan. 2023), WB (Jan. 2023).

(2) Domestic Economic Outlook

High prices and high interest rates throughout the world have put a damper on private consumption and investment momentum, while geopolitical factors are having an impact on the strategies adopted by Taiwanese manufacturing firms as they seek to build up a global network of production bases. For these reasons, key economic forecasting institutions both at home and overseas expect Taiwan's economic growth rate to decline in 2023 to somewhere between 2.12% and 3.00%.

Various economic growth forecasts for Taiwan

Unit: %

Institution		2023
Official and domestic forecasting institutions	Directorate-General of Budget, Accounting and Statistics (DGBAS) (2023.2.22)	2.12%
	Central Bank (2022.12.15)	2.53%
	Academia Sinica (2022.12.22)	2.41%
	Chung-Hua Institution for Economic Research (2022.12.9)	2.72%
	Taiwan Institute of Economic Research (2023.1.31)	2.58%
	Joint study by Cathay Financial Holdings and National Taiwan University (2022.12.28)	2.30%
International forecasting institutions	Asian Development Bank (2022.12)	3.00%
	International Monetary Fund (2022.10)	2.80%

Sources: The various institutions.

B. Major Financial Measures Adopted by the Government

1. The Financial Supervisory Commission (FSC) announced on 25 January 2022 that it and the Joint Credit Information Center (JCIC) were planning to jointly launch a mechanism for facilitating the sharing of personal credit score data. Then on 31 March 2022 the FSC oversaw the JCIC's launch of a service which allows "access by FinTech firms to JCIC data for the purpose of their own operations." Now that this service has been launched, after a data subject applies online to JCIC for their personal credit score data and then delivers that data to a FinTech firm, JCIC may provide a properly qualified FinTech firm with encryption/decryption services for the personal data in order to ensure the correctness and security of the data delivered by the data subject, so that a data subject can use a more convenient and secure method to voluntarily deliver their personal credit score data to a FinTech firm. This facilitates the reasonable use of personal data, improves consumers' financial services experience, and taps into the value of financial inclusion.
2. On 13 July 2022 the FSC and the Israel Securities Authority (ISA) signed a Fintech MoU via videoconference. The MoU was the fifth MoU for Fintech cooperation signed by the FSC and foreign regulators after four similar MoUs signed with the regulators of Poland, the US State of Arizona, France, and Canada. The MoU provides a framework for cooperation and referrals in the matters of Fintech, innovation and investments between the FSC and the ISA. Notably, the MoU includes a referral mechanism to help referred innovator businesses have a better understanding of the regulatory regime in the other jurisdiction. The MoU also aims to deepen cooperation and

information sharing on innovation issues and mutual investments, including potential cooperation in technology, innovation activities, and investments.

3. On 18 August 2022 the FSC issued an order to allow the high-asset customers of banks conducting asset management business to invest in "offshore funds that do not have the nature of a securities investment trust fund" through trust services. This provides customers with a broader range of financial products and services. The purpose of this change is to attract more Taiwan citizens and foreign nationals to seek wealth management services in Taiwan. At the same time, attracting the participation of high-asset customers will enhance the depth and breadth of Taiwan's financial markets.
4. In response to the changing structure of Taiwan's population and social environment, in September 2020 the FSC launched the Trust 2.0 Plan, and on 29 September 2022 launched the Trust 2.0 Phase 2 Plan, which sets forth the following three core goals: (a) bring about trust services that satisfy people's needs at every stage of their lives; (b) expand and deepen the cross-industry alliances of trust enterprises; and (c) enable elderly persons, those with dementia, and people with disabilities to better understand trust services.
5. On 26 September 2022 the FSC issued the Green Finance Action Plan 3.0, which includes the following key points: promoting implementation of carbon inventories and climate risk management by financial institutions; development of a Taiwan Sustainable Taxonomy; spurring integration of ESG- and climate-related information, and strengthening sustainable finance professional training; and building consensus regarding the need for net-zero carbon emissions. In response to the National Development Council's inclusion in March 2023 of "green finance" among the 12 key strategies of "Taiwan's Pathway to Net-Zero Emissions in 2050" in hopes of integrating financial resources and supporting the transition to a net-zero future.
6. On 26 October 2022 the FSC approved a joint application by ALPHA Robo-Advisor and SinoPac Securities to conduct data sharing and make it more convenient for customers to make use of robo-advisor services. This was the first time ever that the FSC granted approval for a securities or futures enterprise to engage in data sharing with another financial services firm that is not another member of its own financial group. In the future if a securities or futures enterprise intends to conduct this type of data sharing, it will only need to register the matter with the Chinese National Futures Association. The FSC will accelerate its efforts to improve data sharing among financial institutions so that financial institutions and FinTech firms can develop a diverse range of financial service scenarios.

7. On 8 December 2022 the FSC, the Environmental Protection Administration, the Ministry of Economic Affairs, the Ministry of Transportation and Communications, and the Ministry of the Interior jointly issued the "Taiwan Sustainable Taxonomy." The Taxonomy is intended to encourage companies to voluntarily disclose information on whether their primary economic activities are in compliance with the Taxonomy. In addition, financial institutions are encouraged to refer to the Taxonomy in assessing possible investment and financing deals, and to actively engage with enterprises. The Taxonomy first addresses the goal of "climate change mitigation" by adopting a set of "technical screening criteria for substantial contribution," which shall not significantly harm other environmental goals (e.g. climate change adaptation, protection of water resources) and social safeguards. With respect to 16 ordinary economic activities and 13 forward-looking economic activities in sectors toward which Taiwanese financial institutions direct the most investments and financing — including manufacturing, building and construction, and transportation and storage — the Taxonomy provides a basis for identifying whether those activities qualify as sustainable.
8. The Taiwan Financial Services Roundtable (TFSR) took the reform suggestions put forward by its members and compiled them into the "2022 White Paper on Financial Recommendations," which it submitted to various competent authorities on 31 October for their reference. Key points of the White Paper include 24 general issues requiring thought and 38 suggested actions, which in broad outline can be grouped under one of the following four themes: "how to increase the financial markets' development momentum," "how to strengthen FinTech development and cyber security," "how to implement sustainable development," and "discussion of and adjustment to applicable laws and regulations." On 22 December 2022 FSC, TFSR, various financial industry trade associations, various financial industry trade self-regulatory organizations, and firms that had contributed reform suggestions discussed the "2022 White Paper on Financial Recommendations."
9. On 27 December the FSC launched the Financial Cyber Security Action Plan 2.0, wherein the main measures include the following: require more institutions to appoint a chief information security officer (CISO) and institute periodic CISO liaison meetings; adopt/amend self-regulatory rules in response to digital transformation and deregulation of online services; enhance data vaulting and business continuity drills; expand the adoption of international cyber security standards and the establishment of Security Operation Centers (SOCs); encourage assessments of the effectiveness of

cyber security monitoring and defenses; encourage establishment of zero trust networks, improved network connection validation and authorization control; encourage hiring of cyber security personnel with diverse specialties, enhanced attack & defense training; improve cyber intelligence sharing capabilities, achieve more effective cyber security joint defense; and conduct cyber security offensive and defensive exercises, plan for major cyber event support exercises.

10. On 28 December 2022 the FSC announced that it had joined forces with the Taiwan Financial Services Roundtable (TFSR) to establish the Platform for Net Zero Emissions in the Financial Industry. Financial industry self-regulatory organizations and industry associations have been invited to jointly develop related tools, guidelines, and plans, and the platform will serve as a medium via which financial services firms can cooperate and exchange views, and can integrate financial sector resources to promote sustainable development and achieve the goal of net zero emissions.
11. The Taiwan Academy of Banking and Finance (TABF), the Taiwan Insurance Institute (TII), and the Securities and Futures Institute (SFI), acting in line with the FSC's Green Finance Action Plan 3.0, on 29 December 2022 adopted the first (2023) sustainable finance evaluation indicators, thus formally launching the first-ever sustainable finance evaluations for financial institutions in Taiwan. Taking into consideration the different characteristics and risks of different types of financial services firms, the evaluations will cover both qualitative and quantitative topics, including 112 topics for industry-wide indicators and 58 topics for indicators on specific types of business. In addition to a "sustainable finance composite indicator" there are also three separate single-category indicators for environmental (E), social (S), and governance (G) issues. A total of 35 banks, 9 securities firms, 8 life insurers, 5 non-life insurers, and 1 reinsurer will be evaluated in 2023, as follows: all domestic banks (except for Eximbank Taiwan and internet-only banks); securities firms that are listed on the TWSE or TPEX, are not subsidiaries of a corporate group, and have share capital of NT\$5 billion or more; non-life insurers that rank among the top 5 by assets; and life insurers and domestic reinsurers with assets of NT\$1 trillion or more. Evaluated institutions are required to file and upload evaluation-related documents by 15 August 2023. The names of those institutions with scores in the top 20% of their respective sectors are scheduled to be announced by the end of December 2023, but exact rankings will not be indicated.

C. Banking Operations in 2022

1. Changes in the Operating Units of Financial Institutions

Financial institutions in Taiwan include monetary institutions, investment trust companies (prior to December 2008), and life insurance companies. Therein, the term "monetary institutions" includes the Central Bank and other monetary institutions. The term "other monetary institutions" includes domestic banks, Taiwan branches of foreign and mainland Chinese banks, credit cooperatives, credit departments of farmers' associations, credit departments of fishermen's associations, and the Chunghwa Post Company. As of the end of December 2022, there were 428 financial institutions in Taiwan, while the total number of branch institutions stood at 5,968..

2. Non-performing Loans (NPLs) and NPL Coverage Ratios

The aggregate NPLs of domestic banks at the end of December 2022 stood at NT\$54.696 billion, a reduction of NT\$4.045 billion from NT\$48.741 billion at the end of 2021. The average NPL ratio of domestic banks at the end of December 2022 stood at 0.15%, a decrease of 0.02 percentage points compared with 0.27% at the end of 2021. At the end of December 2022 the NPL coverage ratio of Taiwan's domestic banks stood at 910.46%. The degree of increase was thus lower than in 2021, but the coverage ratio was nevertheless up by 134.22 percentage points from 776.24% at the end of 2021. Overall, domestic banks' risk-bearing capacity increased and the overall banking system remained in very sound condition.

3. Overview of Bank Profitability

The Central Bank raised interest rates in March 2022. This triggered a widening of the average interest spread at domestic banks, which went from 1.24 percentage points in 2021 to 1.32 percentage points in 2022. The pre-tax earnings of domestic banks in 2022 totaled NT\$391.9 billion, up 16.3% from the 2021 figure of NT\$337 billion. The return on assets (ROA) of domestic banks in 2022 was 0.64%, up from 0.59% in 2020 and 2021, while return on equity (ROE) was 9.19%, up from 8.03% and 7.70% in 2020 and 2021. However, both of these figures remained below the pre-COVID 2019 numbers, when ROA was 0.72% and ROE was 9.38%.

4. Major Lines of Banking Business

(1) Deposit Business

Deposits at all monetary institutions at the end of 2022 totaled NT\$56.33 trillion, up NT\$3.57 trillion (6.77%) from the end of 2021. Demand deposits accounted for the largest portion of this total (40.58%), followed by time and time savings deposits (28.30%).

The only deposit categories that declined from 2021 were NT Dollar deposits by foreigners (down 2.65%). All other categories increased, with foreign currency deposits increasing the most (by NT\$1.27 trillion) and the rest by a combined total of NT\$8.68 trillion, for an annual growth rate of 17.20%. Time deposits and time savings deposits increased by NT\$1.24 trillion to a balance of NT\$15.94 trillion, for an annual growth rate of 8.44%.

In addition, demand deposits finished up by NT\$540.1 billion (2.42%) from end-2021 to NT\$22.86 trillion; postal savings deposits increased by NT\$287.3 billion (4.45%) from end-2021 to NT\$6.75 trillion; repurchase agreements and money market mutual funds rose from end-2021 by NT\$4.6 billion (3.70%) to a balance of NT\$129 billion; and finally, government deposits increased from end-2021 by NT\$231.2 billion (15.04%) to NT\$1.77 trillion.

Changes in Deposits by Category of All Monetary Institutions

Unit: NT\$ 100 million

Item	Year	End of 2022	End of 2021	Change (NT\$)	Change (%)
Demand deposits		228,580	223,179	5,401	2.42
Time and time savings deposits (Note)		159,430	147,018	12,412	8.44
Foreign currency deposits		86,807	74,067	12,740	17.20
Postal savings deposits		67,488	64,615	2,873	4.45
NT dollar deposits by foreigners		2,018	2,073	-55	-2.65
Repurchase agreements and money market mutual funds		1,290	1,244	46	3.70
Government deposits		17,685	15,373	2,312	15.04
Total		563,298	527,569	35,729	6.77

Note: Includes ordinary time deposits, negotiable certificates of deposit, and time savings deposits.

Source: "Financial Statistics Monthly, Republic of China (Jan. 2023 edition)," Department of Economic Research, CBC, February 2023.

(2) Loans and Investments

The balance of outstanding loans and investments at all monetary institutions stood at NT\$43.62 trillion at the end of 2022, an increase of NT\$2.62 trillion (6.39%) over the end of 2021.

Loans and investments by all monetary institutions in all recipient categories—claims on the government sector, claims on state-owned enterprises, and claims on the private sector—all rose as of the end of 2022 compared with those at the end of 2021. Claims on the private sector rose

the most, by NT\$1.94 trillion (5.66%), followed by claims on state-run enterprises, which rose by NT\$468.9 billion (37.24%).

Loans and Investments by Monetary Institutions

Unit: NT\$ 100 million

Item \ Year	End of 2022	End of 2021	Change (NT\$)	Change (%)
Claims on the government	55,894	53,828	2,066	3.84
Claims on state-owned enterprises	17,280	12,591	4,689	37.24
Claims on the private sector	363,010	343,576	19,434	5.66
Total	436,185	409,995	26,189	6.39

Source: "Financial Statistics Monthly, Republic of China (Jan. 2023 edition)," Department of Economic Research, CBC, February 2023.

(3) Foreign Exchange Business

The average daily foreign exchange turnover (total of bank-customer and interbank markets) in 2022 was US\$34.468 billion, up 4.40% from US\$33.016 billion in 2021. Average daily turnover in the bank-customer market was US\$10.804 billion, down 3.10% from US\$11.15 billion in 2021, while average daily turnover in the interbank market was US\$23.664 billion, up 8.22% from US\$21.866 billion in 2021.

Looking at the detailed categories of interbank foreign exchange transactions in 2022, the amount of forward transactions, swaps, and cross-currency swaps declined from 2021 by 1.91%, 5.59%, and 66.10%, respectively. Spot transactions and foreign exchange swaps were up from 2021, with foreign exchange swaps up by the most at US\$1.484 billion (12.23%), while spot transactions increased by US\$418 million (5.37%).

Daily Average Volume of Foreign Exchange Transactions between Banks by Product

Unit: US\$ million

Item \ Year	2022	2021	Change (US\$)	Change (%)
Spot	8,205	7,787	418	5.37
Forwards	1,076	1,097	-21	-1.91
Swaps	13,620	12,136	1,484	12.23
Options	743	787	-44	-5.59
Cross-currency swaps	20	59	-39	-66.10
Total	23,664	21,866	1,798	8.22

Source: "Financial Statistics Monthly, Republic of China (Jan. 2023 edition)," Department of Economic Research, CBC, February 2023.

(4) Consumer Finance Business

According to statistics compiled by the FSC Banking Bureau, a total of 56.24 million credit cards issued by 33 institutions were in circulation at the end of December 2022, up by 6.87% from the 52.63 million at the end of 2021. The total number of active cards stood at 35.6 million, an increase of 5.33% from 33.79 million at the end of 2021. The total amount of transactions paid for with these cards in 2022 amounted to NT\$3.4902 trillion, an increase of 12.31% compared to 2021. The amount of revolving credit outstanding was NT\$105.3 billion, up 4.18% from 2021. Cash advances outstanding totaled NT\$2.00 billion, a decline of 1.84% compared to 2021.

In terms of automatic teller machines (ATMs), there were 32,680 ATMs in Taiwan as of the end of December 2022, up by 1.65% from 32,150 at the end of 2021. The cumulative number of financial cards issued rose by 3.64% from 224.79 million at the end of 2021 to 232.99 million at the end of 2022. There were 926.14 million ATM transactions during 2022, a decrease of 0.56% from the 2021 figure of 931.33 million, and ATM transactions totaled NT\$12.2104 trillion in value, down by 6.44% from NT\$13.0503 trillion in 2021.

(5) Financial Derivatives Business

The nominal amount of open derivatives positions of domestic banks (including headquarters, domestic and overseas branches, and offshore banking units) and foreign banks (ordinary branches in Taiwan plus offshore banking units) at the end of December 2022 stood at NT\$70.3549 trillion, an increase of 20.14% compared to NT\$58.5615 trillion a year earlier.

Over-the-counter (OTC) transactions accounted for 99.77% of these positions, while exchange-traded contracts made up only 0.23%. Of the OTC transactions, forward contracts accounted for the largest share (57.8%) of the notional value of total open positions, followed by swaps (39.86%). In terms of analysis of the purposes of transactions, trading derivatives made up 99.00% of the total, while non-trading derivatives accounted for only 1.00%.

Notional Amounts Outstanding of Financial Derivatives

Unit: NT\$ million, %

Item	End of 2022		End of 2021		Changes	
	NT\$	%	NT\$	%	NT\$	%
I. Notional Amounts Outstanding	70,354,855	100.00	58,561,530	100.00	11,793,325	20.14
A. OTC	70,191,602	99.77	58,285,126	99.53	11,906,476	20.43
1. Forwards	38,906,712	55.30	33,689,812	57.53	5,216,900	15.49
2. Swaps	28,040,479	39.86	21,993,761	37.56	6,046,718	27.49
3. Bought options	1,568,233	2.23	1,249,868	2.13	318,365	25.47
4. Sold options	1,676,178	2.38	1,351,685	2.31	324,493	24.01
B. Exchange-traded contracts	163,253	0.23	276,404	0.47	-113,151	-40.94
1. Futures- long positions	49,125	0.07	19,431	0.03	29,694	152.82
2. Futures- short positions	113,030	0.16	254,179	0.43	-141,149	-55.53
3. Bought options	257	0.00	1,493	0.00	-1,236	-82.79
4. Sold options	841	0.00	1,301	0.00	-460	-35.36
II. Notional Amounts Outstanding	70,354,855	100.00	58,561,530	100.00	11,793,325	20.14
A. Total contracts held for trading purpose	69,653,629	99.00	58,009,239	99.06	11,644,390	20.07
B. Total contracts held for non-trading purpose	701,226	1.00	552,291	0.94	148,935	26.97

Note: The figures in this table include both domestic banks (head offices, domestic and overseas branches, and OBUs) and foreign banks (ordinary branches and OBUs in Taiwan).

Source: CBC website, February 2023.

(6) Digital Deposit Accounts Business

As of the end of 2022, 38 banks handled online applications for opening digital deposit accounts, and there were a total of 14.807 million such accounts, an increase of 41.43% over the figure of 4.337 million accounts at the end of 2021.

Digital deposit accounts in Taiwan are divided into three categories, depending on the type of ID verification used. Of them, the largest number are type 3 accounts (accounts opened online by customers with deposit accounts at other banks, or existing customers with credit cards issued by the same bank), with 7.522 million. In second place are type 2 accounts (accounts opened online by existing customers with deposit accounts at the same bank), with 4.296 million, while there are 2.99 million type 1 accounts (accounts opened online with a Citizen Digital Certificate).

Changes in the Number of Digital Deposit Accounts

Unit: Number of accounts

Item \ Year	End of 2022	End of 2021	Change (Accounts)	Change (%)
Type 1 accounts	2,989,922	2,451,682	538,240	21.95
Type 2 accounts	4,295,677	3,325,510	970,167	29.17
Type 3 accounts	7,521,696	4,692,614	2,829,082	60.29
Total	14,807,295	10,469,806	4,337,489	41.43

Source: Financial Supervisory Commission

(7) Commercial Reverse Mortgages

At present there are 15 domestic banks in Taiwan that offer commercial reverse mortgage services. As of the end of December 2022 they had extended a combined 6,697 commercial reverse mortgages, lending a total of NT\$37.8 billion. These two figures were up by 1,071 mortgages and NT\$5.7 billion, respectively, compared to the end of December 2021, indicating that there is steady growth in this type of lending.

Changes in Commercial Reverse Mortgages

Unit: Transaction; NT\$ 100 million

Item \ Year	2022	2021	Change (Transaction; NT\$)
Loans granted	6,697	5,626	1,071
Lending amount	378	321	57

Note: Numbers for loans granted and lending amount are calculated from the date that each bank opened for business.

Source: Financial Supervisory Commission

(8) Cross-Strait Remittances Business

The Central Bank of the ROC established a Foreign Exchange Clearing System in September 2012, and in September 2013 began to handle domestic and cross-border (including cross-strait) RMB remittances. Moreover, in February 2014 cross-strait US dollar remittances were incorporated into the System. The goals were to streamline bank operating procedures, achieve economies of scale, and reduce bank operating costs. In 2022 outward and inward remittances to and from China by all banks totaled US\$528.8 billion and US\$403.6 billion, respectively, down by 7.76% by 7.70%, respectively, from 2021.

Changes in Cross-strait Remittances

Unit: US\$ 100 million

Item \ Year	2022	2021	Change (US\$)	Change (%)
Outward remittances	5,287.68	5,732.27	-444.59	-7.76
Inward remittances	4,036.23	4,372.94	-336.71	-7.70

Source: Financial Supervisory Commission

(9) Other Business

In 2022, domestic banks' fee income was NT\$231 billion, an increase of 3.23% compared to NT\$238.7 billion in 2021. Fee income accounted for 8.22% of the total income of domestic banks in 2022, an increase from 12.53% in 2021, indicating that fee income for Taiwan's domestic banks has declined.

Changes in Banks' Fee Income

Unit: NT\$ 100 million

Item \ Year	2022	2021	Change (NT\$)	Change (%)
Fee income	2,310	2,387	-77	-3.23
Fee income as share of total income of domestic banks (%)	8.22	12.53	-	-

Source: Financial Supervisory Commission

IV. Report on the Work of BAROC

A. Major Achievements in 2022

1. Coordinated with the government's anti-fraud policies by drafting anti-fraud financial measures
 - (1) To help member institutions to prevent fraud, BAROC helped to draw up a list of 15 transaction patterns (observed by all banks) that suggest possible illegality or show clear signs of irregularity, and provided it to member banks for their reference. Also, when judicial police authorities report deposit accounts as watch-listed, these reports are typically based on the observation of various red flags, and the following four red flags have been added to this list: an account owner who has long had no dealings with a bank suddenly contacts the bank and applies to change their contact information; a person applies to open an online bank account or reactivates a dormant account, then designates it for funds transfers to/from multiple preset accounts; multiple customers set up related preset accounts or use an identical online banking username; and inward remittances are quickly transferred to offshore accounts on a virtual account transaction platform. This information was disseminated to member institutions for their reference.
 - (2) To prevent fraud, BAROC amended the "Operating Procedures for Reporting and Control of Multiple Financial Institution Deposit Accounts Owned by a Single Person After One of Those Accounts Has Been Watch-listed." The pre-amendment Operating Procedures required financial institutions to obtain information on watch-listed accounts from the Joint Credit Information Center (JCIC) "twice every business day," but this wording has now been changed to "twice every day." The amendment was registered with the Financial Supervisory Commission (FSC) and forwarded to member financial institutions with instructions to act accordingly.
 - (3) The FSC sent a letter informing BAROC that some outside parties had commented that the fraud warning mechanisms of online and mobile banks were insufficient, and those parties had suggested improvement measures. Banks studied the matter and, in addition to proposing the placing of warning messages on the funds transfer pages of their online and mobile banking websites, they also proposed increasing the font sizes or using eye-catching colors and bold lettering. Also, considering the fact that when customers are defrauded the frauds may repeatedly involve the same type of transaction, banks proposed that when a customer executes the same type of funds transfer repeatedly on the same day, banks could intervene by asking whether the customer is sure they wish to go ahead. The FSC indicated its agreement with these measures and instructed banks to modify their systems within six months.

- (4) The FSC asked BAROC to identify patterns typically observed in the irregular opening of digital deposit accounts, to develop feasible prevention methods, and to provide the information to banks for their reference. BAROC has already identified seven patterns typically observed in the irregular online opening of digital deposit accounts, and has disseminated this information to member banks.
- (5) The FSC Financial Examination Bureau instructed BAROC to review the appropriateness of the mechanism for use of the National Fee (Tax) Payment System to pay fees (taxes) via unregistered demand accounts. BAROC invited member institutions and the Financial Information Service Co. (FISC) to study the matter, and they recommended that after the successful execution of a transaction via an unregistered demand account, the customer should be immediately notified (e.g. by means of an SMS text message, app push notification, email, or some other method), and the customer should be asked to provide another means of immediate contact for use when immediate notification is not possible. FISC reported these measures to the FSC for approval, then BAROC disseminated them to member institutions with instructions to act accordingly and to complete system adjustments within nine months.
- (6) To address the problem of third-party payment services being used to carry out fraud operations, the FSC asked BAROC to study patterns of irregular transaction activity involving third-party payment services and their sellers. BAROC, working with banks and third-party payment services, has identified 11 irregular transaction patterns involving credit cards and 3 irregular transaction patterns involving virtual accounts. This information has been disseminated to banks with instructions to make proper use of it.
- (7) In order to strengthen the anti-fraud defense network that financial institutions and law enforcement authorities have built by working in concert with each other, the Ministry of the Interior's National Police Agency is planning to establish an Electronic Platform for the Accessing and Reporting of Financial Data for the Purpose of Anti-fraud Joint Defense:
 - a. On 21 July 2022 the National Police Agency (NPA) held an informational meeting at which BAROC lent its assistance by inviting member banks to attend. Prior to the meeting, BAROC compiled the views of the banks and submitted them prior to the meeting to the NPA for its reference. After the NPA delivered a copy of the minutes of the first informational meeting, BAROC compiled the views of its member banks (regarding the record required retention period for online banking app logins, as well as data access subsystem architecture and its mode of operation) and submitted them to the NPA for its reference.

- b. When an agency seeks to access data via the aforementioned Platform, it gives rise the following administrative question: Can the electronic form used by the agency that seeks to access data be regarded as an official government document? The matter was discussed, and it was noted that an order issued by the FSC, as well as the provisions of Article 48, paragraph 2 of the Banking Act, both require banks and electronic payment institutions to maintain the confidentiality of customer data. Therefore, if a law enforcement authority is able to access customer data simply by issuing a request for access via the Platform, this situation is clearly not in conformance with the aforementioned legal provisions. Accordingly, BAROC has already asked the FSC to issue an interpretation regarding this matter so that banks will have a guideline to go by.
- (8) In order to accelerate prosecutorial authorities' investigations of property crimes, the Ministry of Justice and the Taiwan High Prosecutors Office have launched a "System for the Use by Prosecutorial Authorities of Electronic Document Systems to Request Financial Information":
- a. To improve the "System for the Use by Prosecutorial Authorities of Electronic Document Systems to Request Financial Information" that was originally launched on 1 March 2018, the Taiwan High Prosecutors Office has asked BAROC to survey its member institutions and obtain their views on: the advisability of additionally allowing for requesting financial information by providing an account number; the advisability of allowing for additional types of information to be checked in foreign currency accounts and safety deposit boxes (rooms); and the advisability of lengthening the time limit (from 7 days to 10) for responses to requests for financial information. The Ministry of Justice took BAROC's views into account and adopted changes to the System. BAROC helped member banks to conduct system tests, and the new System was launched on 1 August 2022.
- b. Regarding the expansion of this System to allow its use by the Ministry of the Interior's National Police Agency and the Ministry of Justice Investigation Bureau, BAROC helped member institutions to work with the National Police Agency and the Investigation Bureau on system tests, and instructed member institutions to coordinate with the new System's launch on 1 August 2022.
- (9) To prevent members of the public from being defrauded and transferring funds outside the country, BAROC, acting upon the instruction of the FSC, helped banks to run a pilot test program for an "Early Warning System for Offshore Accounts Suspected of Being Used for Fraud." In late July 2022 a total of 36 financial institutions (domestic banks and Chunghwa Post Co.) completed and launched the Early Warning System in order to fight crime and

encourage bank service personnel to ask questions when it appears that a walk-in customer may be getting scammed. On the afternoon of 13 September 2022 BAROC held a "High-Level Forum on the Early Warning System for Offshore Accounts Suspected of Being Used for Fraud," where special recognition was given to financial institution personnel who had done an especially good job of spotting scams in progress and preventing fraudulent transactions from taking place.

- (10) After the "Act Governing Electronic Payment Institutions" was amended to allow inter-institution funds transfer services, the FSC advised BAROC to draft a set of anti-fraud joint defense operating procedures for electronic payment institutions. After studying the matter, BAROC adopted a set of "Operating Procedures for Conduct by Electronic Payment Institutions of Anti-fraud Joint Defense and Derivative Watch-listing in Connection with Watch-listed Electronic Payment Accounts." Thereafter, the Operating Procedures were amended to coordinate with an amendment to the "Operating Procedures for Reporting and Control of Multiple Financial Institution Deposit Accounts Owned by a Single Person After One of Those Accounts Has Been Watch-listed" (the amendment requires financial institutions to obtain information on watch-listed accounts from the Joint Credit Information Center more frequently than before). The corresponding amendment to the "Operating Procedures for Conduct by Electronic Payment Institutions of Anti-fraud Joint Defense and Derivative Watch-listing in Connection with Watch-listed Electronic Payment Accounts" similarly requires electronic payment institutions to obtain information on watch-listed e-payment accounts from the Joint Credit Information Center more frequently than before. This amendment has been registered with the FSC and disseminated to member institutions with instructions to act accordingly.
- (11) Online scammers have many different ways of hijacking the code numbers in SMS verification messages. In order to protect consumers and make them better able to spot scams, the FSC asked BAROC to instruct credit card institutions that when they send a one-time password (OTP) for a credit card transaction, the OTP message must state the dollar amount of the purchase. Credit card institutions were required to make the change by 23 November 2022.
- (12) To reduce the risk of fraudulent use of credit cards, the FSC Banking Bureau advised BAROC to study the feasibility of improving the content of the one-time password (OTP) that credit card institutions send to provide a verification code for each credit card transaction. The matter was studied, and a majority of member institutions indicated that in the SMS verification message that they send for each credit card transaction they already indicate the final four

digits of the credit card number and provide an anti-fraud cautionary statement to remind the cardholder to be careful with this type of transaction and avoid giving out personal information or an OTP password to an unknown party so as not to fall victim to fraud. In order to fulfill their corporate social responsibilities and to uphold the interests of cardholders, if the purpose of an OTP verification message is to bind a credit card, then when the verification password message is dispatched, its content must indicate that it is a "verification to bind the credit card" so that the cardholder will know this fact. This matter has been reported to the FSC for its reference, and the information was disseminated to member institutions with instructions to complete related adjustments to their operations by 12 April 2023.

2. Continued to adapt to digital finance trends and assessed relevant measures to promote digital finance

(1) Continued helping banks to promote online loan services:

- a. Acting upon the instruction of the FSC, with respect to interpretations by the Judicial Yuan and the Ministry of Justice regarding such questions as whether the creditor's rights contracts or mortgage contracts related to online loan applications can be replaced by electronic documents, and whether a creditor can petition for their compulsory enforcement, BAROC invited member banks to attend a meeting and discuss response measures, and also retained the law firm of Baker & McKenzie to collect information on progress made last year throughout the world toward creation of a digital financial environment, and to prepare a position paper on the subject and submit it to the FSC so it can study the paper and refer to it in communicating with other competent authorities.
- b. To coordinate with the policies of the competent authority, BAROC studied how to optimize the measures employed by banks to conduct online loan services, including: allowing the MyData platform to be used to upload images of ID cards; allowing the ID information obtained from a customer to be used at more than one stage of an application procedure (the application review stage, and the identity confirmation stage) without any need to repeatedly obtain the information from the applicant; and allowing that, when loan proceeds are disbursed to the borrower's account, the account in question need not be a "deposit account" so long as a proper money trail is maintained.
- c. Acting upon the instruction of the FSC, BAROC studied the question of whether banks, when conducting credit check operations or extending loans either in Taiwan or overseas, should be allowed to decide (on the basis of their internal operational rules and credit check

administrative requirements) whether to adopt videoconferencing or remote technology to undertake confirmation of business information and signature verification. After the FSC reviewed the results of the inquiry, BAROC disseminated it to member banks. In addition, BAROC collected information on the actual experiences of banks that in the past have actually adopted videoconferencing or remote technology to undertake confirmation of business information and signature verification, and provided this information to banks for their reference in adopting internal rules in order to pay balanced attention to the needs for business development as well as risk management.

- d. Questions have been raised about the application of the term "direct credit checks" as used in Article 12 of the "Credit Check Standards for Members of the ROC Bankers Association." After studying the matter, BAROC informed member banks that the term "direct credit checks" appears to refer not only to credit checks conducted during "on-site visits," therefore banks are allowed to conduct credit checks online in real time. However, considering the fact that there are differences between credit checks carried out by videoconference and credit checks conducted on-site, BAROC prepared a set of related guidelines and disseminated them to member banks.
- (2) To respond to the development of digitized services, BAROC drafted a set of "Guidelines for the Handling by Banks of Customers' Online Opening of Digital Deposit Accounts":
- a. The FSC proposed that any method providing entity authentication assurance that is no lower than that of a certificate signing request (CSR) authentication should be included among the identity authentication methods that may be used for type 1 digital deposit accounts, and asked BAROC to conduct a study aimed at finding a way to get this done. Considering business needs, account opening risks, and the need to protect consumer interests, BAROC adopted a new rule which provides that when a person has first filled out and uploaded information online, they may then present two forms of personal identification in person at a service desk to open an online deposit account.
 - b. The FSC asked BAROC to study the possibility of conducting ID authentication by making use of the MyData platform. After studying the matter, BAROC adopted a new rule which provides that a bank that has obtained the customer's authorization may obtain "household registration data and national ID information" from the Ministry of the Interior's Department of Household Registration, and may use this in place of images of two forms of personal ID.

- (3) BAROC had previously reported to the FSC regarding virtual teller machines (VTMs), focusing on such issues as what kind of people opened VTM accounts and what sorts of measures have been taken to manage related operational risks. After the previous report was approved, BAROC was asked to study what else can be done to further expand VTM services. BAROC invited member banks and related committees to discuss the matter, and they recommended adding 11 new services including deposits, and extension of credit, as well as applications to close accounts, obtain financial chip cards, register preset accounts to receive incoming payments, and to receive personal loans. BAROC also drafted a number of coordinated security design measures to support the aforementioned services, and reported them to the FSC, which indicated its approval in principle, after which BAROC informed member banks and instructed them to act accordingly.
 - (4) BAROC once again worked with the Joint Credit Information Center (JCIC) to continue amending the "Administrative Rules Governing Financial Institutions' Access to Government Agency Data Via the Joint Credit Information Center." These were filed with the FSC, which indicated that in principle it approves card institutions to access data in the Financial Data Center of the Ministry of Finance. Also, to ensure that the aforementioned authorization documents meet requirements for credit card business operations, and that institutions which consent to provide data do so in an appropriate manner, and to ensure the non-repudiability of authorization forms, BAROC reported these matters to the meeting and asked the JCIC to help submit a report to the competent authority and issue a document to inform recipients that it had amended the aforementioned Administrative Rules and had tested online connections and other related matters.
3. Assisted banks in dealing with discontinuation of the LIBOR benchmark, helped them to stay up to date on international information and practices

In order to help banks respond to matters related to the discontinuation of the LIBOR benchmark, BAROC completed the following tasks:

- (1) The FSC instructed banks to act as soon as possible to stop entering into new financial agreements that use LIBOR as the reference rate. BAROC studied the scope of financial derivative transactions that the LIBOR discontinuation should affect, and developed recommendations for how overseas branches should handle the discontinuation. After reporting these matters to the FSC, BAROC informed member banks and instructed them to act accordingly.

- (2) To help member banks and their customers communicate regarding contract conversion matters, BAROC compiled a set of "LIBOR Discontinuation FAQs" and disseminated them to member banks for their use.
- (3) In order to continue providing information related to the development of international markets and rules, BAROC sent copies of 2022 quarterly updates to the "Report on Suggested Directions for Measures in Response to the LIBOR Transition" to member banks, and also resolved points of uncertainty for member banks.
- (4) In order to help the competent authorities better understand the impact of LIBOR discontinuation on the entire banking industry and banks' responses, the LIBOR Working Group surveyed banks' preparations as of specific record dates in March, June, September, and December 2022, and in June and December used the survey results to produce a "LIBOR Transition Impact Assessment Report for All Banks," which was provided to the FSC and the Central Bank for their reference.
- (5) To help banks carry out the LIBOR transition, BAROC acted in accordance with FSC instructions by holding an online "Seminar on the Challenges Faced by Banks in their Implementation of the LIBOR Transition and How They Have Responded" on 26 July 2022. The event was attended by 123 persons, and minutes from the proceedings were provided to banks.

4. Continued helping banks to provide more customer-friendly financial services

- (1) To ensure that financial institutions provide friendly financial services, the FSC instructed BAROC to hold regular meetings with groups representing persons with disabilities to discuss relevant issues. On 27 April and 30 December 2022, BAROC convened meetings on the provision of friendly financial services by financial institutions, to which the competent authorities, groups representing persons with disabilities, and bank representatives were invited. They discussed issues that included the schedule for installation of barrier-free ATMs, barrier-free Internet banking, and online real-person and intelligent text services. BAROC instructed member institutions to build a consensus on various ways to improve communication with customers during account opening procedures or through the design of application documents by, for example, including QR codes or providing sign language video translation services. These suggestions were reported to the FSC for approval, then forwarded to BAROC member institutions for implementation.

- (2) To help people with disabilities to obtain financial services, BAROC collected information on practices adopted in other countries, asked disabled people's groups for their input, then amended the "Guidelines for Friendly Banking Services" to address the need to simplify bank services language, prepared easily readable versions of its "Q&As on Friendly Financial Services," and prepared an appendix to the "Guidelines for Friendly Banking Services" entitled "How to Provide Proper Assistance to People With Various Disabilities in Different Circumstances." The above have been filed with the FSC.
- (3) To coordinate with FSC recommendations put forward in response to a Control Yuan survey of difficulties encountered by persons with selected disabilities (e.g. cerebral palsy, cognitive impairments) while applying to open financial accounts, BAROC collected case-history information on persons with disabilities encountering difficulties while applying to open accounts or receive financial services, then developed suggestions for how to assist in such situations and forwarded these suggestions to banks for their reference. In addition, BAROC engaged the Parents' Association for Persons with Intellectual Disability, Taiwan to prepare an easy-to-read account opening brochure. This brochure is now provided to member banks to make it easy for persons with disabilities to understand bank services.
- (4) To help create friendly financial environments, BAROC collected information on the behavioral traits typically exhibited by persons with cognitive impairment or possible cognitive impairment when they appear at a service counter to handle financial matters, the problems faced by financial institutions when they serve persons with cognitive impairment or possible cognitive impairment, and how such situations are handled overseas. On the basis of its findings, BAROC prepared a document entitled "A Look at How Some Banks Have Served Persons with Cognitive Impairment or Possible Cognitive Impairment." This document was reported to the FSC, then forwarded to BAROC member institutions for their reference.
- (5) The FSC issued a letter on 1 January 2022 regarding the fact (as reported by the Kaohsiung City Government) that mobile banking ID confirmation is conducted only through the use of OTP voice verification, which poses an obstacle for hearing-impaired persons. With regard to this matter, BAROC on 18 January 2022 asked member institutions, when planning out related security systems, to devise a variety of other ID verification solutions in order to provide a financial services environment that is friendly to persons with disabilities, and to which everyone will enjoy equal access.

(6) To help resolve the difficulty that visually impaired persons experienced at financial institution websites when attempting to bind the government's Quintuple Stimulus Vouchers, BAROC on 28 January 2022 asked member institutions that provide no barrier-free functions on their websites to adopt alternative service measures (for example, providing a customer service phone hotline; dispatching head office personnel to branches to provide assistance; enabling customers to use a bank website to send feedback messages; and making it possible to convert CAPTCHA authentication codes into a read-out format) in order to raise awareness of the need for friendly financial services and uphold the interests of customers with special needs.

5. Continued to help Taiwanese banks bring practices in line with international risk management rules

In order to help the competent authorities to assess issues related to risk management requirements of the Basel Committee on Banking Supervision (BCBS) for banks and their application in Taiwan, the Basel Research Task Force (BRTF), jointly established by BAROC and the FSC Banking Bureau, completed the following tasks:

- (1) Regarding the measurement of market risk capital charges, BAROC used "simplified standardised approach" or "new standardised approach" capital charges as the classification standard, and used the time required to prepare "new standardised approach" capital charges to conduct a survey of banks' opinions and put forward recommendations.
- (2) BAROC studied a number of securitization-related documents issued by BCBS in recent years, reviewed everything that BAROC submitted to the FSC in 2017, then filed Chinese translations of the following three BCBS documents with the FSC: (a) Capital treatment for "simple, transparent and comparable" securitisations; (b) Technical amendment setting out capital treatment of securitisations of non-performing loans; and (c) Basel III Document: Revisions to the securitisation framework. In addition to the translations, BAROC also filed related FAQs and recommendations for legislative amendments.
- (3) BAROC translated the "Frequently asked questions on the Basel III standardised approach for measuring counterparty credit risk exposures" issued by BCBS in March 2018, and with an eye to routine banking operations drafted a recommended amendment to the "Methods for Calculating Banks' Regulatory Capital and Risk-Weighted Assets" and the content of the part 7 calculation table, and filed it with the FSC.

(4) Part 2 of the "Methods for Calculating Banks' Regulatory Capital and Risk-Weighted Assets" sets out a standardized approach and an internal ratings-based approach to credit risk. Therein, BAROC prepared an amendment to the FSC's draft amendment of "B. Internal Ratings-Based (IRB) Approach To Credit Risk" and put forward related recommendations. Also, BAROC provided opinions regarding what should be in the post-trial suitability audit report issued by the audit unit in conjunction with the compliance and risk management units. The opinions were submitted to the FSC Banking Bureau.

6. Promoted the implementation of climate risk management in the banking industry and strengthened operational resilience

To respond to the impact of climate risks upon banks, and to implement related risk management, BAROC completed the following special projects:

(1) Climate Scenario Analysis Planning Project:

- a. BAROC collected concrete information on how climate stress tests have been conducted elsewhere around the world; studied how Taiwan might model its own climate stress tests upon methods employed overseas; conducted a feasibility study to determine whether it would be preferable to conduct climate stress tests separately or to continue carrying them out within the current stress testing framework; and evaluated a timetable for when to begin climate stress testing. This information was reported to the FSC for its policymaking reference.
- b. Completed various documents, including "Domestic Banks' Conduct of Climate Scenario Analysis Planning Project," "Climate Scenario Analysis Parameter File," "FAQ on Climate Scenario Analysis Matters," and the "ROC Bankers Association Climate Stress Test Project Review Report." The documents were disseminated to member banks to guide the conduct of their first climate scenario analyses.
- c. On 12 January 2023 BAROC held an informational meeting on "Domestic Banks' Conduct of Climate Scenario Analysis Planning Projects." The meeting was attended by 196 persons.

(2) Domestic Bank Climate Risk Management Project:

- a. Completed preparation of a "Climate Risk Management Handbook for Domestic Banks" and a "Climate Risk Management Self-assessment Tool," then disseminated these to member banks for their reference.

b. Completed a "Questionnaire on Progress Toward Implementation of Climate Risk Management," and asked domestic banks to respond to the questionnaire to help the competent authority better understand the progress of domestic banks toward installing related systems.

c. On 25 October and 28 December 2022 BAROC held an "Informational Meeting on the Climate Risk Management Handbook for Domestic Banks" and an "Informational Meeting on the Domestic Bank Climate Risk Management Project," attracting a combined total attendance of 382.

7. Actively trained international financial professionals, built up BAROC website section with information needed by companies seeking to expand their overseas presence, helped banks expand their international presence

(1) BAROC organized a "Study Trip for Asian Financial Supervisory Officials," the participants of which attended the "2022 Asia Financial Supervision Summit" on 2 December 2022, where senior officials from the State Bank of Vietnam, the Central Bank of the Philippines, and SEACEN delivered addresses at the Summit to share their insights regarding supervision of foreign banks, and to provide their analyses of economic and financial conditions, thus helping domestic Taiwanese banks to develop a clearer understanding of overseas market conditions and key legislative provisions. A total of 153 persons attended. In addition, BAROC arranged for the Study Trip participants from the State Bank of Vietnam to visit the competent authorities for Taiwan's financial industry, various financial industry self-regulatory organizations, and graduate schools of banking and finance. These visits, together with the aforementioned Financial Supervision Summit, did much to deepen the participants' ties with Taiwan's banking industry.

(2) Training Program for Senior Management at Financial Institutions: The purpose of this program is to cultivate "supervisory personnel for the overseas business locations of banks." The four main course themes are "market trends and analytical judgments," "business strategies and policymaking thought processes," "overseas business and operations management," and "team management and cross-cultural communication." The program employs a diverse range of learning methods — e.g. senior management personnel shared their experiences, divided into groups for mock training activities, took part in overseas study trips, and presented end-of-program reports on selected topics — to help participants develop an international perspective. The 2022 program was attended by 38 persons, including 1 each from the FSC and the Central

Bank as well as a total of 36 persons from Taiwan Cooperative Bank (TCB) and 21 other banks.

- (3) BAROC gathered relevant information needed by domestic banks for establishing business locations in selected overseas markets, organized it, and uploaded it to a special section on the BAROC website for reference by domestic banks in evaluating plans to expand their overseas presence.
- (4) To upgrade the professional skills of foreign exchange personnel at BAROC member banks and keep pace with international practices, BAROC continued to upload Chinese-language summaries of explanations of case studies of banking practices as well as international regulatory trends provided by the International Chamber of Commerce to special sections on the BAROC website, to facilitate access to and use of this information by member banks' foreign exchange personnel.

8. Coordinated with government policy by drafting measures to be taken by financial service providers

- (1) Coordinated with government relief policies, extended financial measures adopted in response to the pandemic:
 - a. With regard to enterprises which intended to stay in business and paid interest normally, for the principal of existing loans due before 30 June 2022, BAROC adopted rescheduling measures that allowed for deferrals of six months, and relaxations of requirements for borrowers to furnish guarantors or certificates of deposit were extended to 30 June 2023, as were simplified loan application procedures.
 - b. BAROC simplified requirements regarding CPA certifications, scope of credit checks, and provision of pro forma financial statements when a borrower seeks to take out a new loan or reschedule an existing one, and extended previously adopted financial measures to 30 June 2023.
 - c. With regard to the debt rescheduling negotiations to be held in accordance with BAROC's "Self-Regulatory Rules for Enterprise Debt Rescheduling Negotiations," with the agreement of financial institutions holding more than one-half of the value of all claims, and given the fact that the deadline for debtor relief measures had already passed, and considering furthermore that the continued severe state of the pandemic would prevent a quick return to economic normalcy, it was decided to extend the period of enterprise debt rescheduling negotiations to end-December 2023.

- (2) The FSC asked BAROC to act in the first quarter of 2022 to draft coordinated measures for "the provision by banks of financial products and services to high-asset customers." Such measures would include the following:
- a. BAROC set up a task force to handle the drafting of coordinated measures for "the provision by banks of financial products and services to high-asset customers," and in line with a request from the competent authority BAROC invited the ROC Trust Association and the Taiwan Academy of Banking and Finance to dispatch personnel to form special workstreams to assist with the work.
 - b. BAROC retained Deloitte & Touche to conduct a study entitled "Reference Documents for Banks' High-Asset Customer Wealth Management Business." The study included the following six sections: "Employee Ethics, Professionalism, and the Prevention of Conflicts of Interest"; "Legal Compliance"; "Customer Relationship Management"; "Control of Money Laundering and Financing of Terrorism (Including Tax Crime)"; "Control of Fraud Risk"; and "Internal Controls, Security Control, and Malpractice Prevention Measures for Digital Financial Services." The study also included two appendices dealing with: (a) off-premises receipt of application documents, and (b) family trust matters. The study was completed in two phases, which were approved by the FSC in July and November and then disseminated to member banks for their reference.
 - c. The Taiwan Academy of Banking and Finance developed a Competency Framework for Wealth Management Talent, submitted it to the Board of Directors in May 2022, and then filed it with the FSC in July. The Competency Framework has now been disseminated to BAROC's member banks, which may either dispatch personnel as necessary to attend training courses and obtain professional certifications, or may organize their own in-house training activities with reference to the Competency Framework.
 - d. BAROC and the Bankers Association of Taipei jointly held a forum on "Provision by Banks of Financial Products and Services to High-Asset Customers" at the 2F Auditorium of the Taiwan Academy of Banking and Finance on 5 December 2022. The event was a big success, and attracted a total attendance of 94 persons.
- (3) Acting in accordance with a resolution adopted at a 17 May 2022 meeting on "Strengthening of Ethics Risk Management for Bank Financial Advisors," the FSC instructed BAROC to study measures that could be taken to strengthen ethics risk management for financial advisors. BAROC set up a "Special Task Force on Strengthening of Ethics Risk Management for Bank Financial Advisors" to gather the views of banks and the evaluation opinions of BAROC's

own advising attorneys. The question of legality was at issue with respect to each of five recommendations put forward, which involved the "Banking Act," the "Labor Standards Act," the "Personal Data Protection Act," and the "Employment Services Act." It appears that simply inserting related provisions into BAROC's "Principles for Prevention by Banks of Embezzlement by Wealth Managers of Customer Funds" will not be sufficient to relieve banks of related legal risks. However, the competent authority still hopes it will be possible to devise measures to strengthen ethics risk management for banks' financial advisors and prevent a financial advisor from ever again embezzling a customer's funds. The Special Task Force has met twice to discuss this matter, and will continue working on it moving forward.

- (4) Banks had recommended that the definition of the term "electronic equipment" as used in Article 29, subparagraph 1 of the "Self-regulatory Rules for Banks Dealing in Derivative Products" be broadened, and the FSC responded by instructing BAROC to study the matter. BAROC set up a task force which recommended an amendment to Article 28, subparagraph 4 of the aforementioned Self-regulatory Rules. In addition, with regard to the suggestion that personnel who meet solicitor qualifications (e.g. relationship managers and customer service personnel at a bank's head office) should be allowed to engage in solicitation work, the competent authority after the meeting recommended the insertion of a new provision (Article 28-1) into the "Self-regulatory Rules for Banks Dealing in Derivative Products." The task force has been asked to state its views regarding the recommended amendments, and follow-up work will continue.
- (5) In cooperation with recommendations from the competent authority, BAROC expanded corporate governance evaluations into ESG evaluations, strengthened sustainable finance training for directors, senior management, and rank-and-file employees at financial services firms, and provided financial support for the conduct of sustainable finance evaluations.
- (6) The FSC instructed BAROC to draft a set of "Self-Regulatory Rules for Fair Treatment by Banks of Elderly Customers" with reference to the "Guidance for firms on the fair treatment of vulnerable customers" issued by the UK Financial Conduct Authority (FCA). The Self-Regulatory Rules, which are based on various FSC recommendations and also take the business needs of banks into account, are composed of 17 articles. The content includes sections entitled "general principles," "understanding the needs of elderly customers," "establishing clear customer service procedures and standards," "designing appropriate products and providing suitable services," "communicating with elderly customers," "preventing financial fraud, and other protection measures," "training employees to provide them with the skills and abilities to understand the needs of elderly customers," "developing a complete monitoring and evaluation mechanism," and "supplementary provisions." The Self-Regulatory Rules were approved

by the BAROC Board of Directors on 23 February 2022 and then filed with the FSC, which responded on 23 March 2022 to request that the term "elderly" be clearly defined. This request has been forwarded to member banks for their reference.

- (7) The FSC had previously asked BAROC to adopt a set of simplified measures (to be drafted in accordance with the spirit of a risk-based approach) that will apply when an heir carries out an inheritance process. In actual practice, in most inheritance processes a portion of the heirs take not only their own inheritance documents to the bank but also the inheritance documents of other heirs who are unable to act on their own behalf in handling their inheritance of a benefactor's bank deposits. After comprehensively considering business needs and operational risks, BAROC drafted a "Recommended List of Documents to Be Obtained When a Financial Institution Adopts Simplified Measures to Conduct the Inheritance of Bank Deposits." The purpose of the list is to make it more convenient for heirs to carry out an inheritance process.
- (8) Acting upon an FSC request, BAROC coordinated with the FSC policy of preventing the use of bank funds to ramp up real estate prices. BAROC did so by preparing a report in which it:
 - (a) sought to identify behavioral patterns that indicate possible market manipulation and use of dummy buyers, and
 - (b) put forward recommendations on how to prevent such activities.After BAROC filed its report with the FSC and received the latter's response, to BAROC disseminated the report to member banks with instructions for them to act accordingly.
- (9) Acting upon an FSC request, BAROC proposed methods for disclosure of bank ESG engagement (Equator Principles) practices. After the proposal was reviewed by the FSC, BAROC asked member banks to conduct ESG engagement via their websites. BAROC drew up a list of the banks that have disclosed their ESG practices, and has posted the names and URLs of those banks to the BAROC website.
- (10) Because virtual currency platforms are subject to the provisions of Taiwan's "Money Laundering Control Act," the FSC amended its policy with respect to financial institutions onboarding platform operators as customers, and BAROC coordinated by preparing a draft amendment to the "Handbook for Review of Business Relationships Established by Banks, Virtual Currency Platforms, and Virtual Currency Exchange Operators" as well as a comparison chart of pre- and post-amendment provisions. These were filed with the FSC.
- (11) After a COVID-19 cluster outbreak occurred at a branch of the Union Bank of Taiwan in Taoyuan City, the FSC instructed BAROC to develop recommendations on how to improve disease prevention measures at service counters. BAROC developed six recommendations for actions that banks could take at their service counters to better prevent the spread of disease, and reported these to the FSC, which acknowledged receipt. BAROC then disseminated the recommendations to member institutions with instructions to act accordingly.

- (12) The Taiwanese American Chamber of Commerce (TACC) and banks had previously recommended that financial institutions should be allowed to use electronic signatures to conduct business, and the FSC responded by asking BAROC on 8 July 2022 to draft a comprehensive set of legislative provisions to govern such a method of conducting business. BAROC invited member institutions to study the matter, and the study is currently ongoing.
- (13) The FSC instructed BAROC to adopt accounting treatment principles for the electronic payment business. After studying the matter, BAROC adopted "Accounting Treatment Principles for the Electronic Payment Business" and a "Model Accounting System for the Business of Electronic Payment Institutions." These have been registered with the FSC and disseminated to member institutions with instructions to act accordingly.
- (14) To support the government's so-called "returning salmon" policy (for encouraging offshore firms to return to Taiwan), with respect to the provisions related to supplementary contracts for segregated foreign currency deposit accounts and bank practices under the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act" of the Ministry of Finance, BAROC, taking into account banks' needs, continued to assess reference methods or referral to relevant rules and provided these to banks for their reference, in order to assist customers to smoothly repatriate their funds back to Taiwan for investment and use.
- (15) BAROC coordinated with the FSC in conducting a "survey and projections on the supply and demand of human resources for key industries, 2023-2025" in accordance with Article 17 of the "Statute for Industrial Innovation." With respect to Taiwan banks and financial holding companies, BAROC conducted a survey and projections for supply factors and demand factors in turnover of critical human resources for the banking industry. Survey items include: basic identifying information on the respondent firms; expected number of employee retirements over the coming three fiscal years; analysis of the selection model for key personnel needed to implement the bank's plans for establishing new overseas business locations; the number of additional key personnel needed by the bank due to the launch of new lines of business; number of foreign nationals currently employed by the bank; number of key personnel currently employed whose hiring had been arranged by an outside executive recruitment service; and analysis of the reasons for the departures (retirements) of key personnel. The goal was to understand the short-, medium-, and long-term disposition of human resources in Taiwan's banking industry. The information was provided to relevant government agencies for reference in judging the supply and demand of critical human resources in the banking industry.
- (16) In order to enhance the quality of human resources in the banking industry and acting on the basis of the Ministry of Labor's "Directions for the Promotion of Competency and Application Standards," BAROC adopted "Occupational Competency Standards for Personnel at Financial

Holding Companies, Banks, and Credit Card Institutions," and periodically updated or adopted new competency standards for wealth managers for high-asset customers. These standards were reported to the Banking Bureau which in turn asked the FSC to ask the Ministry of Labor to include them on the Workforce Development Agency's "Integrated Competency and Application Platform" (i-CAP) for reference and use by various sectors in society.

9. Helped Resolve Business and Operational Problems Faced by Member Institutions

- (1) The FSC instructed BAROC to analyze the application of the new US "Anti-Money Laundering Act" (AMLA) to Taiwanese banks in the US and draft relevant measures. The AMLA empowers the US government (without relying on currently existing judicial assistance arrangements or information sharing mechanisms) to subpoena records relating to any account at a foreign bank with a US correspondent relationship, including records maintained outside of the United States. BAROC compiled information on the impact of the AMLA on the actual business operations of member banks and their possible response measures, and submitted the information to the FSC, which studied the information and suggested that the Ministry of Justice, acting in line with its criminal investigative and anti-money laundering investigation objectives, should ask Taiwan's banks to provide relevant data and deal with AMLA-related subpoenas, as before, via currently existing judicial assistance arrangements or information sharing mechanisms. The FSC also recommended an amendment to Article 21 of the "Money Laundering Control Act" in order to exempt banks from any confidentiality obligation with respect to data thus provided. As for the response measures that any individual bank may be allowed to implement, BAROC has already forwarded the FSC reply to member institutions for implementation.
- (2) BAROC assisted in clarifying questions about the practical implementation of legal compliance risk assessments conducted by domestic banks' legal compliance units. BAROC collected banks' actual practices and opinions and, on the basis of the aforementioned information, drafted concrete suggestions which were reported to the FSC for its reference. The FSC studied the information and concluded that – with respect to different overseas branches, joint venture banks, and subsidiaries, and depending on the size and characteristics of each one's business and the types of risks each one faces – a bank may act on its own to adopt appropriate assessment methods, but note that overseas representative offices may be left outside the scope of assessment. BAROC has disseminated this information to member institutions for their reference, with instructions to act accordingly.
- (3) On the basis of an email from the FSC Banking Bureau dated 16 May 2022, BAROC surveyed financial institutions' recording of users' utilization of online bank IP address-related data, and

on 6 July 2022 invited member institutions to attend a meeting to discuss "when a financial institution records users' utilization of an online bank to conduct account transfers, whether it is possible to record port numbers while recording IP addresses." After clarifying this question at the meeting, BAROC reported the results of the discussion to the Banking Bureau.

- (4) Member banks pointed out that the Bankers Association of Taipei had adopted the "Standards for Delegated Authorization of Bank Lending Business and Division of Authority" and the "Directions for Credit Analysis and Lending Business Liaison Matters" many years ago, and suggested that BAROC should call a meeting to discuss their repeal. In addition, there are certain provisions in the "Directions" that are still needed, so the banks recommended that these provisions be inserted into either the "Credit Check Standards for Members of the ROC Bankers Association" or the "Credit Standards for Members of the ROC Bankers Association," as appropriate. After BAROC reported the matter to the FSC and received the latter's response, to BAROC disseminated the information to member banks for their reference.
- (5) With respect to credit card issuers providing personal information to be used by "third parties other than those to whom consent was granted at the time of the original application," the question has arisen regarding how a cardholder is to indicate consent or refusal of consent to a card issuer's new cooperating partners. Because there is a need to consider not only the business needs of card issuers but also the need to protect the cardholder interests, BAROC, acting in response to a letter from the FSC, surveyed the views of member institutions and on 2 December 2022 held a meeting to discuss the matter. Acting in accordance with an instruction from the Banking Bureau, BAROC again surveyed measures that card issuers take to protect personal information that is used "within the scope of a specific purpose" and personal information that is used jointly with a third-party institution "within the scope of a specific purpose," and protective measures used when a card issuer collaborates with social media platforms to process the personal information of cardholders. This information has been filed with the FSC for its reference.
- (6) In order to better protect digital privacy and personal information, the National Development Council prepared a set of draft "Guidelines on the Refusal by a Data Subject of the Use of Their Personal Data for the Purpose of Marketing," which were submitted to several BAROC committees to solicit their views. The committees were of the opinion that BAROC has already issued self-regulatory rules for marketing that provide sufficient protections for the general public, so it seems there is no need to additionally require financial services firms to comply with yet another set of guidelines. This opinion was presented at a meeting held specifically to discuss this matter, and has been provided to the National Development Council for its reference.

- (7) In order to respond to the development of digital finance and the emergence of a wide variety of convenient new methods of notifying cardholders of card transactions, members institutions recommended the introduction of new methods for notifying a cardholder when an automatic bank account withdrawal (to pay for a credit card bill) has failed. Such notifications have been sent out for a long time already and card issuers already send them out using a variety of different methods, but existing methods can certainly be updated to keep up with the times. A proposal has been adopted to update them as follows: Card issuers should be required to provide notifications via mobile phone SMS text, email, telephone, communication software, or app push notification, and to disclose this information on their bills or their websites. This opinion has been provided to the FSC for its reference.
- (8) In order to strengthen the supervisory mechanism of the institutions that manage the Taipei Interbank Offered Rate (TAIBOR), working in line with resolutions adopted by the "Special Task Force on Reform of the TAIBOR Management Mechanism," BAROC completed a draft of the "Directions for the Establishment of the BAROC Taipei Interbank Money Center's TAIBOR Supervisory Commission," which was subsequently approved by the Central Bank. Also, to strengthen supervision of TAIBOR reporting banks, acting in line with a resolution adopted at the first meeting of the TAIBOR Supervisory Commission, BAROC asked TAIBOR reporting banks to disclose their pricing procedures and internal audit systems.
- (9) BAROC periodically evaluated the degree of market participation and the rate reporting qualifications of rate reporting banks, made daily announcements of market transaction statistics, and called occasional meetings to discuss market conditions and improve market efficiency.
- (10) In compliance with Taiwan's measures to prevent tax evasion and to facilitate performance of due diligence for exchanges of financial account information for tax purposes and reporting of tax information under the "Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions" issued by the Ministry of Finance, BAROC forwarded the relevant information to members for reference and implementation.
- (11) BAROC asked SWIFT to assist users in Taiwan to complete their security certifications under the Customer Security Programme (CSP). BAROC's S.W.I.F.T. National Member Group of Taiwan, R.O.C. on 26 October 2022 held its 3rd SWIFT users meeting, where it reminded those in attendance that the current year's CSP had 32 control items, of which 23 were mandatory and 9 were recommended. Member users were required by end-December to complete third-party verification reports and furnish a CSP evaluation result on the SWIFT KYC Registry Security Attestation Application website, and BAROC stated that SWIFT would provide the

competent authority with a list of the names of any users that should fail furnish a report by the deadline. In addition, BAROC urged SWIFT to hold an Asia-Pacific regional online CSP informational seminar on 1 June 2022, and to conduct the proceedings in Mandarin.

- (12) To help Taiwan achieve voluntary compliance with the Principles for Responsible Banking, BAROC drafted a set of "Guidelines for Compliance by Taiwanese Banks with the Principles for Responsible Banking." The content of the Guidelines includes an evaluation of the foundation of the influence of Taiwan's banks, the setting of SMART goals, communication mechanisms, and disclosure methods.
- (13) With regard to an amendment to the "Corporate Governance Best-Practice Principles for Financial Holding Companies," the FSC inquired as to whether the amendment to Article 20 as drafted might need to be revised, or if the matter at hand might be handled in some other way. BAROC studied the matter and on 16 December 2022 reported its decision to the FSC.

10. Adopted New Self-regulatory Rules, Amended Existing Ones

- (1) In an effort to facilitate development of online services while strengthening cyber security, BAROC amended the "Standards for the Security Management Operation of Electronic Banking Business of Financial Institutions" in January 2022, registered the amended Standards with the FSC, and disseminated them to member institutions on 2 June 2022 with instructions to abide by their provisions. Also, to respond to the development of banks' digital business, to strengthen banks' cyber security, to make the "Standards for the Security Management Operation of Electronic Banking Business of Financial Institutions" more readable, and to respond to the flexibility of technological development, BAROC established a task force to develop a new version of the Standards. An amended version was reported to the BAROC Board of Directors for discussions and approval on 22 December 2022, after which it was registered with the FSC.
- (2) To strengthen banks' cyber security measures, BAROC acted in line with an FSC request by drafting an amendment to the "Cybersecurity Standards for Financial Institutions" and submitted it for discussion and approval at the 2nd meeting of BAROC's 14th Board of Directors on 24 November 2022. The amendment was then registered with the FSC on 7 February 2023 with the FSC and disseminated to member institutions with instructions to act in compliance.
- (3) On the basis of an FSC letter dated 19 July 2021 and an FSC Banking Bureau email dated 5 July 2022, in order to strengthen the risk assessment and management of financial supply chain systems, BAROC drafted a set of "Financial Institution Information System and Services Supply Chain Risk Management Rules" and submitted them for discussion and approval at the 2nd meeting of BAROC's 14th Board of Directors on 24 November 2022. The Rules were then registered with the FSC on 30 November 2022 with the FSC.

- (4) To ensure that banks have consistent review procedures for handling applications from citizens for pre-negotiation proceedings, pre-mediation proceedings, rehabilitation and liquidation proceedings, unified collection of funds in rehabilitation, and unified collection of funds in non-exempt liquidation, BAROC continued acting in line with business needs to amend the "Operational Guidelines for Pre-Negotiation Proceedings," "Operational Guidelines for Pre-Mediation Proceedings," "Operational Guidelines for Rehabilitation or Liquidation Proceedings," "Operational Guidelines for Unified Collections and Disbursements in Rehabilitation," and "Interim Operational Measures for Unified Collections and Disbursements in Non-exempt Liquidation."
 - (5) In order to strengthen corporate governance, BAROC drafted an amendment to the "Corporate Governance Best-Practice Principles for Banks to: (1) add provisions pertaining to banks' interactions with their major shareholders, and to the operations of boards of directors; and (2) coordinate with amendments to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Sustainable Development Guidemap for TWSE and TPEX Listed Companies." After the proposed amendments were filed with the FSC for registration, they were forwarded to banks for implementation.
 - (6) The FSC Banking Bureau had previously instructed BAROC to conduct a "Study on the Feasibility of Efforts to Improve, Strengthen, and Adjust the Risk Management Framework Set Out in the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." After drafting the study, BAROC retained an outside CPA firm to help edit and complete it.
 - (7) The FSC Banking Bureau, having previously instructed BAROC, in order to promote transition at domestic banks to digital internal audit systems, to draft a set of "Operational Guidelines for Audits of the Digitization of Domestic Bank Internal Audits." After drafting the Guidelines, BAROC retained an outside CPA firm to help edit and complete them.
 - (8) To strengthen the corporate governance of financial holding companies, BAROC drafted amendments to the "Corporate Governance Best-Practice Principles for Financial Holding Companies" to address various concerns regarding corporate governance, such as interactions between financial holding companies and their major shareholders, and the operations of boards of directors. BAROC registered the amended Best-Practice Principles with the FSC, then forwarded them to member institutions with instructions to act in compliance.
11. Carried out Special Research Projects on Financial Matters of Concern to the Competent Authority and Member Banks
- (1) To collect information on interactions between financial holding companies (both in Taiwan and abroad) and their major shareholders, controversial matters involving the operations of boards of directors, and legislative action undertaken by competent authorities around

the world that relates to corporate governance, BAROC retained the Taiwan Academy of Banking and Finance to conduct a study entitled "Feasible Methods for Legislative Action on Corporate Governance at Domestic Financial Institutions." The results of the study have been reported to the FSC for its reference.

- (2) In order to respond to future climate change, BAROC retained Ernst & Young Taiwan to prepare a guidance and report on climate-related financial disclosures, and has provided this document to the competent authority and member banks for their reference to help member institutions identify climate risks and create sustainable finance opportunities.
- (3) BAROC retained PwC Taiwan to coordinate the handling of the adoption by financial holding companies of the consolidated tax return regime for reporting attributable expenses, as it relates to the "Principles for Attribution of Expenses Arising from Cost of Revenue Identified by Local Offices of the National Tax Administration During Inspections of Financial Holding Companies."
- (4) In response to various studies on economic and finance-related matters, BAROC retained the Taiwan Academy of Banking and Finance to conduct a study entitled "Development of Central Bank Digital Currencies and Their Impact on the Opportunities and Challenges Facing Taiwan's Banking Industry." The research report has been completed and forwarded to the competent authority and member institutions for their reference.

12. Participated in International Financial Conferences and Activities

- (1) In order to learn from Israel's experience and to make Taiwan more competitive in the field of digital finance, BAROC worked with the Israel Economic and Cultural Office in Taipei to jointly organize a third Israel FinTech and Cybersecurity Mission. Participants visited Israeli venture capital firms such as TAU Ventures (an investment arm of Tel Aviv University), Team8, and OurCrowd, as well as a number of noted Israeli FinTech innovator and cyber security organizations. They also visited the Bank of Israel (BOI) and the Israel Securities Agency (ISA). During the Mission, the two sides discussed macroeconomic conditions and FinTech, cyber security, E-payment, open banking, and ESG issues as well as the Equator Principles. Building on these discussions, the two sides went on to take a close look at Israel's advanced approaches to FinTech, deepened Taiwan-Israeli partnership in the FinTech industry, and injected innovative vitality into the development of digital finance in Taiwan.
- (2) On 21 and 22 July 2022, BAROC held the "2022 Conference on the Latest Developments of the U.S. Financial Regulations for Foreign Banking Organizations" at the Taiwan Academy of Banking and Finance, with in-person attendance combined with online attendance available for persons attending overseas. Numerous supervisory officials and industry experts were invited to speak at the conference on important related topics, including financial supervision,

legal compliance, climate risk management, and cyber security. The event enabled financial industry professionals to better understand US financial legislation, spurred increased Taiwan-US financial exchanges, enhanced the compliance awareness of Taiwanese bankers, and contributed to sound development of legal compliance systems. Compliance and internal audit personnel as well as senior executives from domestic banks and their US business locations were at the event, which attracted a total attendance of 150 persons (including 76 persons who attended in person and 74 who attended online).

- (3) BAROC assigned staff to participate (via videoconference) in the "2022 International Conference of the Institute of Internal Auditors" held in Chicago from 17 to 20 July 2022. The theme of the conference was "Winds of Change. Waves of Impact."
- (4) BAROC assigned staff to participate (via videoconference) in the 2022 Asian Confederation of Institutes of Internal Auditors Conference (2022 ACIIA International Conference). The theme of this event was "EXPONENTIAL INTERNAL AUDIT - Accelerating Pace of Innovation and transformation."
- (5) The Society for Worldwide Interbank Financial Telecommunication held its 2022 "SWIFT International Banking Operations Seminar" from 10 to 13 October 2022 in Amsterdam. The 2022 event featured both in-person and online attendance. BAROC assigned four representatives to attend online, and encouraged member banks to participate in order to stay up-to-date on the latest trends in the development of financial services and SWIFT technology, as well as to enhance participation by Taiwan banks in international financial affairs and raise their international market profile.
- (6) BAROC assigned two representatives to take part online in the International Chamber of Commerce Banking Commission's semi-annual Technical Meetings that in 2022 were held on 20-21 April and 19-20 November. BAROC also encouraged member banks to take part in the event so they could familiarize themselves with the views of experts and the latest trends in international rules.

13. Held Financial Seminars and Lectures to Cultivate Professional Talent

- (1) Financial seminars and lectures
 - a. To heighten risk awareness at member institutions, BAROC held online cyber security drills on 22-25 February 2022, then on 6 June 2022 it disseminated a "Summary of the Online Drills on Cyber Security Incidents" and a "Cyber Security Incident Response Team (CSIRT) Mechanism Establishment Reference" to member institutions for their reference.
 - b. BAROC suggested that SWIFT come to Taiwan or hold online informational seminars and training sessions to familiarize the banking industry here with new products and new technologies on the SWIFT platform (e.g. SWIFT GO, FINPlus bootstrap, ISO 20022,

Alliance Technical Update), as follows:

- (a) At the S.W.I.F.T.National Member Group of Taiwan,R.O.C.first SWIFT users meeting on 4 March 2022, an expert explained the new "SWIFT GO" product, which enables small-amount cross-border payments.
 - (b) On 20-27 April 2022, SWIFT held an online informational seminary in preparation for the launch of ISO 20022-3 functions.
 - (c) At the S.W.I.F.T.National Member Group of Taiwan,R.O.C.second SWIFT users meeting on 13 June 2022, an expert explained the new SWIFT "FINPlus Bootstrap" and "RMA Central Management" functions.
 - (d) On 20 July 2022, SWIFT held a training event focusing on ISO20022 Migration-Test Sparring Partner.
- c. Acting upon an FSC request, BAROC on 24 March 2022 held a meeting for experience sharing and explanation of legislation related to domestic juristic persons opening accounts for the purpose of handling loan-related receipts and disbursements in offshore banking units.
 - d. On 15 April 2022, BAROC invited representatives from JCB, MasterCard, and VISA to a meeting at BAROC Conference Room #1 to deliver addresses on "development trends in the credit card business" to elevate the understanding of member organizations regarding the current state of the payments industry.
 - e. Acting upon an FSC request, BAROC on 21 April 2022 held a course on the assessment of risks on the energy storage industry. Course content included "energy storage industry development strategies and measures" and "analysis of the energy storage industry."
 - f. On 6 May and 15 December 2022 BAROC held two sessions of the "Information Security Threats and Intelligence Analysis Workshop" to raise awareness of cyber security risks in member banks and enhance collective cyber security defense capabilities.
 - g. At 2 p.m. on 5 July and at 10 a.m. on 12 July 2022, BAROC held an online informational meeting to explain the results of an outsourced research project on cloud services and their cyber security defense mechanisms.
 - h. To facilitate the efforts of member institutions to understand trends in the Taiwan real estate market amid the pandemic and the impact of the US-China tech war on Taiwanese industry, BAROC held two economic and financial conferences in 2022. On 8 September BAROC invited Chen Tzu-ang, senior industry consultant and senior research director at the Market Intelligence and Consulting Institute of the Institute for Information Industry, to be the keynote speaker at the "Conference on Forward-looking Global Tech Industry and Supply Chain Development Trends," and on 30 September 2022 BAROC invited Billy Yen

(Yen Ping-Li), managing director of Cushman and Wakefield Taiwan (a branch of the Hong Kong based real estate investment firm Cushman and Wakefield), to be the keynote speaker at a "Seminar on the Current State and Future Prospects of Taiwan's Real Estate Sector."

- i. BAROC joined forces with the Judges Academy and the Ministry of Justice's Department of Prosecutorial Affairs to hold the "7th Financial and Legal Affairs Workshops" on 29-30 September and 6-7 October 2022. Some 100 participants attended the two sessions.
- j. On 5 October 2022 and 12-13 October 2022, respectively, BAROC held two activities: the "International Forum on Financial Supervision" and the "Bank Examiners and Auditors Conference."
- k. To help financial services firms identify the impact of extreme weather risk, BAROC retained the Taiwan Academy of Banking and Finance to hold a pair of conferences entitled "Extreme Weather and the Response of Financial Institutions" and "How Financial Institutions Achieve ESG" in 2022 on 3 November and 18 November, respectively.
- l. To strengthen financial institutions' legal compliance and AML/CFT capabilities, BAROC held the "2022 Anti-Money Laundering Case Study Seminar" at the Taiwan Academy of Banking and Finance on 22 November 2022. This event provided a venue for financial institutions to share information on their AML/CFT operations, their filing of suspicious transaction reports, and questions about the applicability of laws, communication and mutual learning among peers, thus learning from one another to improve their legal compliance capabilities. BAROC invited personnel from the Ministry of Justice Investigation Bureau and the Executive Yuan's Anti-Money Laundering Office to deliver two keynote addresses and take part in panel discussions. A total of 212 officials and others attended the Seminar.
- m. Acting upon an FSC request, BAROC on the morning of 22 November 2022 held a "Green Chemistry Workshop" which covered the following topics: "an overview of green chemistry, and applications at home and abroad," "international trends: from regulation to a green chemistry transition," "prevention of hazardous handling of chemical substances," and "an overview of safe alternative environmental agent subcomponents."
- n. To make the Standards for Security Management more readable, and to respond to the flexibility of technological development, BAROC studied the possibility of adjusting the overall framework of the Standards for Security Management, and on 29 November 2022 held an "Online Informational Meeting Regarding Proposed Amendments to the Standards for the Security Management Operation of Electronic Banking Business of Financial Institutions" in order to help member institutions better understand the content of proposed amendments to the Standards for Security Management, and to give them an opportunity to make suggestions.

(2) Personnel Training and Video Courses

- a. To assist with the cultivation of financial industry professionals and achieve the government's financial policies, BAROC donated NT\$5 million each to the College of Global Banking and Finance at National Chengchi University and the School of Banking and Finance at National Sun Yat-sen University. As for industry-academia cooperation in the area of talent cultivation, both of these institutions have agreed to provide a specific number of internships to be filled by employees of BAROC or its member banks at the respective schools. To ensure that the internships go smoothly, the two institutions have each entered into an MOU with BAROC.
- b. "Training Program for Core Banking Personnel" courses with a domestic focus: BAROC hired experts on Taiwan's domestic financial practices to serve as instructors and teach the sorts of skills needed by domestic bank employees. A total of 91 sessions in 19 different categories were conducted, training 4,194 participants.
- c. "Training Program for Core Banking Personnel" courses with an international focus: BAROC hired experts in international financial practices to serve as instructors, introduce the latest international trends in financial services, and help bank employees stay up-to-date with international expert knowledge. The courses covered the five major topics of legal compliance, trade finance, corporate finance, business finance, and sustainable finance. A total of 21 courses were conducted, training 583 participants.
- d. "Training Program for Key FinTech Personnel": Program content in 2022 included six sessions of the "International FinTech Forum" and three sessions of the "Raise A+ Career for Digital Enablement (RACE) Training Program." A total of 1,186 participants from the competent authority and financial institutions attended.
- e. Training Program for Senior Management at Financial Institutions: A wide variety of training methods (including experience sharing among senior executives, case studies, hands-on exercises, and discussions of strategy) were used to develop future bank senior executives that have "leadership ability," "ability to think strategically," and "understanding of technology." The Program was attended by a total of 35 people (including 1 person from the Central Bank and 34 persons from Taiwan Cooperative Bank (TCB) and 19 other banks).
- f. Key Personnel Training Project for the Buildup of Banks' Presence in Asia: This project comprised the following four modules: "Southeast Asian Corporate Finance and Development of Bank Credit Practices," "Southeast Asian Banking and Legal Compliance," "Southeast Asian Banking and Control of Operational Risks," and "Southeast Asian Industry and Economy in the Context of Customs and Culture." BAROC invited financial experts with deep expertise in Asian markets to lecture on related topics and

help financial professionals develop a feel for market trends in Southeast Asia, understand where the future business opportunities and risks lie in Southeast Asian corporate finance, financial legislation in local markets governing corporate finance, the state of competition, the development of local corporate finance and techniques for its regulation. A total of 12 sessions were held, attracting 313 participants.

- g. Video courses: In response to the global trend toward digitalization and to provide employees at financial institutions with abundant, in-depth, flexible, and diverse professional advanced learning choices, BAROC in 2015 launched a video courses platform. (It can be accessed on the Chinese-language version of the BAROC website by clicking on "Open courses" and then the "Members only" tab.) In 2022 a total of 321 courses—including introductory and advanced courses on financial practices and knowledge, as well as specialized English courses—were available.
- h. In order to ensure that member banks comply with laws and regulations related to occupational safety and health and to conform to banks' operational needs, BAROC simultaneously held 114 sessions of "On-the-job Training for First-aid Personnel at Banking Enterprises" in eight locations (Taipei, New Taipei City, Taoyuan, Hsinchu, Taichung, Changhua, Tainan, and Kaohsiung) from July through December in 2022, training 5,527 participants.

14. Provided Financial Information and Consulting Services to the Public, and Donated to Charity

- (1) BAROC joined hands with the Taiwan Academy of Banking and Finance, the Taiwan Insurance Institute, and the Financial Ombudsman Institution to conduct the 2022 Nationwide "A+ for Financial Literacy" School Lecture Series, holding events throughout Taiwan at government agencies, institutions of higher education, and remote villages. Through financial literacy guidance lectures and a series of remote village primary school financial education camps, people were taught a proper understanding of financial matters. A total of 12 lecture events plus 6 remote village primary school financial education camps attracted a combined attendance of 1,118.
- (2) On 21 and 28 October 2022, BAROC joined hands with the National Federation of Credit Cooperatives to hold online refresher seminars for instructors taking part in the "2022 School and Community Financial Literacy Campaign." A total of 187 instructors registered to participate in the training.
- (3) From January 2022 to June 2023, BAROC assisted financial institutions that continued to provide assistance measures for "temporary debt deferrals" in cases in which debtors who had pre-negotiation proceedings," or "pre-mediation proceedings" were having difficulty continuing to repay their loans.

- (4) To ensure that consumers with debt problems understand that they could best protect their own interests and avoid being swindled by going directly to their bank (rather than via a middleman) to apply for a pre-negotiation procedure, BAROC continued to play a public service video on its website to inform consumers that pre-negotiation procedures are free of charge and yield a successful resolution in a high percentage of cases. In addition, BAROC and the FSC Banking Bureau collaborated on the production of a public service video in which someone advises a friend to steer clear of fraudsters.
- (5) In 2022, BAROC's one-stop credit card information hotline service mediated 77 credit card complaints from consumers, including: (a) debt collection matters [0 cases]; (b) debt repayment and discharge of debt by family members [18 cases]; (c) use of stolen credit cards for purchases or cash withdrawals [13 cases]; (d) problems with credit card use and credit card debt [31 cases]; (e) problems with information in the database of the Joint Credit Information Center [5 cases]; (f) problems with participating merchants [3 cases]; and (g) other matters [7 cases].
- (6) BAROC periodically updated its "List of Outside Credit Card Sales Service Providers With Which BAROC Member Institutions Have Renewed Outsourcing Arrangements After the Providers Have Passed a Performance Review" and posted the List on its website for browsing and reference by the general public.
- (7) BAROC continued to periodically compile and update the following types of information and posted it to its website: (a) revolving interest rates charged by credit card issuing institutions and fee schedules for different fees; (b) standards for collecting processing fees for credit card installment payment services; (c) information on whether each credit card issuer allows customers to retrieve their credit card statements free of charge; (d) information on each credit card issuer's provision of friendly financial services and friendly alternative measures; (e) a summary table of systems adopted by each credit card institution to prevent credit card theft following their use in online transactions; and (f) a summary table of expiration periods and scope of use for the bonus points awarded by each credit card issuer.
- (8) In 2022, BAROC took 6,560 phone calls from consumers inquiring about debt restructuring negotiations, and financial institutions processed 9,699 applications for pre-negotiation procedures relating to debts totaling NT\$10.447 billion.
- (9) In 2022, BAROC continued to provide information or explanations to help with the handling of cases where consumers had questions or complaints (including calls referred to BAROC from the FSC's 1998 hotline) about interactions with banks. In 2021, BAROC responded to 792 consumer inquiries and handled 14 cases involving customer complaints against member institutions. In another 3,616 cases, BAROC helped bank customers check their own account balances. Finally, BAROC handled 137 identity theft cases referred by the competent authority to the Ministry of the Interior.

- (10) BAROC periodically collected data on fees that were charged by all banks in connection with non-discretionary money trust services, and made the data available for public inspection.
- (11) The following items of lending-related information were posted once each quarter on the BAROC website for public reference: (a) a list of the providers of outsourced debt recovery and outsourced marketing services that had passed review by member institutions and subsequently had their contracts renewed; (b) data on the cash card interest rates and fees for both unsecured and secured loans charged by each member institution; (c) information on each member institution's personal loan information contact window, descriptions of their main products, URLs, etc.; (d) information on each bank's standards governing penalties for early repayment of consumer loans; (e) information on each bank's performance in adopting financial measures to support women in their efforts to find employment or start businesses; (f) information on each member institution's contact window for the handling of complaints following the sale of problematic assets; and (g) information on commercial reverse mortgage business conducted by banks.
- (12) In the run-up to the 2022 Chinese New Year holidays, out of consideration for the feelings of people experiencing debt repayment difficulties, BAROC communicated with member institutions (including debt collection agencies contracted by those institutions) to urge them to strengthen dissemination of information related to debt negotiations before the holidays and to declare a moratorium on all debt collection operations during the holidays.
- (13) For the benefit of economically disadvantaged persons having temporary difficulties with debt repayment, BAROC helped them to weather short-term cash flow problems by continuing to administer the Unsecured Consumer Debt Rescheduling Program for Economically Disadvantaged Debtors Experiencing Difficulties with Repayment.
- (14) In order to help students from underprivileged backgrounds obtain scholarships, and to promote financial literacy, BAROC donated funds to support scholarships offered by the Financial Services Education Charity Fund.
- (15) In order to fulfill its social responsibilities and provide support for charitable groups, BAROC donated funds to Genesis Social Welfare Foundation, Chinese Christian Relief Association, After School 368, Yu-Cheng Social Welfare Foundation, Eden Social Welfare Foundation, Huei-Ming Foundation for the Blind, Hsiang Shang Social Welfare Foundation, Buddhist SinFu Social Welfare Foundation, Tsu-Kuang Foundation, and Syin-Lu Social Welfare Foundation. These donations supported underprivileged families, underprivileged students, low-income households, and others.
- (16) To do its part for Taiwan's 2022 National Day celebrations, BAROC took part in the construction of a viewing platform and National Day arch in front of the Presidential Office Building, and funded part of the cost.

B. Major Tasks in 2023

No	Tasks
1	To prevent fraud, BAROC will coordinate with the competent authority by continuing to study ways to improve the effectiveness of the anti-fraud joint defense network and scam prevention measures that financial institutions and law enforcement authorities have built, BAROC will act in a timely manner to revise the "Operating Procedures for Coordinated Handling by Financial Institutions of Watch-listed Accounts" and reference templates in order to safeguard the property of members of the public.
2	Acting in line with the policy of the competent authority, BAROC will improve the quality of wealth management professionals and further develop the financial industry, and will hold financial industry forums to discuss important international and regional financial industry risks, trends, and practical issues in order to help banks make advance preparations for contingencies and improve their related mechanisms.
3	BAROC will coordinate with the FSC's promotion of sustainable finance policies by studying the possibility of incorporating important principles such as green finance and corporate sustainability into lending-related self-regulatory rules in order to help encourage corporate borrowers to transition into low-carbon sustainable enterprises, and to spur financial institutions to seize upon business opportunities associated with ESG and climate risks by actively aligning with international trends and participating in matters related to sustainable finance evaluations.
4	BAROC will coordinate with the government's policy of promoting green energy by stepping up efforts to promote green finance and sustainable finance. As for our response to the Task Force on Climate-related Financial Disclosures (TCFD) and the Principles for Responsible Banking (PRB), BAROC will continue to acting as instructed by the competent authority.
5	BAROC will coordinate with government policies and the development needs of the financial industry by helping member institutions to provide financing to the Six Core Strategic Industries -- information and digital industries; cybersecurity industry; precision health industry; green and renewable energy industry; national defense and strategic industries; and strategic stockpile industries.
6	BAROC will coordinate with the competent authority's policy of creating friendly financial environments by prompting member institutions to demonstrate concern for the needs of the disadvantaged, act in a timely manner to invite disabled people's groups to meet and communicate with bank representatives, continue helping member banks to develop better ways to serve persons with disabilities, amend the "Guidelines for Friendly Banking Services" and the "Q&As on Friendly Financial Services," and help conduct on-the-job training designed to ensure that persons with disabilities can obtain proper financial services.
7	Making reference to the Task Force on Climate-related Financial Disclosures (TCFD) and international practices, BAROC will draft a "Climate Risk Management Handbook" for domestic banks, and is planning to conduct an awareness raising campaign for all banks to help them incorporate these concepts into their operations.
8	To meet the demand for development of digital financial services, BAROC will continue helping member institutions to devise measures to deregulate and promote business.
9	BAROC will continue to conduct training programs for financial industry personnel and offer open video courses to provide the employees of member institutions with free-of-charge online learning opportunities.

V. Appendices

A. Chronology of Major Events in 2022

- ©2022.01.20 Held the 18th joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.02.23 Held the 19th joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.03.31 Held the 20th joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.04.28 Held the 21st joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.05.06 Held the 4th "Information Security Threats and Intelligence Analysis Workshop."
- ©2022.05.26 Held the 22nd joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.06.30 Held the 5th meeting of the 13th Board of Directors.
- ©2022.07.05 Held an "Online Informational Meeting on an Outsourced Research Project on Cloud Services and Their Cyber Security Defense Mechanisms."
- ©2022.07.21 Held the "2022 Conference on the Latest Developments of the U.S. Financial Regulations for Foreign Banking Organizations."
- ©2022.07.28 Held the 23rd joint meeting of the 13th Boards of Directors and Supervisors.
- ©2022.08.25 Held the 24th joint meeting of the 13th Boards of Directors and Supervisors.



BAROC Chairman Paul C. D. Lei and FSC Vice Chairperson Jean Chiu pose for a group photo with other distinguished guests at the "2022 Asia Financial Supervision Summit."

- ◎2022.09.08 Held a "Conference on Forward-looking Global Tech Industry and Supply Chain Development Trends Amid Current Geopolitical Conditions."
- ◎2022.09.22 Held the 1st meeting of the 14th Board of Directors.
- ◎2022.09.30 Held a "Conference on Prospects for Taiwan's Property Market in the 2nd Half of 2022."
- ◎2022.10.25 Held a "Seminar on the Creation of Financial Services That Are Friendly to Foreign Nationals."
- ◎2022.10.28 Held the 1st joint meeting of the 14th Boards of Directors and Supervisors.
- ◎2022.11.03 Held a "Conference on Extreme Weather and the Response of Financial Institutions."
- ◎2022.11.18 Held a "Conference on How Financial Institutions Achieve ESG."
- ◎2022.11.22 Held the "2022 Anti-Money Laundering Case Study Seminar."
- ◎2022.11.24 Held the 2nd joint meeting of the 14th Boards of Directors and Supervisors.
- ◎2022.12.15 Held the 5th "Information Security Threats and Intelligence Analysis Workshop."
- ◎2022.12.22 Held the 3rd meeting of the 14th Board of Directors, followed by a series of social activities.



BAROC holds the 6th meeting of the 13th Board of Directors, followed by a series of social activities.

B. List of Member Banks of BAROC

January 2023

Institution	Position	Name	Telephone	Fax	Website
Bank of Taiwan	Chairman President	Jye-Cherng Lyu Chih-Wen Hsu	(02)23493456	(02)23315840	www.bot.com.tw
Land Bank of Taiwan	Chairman President	Chuan-Chuan Hsieh Ying-Ming He	(02)23483456	(02)23757023	www.landbank.com.tw
Taiwan Cooperative Bank	Chairman President	Chung-Dar Lei Yen-Mao Lin	(02)21738888	(02)27316026	www.tcb-bank.com.tw
First Commercial Bank	Chairman President	Ye-Chin Chiou Chia-Hsiang Lee	(02)23481111	(02)23892967	www.firstbank.com.tw
Hua Nan Commercial Bank, Ltd.	Chairman President	Yun-Peng Chang Chun-Chih Huang	(02)23713111	(02)87291747	www.hncb.com.tw
Chang Hwa Commercial Bank	Chairman President	Joanne Ling Chao-Chun Chou	(02)25362951	(02)25716871	www.chb.com.tw
The Shanghai Commercial & Savings Bank, Ltd.	Chairman President	Ching-Yen Lee Chih-Hung Lin	(02)25817111	(02)25318501	www.scsb.com.tw
Taipei Fubon Commercial Bank	Chairman Deputy President	Eric Chen Tim Kuo	(02)27716699	(02)27736769	www.taipeifubon.com.tw
Cathay United Bank	Chairman President	Andrew Ming-Jian Kuo Alan Lee	(02)87226666	(02)87898789	www.cathaybk.com.tw
The Export-Import Bank of the Republic of China	Chairman President	Pei-Jean Liu Teng-Shan Tai	(02)23210511	(02)23940630	www.eximbank.com.tw
Bank of Kaohsiung	Deputy Chairman President	Yung-Sheng Chen Tsui-Mei Hsu	(07)5570535	(07)5580529	www.bok.com.tw
Mega International Commercial Bank Co., Ltd.	Chairman Deputy President	Chao-Shun Chang Kuang-Hua Hu	(02)25633156	(02)23569169	www.megabank.com.tw
Agricultural Bank of Taiwan	Chairman President	Ming-Ming Wu Tso-Cheng Su	(02)23805100	(02)23805252	www.agribank.com.tw
Citibank Taiwan, Ltd.	Chairman President	Aftab Ahmed Christie Chang	(02)87269999	(02)87801300	www.citibank.com.tw
O-Bank Co., Ltd.	Chairman President	Tina Y. Lo Elton F.Y. Lee	(02)87527000	(02)87519568	www.o-bank.com
Taiwan Business Bank	Chairman President	Chien-Hao Lin Chih-Chien Chang	(02)25597171	(02)25507942	www.tbb.com.tw
Standard Chartered Bank (Taiwan) Limited	Chairman President	Gregg John Powell Ian Charles Anderson	(02)27166261	(02)66036399	www.sc.com/tw/
Taichung Commercial Bank	Chairman President	Kuei-Fong Wang Te-Wei Chia	(04)22236021	(04)22240748	www.tccb.com.tw
King's Town Bank	Chairman President	Terence Tai Hung-Liang Chiang	(06)2139171	(06)2136885	www.ktb.com.tw
HSBC Bank (Taiwan) Limited	Chairman President	David Grimme Adam Chen	(02)27230088	(02)27575150	www.hsbc.com.tw
Taipei Star Bank	Chairman President	Leo Kuo Eric Chen	(02)25575151	(02)25534883	www.taipeistarbank.com.tw

Institution	Position	Name	Telephone	Fax	Website
Hwatai Bank	Chairman President	Chao-Hsien Lai Ruey-Yuan Fu	(02)27525252	(02)27775213	www.hwataibank.com.tw
Shin Kong Commercial Bank	Chairman President	Tseng-Chang Lee Cheng-Kuo Lee	(02)87587288	(02)87895600	www.skbank.com.tw
Sunny Bank	Chairman President	Sheng-Hung Chen Wei-Hao Ting	(02)28208166	(02)28233414	www.sunnybank.com.tw
Bank of Panhsin	Chairman Deputy President	Ming-Daw Chang Chia-Nan Fang	(02)29629170	(02)29572011	www.bop.com.tw
Cota Commercial Bank	Chairman President	Sung-Yie Liao Chih-Sheng Hsiao	(04)22245161	(04)22275237	www.cotabank.com.tw
Chunghwa Post Co., Ltd.	Chairman President	Hong-Mo Wu Jui-Tang Chiang	(02)23931260	(02)23911209	www.post.gov.tw
Union Bank of Taiwan	Chairman President	Jeff Lin Wei-Wen Hsu	(02)27180001	(02)27174093	www.ubot.com.tw
Far Eastern International Bank	Chairman President	Ching-Ing Hou Thomas Chou	(02)23786868	(02)23779000	www.feib.com.tw
Yuanta Bank	Chairman President	Chien Weng Tsai-Yu Chang	(02)21736699	(02)27722455	www.yuantabank.com.tw/ bank
Bank SinoPac	Chairman President	Wei-Thyr Tsao Eric Chuang	(02)25173336	(02)81618485	bank.sinopac.com
E.Sun Commercial Bank, Ltd.	Chairman President	Joseph N.C. Huang Mao-Chin Chen	(02)27191313	(02)27138713	www.esunbank.com.tw
KGI Bank	Chairman President	Stefano Paolo Bertamini Amy Tsao	(02)27011777	(02)27849848	www.kgibank.com
DBS Bank (Taiwan)	Chairman President	Andrew Ng Him Chuan Lim	(02)66129889	(02)66129285	www.dbs.com/tw
Taishin International Bank	Chairman President	Thomas T.L. Wu Oliver Shang	(02)25683988	(02)25234551	www.taishinbank.com.tw
Jih Sun International Bank	Chairman Deputy President	Chu-Min Hong Ting-Chiang Chou	(02)25615888	(02)25217698	www.jihsunbank.com.tw
EnTie Commercial Bank	Chairman President	Jesse Ding Jeff Chang	(02)81012277	(02)81012233	www.entiebank.com.tw
CTBC Bank	Chairman Deputy President	Morris Li James Chen	(02)33277777	(02)87809122	www.ctcbank.com
NEXT Commercial Bank Co., Ltd.	Chairman President	Fu-Kuei Chung Berlin Hsu	(02)89797000	(02)27001999	www.nextbank.com.tw
LINE Bank Taiwan Limited	Chairman President	In Joon Hwang I-Meng Hwang	(02)66229999	(02)27585553	www.linebank.com.tw
Rakuten International Commercial Bank	Chairman President	Dong-Ho Wang Kazuhiko Saiki	(02)55692688	(02)25180508	www.rakuten-bank.com.tw
Mega Bills Finance Co., Ltd.	Chairman President	Jennifer M.C. Liao Yao-Kuang Tsai	(02)23831616	(02)23822878	www.megabills.com.tw

Institution	Position	Name	Telephone	Fax	Website
China Bills Finance Co.	Chairman President	Cheng-Chuan Chang Jonathan Wei	(02)27991177	(02)26592919	www.cbf.com.tw
International Bills Finance Co.	Chairman President	Chi-Lin Wea Yen-Lang Chiu	(02)25181688	(02)25158430	www.ibfc.com.tw
Grand Bills Finance Co.	Chairman President	Ho-Sheng Wang Yeong-Liang Lai	(02)87802801	(02)87884031	www.grandbill.com.tw
Hua Nan Financial Holdings Co., Ltd.	Chairman President	Yun-Peng Chang Robert Li	(02)23713111	(02)87291943	www.hnfhc.com.tw
Fubon Financial Holding Co., Ltd.	Chairman President	Richard M. Tsai Jerry Harn	(02)66366636	(02)66360111	www.fubon.com/ financialholdings
China Development Financial Holding Co., Ltd.	Chairman President	Su-Kuo Huang Stefano Paolo Bertamini	(02)27638800	(02)27660047	www.cdibh.com
Cathay Financial Holding Co., Ltd.	Chairman President	Hong-Tu Tsai Chang-Ken Lee	(02)27087698	(02)23252488	www.cathayholdings.com.tw
CTBC Financial Holding Co., Ltd.	Chairman President	Wen-Long Yen James Chen	(02)33277777	(02)26539580	www.ctbcholding.com
SinoPac Financial Holdings Co., Ltd.	Chairman President	Shi-Kuan Chen Stanley Chu	(02)81618888	(02)81618485	www.sinopac.com
E.Sun Financial Holding Co., Ltd.	Chairman President	Yung-Jen Huang Magi Chen	(02)21751313	(02)27199313	www.esunfhc.com/zh-tw/
Yuanta Financial Holdings Co., Ltd.	Chairman President	Tony Shen Chien Weng	(02)27811999	(02)27721585	www.yuanta.com
Taishin Financial Holding Co., Ltd.	Chairman President	Thomas T.L. Wu Welch Lin	(02)23268888	(02)37076889	www.taishinholdings.com.tw
Shin Kong Financial Holding Co., Ltd.	Chairman President	Victor Hsu Olivia Wu	(02)23895858	(02)23892868	www.skfhc.com.tw
Mega Financial Holding Co., Ltd.	Chairman President	Chao-Shun Chang Kuang-Hua Hu	(02)23578888	(02)33938755	www.megaholdings.com.tw
First Financial Holding Co., Ltd.	Chairman President	Ye-Chin Chiou Fen-Len Chen	(02)23111111	(02)23119691	www.firstholding.com.tw
IBF Financial Holdings Co., Ltd.	Chairman President	Chi-Lin Wea Song-Huei Su	(02)77520088	(02)77520099	www.ibf.com.tw
Taiwan Financial Holding Co., Ltd.	Chairman President	Jye-Cherng Lyu Jan-Lin Wei	(02)23493456	(02)23115060	www.twfhc.com.tw
Taiwan Cooperative Financial Holdings Co., Ltd.	Chairman President	Chung-Dar Lei Mei-Tsu Chen	(02)21738888	(02)27313677	www.tcfhc.com.tw
Yuanta Securities Finance Co., Ltd.	Chairman President	Shao-Hsing Kung Li-Hua Yang	(02)21736833	(02)27721101	www.yuantafinance.com.tw



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