





2016-2017 ANNUAL REPORT



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# Chairman's Statement

The purpose of the establishment of the FSC is to build a sound, fair, effective and internationalized financial environment and market and maintain financial stability. Since I took up the post of FSC Chairman in October 2016, as well as urging financial institutions to be independent, self-disciplined and self-reliant and to implement legal compliance and internal control, we have carried out deregulation and the opening up of businesses to assist the financial market and industry develop and to increase the overall competitiveness of our financial industry. We have also helped channel capital into the real economy, assisted enterprises raise funds in the capital market and enhanced protection of the rights and interests of investors and financial consumers. The concrete measures we have adopted are:

Made obtaining of finance for entrepreneurship easier: We encourage domestic banks, while paying attention to risk control, to grant credit to new key industries and have raised the limit on the percentage stock holding of financial holding companies in new key industries to enhance the support the financial industry gives to industry and help it develop, driving the prosperity of the financial industry and the real economy overall.

Promoted FinTech innovative experimentation: We encourage the increasing of our financial industry's competitiveness through innovative financial products and services, providing a safe environment for FinTech R&D and trials by the financial service industry and related industries.

Developed green finance: To assist the green energy industry obtain the funds needed to develop, the FSC has implemented the Green Finance Action Program. Financial institutions are encouraged to provide related finance. Green finance talent cultivation has been enhanced, the idea of green sustainability is being promoted. In doing so, the financial industry

supports industry and green industry drives the development of green finance.

Encouraged the development of financial products for the elderly: Financial institutions are encouraged to develop products and services suited to the elderly, including care trusts and commercial reverse mortgages for seniors; we encourage trust businesses to issue fund products suitable for retirement wealth management so that citizens have more financial tools with which they can plan life in old age.

Supported the New Southbound Policy: We encourage domestic banks to expand their presence in New Southbound target countries to provide incountry financial services; and, under the principle of risk control, we also encourage domestic banks to provide credit to enterprises in Taiwan or Taiwanese-owned enterprises in New Southbound target countries to give them the funds they need to develop their business.

Encouraged financial institutions to take part in urban renewal: In support of the government's urban renewal policy and to increase land use efficiency, the FSC encourages financial institutions to actively take part in urban renewal. Regulations on the participation of banks in urban renewal projects have been loosened. Banks are encouraged to use their self-owned old bank buildings to take part in urban renewal, and the financial and insurance industries are encouraged to provide funding support for urban renewal projects.

Increased stock market liquidity: As the trading volume of Taiwan stock in recent years has shown a decrease trend, taking into account the securities transaction tax in Taiwan is 3‰, higher than stock markets in Europe, the US, Japan and Hong Kong, in coordination with the Ministry of Finance, an amendment of the Securities Transaction Tax Act



has been drawn up. This will halve the securities transaction tax rate from 3% to 1.5%.

Enhanced protection of the rights and interests of financial consumers and promotion of financial inclusion measures:

- 1. In coordination with the Small and Medium Enterprise Credit Guarantee Fund and credit cooperatives and with the assistance of the Ministry of Finance, the FSC has brought about the joining of the Small and Medium Enterprise Credit Guarantee mechanism by all 20 credit cooperatives. This will satisfy the financial needs of more SMEs and microbusinesses in remote areas.
- 2. The FSC actively promotes micro insurance so that economically disadvantaged people can buy basic insurance protection for an affordable premium.
- 3. The FSC regularly convenes the financial consumer protection supervisory meeting and continues to review the effectiveness of the implementation of financial consumer protection and regulations, and urges financial institutions to provide more diverse friendly financial service measures and financial inclusion measures.

Looking to the next year, the FSC will implement the Financial Industry Strategic Development Plan which will have four strategies:

- 1. Increasing financial industry competitiveness: Through product and market development and deregulation, increasing the vitality and competitiveness of the financial industry.
- 2. Building a new financial market order: Enhancing the self-discipline of financial institutions, demanding that legal compliance is strengthened and board of directors and head office supervision is implemented by financial institutions.
- 3. Maintaining the fairness and justice of financial consumption: When selling various financial products, financial institutions will be required to uphold the KYC principle to provide suitable products to customers, and also to handle complaints actively.
- 4. Implementing financial industry corporate social responsibility: Financial institutions will be encouraged to hold charitable activities and to fulfill corporate social responsibility.

Facing rapid changes in the domestic and external economic situation and social structure, financial supervision and policy must move with the times. The FSC will assist financial institutions develop their business and increase their profitability, to build an environment favorable to the operation of financial institutions, make the financial industry grow strong and foster industry and the overall economy.



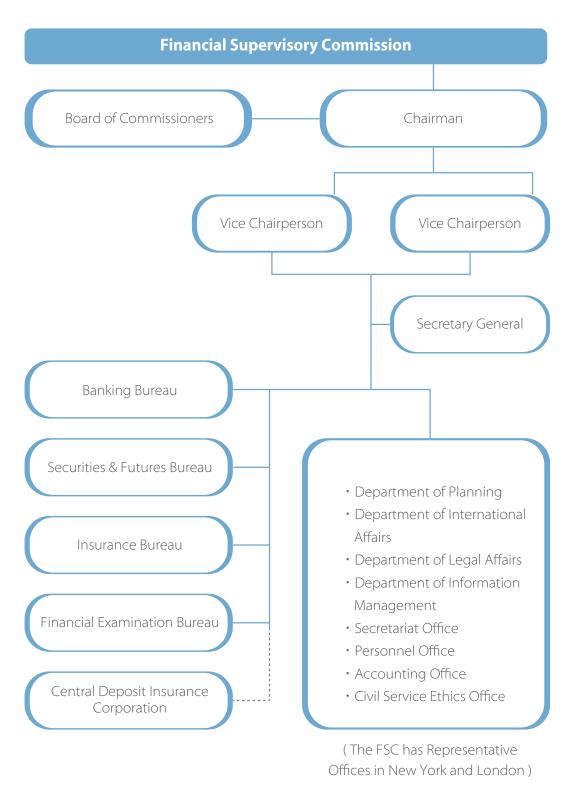


# **Duties and Organization**

### **Duties**

The FSC was established on 1 July 2004 as the competent authority with overall responsibility for supervising, regulating, and facilitating the development of financial markets and financial services in Taiwan, and for conducting financial examinations. The FSC seeks to ensure the sound operation of financial institutions, maintain financial stability, and promote the development of our financial markets. The FSC exercises its supervisory duties independently in accordance with the law, and within the scope of its authority will continue working to promote various financial development policies and carry out financial supervision.

### **Organization**



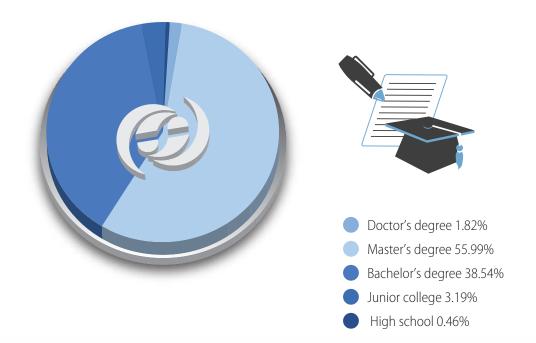
#### Personnel





- Age 29 or younger 4.45%
- Age 30-39 25.77%
- Age 40-49 42.65%
- Age 50-59 25.31%
- Age 60-65 1.71%
- Age 66 or older 0.11%

#### **Academic Background of Employees at FSC Headquarters and The Four Bureaus**







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# Financial Industry Innovation and Sound Development Strategy

#### Financial Technology Development Strategies

In recent years, the internet, mobile communication, social media and other technologies have rapidly combined with the development of financial services to facilitate changes of financial services and business models significantly. To cater to the tide of financial technology (Fintech), developed countries have actively promoted financial technology development and positioned Fintech as important strategy of promoting national competitiveness.

To promote innovative financial services through technology and encourage financial institutions to grasp the tide of Fintech, the FSC has required financial institutions to promote information security, provide assistance in the transformation of their employees impacted by Fintech, develop diversified Fintech services, and protect interests of consumers. The FSC has continued to promote several measures, including building a digital financial environment, putting forward 10 main measures of the Fintech Development Promotion Plan, building Fintech innovative experiment mechanism.

#### 1. Building Fintech environment

#### (1) Permitting online applications for financial services

- i. To help banks grasp business opportunities arising from the development of digitalization, the FSC has allowed banks to provide customers with online services for 12 types of business, including deposit, lending, credit card, wealth management and cross-selling. As of the end of 2016, 36 banks had launched such kind of online services. In addition, banks had been permitted to accept online applications for opening digital deposit accounts and 17 banks had launched this service by the end of 2016.
- ii. In order to leverage mobile communication and internet technology to provide investors with unbounded digital services, the FSC has allowed securities firms and FCMs to offer online account opening and other non-face-to-face services. As the end of 2016, a total of 17 securities firms and 6 FCMs offer the above distant services.

#### (2) Allowing insurers to engage in online insurance businesses

The FSC has progressively relaxed regulation on types of online insurance products and insurance services. As of the end of 2016, the FSC has approved 13 life insurers and 13 non-life insurers to engage in online insurance business.

#### (3) The "Program to Double E-Payment Usage Ratio within 5 Years"

To accelerate e-payment usage ratio, the FSC had put forward the "Program to Double E-Payment Usage Ratio within 5 years" aimed to increase e-payment usage ratio from 26% (2015 e-payment usage ratio) to 52% (target for 2020 e-payment usage ratio). The FSC draws up three promoting measures, including:

- i. creating a friendly regulatory environment
- ii. accelerating the integration of electronic payment terminal equipment
- iii. encouraging government agencies and medical institutions to use electronic payment service when provide



Ms. Catherine Nettleton, the Representative of the British Office Taipei, was received by Chairman Ruey-Tsang Lee on February 15, 2016. Two sides broadly exchanged views on Fintech and Green Finance.

# (4) Promoting the big data application and analysis by financial competent authorities and peripheral institutions

In 2016, 13 big data application plans were implemented including TPEx investor structure and investment behavior analysis and futures market trading behavior advanced analysis. Also, taking into consideration the needs of the public and to assist industry develop, related financial data is being actively released. As of the end of December 2016, 1,250 datasets had been made public.

#### (5) Allowing financial industries to invest Fintech

i. The total amount of banking industry's investments in information service and financial technology industries was about NT\$3.165 billion. Among these investments, the investments in information service industry was about NT\$2.907 billion, and the investments in financial technology industry was about NT\$258 million.

ii. The FSC has allowed securities firms, SITEs, SICEs and FCMs to invest in financial technology enterprises. At the end of 2016, the securities and futures industry, as well as the Exchanges had invested NT\$510 million (US\$ 15.7 million) in financial technology enterprises, and devoted NT\$742 million (US\$ 22.8 million) to develop FinTech internally.

## 2. The 10 main measures of the Fintech Development Promotion Plan

#### (1) Enlarging the application and innovation of mobile payment

The FSC encourages financial institutions to promote mobile payment business and carries out rolling review of relevant regulations to create a favorable regulatory environment, increase the prevalence rate of mobile payment terminal equipment and promote convenient mobile payment service channels.

## (2) Encouraging cooperation between banks and P2P online lending platforms to create a win-win situation

Promoting online lending platform operators and banks to cooperate, under the premise that online lending platform operators do not violate relevant financial regulations, to facilitate online lending business and develop innovative and efficient business models by equity participation or business strategic alliances with the aim to adequately reduce participants' risks.

#### (3) Facilitating sound development of crowdfunding platforms

To foster innovation and increase financing channels for SMEs, central government agencies, local governments, professional institutions, and college incubation centers were allowed and encouraged to become the GISA Board recommending sponsors in order to find more excellent leads. The TPEx also continuously works with crowdfunding operators to hold promotional events for GISA Board and crowdfunding platforms and actively participates in these events.

## (4) Encouraging insurers to develop innovative products applying FinTech and Big Data

The FSC encourages insurers to develop innovative automobile insurance products using FinTech and big data, such as UBI insurance products. And the FSC will streamline the review process of such products to encourage insurers to develop health management insurance products that have spillover effects.

#### (5) Establishing an online mutual fund trading platform

The FSC has approved the investment by TDCC, TPEx, SITEs and SICEs into Fund Rich Securities Ltd., which operates an online mutual fund trading platform. Fund Rich Securities started its services on October 14th, 2016, with an aim to provide investors with an electronic mutual fund trading environment which is fair, safe and reliable.

#### (6) Creating a Digitalized Book Entry Environment

The FSC has allowed TDCC to launch its mobile securities passbook service in the first quarter of 2017. All investors will be able to conduct transfers of their book-entry securities between different securities firms' branches in an online environment.

# (7) Facilitating financial industry to actively nurture talents in response to the development of Fintech

- To assist employees adapt to future development trends or transform, an Employee Financial Technology Skills Nurturing Plan was formulated and related FinTech courses held to actively nurture digital finance professionals.
- ii. To promote FinTech innovation and entrepreneurship, the Taiwan Financial Services Roundtable was invited to establish the FinTech Development Fund. This Fund has launched the FinTech Innovation Base and selected 25 startup teams for nurturing. In future, more FinTech startup teams will be provided with guidance.



FSC Chairman Ruey-Tsang Lee attended the launch ceremony for TWID on November 15, 2016.

#### (8) Establishing F-ISAC

The establishment of the F-ISAC is planned for 2017, bringing the banking, securities and futures and insurance industries into the information security joint defense system and setting up an inter-agency information sharing mechanism.

#### (9) Building an identification service center

In the short term, related associations will be invited to set up a promotion group to plan the setting up of an identification service center by a third party institution; in the medium term, operating guidelines that meet international identification standards will be set for the confidence level of various types of authenticating object; in the long-term, authenticating object verification categories will be expanded and a new verification mechanism established.

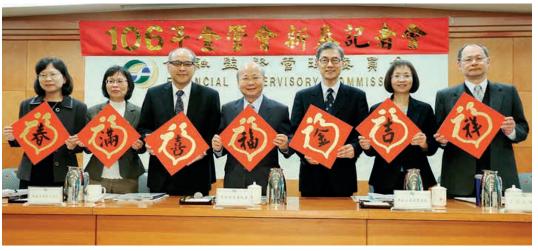
#### 3. Establishing a mechanism for Fintech innovation experiments

In order to encourage innovation, develop domestic Fintech and increase competitiveness of domestic financial industries, the FSC has introduced the draft for the "Financial Technology Innovative Experimentation Act" to establish a mechanism for Fintech innovation experiments. The draft act was produced to create a safe environment for Fintech R&D activities and pilot tests for financial service industries and related industries, while maintaining financial market order, protecting customers' right, promoting principle of responsible innovation, and providing flexible regulatory environment that facilitates Fintech business incubation and secures niche for domestic financial industries through government efforts. The Executive Yuan approved the draft act prepared by the FSC at its 3547th meeting and forwarded it to Legislative Yuan for review on May 5, 2017.

#### **Promoting legal compliance culture**

- 1. Members of professional financial institution needed to have higher moral standards than in other industries. Only by doing so can win trust and respect from clients.
- 2. After the financial crisis, financial supervisory institutions around the world strengthened the sound prudential supervision mechanism. Three forces maintain sound operation of financial institutions, they are:
  - (1) Requiring that financial institutions implement the principle of selfdiscipline
  - (2) Establishing a complete legal compliance system
  - (3) Through the power of the market, consolidating the cooperative relationship between financial institutions and the competent authority with respect to legal compliance for sound operation.
- 3. In particular, the board directors and managers of financial institution must have the same sound operating goals and recognize the value of financial institutions to be effective. Legal compliance of financial institutions includes meeting the requirements of financial supervision regulations, including:

- (1) In terms of legal compliance, maintaining a spirit of professionalism, moral standards and the principle of honesty.
- (2) Risk appetite to be clear and consistent with operating strategy.
- (3) Employee of financial institutions required to understand the importance of legal compliance.
- (4) Reinforcing corporate governance by increasing the responsibility of the board of directors and other related members and formulating a risk management policy
- (5) The incentive system required to take into account the risk accompanying financial transactions instead of just calculating bonuses and dividends according to profit made; a complete internal control system also required to be in place.
- 4. The FSC has revised related regulations and requires that board directors of financial institutions adopt measures to promote a culture of compliance to prevent money laundering, and has commissioned peripheral institutions to hold training courses, to assist financial institution build an effective antimoney laundering prevention system.



FSC Chairman Ruey-Tsang Lee, Vice Chairman Cheng-Mount Cheng, Vice Chairman Tian-Mu Huang, and Director-Generals of all bureaus hold the 2017 New Year Press Conference on January 12, 2017.





# Important Financial Measures

#### Promoting Economy via Financial Strategies

#### 1. Encouraging banks to extend loans to enterprises in key innovative industries

On September 30, 2016, the FSC introduced the "Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries" to encourage domestic banks to actively extend loans to enterprises in 7 key innovative industries under the precondition of taking proper risk control. The loans extended by domestic banks to enterprises in 7 key innovative industries amounted to NT\$4.561.8 billion as of the end of 2016.

#### 2. Pushing private sectors to participate in public infrastructure and increasing financing

On February 3, 2016, the FSC amended Article 9 of the Regulations Governing Use of Insurer's Funds in Special Projects, Public Utilities and Social Welfare Enterprises. The threshold for an insurer's investment in the projects defined in the Act for Promotion of Private Participation in Infrastructure Projects subject to subsequent review is raised to NT\$ 5 billion and 10% of the owner's equity of the insurer.

#### 3. Raising the ceiling on investments in shares listed on Taipei Exchange by a commercial bank

In order to improve capital utilization efficiency of banking industry, the FSC announced the amendment to the "Directions Governing Limitations on Types and Amounts of the Securities in which a Commercial Bank May Invest" on December 22, 2016 to raise the ceiling on investments in shares listed on Taipei Exchange by a commercial bank.

# 4. Encouraging trust enterprises to engage in care trusts for the elderly and physically or mentally disable people

The FSC announced the "rating criteria and incentive measures for handling of asset trusts by trust enterprises for senior citizens and disable people", which has been effective for five years from 2016. As of the end of March 2017, 24 trust enterprises provided care trusts for the elderly and physically or mentally disable people, the beneficiaries of care trusts totaled 6,787 people and the trust property principal totaled NT\$8.6 billion.

# 5. Providing real estate reverse mortgage (House-for-pension) for the elderly

Commercial real estate reverse mortgages are financial products that help elderly people enjoy their lives in retirement and enhance elderly life security using their own houses. Encouraged by the FSC, Taiwan Cooperative Bank took the lead in providing this product since November 2015 and then eight other banks progressively provided this product. As of the end of 2016, 1,241 cases had been undertaken, and loans totaling NT\$6.375 billion had been approved.



Awards ceremony and seminar for "Evaluation of Trust Enterprises to Engage in Care Trusts for The Elderly and Physically or Mentally Disable People" on July 17, 2017.

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6. In order to help financial institutions develop their business and increase operating efficiency by working with the financial technology industry, securities firms and investment trust enterprises have been allowed to invest in domestic promising innovative companies. As of the end of December 2016, 10 domestic securities firms were allowed to invest in venture capital subsidiaries, which amounts to NT\$ 4.245 billion. Those venture capital subsidiaries then re-invested about NT\$1.873 billion into domestic industries.



Ms. Sue Lewis, Chair of the UK Financial Services Consumer Panel, was received by Chairman Ruey-Tsang Lee on November 30, 2016. Two sides broadly exchanged views on consumer protection in financial services.



#### **Promoting Green Finance**

#### 1. Assisting green energy industry to obtain finance

- (1) The FSC has urged the Bankers Association to include Equator Principles in the "Guidelines for Members of the ROC Bankers Association to Extend Credits" with the aim to facilitate its member banks to assess the impacts on society and natural environment while they conduct the credit evaluation. The FSC also encourages domestic banks to sign the Equator Principles.
- (2) After the coordination between the Ministry of Economic Affair and the FSC in August 2016, the maximum guarantee coverage ratio of SME Credit Guarantee Funds has been increased from 80% to 90%. This measure will assist small-size green energy companies in obtaining finance.
- (3) The FSC continues to coordinate banks to provide green energy finance in accordance with the policies and incentive measures drawn up by relevant competent authorities.

#### 2. Leading funding of insurance to invest green industries

- (1) In accordance with Subparagraph 2 of Article 3 of the Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises, an insurer can apply for approval to invest in facilities of public utilities, such as solar energy. As of the end of 2016, the FSC has approved 4 insurers to invest in 5 renewable-energy-based electricity generating enterprises with total investment amount reached around NT\$3.8 billion.
- (2) To encourage insurers to adopt the Equator Principles and consider the environment impact while making loan and investment decisions, the FSC required the Non-life Insurance Association and the Life Insurance Association to amend the relevant self-regulatory to guide insurers for injecting their funds into green energy industries which are environmental-friendly.

# 3. Providing diverse funding channels for green energy industry

When green energy industries apply for listing, preferential listing requirement applies. If a company acquires an unequivocal opinion from its industry competent authority which certifies that the company applying for listing is a technology-based enterprise or a cultural and creative enterprise, the company then is not subject to the minimum years of establishment and profitability requirement.



FSC Chairman Ruey-Tsang Lee and Vice Chairman Cheng-Mount Cheng attended the listing ceremony for green bonds on May 19, 2017.



#### Providing financial support to industry to allow New Southbound business opportunities to be exploited

The FSC is providing financial support in line with the overall New Southbound policy, using multiple fund-raising channels to assist enterprises obtain capital to meet their needs. Concrete measures include:

- 1. Encouraging domestic banks, while paying attention to credit risk, to expand credit given to domestic companies or local business in New Southbound target countries.
- 2. Providing guidance to Taiwanese business to allow them to raise funds on the domestic capital market: To allow the Taiwan capital market to provide high quality enterprises in the New Southbound policy region with a stable fundraising platform, TWSE and TPEx will set up a dedicated guidance contact window that will answer questions from enterprises at any time. TWSE and TPEx will also hold roadshows in New Southbound countries and visit companies to attract them back to list in Taiwanese Exchanges.
- 3. Assisting domestic banks to increase their presence in New Southbound target countries. At present, Taiwan's banks have 202 service outlets in the region that provide various financial services in-country, including finance, guarantees and consulting.

#### Promoting diversity of financial products and Investment of Convenience

- 1. Allowing OTC spot gold produce to serve as the underlying asset of call (put) warrants issued by an issuer; launching Dual-Currency ETF trading mechanism to provide investors with more investment options; amending regulations to allow futures trust enterprises to issue leveraged and inverse futures ETFs.
- 2. Encouraging insurers to develop innovative products
  - (1) The FSC encourages insurers to develop innovative products using Fintech and Big Data through collaboration with other industries. The FSC also encourages insurers to develop innovative products providing inkind payment.

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- (2) The FSC encourages insurers to develop various agriculture insurance products. As of the end of 2016, insurers have developed pear and mango insurance products.
- 3. To provide more complete coverage, the FSC approved "real estate developers' liability insurance products" in 2016 to cover real estate developers' and their performance assistants' liability toward the third party claims.
- 4. Taiwan's current regulations governing mobile payment business are mature and complete and domestic financial institutions have been actively promoting various mobile payment services, including TSM mobile credit card, HCE mobile credit card, token-based mobile credit card, mobile bank card, QR Code mobile payment service, and mPOS service, etc. As of the end of April 2017, the total transactions amounted to NT\$4.01 billion.



The delegation of US-Taiwan Business Council, led by President Rupert Hammond-Chambers, was warmly received by Chairman Ruey-Tsang Lee on January 18, 2017.



#### Banking Business

- 1. Strengthening banks' control measures on conducting complex and high-risk financial derivatives such as TRF and DKO
  - (1) To strengthen banks' core control mechanisms on conducting complex and high-risk financial derivatives, including KYC procedures, product suitability standards and risk management, the FSC has actively adopted several measures, including tightening the qualification requirements of professional corporate investors, restricting eligible counterparties, putting limits on product contract terms, setting up loss limits, minimum initial margin requirements, and establishing controls on customers' credit limits for financial derivatives transactions. In September 2016, the FSC further amended applicable regulations requiring banks to file new product applications for approval with the Central Bank or the FSC before conducting business for such new complex and high-risk products.
  - (2) To accelerate the resolution processes for the Target Redemption Forwards (TRF) and other complex and high-risk products disputes and make the financial market back on track, the FSC convened a meeting on September 30, 2016 to reiterate the principle of resolving disputes through mediation and arbitration. The FSC has asked banks to review each dispute and try to reach a settlement with their customers. If a settlement agreement is not reached, banks should enter mediation or arbitration through the mediation mechanism of Financial Ombudsman Institution (FOI) or arbitral proceedings according to the Arbitration Law so that disputes could be clarified and resolved by third-parties with fair and objective views.
  - (3) To bolster compliance by banks and correct mis-selling practices in financial derivatives, the FSC continues to review relevant rules and regulations and to conduct examinations on banks' derivatives business and will take appropriate enforcement actions on banks which significantly violate relevant regulations to maintain financial market disciplines.

#### 2. Financial support of Creative industry

To assist creative industry in obtaining funding for business development, the FSC adopted the "Project for Financial Support of Creative Industry" based on four approaches, namely "education and training", "project funding", "advisory service platform" and "coordinated measures". The related measures are as follows:

- i. enhancing education and training
- ii. providing Incentives to motivate financial institutions' willingness to extend loans to and invest in creative industry
- iii. encouraging banks to actively extend loans to creative industry
- iv. encouraging domestic banks to increase the outstanding balance of such loans from NT\$180 billion at end of 2013 to NT\$360 billion within three years.

The outstanding balance of such loans reached NT\$485.3 billion at year end of 2016 (increased up NT\$303.6 billion from the end of 2013). Therefore, domestic banks already fulfilled the project target for doubling outstanding balance of such loans within three years.

# 3. Continuing to promote the "Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises

The FSC continued to implement the "Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises" aimed to foster a favorable financing environment for SMEs in 2016 and set the expected target for 2016 to increase the outstanding balance of such loans by NT\$240 billion. By the end of 2016, loans extended to SMEs by domestic banks amounted to NT\$5,726.9 billion, up by NT\$274.4 billion from the end of 2015 (the fulfillment ratio reached 114.33% of the expected target).



#### **Securities & Future Business**

- 1. Developing a multi-layer capital market to assist in industries' development.
  - (1) Encouraging innovative companies and SMEs to raise capital through the GISA or crowdfunding platform
  - (2) The FSC is actively promoting the strategy of "counseling overseas Taiwanese companies to use domestic capital market to raise funds".
  - (3) The FSC has developed a multi-layer capital market, which provides diverse fund-raising channels to foster innovative companies. As of the end of 2016, 892 companies were listed on TWSE, 732 on TPEx, 271 on ESM, and 78 on GISA.



FSC Vice Chairman Cheng-Mount Cheng attended the launch ceremony for the Innovation and Entrepreneurship Fund on March 3, 2017 and was photographed with guests.

# 2. Assisting innovative-featured enterprises to enter into capital market

The FSC has requested the TWSE and the TPEx to relax the criteria of listing. If a company acquires an unequivocal opinion from its industry competent authority which certifies that the company applying for listing is a technology-based enterprise or a cultural and creative enterprise, the company then is not subject to the criteria of minimum years of corporate establishment and profitability. The measure allows promising innovative-featured industries to raise funds for growth and expands the overall size of our capital market as well.

#### 3. Developing Bond Market

- (1) On September 7th 2016, the FSC permits securities firms to trade overthe-counter offshore structured products as stipulated by Article 17 of Regulations Governing Offshore Structured Products with professional institutional investors and high net worth corporate investors, as defined by Paragraph 3, Article 3 of the same regulations.
- (2) To attract quality foreign issuers to participate in international bond market, the FSC announced relevant regulation on December 28th, 2016 to broaden issuer spectrum on the international bond professional board. Since then, the branch of a foreign financial institution (or its parent company) whose depositary receipts are already listed on a US national securities exchange recognized by the competent authority, can offer international bonds to professional investors.

#### 4. Strengthening Corporate Governance of Listed companies

(1) Broadening the scope of companies to implement E-voting requirement Starting from 2016, new IPO companies and listed companies with at least 10,000 shareholders and paid-in capital no less than NT\$2 billion were required to use electronic voting as one of the methods to exercise voting rights. In 2016, 604 listed companies provide electronic voting at shareholders meetings. Compared with 278 companies in 2015, there is an increase of 326 companies that use electronic voting.

(2) In order to enhance the transparency of public companies' financial statement, the FSC has adopted IFRSs by an endorsement process starting from 2017 and published an order specifying the endorsed version of IFRS, IAS and IFRIC or the SIC on July 2016.

#### 5. Promoting Competition of Securities Industries

- (1) To promote the diversification and innovation of listed products, and increase the liquidity in Taiwan securities market, Dual-currency ETF trading mechanism were launched in August 8th, 2016 to provide investors with more investment options.
- (2) With aims to help investors make mid-term or long-term and less-risky investments in the stock market, enhance the convenience of small-amount investments and expand the business scope of securities firms, the FSC has initiated and encouraged securities firms to provide systematic investment plans, which allow investors to purchase individual stock and ETFs at a fixed amount on a regular internal.
- (3) In order to facilitate the issuance of new funds by SITEs and increase operating flexibility of securities investment trust funds, the FSC amended regulation to allow the introduction of "multi-asset funds" and remove restrictions on fund investments. The SITEs can develop various investment strategies and create funds that satisfy investors' financial management needs for retirement.

#### 6. Sound Future Market

- (1) On May 25th, 2016, futures brokerage businesses were allowed to trade futures with their own funds, Futures proprietary merchants, when trading foreign futures, were also allowed to engage managed futures enterprises for discretionary trading. Moreover, FCMs are also allowed to subscribe futures trust funds issued and offered by futures trust enterprises to specific domestic buyers.
- (2) To expand the exchange rate futures products and develop multi ways of investing and hedging, the TAIFEX listed Nifty 50 Futures contract, the EUR/USD FX Futures and the USD/JPY FX Futures contracts on November 7th, 2016.

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#### 7. Assisting in young students employment

The FSC worked with the Ministry of Education to promote "Industry and Academy Cooperation Internship Program". The securities related entities survey the internship vacancies provided by listed companies, banking institutions, securities institutions, insurance institutions, accounting firms, law firms and other professional institutions. Then the Ministry of Education matched university and college students to enterprises' internship vacancies.



FSC Vice Chairman Cheng-Mount Cheng attended the launching ceremony for debut of S&P 500, DJIA Futures and extending trading hours.



#### (G) Insurance Business

#### 1. Sound Development of Insurance Market

The FSC reiterated that expense loading rates are required to meet with the principles of adequacy, reasonableness and fairness stipulated in the "Directions for the Review of Life Insurance Products" on May 10, 2016. In order to ensure sound operation of domestic life insurance industry and keep the interest rate of liability reserve of new contracts properly reflect market levels, on November 15, 2016 the FSC announced interest rates that will apply to liability reserve for new contracts of life insurance denominated in various currencies in 2016.

#### 2. Strengthen solvency and improve the mechanism of risk management

- (1) In order to reasonably reflect risks of insurers, the FSC announced the Scope and Formula for calculating Total Adjusted Net Capital and Riskbased Capital of insurance companies for 2016.
- (2) To urge life insurers to gradually strengthen their reserves and solvency, since 2012 life insurers have been required to perform fair value valuation annually on their in-force contracts' liabilities, mainly following the framework of IFRS 17. The FSC announced the standard of 2016 valuation basis on November 15, 2016. If the valuation result shows the need of enhancement, the insurer is required to submit a reserve strengthening plan.

#### 3. Raising competition of Insurance Market

On March 31, 2016, the FSC allowed the insurer to invest in bonds issued or guaranteed by foreign local governments and negotiable certificates of deposit denominated in foreign currencies issued by domestic banks in Taiwan, strengthened regulatory supervision on the relevant limits and caps on the investment of subordinated debts issued by foreign banks and corporations, as well as adjusted the basis of calculation on the caps on overseas real estate investment by insurers.

## 4. To cope with the trends of aging society, further protect the rights and benefits of senior citizens

To cope with the trends of aging society, FSC has issued the Directions for micro-whole-life Insurance on Dec. 28, 2016. Micro-whole-life Insurance provides a whole life insurance policy with NT\$300,000 benefit amount and with an accident insurance rider with NT\$20,000 benefit amount. In order to increase the elders' purchase intention of Micro-whole-life Insurance, the FSC encourages insurers to make proper adjustments to the underwriting rules for such products.



The FSC Vice Chairman Tian-Mu Huang attended the "Opportunities and Challenges of ASEAN Insurance Markets for Taiwan Insurance Companies International Conference" and delivered a speech at the opening session on May 17, 2017.

#### 5. Enhancing the protection of right of insurers

- (1) The FSC announced "the combined complaint rate" in the "Public Petition and Financial Consumer Disputes Management System" on March 30, and September 30, 2016 and required insurers with lower combined complaint rate to analyze the reasons and propose their improvement plans.
- (2) In order to reduce claim disputes and protect the rights and interests of policyholders, the FSC held the Life Insurance Claim System Seminar and Solicitation and Underwriting System Seminar, respectively, on June 28, and July 27 2016. Through practical experience sharing and discussions, insurers could reach general consensus and provide solutions to solicitation, underwriting, and claim disputes.

#### Strengthening financial supervision

#### 1. Enhancing financial resilience of domestic banks

In the aftermath of 2008 financial crisis, the Basel Committee on Banking Supervision (BCBS), Financial Stability Board (FSB) and other international organizations have successively proposed a series of reforms to improve banking sector's ability to absorb shocks from economic and financial impact, enhance financial resilience and promote stability in financial markets. The FSC has adopted the following important measures in keeping step with international norms:

(1) Capital Adequacy: to raise the level of capital quality and quantity of Taiwan's banks in line with the Basel III standard, the FSC has, year by year, increased the statutory minimum Capital Adequacy Ratio from 2013. Starting from 2019, the minimum requirements for Common Equity Ratio, Tier 1 Capital Ratio and Capital Adequacy Ratio will be 7%, 8.5% and 10.5%, respectively. As of the end of 2016, domestic banks' average Common Equity Ratio, Tier 1 Capital Ratio and Capital Adequacy Ratio reached 10.46%, 10.93% and 13.28%, respectively. All of these ratios were higher than the statutory minimum requirements set for 2019.

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- (2) Implementing Leverage Ratio: to improve the situation of applying different risk-weighting for calculating and setting aside capital charge and to supplement the aforementioned risk-based minimum capital requirements, the FSC, in reference to BCBS standard, requires that the Leverage Ratio (Tier1 Capital/total exposure) of banks be higher than 3% from 2018. So far, each domestic bank's Leverage Ratio is higher than the minimum requirement (3%).
- (3) Implementing Liquidity Coverage Ratio: to enhance the short-term liquidity recovery ability of banks, the FSC and Central Bank have introduced the Liquidity Coverage Ratio (high quality liquid assets/net outward cash flow amount over the next 30 calendar days) since 2015 and require that the Liquidity Coverage Ratio of banks be higher than 100% from 2019. Currently, each domestic bank's Liquidity Coverage Ratio is higher than 70% (the 2016 minimum requirement proposed by Basel III). There are 34 domestic banks meeting the minimum requirement set for 2019.
- (4) Establishing Net Stable Funding Ratio: To enable banks to hold sufficient long-term stable finding to meet their business development needs, the FSC, in consultation with the Central Bank, promulgated the Regulations Governing Net Stable Funding Ratio (Available Stable Funding/Required Stable Funding) with reference to the BCBS standard, and the regulation is expected to be implemented from 2018, keeping in step with international requirement.

# 2. Strengthening Taiwan's mechanism of anti-money laundering and countering the financing of Terrorism (AML / CFT)

To strengthen Taiwan's mechanism of AML/CFT, the FSC has required financial institutions to enhance the governance of board of directors, internal control three lines of defense as well as education and training so that they can mold the culture that attaches importance to compliance in AML/CFT. Moreover, the FSC emphasizes that financial institutions should strengthen head offices' management over overseas branches via group-wide AML/CFT programs. Also, the FSC reinforces the guideline on continuous monitoring over accounts and transactions and requires financial institutions to adopt extra measures to lower the risks associated with AML/CFT for specific items, such as natural persons or juristic persons under the watch-list (sanctioned counterparties), Politically Exposed Persons (PEPs), cross-border correspondent banking business, etc.



FSC Vice Chairman Cheng-Mount Cheng attended 19th International Conference of Banking Supervisors (ICBS) and was pictured with BCBS Chairman Stefan Ingves on November 29, 2016.

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#### 3. Formulating FSC international talent cultivation program

An FSC international talent cultivation program has been formulated under which FSC personnel will be selected for overseas further study to meet the requirements of financial supervision and development.

#### 4. Continually conducting differential examinations and conducting targeted examinations in depth

To implement a risk-based examination mechanism, the FSC continues to carry out differential examinations. According to differential examination frequency, the FSC observes the financial, business and overall operating conditions of financial institutions when conducting full-scope examinations periodically. Furthermore, with reference to specific supervisory needs, financial market changes and significant issues of concern to the public, the FSC conducts examinations across institutions targeted at specific business or items.

#### 5. Promoting the adoption of risk-based internal audit system

To improve capability of financial institutions in risk identification and assessment and to allocate internal audit resources more effectively, the FSC has been promoting the adoption of risk-based internal auditing system. By the end of 2016, the FSC approved three banks to adopt risk-based internal auditing system since 2017. In order to effectively enhance internal audit performance of financial institutions, the FSC will continually ask financial institutions to take into account the riskiness of business units and items while allocating adequate auditing manpower and focusing on high risk business to enhance the depth of auditing in their annual internal audit plans.



#### **Promoting International Business**

#### 1. Discussion of signing of financial supervision MoU

- (1) As of the end of December 2016, the FSC had signed 53 financial supervision MoU with 37 countries and regions. In 2016, the FSC signed MoU with three overseas competent authorities, including signing banking supervision MoU with the Superintendency of Banks of Panama and US Illinois Department of Financial and Professional Regulation, respectively, and signing a financial supervision cooperation exchange of letters with Indonesia.
- (2) In order to enhance the level of financial communication and exchange with the Southeast Asian countries, the TPEx entered into an MOU with the Indonesia Stock Exchange on July 14th, 2016.

#### 2. The FSC hosts and takes part in international conferences

(1) To actively take part in IOSCO contact and exchange, FSC representatives attended IOSCO's GEMC in January 2016, attended IOSCO's Asia-Pacific Committee in March 2016, and attended the IOSCO annual conference in May 2016. At the annual conference, an FSC representative was also invited to be the respondent for the FinTech and Innovation topic to share Taiwan's FinTech development situation, in doing so effectively raising Taiwan's international profile.



The FSC Vice Chairman Tian-Mu Huang led delegation to attend the APRC meeting on March 7-8, 2016. Vice Chairman Huang was invited to share Taiwan's development on financial innovation.

(2) On April 21-22, 2016, the FSC hosted 2016 Asian Forum of Insurance Regulators (AFIR) Annual Conference. Delegates from 17 nations (40 people) participated in the conference. Issues discussed during the conference include Fintech, cross-board supervision and climate change, etc. By hosting the 2016 AFIR annual conference, Taiwan's international profile and insurers' professional image are raised.



The FSC hosted the 11th annual meeting of the Asian Forum of Insurance Regulators (AFIR) on April 21-22, 2016.

(3) To actively engage in interaction with international insurance supervision organizations, the FSC attended important international conferences, such as IAIS Committee Meetings, Annual Conference and other related Working Group Meetings, NAIC Asia-Pacific International Forum, and International Actuarial Association Meeting, etc., to understand the most recent trends of international insurance supervision and strengthen cooperation with other countries' supervisors.

- (4) To actively participate in international anti-money laundering contact and exchange, in September 2016 the FSC's representatives attended the Asia/Pacific Group on Money Laundering annual meeting, and also dispatched personnel to be evaluators of Cambodia and attend related meetings.
- (5) The 11th Taipei Corporate Governance Forum was held Oct. 20-21, 2016. Deputy Chairman of IOSCO's GEMC Mr. Bert Chanetsa, representatives from international financial institutions and experts and scholars were invited to give presentations. In total, over 800 people attended, including directors, supervisors and senior managers of listed companies, personnel from government agencies responsible for promoting corporate governance, representatives from the competent authorities for securities and finance in 11 countries as well as representatives from foreign institutional investors. The aim was to raise the level of corporate governance in Taiwan and bring practices in line with international norms by understanding the latest trends in corporate governance internationally.



The FSC Vice Chairman Tian-Mu Huang attended the "11th Taipei Corporate Governance Forum" and delivered a speech at the opening session.

(6) With the aim of actively taking part in international financial organization meetings and events, the Central Deposit Insurance Corporation invited Vice Chairman of the FDIC and Chairman of the IADI Mr. Thomas M. Hoeing to visit on October 31, 2016 to promote cooperation in the area of financial supervision.



On November 31, 2016, FSC Chairman Ruey-Tsang Lee and Vice Chairman Tian-Mu Huang received Chairman of IADI Mr. Thomas M. Hoenig. The two sides exchanged opinions on a wide range of financial supervision issues.

#### 3. Taiwan and the US sign a FATCA cooperation agreement

In response to the coming into effect of the FATCA bill on July 1, 2014, in order to protect the investment rights and interests of Taiwan's financial institutions and all citizen investors, the FSC, together with the Ministry of Finance and Ministry of Foreign Affairs and other agencies, actively discussed the signing of a Taiwan-US cooperation agreement on the basis of mutual benefit with the US side. The agreement was signed on Dec. 22, 2016 by TECRO and AIT. This agreement will be promulgated and take effect when it has been reviewed and approved by the Legislative Yuan.

#### 4. Cross-strait setting up of branches/subsidiaries

- (1) Banking industry: By the end of 2016, the FSC had granted approval for 13 Taiwanese banks to establish branches (or sub-branches) and banking subsidiaries in Mainland China, which include 28 branches, 11 sub-branches, 3 banking subsidiaries, and 3 representative offices. With respect to Mainland China banks' applications for establishing branches/ representative offices in Taiwan, the FSC progressively granted permission based on the principle of prudential supervision. By the end of 2016, Mainland China banks had established 3 branches and 2 representative offices in Taiwan.
- (2) As the end of 2016, the FSC has approved one securities firm to make equity investment in a futures company in the Mainland China. 4 SITEs have been approved to set up fund management companies in Mainland China. In addition, 9 securities firms have set up 15 representative offices, and one SITE establish a representative office in the Mainland China.
- (3) As of the end of 2016, 7 insurance companies and 2 insurance agency companies in Taiwan has invested in 7 insurance companies, 3 insurance broker companies and 1 insurance agency companies in mainland China, respectively. In addition, 12 insurers (5 non-life and 7 life) have established 13 representative offices in mainland China.

### Augmenting Financial Consumer Protection

### 1. To set up Financial Consumer Protection Supervisory Council

The FSC has set up Financial Consumer Protection Supervisory Council, composed by the FSC bureaus, departments, the Financial Ombudsman Institution and the Securities and Futures Investors Protection Center. The Council quarterly reviews the financial consumer protection work and financial inspection analysis reports, and the latest foreign financial consumers related laws and regulations, protection measures and the policy, and depending on the financial market development situation and financial protection of important issues, to propose financial consumer protection measures to implement the protection of financial consumers, and timely propose amendments to the financial consumer protection laws and regulations.

#### 2. Promoting microinsurance businesses

As of the end of 2016, there are 25 insurance companies engaging in microinsurance businesses (14 life insurers and 11 non-life insurers), the accumulated number of individuals covered by microinsurance reached about 356,000 and the total insured amount are more than NT \$122.6 billion. It is expected that more economically disadvantaged people can be taken care of and the social safety net can be strengthened by promoting such products.



The FSC held its annual insurance promotion event lawn picnic concert and fare on November 5, 2016. FSC Vice Chairman Tian-Mu Huang was in attendance, presented awards and was photographed together with insurance company representatives.

#### 3. Continuing to promote Basic Finance Education Program

In order to plant the roots of finance education in schools to further promote financial literacy for families and society, the FSC continues to promote 2016 Basic Finance Education Program. By providing teachers with Basic Finance Education handbooks as teaching reference materials, teachers can integrate finance education into their classes in a more diversified and lively way, making finance education an important issues for senior high schools and lower levels.

**4.** The FSC supervises the Financial Ombudsman Institution to mediate by project for the complex high-risk financial derivatives dispute between the investors and the banks.

- 5. The Financial Ombudsman Institution has been accepting the application for mediation since April 15, 2016. As at December 31, the total application for mediation cases amounted to 77, of which 1 case was settled, 3 cases had the results of mediation, 1 case was not accepted by the FOI, and 20 applications were withdrawn.
- 6. To support the innovation of financial technology, encourage enterprises in innovative and technology industries to cooperate with financial institutions in building a digital financial environment and fostering the consultant and advisory services in financial technology, the FSC has established a specific handling window.

## Promoting financial institutions around the public welfare activities

In response to Global Money Week held by Child & Youth Finance International on March 14-20, 2016, FSC held the Child & Youth Global Money Week opening ceremony on March 14. The ceremony kicked off the week's various financial education events, and FSC hoped to promote Taiwan's financial education achievements to the world through participating in this international event.



FSC Vice Chairman Cheng-Mount Cheng attended a rehabilitation minibus presentation ceremony held by TWSE on December 6, 2016 and was photographed together with TWSE Chairman and the representatives of the five city/county governments that received the buses.



#### **Overall Financial Achievement**

#### 1. Financial industry achieves steady growth

Overall, the financial industry recorded profits of NT\$464.8 billion in the period January-December 2016, up by NT\$55 billion or 13.4% on the NT\$409.8 billion of 2013.

Units: 10 million NT dollars

	2013 year	2014 year	2015 year	2016 year
Profit (loss) before tax of banking Enterprises	2,998	3,714	3,717	3,370
Profit (loss) before tax of Insurance Enterprises	790	1,276	1,502	1,191
Profit (loss) before tax of Securities & Future Enterprises	311	439	394	220
Total	4,099	5,429	5,613	4,781

#### 2. Sound financial quality of banking industry

- (1) The average non-performing loan ratio had reduced to 0.27% at the end of 2016 from 11.76% as of the end of April 2002, decreased by 44 times of the ration at the end of April 2002.
- (2) The average NPL coverage ratio had increased to 502.93% at the end of 2016 from 14.29% as of the end of April 2002, decreased by 35 times of the ratio at the end of April 2002.

#### 3. Financial support of the development of industries.

- (1) Continuous growth in the outstanding balance of loans: As of the end of 2016, the total loans extended by banking industry reached NT\$27.8 trillion, up by NT\$706.8 billion from the end of 2015.
- (2) Assistance in the development of creative industry: The FSC will continue to promote the "Project for Financial Support of Creative Industry" to assist creative industry to thrive. As of the end of 2016, the outstanding balance of loans extended to creative industry by banks reached NT\$485.3 billion, increased by NT\$303.6 billion from NT\$181.7 billion at the end of 2013.
- (3) Assisting SMEs in obtaining funding: As of the end of 2016, the outstanding balance of loans extended to SMEs by domestic banks amounted to NT\$5,726.9 billion, which increased NT\$274.5 billion from

NT\$5,452.4 billion at the end of 2015, and accounted for 58.79% of the outstanding balance of loans extended to all enterprises or accounted for 61.56% of the outstanding balance of loans extended to private enterprises.

- (4) The total market capitalization of companies listed on TWSE and TPEx amounted to NT\$3 trillion. Through capital increase and issuance of corporate bond, companies have raised around 300 to 500 billion, which in turn help the development of innovative-featured enterprises.
- (5) International bonds (Formosa bond included) market growing steadily:

The issuance of bonds amounted to NT\$1,589.8 billion in 2016, increasing 42.56% compared to NT\$1,115.2 billion in 2015. In addition, on June 4th, 2014, the FSC exempted insurance industry's investment in domestic foreign-currency denominated debt securities and certificates from their 45% cap of overseas investment. Since the relaxation, the issuance of international bonds, including the Formosa bonds, reached 424 issues and amounted to NT\$3,371.9bn, which is 24.6 times more than pre-relaxation period of 7.5 years from November 1st, 2006 to June 3rd, 2014. Among the issuance amount, the insurance industry's investment totaled NT\$2,679.7bn, accounting for 77.6% of all the issuance. It was estimated that the regulatory relaxation has increased the investment return of the insurance industry, related underwriting and attorney fees, and government tax revenue by NT\$61.9bn, NT\$5.59bn, and NT\$11.48bn, respectively.



# Future Prospect

The most important functions of the financial system are to provide the capital required for economic development and provide the public with safe and convenient financial services. To fulfill these functions, the operation of the financial industry itself needs to be soundly managed, therefore, the FSC has always made every effort to promote sound operation and development of the financial industry and, in line with government policy, guides the input of funds into industrial development and public construction, while protecting the rights and interests of consumers at the same time. In the future, the FSC will continue actively implementing various important policies that are vital for the development of the financial market, including:

- Promoting Fintech innovative experimentation legislation
- Promoting the development of green finance
- Channeling capital into industrial development and public infrastructure
- Enhancing protection of financial consumers
- Strengthening the prevention of money laundering and legal compliance
- Promoting the signing and implementation of a Taiwan-US cooperation agreement





## Taiwan Financial Indicators

Table 1: Number and Deposit/Loan Outstanding Balance of Financial Institutions

Unit: firm; NT\$ billion

ltem	Number of Financial Institutions				Deposits			Loans		
Year/ Month	Domestic Banks	Local Branches of Foreign and Mainland Chinese Banks	Credit Coopera- tives	Bills Finance Companies	Domestic Banks	Local Branches of Foreign and Mainland Chinese Banks	Credit Coopera- tives	Domestic Banks	Local Branches of Foreign and Mainland Chinese Banks	Credit Coopera- tives
2009	37(3279)	32(133)	26(258)	10(32)	21,660	573	538	17,070	507	329
2010	37(3334)	28(92)	26(261)	9(30)	23,203	395	554	18,312	477	336
2011	37(3359)	28(92)	25(255)	8(30)	24,301	483	547	19,232	631	340
2012	38(3416)	30(51)	24(255)	8(30)	25,265	322	563	19,945	539	363
2013	39(3442)	31(39)	24(257)	8(30)	26,810	291	594	20,561	558	392
2014	39(3460)	30(39)	23(246)	8(30)	28,339	409	601	21,387	730	405
2015	39(3442)	30(39)	23(253)	8(30)	30,063	532	628	22,031	808	429
2016	39(3430)	29(38)	23(260)	8(30)	30,948	788	646	22,717	931	442
2017/01	39(3431)	29(38)	23(261)	8(30)	30,937	732	645	22,821	908	443
2017/02	39(3429)	29(38)	23(261)	8(30)	31,107	812	650	22,840	922	444
2017/03	38(3429)	30(39)	23(262)	8(30)	31,263	760	650	22,951	833	444
2017/04	38(3427)	30(39)	23(263)	8(30)	31,444	756	651	23,024	847	445
2017/05	38(3424)	30(39)	23(265)	8(30)	31,507	690	650	23,159	826	447

- Source: "Financial Statistics Monthly, Republic of China (Taiwan)." compiled by Economic Research Department, Central Bank of the Republic of China (Taiwan).
- Numbers in brackets indicate the number of branch offices. www.fsc.gov.tw
- For more information, please visit FSC website. www.fsc.gov.tw.
- Figures for loans by domestic banks do not include those made by OBUs or overseas branches.

Unit: firm; NT\$ billion

			Office filling 5 to 5 billion				
Item Year/Month	Listed companies	Capital Issued	Taiwan TAIEX	Market Capitalization	Total Trading Value		
2009	741	5,869	8,188	21,033	30,118		
2010	758	5,927	8,972	23,811	28,890		
2011	790	6,152	7,072	19,216	26,996		
2012	809	6,384	7,699	21,352	20,789		
2013	838	6,610	8,611	24,519	19,603		
2014	854	6,783	9,307	26,891	23,043		
2015	874	6,950	8,338	24,503	22,505		
2016	892	7,022	9,254	27,248	18,916		
2017/01	894	7,039	9,447	27,890	1,120		
2017/02	894	7,035	9,750	28,842	1,883		
2017/03	896	7,045	9,811	29,058	2,097		
2017/04	896	7,054	9,872	29,246	1,612		
2017/05	898	7,063	10,041	29,768	1,808		

<sup>\*</sup> Refers to total trading value for all securities listed on TWSE market



Table 3: Number of Insurance Companies and Insurance Premium Income

Unit: firm; NT\$ million

Item	Number of Insurance Companies(including the insurance cooperative)					Insurance Premium Income (not including the insurance cooperative)		
Year / Month	Reinsurance	Non-Life Insurance		Life Insurance				
		Domestic	Foreign	Domestic	Foreign	Non-Life Insurance	Life Insurance	
2009	4	17	8	23	9	101,859	2,006,558	
2010	3	17	6	23	8	105,138	2,306,342	
2011	3	17	6	24	7	112,405	2,092,084	
2012	3	17	6	24	7	119,832	2,390,757	
2013	3	17	6	24	6	124,226	2,444,304	
2014	3	17	5	24	5	131,558	2,617,523	
2015	3	17	5	24	5	135,375	2,746,018	
2016	3	17	6	23	5	145,178	3,050,186	
2017/01	3	17	6	23	5	16,085	299,962	
2017/02	3	17	6	23	5	10,029	196,268	
2017/03	3	17	6	23	5	13,791	307,095	
2017/04	3	17	6	23	5	12,092	222,093	
2017/05	3	17	6	23	5	13,691	272,205	







# Appendix- FSC Management Team







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## Financial Supervisory Commission, Taiwan 2016-2017 Annual Report

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