



# Agenda

- 1 Background
- 2 Green Finance Action Plan
- 3 Key Measures
- 4 Preliminary Results

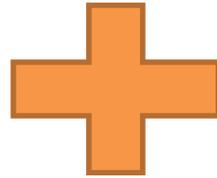
# 1. Background



# Promoting Green Finance

## Major public policies

- Nuclear-Free Country
- Energy Transition
- Environmental Emission Reduction



## Global trend

- Catalyzing funds to green industry
- Promoting green financial products

## Purpose

- Channel resources of financial sector toward green industry and green life
- Realize economy transition and sustainable development
- Drive growth of financial sector and other industries



The **Green Finance Action Plan** was approved by the Executive Yuan on November 6, 2017.



# Goals

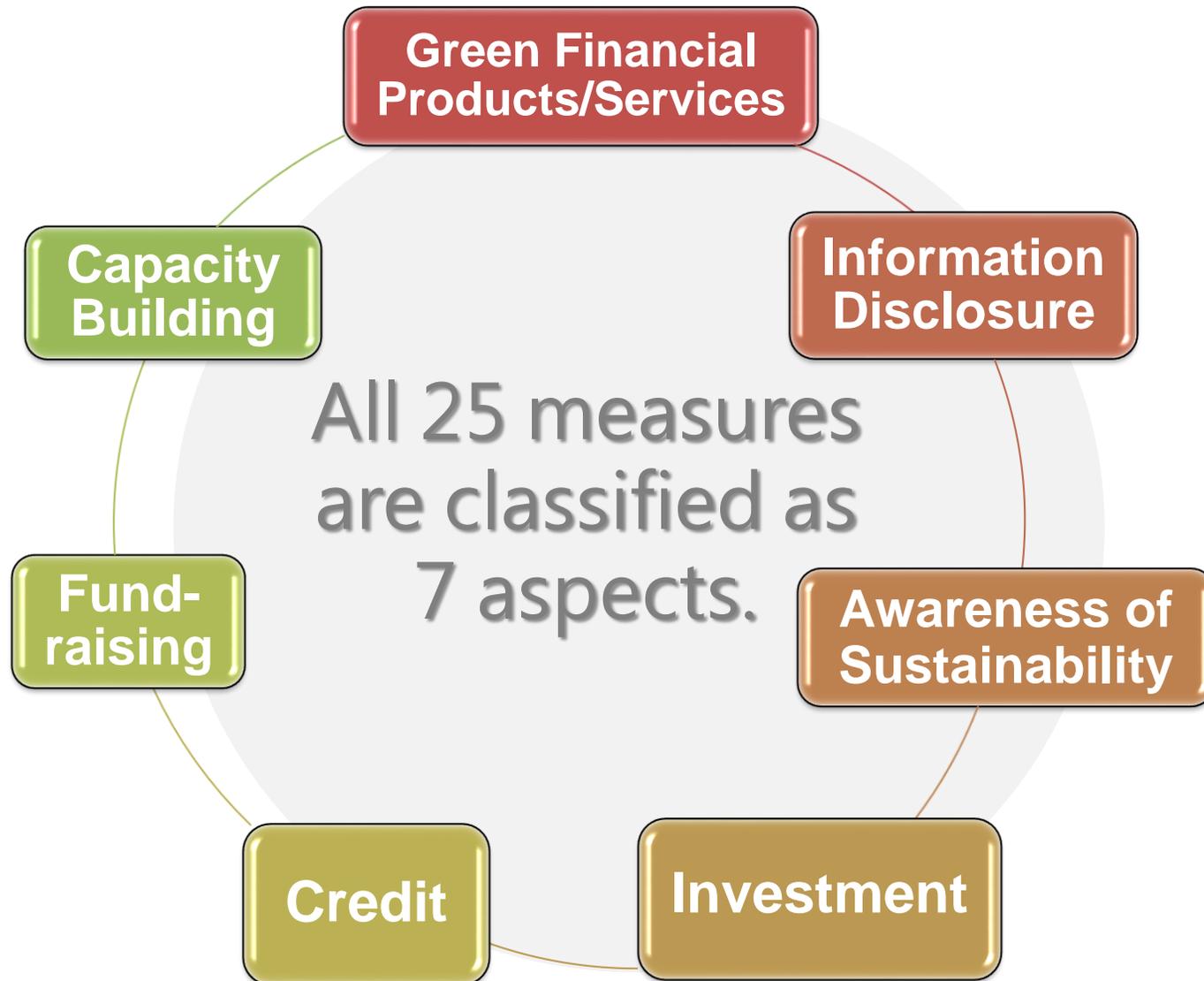
## Short-term

Targeting green energy firms and helping them obtain operational funds\*

## Medium-long term

Targeting all industries, investors, and consumers and building up culture of valuing sustainability (low carbon economy, green investment, green consumption, and green life)

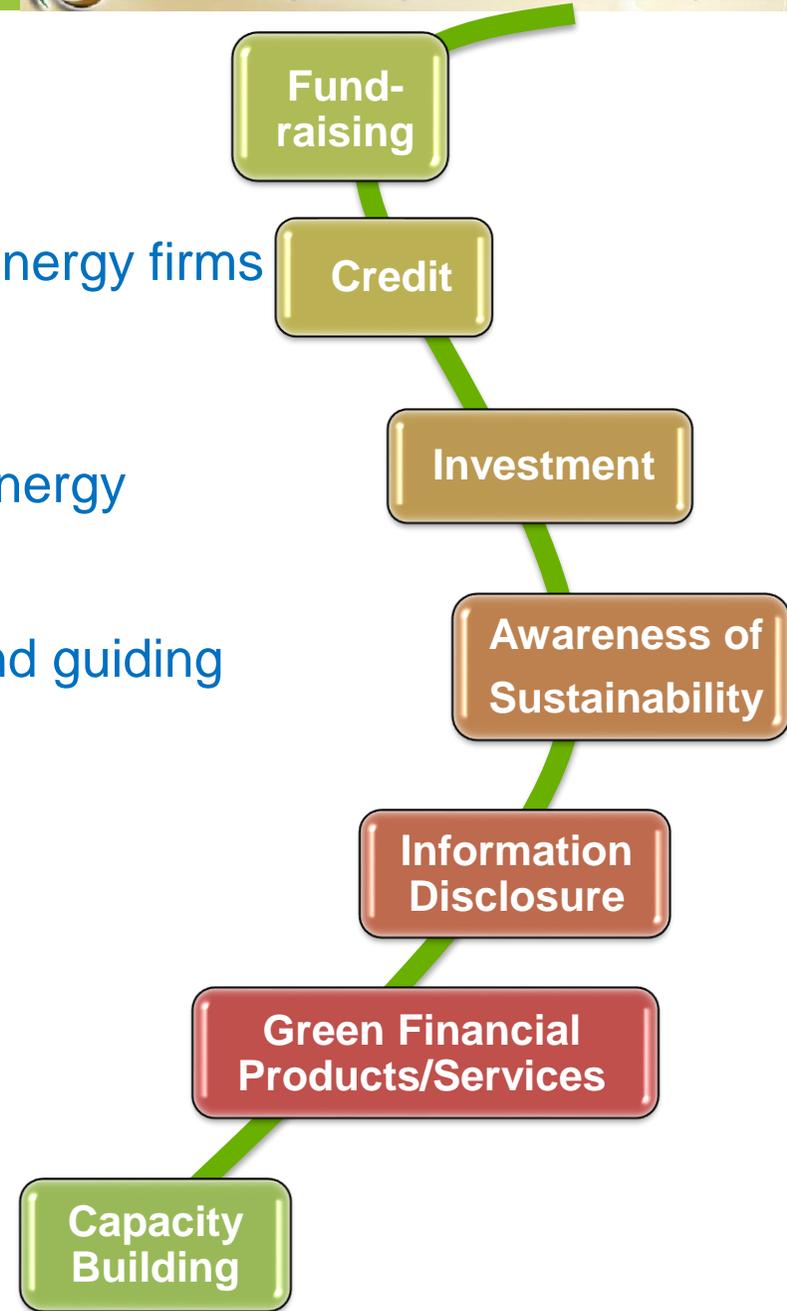
# Measures are classified as 7 aspects





# Key Measures

- ❑ Encouraging banks to extend credit to green energy firms
- ❑ Encouraging FIs to adopt Equator Principles
- ❑ Encouraging FIs to invest in domestic green energy industries
- ❑ Establishing a domestic green bond market and guiding capital market responsible investment
- ❑ Developing green products or services
- ❑ Building green finance capacity



# Encouraging banks to extend credit to green energy firms

## Incentives

### For Domestic banks

- ✓ Launch the *Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries* including green energy industry on Sep. 30, 2016

### For Foreign banks branches in Taiwan

- ✓ Relax credit extension limitation
- ✓ Move up credit line ceiling
- ✓ Allow issuance of NT-denominated financial debenture for green financing

### Others

- ✓ Introduce 3rd-party certification
- ✓ Encourage state-controlled banks / National Development Fund's participation in the programs

# Encouraging FIs to adopt Equator Principles



**4 banks** are signatories of Equator Principles (13 in Asia, 94 in globe) as of 02/19/2019.

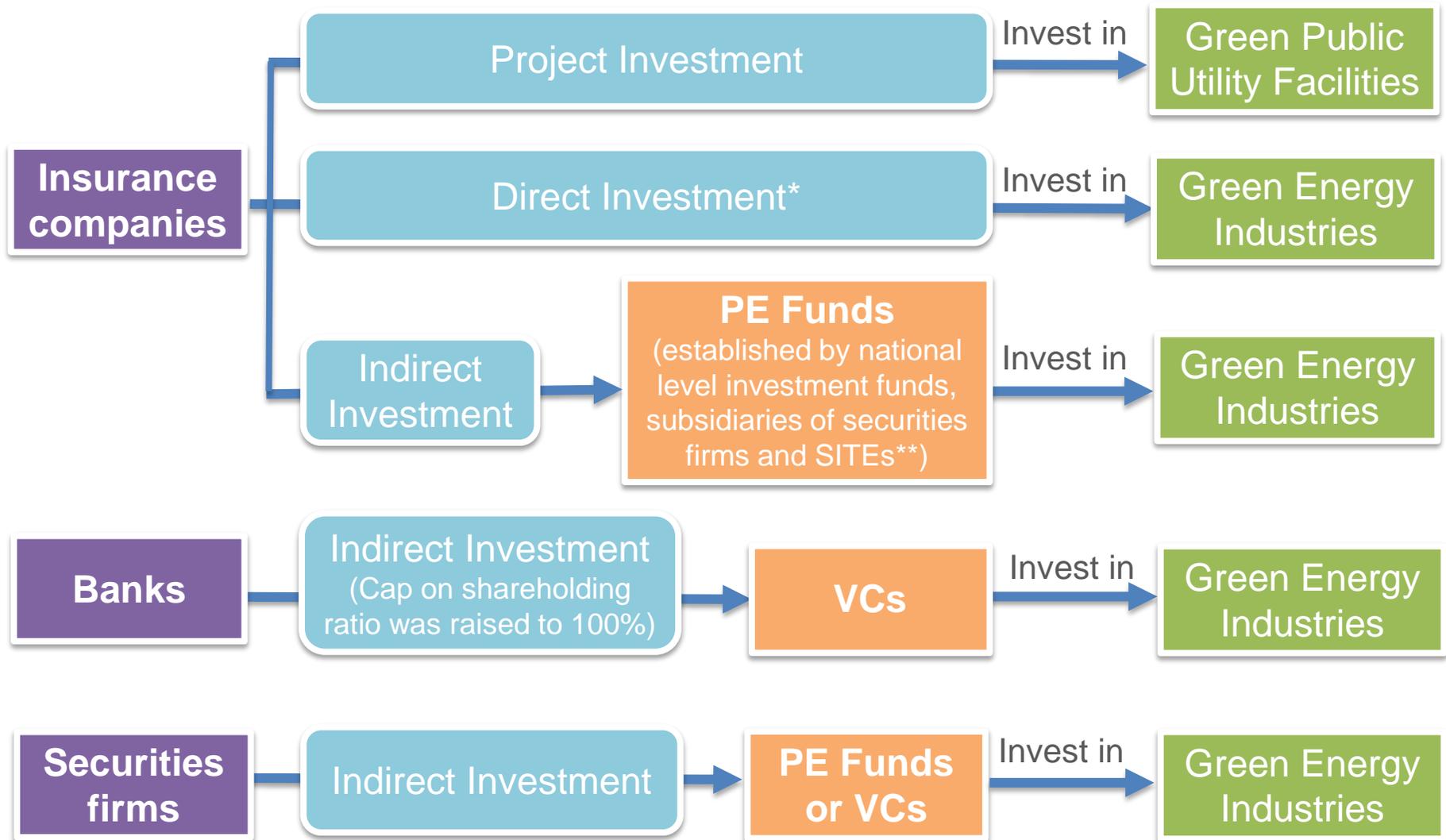
## Bankers Association's "Regulation Governing Members' Credit Extension"

- already included concepts of equator principles
- broadening applicable scope from project financing to all corporate credit extension

## Life Insurance Association's credit extension guideline for insurance companies conducting credit check, review and re-check

- already included concepts of equator principles and ESG

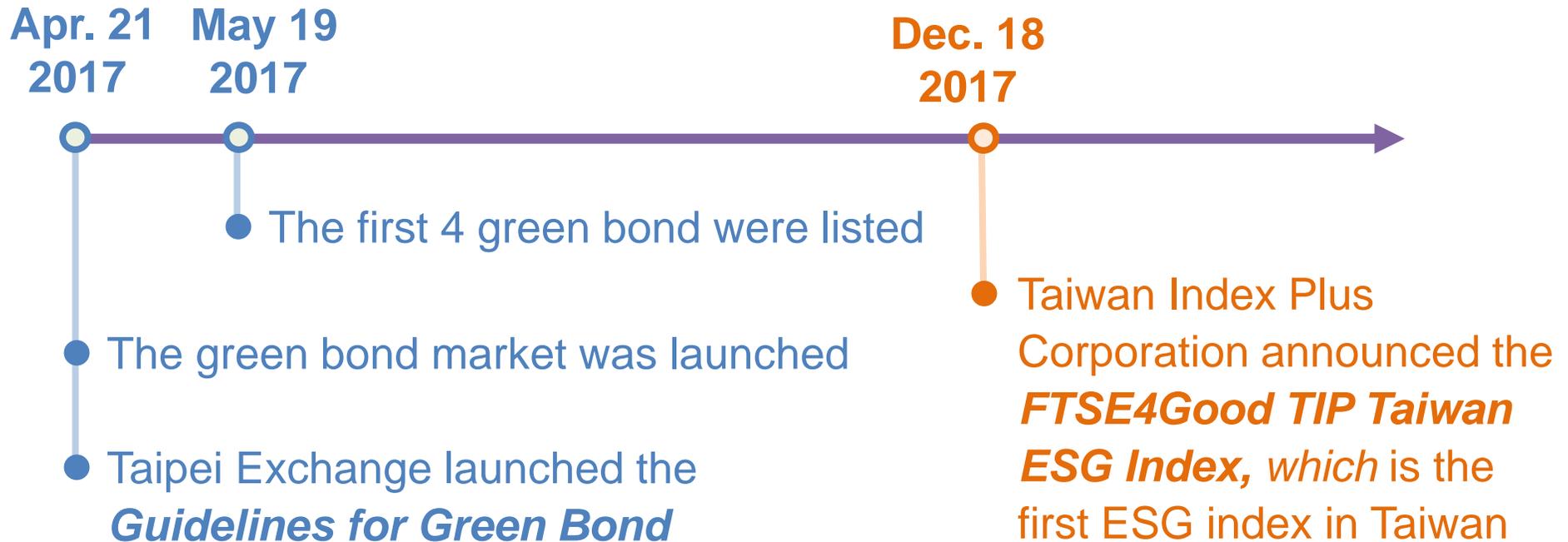
# Encouraging FIs to invest in domestic green energy industries



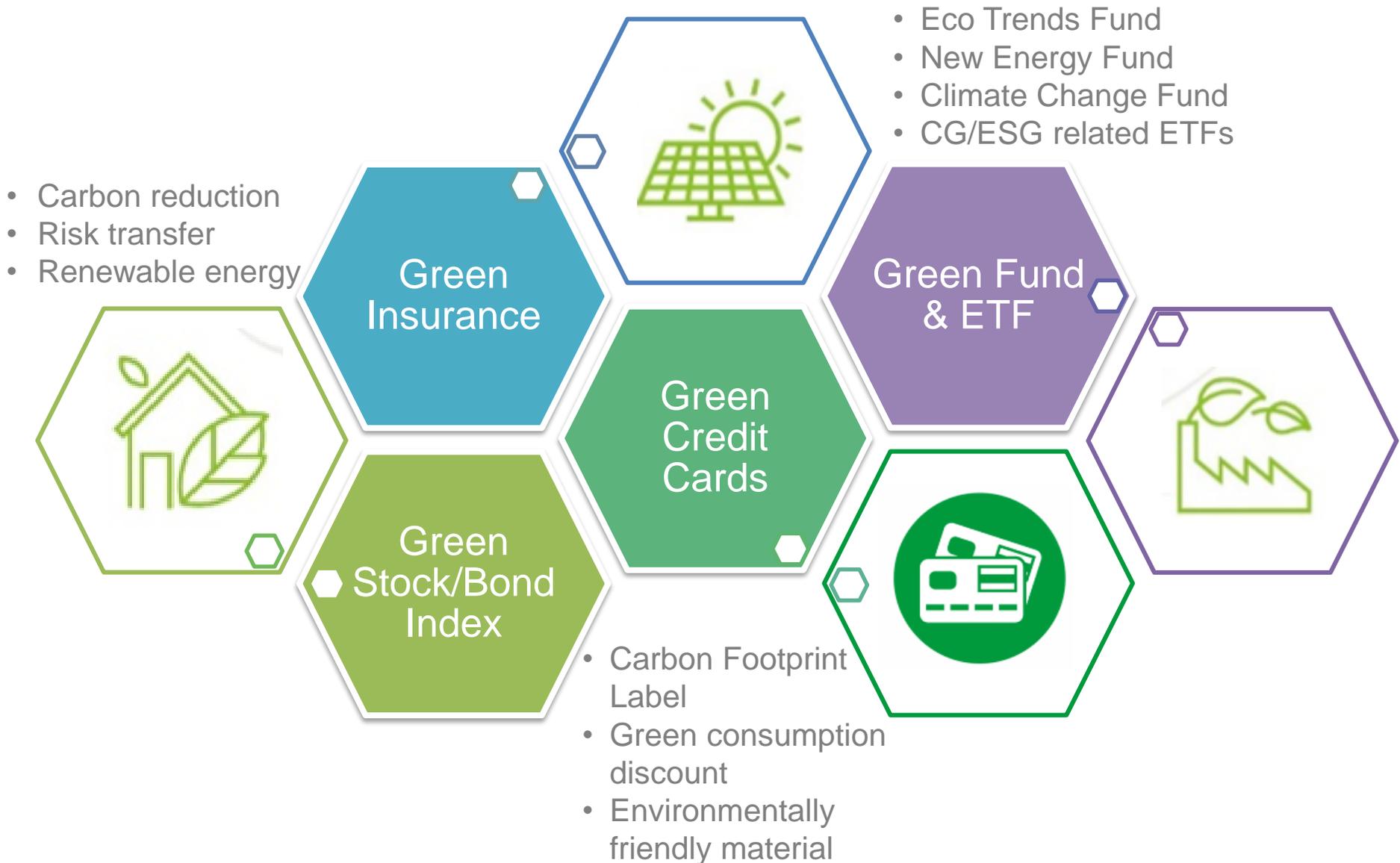
\*The FSC launched the *Program to Encourage Insurance Companies to Invest in Key Innovative Industries* including green energy industry on Sep. 25, 2017.

\*\*Securities Investment Trust Enterprises (SITES)

# Establishing a domestic green bond market and guiding capital market responsible investment



# Developing green products or services



# Building green finance capacity

- ◆ Courses, forums and seminars
- ◆ Meetings of the renewable energy investment and financing (by MOEA)  
3rd party testing and verification communication platform
- ◆ Project financing principles (added by Bankers Association)

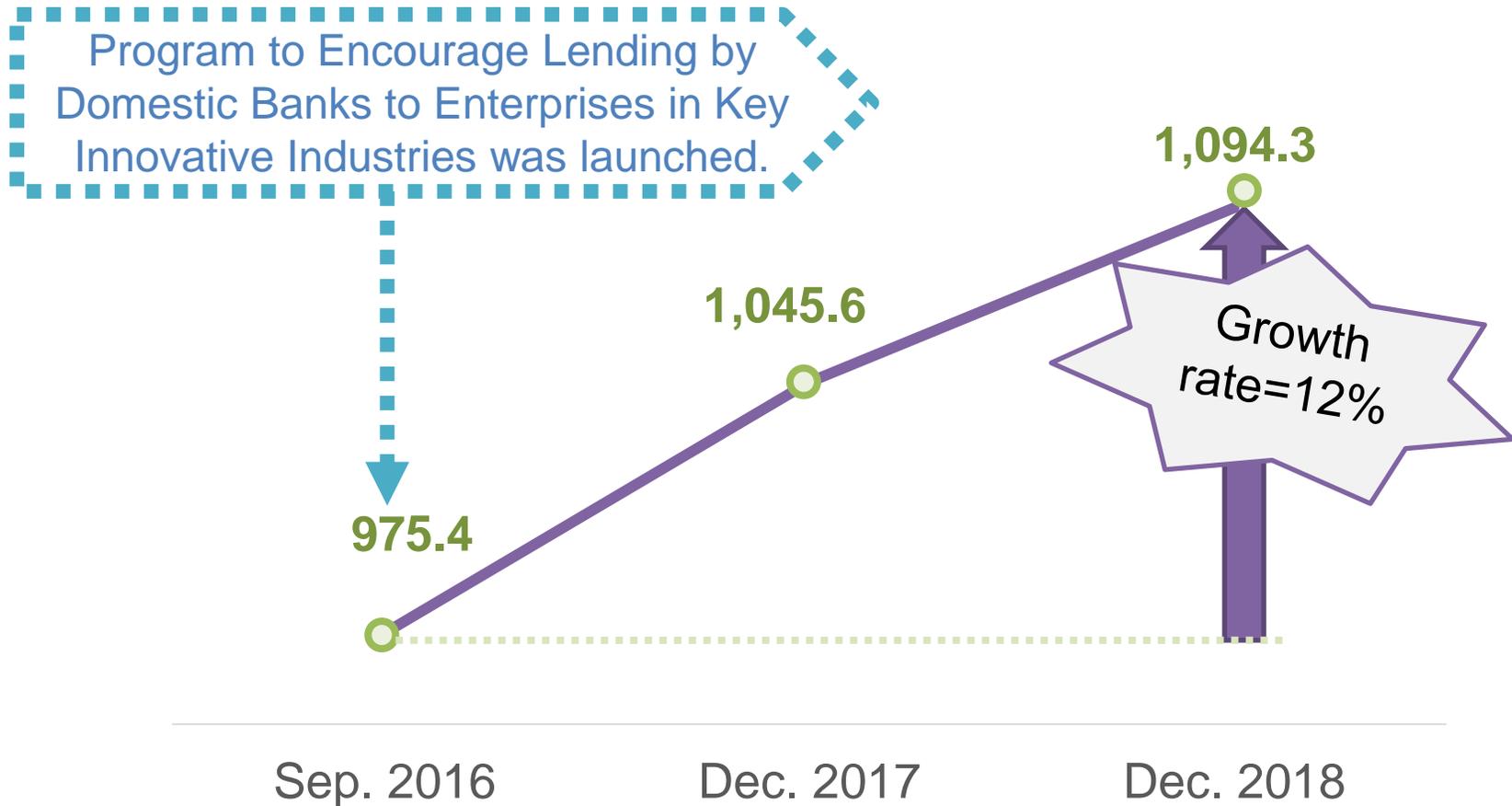


In 2018, Taiwan Academy of Banking and Finance held the “Project Finance Talent Development for Offshore Wind Energy Revolution”.



# Credit

## Balance of loans granted to green energy industry by domestic banks (NT\$ bn)



# Investment



7 insurance companies approved to invest in **8 renewable energy plants (NT\$9.8bn)** as of the end of 2018

SITEs have launched 7 **green related funds**, such as New Energy Fund, Climate Change Fund.  
**AUM was about NT\$11.5bn** as of the end of 2018



1 PE fund established by SITE subsidiary targeting green tech, renewable energy related firms (**AUM=NT\$8bn**)

# Green Bonds

- ◆ **23 green bonds** are listed on the Taipei Exchange as of the end of 2018 (issuance amount **NT\$53.9bn**)
- ◆ Issuers: domestic banks, foreign banks and domestic production businesses



FSC Chairman Wellington L. Koo attended the listing ceremony of CPC Corporation Green Bond on Sep. 20, 2017.

# Conclusions

To build up culture of valuing sustainability

