

Operating Revenue Determinants in Taiwan's Financial and Insurance Industry

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Abstract: This study investigates the determinants of operating revenue in Taiwan's listed financial and insurance companies using panel data covering the period from 2001 to 2024. Employee size, equity ratio, capital stock, and stock price are examined as firm-specific determinants of operating revenue. Based on the Hausman specification test, the random-effects model is employed for empirical estimation, and the Chow structural break test is used to examine whether the COVID-19 pandemic altered these relationships. The results indicate that employee size, equity ratio, capital stock, and stock price all positively affect operating revenue under the full-sample random-effects model. Furthermore, following the COVID-19 pandemic, the impacts of equity ratio, capital stock, and stock price become substantially stronger, whereas employee size is no longer statistically significant. In addition, the Chow test confirms a significant structural change in the operating revenue model, suggesting that the determinants of operating revenue differ between the pre- and post-pandemic periods. The findings highlight the importance of considering structural change when evaluating the operating performance of financial and insurance companies.

Keywords: Operating Revenue, Financial and Insurance Industry, Panel Data, Structural Change, Chow Test

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