

2019 Evaluation Results of Individual Projects
Controlled by the
Financial Supervisory Commission (FSC)

#	Authority (Department)	Project Title	Evaluation Opinions	Grade*
1	FSC (Banking Bureau, BB)	Provide diverse financial services to support economic development	<p>1. Project management: The BB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: (1) With regard to Small and Medium Enterprises (SMEs) financing, the outstanding loans by domestic banks as of the end of 2019 increased by NT\$459.9 billion compared to the end of 2018, which outperformed by 170% of the target amount of NT\$270 billion. In addition, the performance evaluation criteria newly included the "number of enterprises that obtain loans". The FSC also created the "Special Award for SME and Startup Financing" to effectively incentivize financial institutions to assist more SMEs and startups to obtain operating funds.</p> <p>(2) With regard to key innovative industries financing, the outstanding loan suddenly dropped in December 2019 due to major customers paying back their big chunk loans and short-term loans for working capital or adjusting their capital allocation. The situation resulted in underperformance in which the achieving rate fell down to 43% in December</p>	A

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			<p>from higher than 80% in November, although the outstanding loans to key innovative industries by domestic banks as of the end of 2019 increased by NT\$85.65 billion as compared to the end of 2018. However, the loan balance raised again in January 2020.</p> <p>(3) The average NPL ratios of the SME loans and key innovative industry loans extended by domestic banks were lower than 0.4%, achieving the goal.</p> <p>3.Recommendation:</p> <p>To reduce the uncertainty for reaching the targeted number of project goals, the BB may ask banks to consider various factors (for example, overall trend of economic growth, previous year's loan balance, and business development status of current year) when estimating future additional loan extension and then take into consideration their estimates while setting targeted number of project goals.</p> <p>To provide working capital to SMEs and key innovative industries for growth, the BB may continue encouraging lending by domestic banks to SMEs and key innovative industries through various incentives and under sound risk management. Also, the BB may continuously track relevant indicators of bank loan quality such as NPL ratios.</p>	

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2	FSC (Securities and Futures Bureau, SFB)	Develop the capital market that highlights industrial features	<p>1. Project management: The SFB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targeted numbers were achieved with good performance. Major achievements in 2019 were as follows: (1) The number of new applicant companies for listing on the Go Incubation Board for Startup and Acceleration Firms (GISA) was 37. (2) The Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) carried out 195 on-site visits and telephone interviews for recruiting domestic and foreign companies in 2019. (3) Companies listed in GISA had raised NT\$577 billion in capital. (4) TWSE and TPEX amended 2 listing rules to enhance listing environment.</p> <p>3. Recommendation: Taiwan's stock market features good fundamentals, high quality of corporate governance, market efficiency, and advanced market mechanisms. The SFB may keep strengthening capital market service and momentum to construct efficient fundraising channels and assist the growth of SMEs and microenterprises. It is also advised to ask TWSE and TPEX to increase the numbers of listed companies by tracking companies' listing</p>	outstanding

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			intentions.	
3	FSC (Insurance Bureau, IB)	Strengthen insurance industry's solvency and risk management	<p>1. Project management: The IB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance :</p> <p>All targeted numbers were achieved with good performance. Major achievements in 2019 were as follows:</p> <p>(1) Amended 7 rules and regulations on the solvency supervision system of the insurance industry.</p> <p>(2) Revised 4 rules and regulations regarding insurance risk management and internal control.</p> <p>(3) Conducted 2 risk management and internal control seminars; held 11 activities to introduce the function of the Taiwan Insurance Guaranty Fund and the exit mechanism for the insurance companies.</p> <p>3. Recommendation:</p> <p>To ensure sound operation of insurance industry and stabilize the insurance market, the IB may continue tracking the international development of insurance supervision and</p>	outstanding

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			amending relevant rules or regulations in due course so as to enhance the supervision of the insurance industry solvency, and further protecting the insured's interests.	
4	FSC (Financial Examination Bureau, FEB)	Increase efficacy of financial examination and targeted examination in cope with financial market situation	<p>1. Project management: The FEB submitted quarterly progress reports of project execution on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance :</p> <p>All targeted numbers were achieved with good performance. Major achievements in 2019 were as follows:</p> <p>(1) Completed 19 targeted examinations.</p> <p>(2) Completed a total of 435 examinations (including full-scope, entrusted, and targeted ones).</p> <p>(3) Held 14 coordination meetings with financial institutions and other bureaus.</p> <p>(4) The percentage of satisfactory accounted for 100% of surveyed respondents.</p> <p>(5) Proposed 12 supervisory suggestions after analyzing results of the targeted examination reports.</p> <p>3. Recommendation:</p> <p>The FEB may continue selecting areas of each financial industry warrant deeper consideration to</p>	outstanding

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			include in its annual examination focus to cope with the needs of financial market and supervision. It may also analyze major deficiencies found in examinations and recommend proper supervisory measures as well as follow up their improving condition to maintain the stability and order of the financial market.	

*Performance grades are divided into four marks: outstanding, A, B, and C. Outstanding scores 90 or above; A scores 80 or above; B scores 70 or above; and C scores less than 70.