

2022 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: Except for the submission date of project content was 1 day late, the BB submitted the rest of the reports on schedule and completed all proposed tasks on time. It also properly managed relevant administrative operations.</p> <p>2. Performance: All targets were reached with good performance. Major achievements were as follows: (1) With regard to small and medium enterprise (SME) financing, the outstanding loans by domestic banks as of the end of 2022 stood at NT\$9,283.2 billion, up by NT\$594.6 billion compared to the end of 2021. (2) With regard to financing for the 6 core strategic industries, the outstanding loans by domestic banks as of the end of 2022 stood at NT\$6,794.5 billion, up by NT\$428 billion compared to the end of 2020. (3) The average NPL ratios of loans extended by domestic banks to SMEs and key innovative industries were both lower than 0.3%, achieving the goal.</p> <p>3. Recommendations: (1) Performance in the implementation of the "Program to Encourage Lending by Domestic Banks to Small and Medium</p>	outstanding

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			<p>Enterprises" and the "Program to Encourage Lending by Domestic Banks to Enterprises in the 6 Core Strategic Industries" were affected by the actual capital needs of enterprises and the actual lending decisions of banks. To create a favorable financing environment and ensure that banks properly control credit risk, the BB should continue to pay attention to the COVID-19 epidemic and pay attention to bank's data such as NPL ratios for the sake of ensuring credit quality and risk management.</p> <p>(2)In view of the relatively high achievement rate of the 6 core strategic industries loan targets of domestic banks in 2022, the BB is advised to evaluate and set appropriate targets prudentially in the future.</p>	
2	FSC (Securities and Futures Bureau, SFB)	Constructing a Diversified Fund-raising Environment and Expanding the Scale of the Capital Market	<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 targets were reached with good performance. Major achievements 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.</p>	outstanding

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			<p>(2)The Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) carried out 219 on-site visits and telephone interviews for recruiting domestic and foreign companies in 2022.</p> <p>(3)1,779 listed companies have set up audit committees.</p> <p>(4) Companies listed on the GISA had raised NT\$258.4 billion in capital.</p> <p>(5)TWSE and TPEX altogether amended 5 listing rules to enhance the listing environment.</p> <p>3. Recommendations: To actively promote the capital market development, the SFB should evaluate past performance, capital market development, domestic social and economic development situations, and set more challenging goals. In addition, the SFB is advised to consider the relevance of the project implementation and the specific indicators (the amount of funds raised by companies on the GISA) and set appropriate measurement indicators.</p>	
3	FSC (Insurance Bureau, IB)	Strengthened insurance enterprises' solvency and risk management	<p>1. Project management: This project had applied for an adjustment due to the global social and economic environment and the worsening epidemic. In addition, the IB discussed and completed an amendment to the "Regulations Governing Capital Adequacy of Insurance Companies" but didn't release it on schedule due to</p>	outstanding

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			<p>domestic financial conditions. Apart from the circumstance, other tasks were accomplished on schedule.</p> <p>2. Performance:</p> <p>All targets were reached with good performance. Major achievements were as follows:</p> <p>(1)Held 3 seminars ("Insurance Industry Legal Compliance Seminar", "Insurance Industry Risk Management Trend Forum" and "Insurance Industry Conformance with IFRS17 and ICS") and revised the "Regulations Governing Foreign Investments by Insurance Companies."</p> <p>(2) Amended 4 and discussed 1 relevant rules and regulations on the insurance solvency regime and adopted 6 necessary strengthening measures.</p> <p>3. Recommendations:</p> <p>Insurance enterprises' ratio of total adjusted net capital to risk-based capital and net worth ratio declined in 2022. To ensure the rights and interests of policyholders and the sound operation of the insurance industry, the IB is advised to strengthen the solvency and risk control of the insurance industry through various policies or measures to keep in line with international standards.</p>	

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4	FSC (Financial Examination Bureau, FEB)	Obtained better results from financial examinations and carried out more rigorous targeted examinations in line with financial market conditions	<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: All targets were reached with good performance. Major achievements were as follows: (1) Completed 19 targeted examinations. (2) Completed a total of 330 examinations (including full-scope, commissioned, and targeted examinations). (3) Held 12 coordination meetings with financial institutions and the other FSC bureaus. (4) 100% of examined institutions indicated in post-examination surveys that they were "satisfied". (5) Proposed 10 supervisory recommendations to the other FSC bureaus after analyzing results of the targeted examinations.</p> <p>3. Recommendations: (1) Financial examinations are an important line of defense, for they facilitate early detection of deficiencies and point the way toward improvements, which not only strengthens the financial industry's legal compliance and internal control systems but also</p>	outstanding

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			<p>improves the efficiency of financial supervision.</p> <p>(2)Recently, the COVID-19 epidemic has gradually slowed down. The FEB is advised to strengthen its examinations through on-site examinations and digital supervision reporting and analysis systems by risk-based approaches to improve financial market stability and protect the public interest.</p>	
5	FSC (Planning Department, PD)	Green Finance Action Plan 2.0	<p>1. Project management: This project had applied for an adjustment due to incorrect information input. In addition, several proposed tasks regarding strengthening financial institutions' and listed companies' climate change risk management and information disclosures lagged behind schedule.</p> <p>2. Performance: All targets were reached with good performance. Major achievements were as follows:</p> <p>(1)Amended 6 regulations regarding financial industries and listed companies' climate change risk management and information disclosures, such as "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises."</p> <p>(2)Issued 27 green bonds.</p> <p>(3)The amount of sustainable bonds issued reached NT\$112.2 billion.</p> <p>(4)Held 108 courses or seminars on sustainable or green finance.</p>	outstand ing

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			<p>3. Recommendations:</p> <p>(1) This project last more than one year, so the PD incorrectly input information and required an adjustment. It also run the project slightly behind schedule in the 2nd and 3rd quarter. The PD is advised to pay attention to operating rules and progress control.</p> <p>(2) The PD released the Green Finance Action Plan 3.0 in September 2022 after considering relevant practices of international sustainable finance, collecting suggestions from financial institutions, self-regulatory organizations, non-profit organizations, and experts, and discussing relevant measures. The plan includes 3 core strategies, 5 major promotional aspects, and 26 specific measures. It helps promote Taiwan's goal of achieving net zero carbon emissions by 2050. The PD is advised to implement the plan and refine relevant strategies on the rolling basis.</p>	