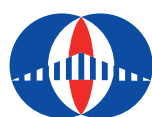


# 2018

## Annual Report



# TAIWAN

# SMIEG

Small & Medium Enterprise Credit Guarantee Fund of Taiwan



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## Message from Chairman and President

Acting Chairman  
Su, Wen-Ling

Due to the escalation of US-China trade conflict in the second half of 2018, Taiwan's economy, with heavy reliance on the United States and China in global supply chains, was inevitably been affected, especially those SMEs in Taiwan.

Under the supervision and guidance of the Ministry of Economic Affairs (MOEA) and board members, Taiwan SMEG carried out various credit guarantee programs to assist enterprises in securing needed financing in 2018. As a result, a total of 334,789 cases were approved for credit guarantees, and the amount guaranteed reached NT\$1,007 billion. Meanwhile, nearly 113,000 enterprises obtained financing and some 1.35 million job opportunities were maintained.

In addition to the regular programs, some policy-oriented programs were continued in 2018 to comply with the government's important industry policies. There are "Credit Guarantee Project for Innovative Key Industries," "Loans for Investment of SMEs in New Southbound Countries" and "Loans for Forward-looking Infrastructure and Green Energy Technology." Besides, the "Credit Guarantee Project for Golden Lunar New Year" was implemented to assist SMEs in securing operating funds for the Lunar New Year period.

Right after the devastated earthquake happened in Hualien on February 6, 2018, Taiwan SMEG proactively visited the affected areas and SMEs to provide needed services and help. Furthermore, in order to help the earthquake victims secure needed funds for reconstruction and restoration, Taiwan SMEG conducted credit guarantees of "Loans for SMEs Affected by 0206 Earthquake in Hualien,"



President  
Hung, Su-Chen

*Hung Su-Chen*

“Housing Loans for 0206 Earthquake Victims in Hualien” and “Credit Guarantee Project for Disaster Reconstruction Loans.”

In line with the government’s policy of enhancing regional development and Financial Inclusion Policy, Taiwan SMEG carries out various localized services. By continued cooperation with local governments, we offer co-guarantee programs to support local enterprises obtaining needed funds; by way of 4 service centers nationwide, we provide SMEs with individual services in terms of financing; by consulting and seminars, we strengthen SMEs’ management skills; by visiting SMEs and working with various industry and commerce associations, we channel our assistance to a lot more micro enterprises and disadvantaged groups. We aim at building closer relationships with guaranteed enterprises and financial institutions to create all-win situation.

Looking forward to 2019, the sluggish growth of the global economy and the slowing momentum of consumption will deteriorate the business environment for SMEs in Taiwan. Taiwan SMEG will uphold its objectives of conforming to government’s policies to implement various guarantees with regard to assisting youth and disadvantaged people to start businesses, enhancing SMEs to transform, innovate and expand global market, and leading all businesses to achieve sustainability. At the same time, we will keep improving our risk management to maintain sufficient guarantee capacity. Taiwan SMEG will make the best efforts to create an advantageous environment of SME financing and, therefore, boost the sound development of SMEs.

# About Taiwan SMEG

## Objectives

The objective of the Taiwan SMEG is to provide credit guarantees to those small and medium enterprises (hereafter referred to as “SMEs”) in normal operation but short of collateral for external financing. With guarantees provision, the Taiwan SMEG helps these enterprises to smoothly secure financing from financial institutions (hereafter referred to as “FIs”). The operation of the Taiwan SMEG is in line with the government’s financial and economic policies to assist SMEs.

## Establishment

SMEs play an extremely important role in Taiwan’s economic development. In early 1970’s, a large number of SMEs suffered from the recession and inflation brought about by the oil crisis. At that time, the FIs turned to be conservative and requested very stringent collateral requirements on SMEs’ loan applications. SMEs thus encountered great difficulties in obtaining financing. To cope with these situations, the Taiwan SMEG was established in 1974 to strengthen the financing assistance to SMEs.

## Sources of Funds

Funds of the Taiwan SMEG come mainly from donations made by the central government, local governments, and contracted FIs. Up to the end of 2018, donations received have totaled NT\$141.22 billion, 73.48% of which are from the central and local governments and 26.52% from the contracted FIs. As of the end of 2018, Taiwan SMEG’s net worth totaled NT\$67.62 billion.



Ms. Yi-ling Chen (fifth from right), Chief Secretary of Ministry of Economic Affairs, and Dr. Tien-mu Huang (fifth from left), Vice Chairman of Financial Supervisory Commission, pose with representatives of banks outstanding in implementing guaranteed financing.

## Eligible Clients

### 1. SMEs

Type of Business	Max. Capital	Max. Annual Sales	No. of Employees
Enterprises in the Manufacturing, Construction, Mining or Quarrying industry	NT\$80 million	--	--
	--	--	less than 200
Enterprises in other industries (excluding Financial & Insurance Activities and Special Amusement Activities)	--	NT\$100 million	--
	--	--	less than 100

Note:

If an SME, once financed by banks or guaranteed by Taiwan SMEG, exceeds the business scale defined above, it is still eligible for credit guarantee for 2 years from an expansion, or 3 years from a merger.

### 2. Business Start-up Individuals

Nationals who are the representatives or shareholders of the enterprises established or operated by them.



Signing MOU with Credit Guarantee Corporation Malaysia Berhad (CGC).

## Milestones

<b>1974</b>	Taiwan SMEG was established as a non-profit organization.
<b>1979</b>	The Liaison Offices in Taichung City and Kaohsiung City, renamed as Service Centers in Taichung and Kaohsiung afterwards, were established.
<b>2003</b>	<ol style="list-style-type: none"> <li>1. The supervising agency of the Taiwan SMEG was changed from the Ministry of Finance to the Ministry of Economic Affairs.</li> <li>2. Portfolio Guarantee was introduced, which features fulfilling guarantee responsibility within the total amount of payment risk for respective contracted FI set up in advance. It streamlines guarantee processing procedures, and helps contracted FIs conduct guaranteed financing based on self-management.</li> </ol>
<b>2004</b>	Direct Guarantee was launched, to help those SMEs having ability of R&D, business management or market development apply for credit guarantees to Taiwan SMEG directly.
<b>2005</b>	The virtual Torchbearer Institute was established, serving as a platform for SMEs to share and exchange experiences.
<b>2006</b>	Co-guarantee project was introduced. Under this mechanism, the leading public or private companies of various industrial sectors donate funds to cooperate with Taiwan SMEG, aiming at enlarging guarantee targets and lowering guarantee risk. The government agencies and local governments joined the project afterwards.
<b>2011</b>	Service Center in Tainan was established.
<b>2012</b>	The “Platform for Credit Guarantee Operations via Internet” was launched to upgrade the operational efficiency.
<b>2013</b>	The amount guaranteed reached a total of NT\$1,056.07 billion and the loans supported by credit guarantees totaled NT\$1,312.36 billion, both breaking the NT\$1 trillion mark.
<b>2017</b>	<ol style="list-style-type: none"> <li>1. Service Center in Hualien was established.</li> <li>2. To cope with the evolution of financial environment, and improve operational efficiency of Taiwan SMEG, the organization re-engineering was implemented, adjusting the organization into “Development &amp; Services Division,” “Credit Guarantee Division,” “Guarantee Administration Division,” and “Administration &amp; Support Division.”</li> </ol>
<b>2018</b>	In order to help SMEs suffering from the earthquake in Hualien on February 6, the credit guarantee program of “Loans for SMEs Affected by 0206 Earthquake in Hualien” was launched on March 15. The program expired on July 2.



# Credit Guarantee Programs


## 1. Regular Credit Guarantee Programs

Type of Credit Guarantee	Eligible Client
1. General Purpose Loans	SMEs (Manufacturing and non-manufacturing enterprises)
2. Loans under Portfolio Guarantee	
3. Loans for Raw Materials	
4. Guarantees on Contract Performance	
5. Policy-oriented Loans	
6. Export Loans	
7. Loans for Supply-chain Enterprises	
8. Guarantees on Issuing Commercial Papers	
9. Loans for Young Entrepreneurs and Start-ups	Prospective young entrepreneurs aged 20~45 or SMEs in operation less than 5 years
10. Micro Entrepreneur Loans	Micro businesses with less than 10 employees
11. Disaster Reconstruction Loans for SMEs	SMEs in urgency to reconstruct after disasters
12. Loans for Assisting SMEs with Investment in Friendly Countries	SMEs whose investment in friendly countries is approved by MOEA *
13. Loans for Knowledge-based Enterprises	Qualified knowledge-based SMEs
14. Direct Guarantee for Fostering Enterprise Innovation	Approved SMEs in Innovation Research Projects by MOEA *

\*MOEA: Ministry of Economic Affairs.

## 2. Co-Guarantee Programs

Type of Credit Guarantee	Eligible Client
1. Co-guarantee with Enterprises	SMEs recommended by the donating enterprises
2. Micro/Women Start-up Loans	Women aged 20-65, nationals aged 45-65 and offshore residents aged 20-65 whose businesses have been operated less than 5 years
3. Start-up Loans for the Jobless Based on Employment Insurance	The jobless based on Employment Insurance, having received consulting service and legally owning a start-up, approved by MOL*
4. Small and Medium Sports Services Industry Loans Sponsored by Sports Administration	Sports related SMEs
5. Capital Expenditure Loans for Disaster Hotel and Homestays	Hotels and homestays affected by natural disasters
6. Sustainable Development Loans for Offshore Islands	SMEs whose self-liquidating investment plans are approved by Steering Committee or Executive Yuan
7. Loans Aiming to Low-carbon Sustainable Homeland	SMEs engaged in technology and services to improve air pollution
8. Loans for Enterprises Owned by Indigenous Peoples	Indigenous peoples whose loan plans are approved by Council of Indigenous Peoples
9. Start-up Loans Sponsored by Keelung City Government	SMEs registered in the city
10. SME Loans Sponsored by Taipei City Government	Taipei citizens aged 20-65 who have stall permits, or actually run business in the city
11. Youth Business Start-up Loans Sponsored by Taipei City Government	Individuals aged 20-45 approved by Taipei City Government
12. Micro Start-up Loans Sponsored by New Taipei City Government	Low- or mid-income disadvantage citizens in New Taipei City aged 20-65 whose small-scale businesses have been operated less than 3 years
13. SME and Young Entrepreneur Loans Sponsored by New Taipei City Government	SMEs and young entrepreneurs aged 20-45 in the city
14. SME and Start-up Loans for Indigenous Peoples Sponsored by New Taipei City Government	Indigenous peoples in New Taipei City aged 20-65 whose SMEs or Start-ups have been operated over 3 months
15. SME and Young Entrepreneur Loans Sponsored by Taoyuan City Government	SMEs and young entrepreneurs aged 20-45 in the city



Type of Credit Guarantee	Eligible Client
16. SME and Individual Loans Sponsored by Hsinchu City Government	SMEs and individuals aged 20-65 in the city
17. Start-up Loans Sponsored by Hsinchu County Government	Individuals aged 20-65 and establish or run businesses in the county
18. SME and Young Entrepreneur Loans Sponsored by Taichung City Government	SMEs or individuals aged 20-45 in the city
19. SME Loans Sponsored by Changhua County Government	SMEs or individuals aged 20-65 in the city
20. SME and Young Entrepreneur Loans Sponsored by Chaoyi City Government	SMEs or individuals aged 20-45 in the city
21. SME and Young Entrepreneur Loans Sponsored by Tainan City Government	SMEs engaged in Cultural and Creative, Fashion, Biotechnology, Green Energy and other strategic industries, Tainan citizens aged 20-65 who have stall permits, or actually run businesses in the city
22. Micro Loans and Strategic Industry Loans Sponsored by Kaohsiung City Government	SMEs engaged in strategic industry, or Kaohsiung citizens aged 20-65 who have stall permits, or actually run businesses in the city
23. SME Loans Sponsored by Pingtung County Government	Pingtung citizens aged 20-65 who have stall permits, or actually run businesses in the county
24. Loans for Prosperous Homeland Sponsored by Taitung County Government	Micro enterprises and SMEs registered in the county and owners aged 20-65
25. SME and start-up Loans Sponsored by Kinmen County Government	Kinmen citizens aged 20-45 whose SMEs in the county have been operated less than 5 years

\*MOL: Ministry of Labor.

### 3. Other Credit Guarantee Programs

Type of Credit Guarantee	Eligible Client
1. Loans for Investment of SMEs in New Southbound Countries	SMEs whose investments comply with government's "New Southbound Policy"
2. Own Brand International Promotion Loans	Enterprises with own brand marketed overseas and approved by MOEA*
3. Loans to Assist SMEs Affected by Trade Liberalization	SMEs affected by trade liberalization and approved by Review Committee
4. Disaster Reconstruction Loans	Individual victims of disasters
5. Housing Loans for 0206 Earthquake Victims	Individual victims of 0206 natural disaster in Tainan City
6. Housing Loans for 0206 Earthquake Victims in Hualien	Individual victims of 0206 natural disaster in Hualien
7. Loans for Rebuilding Urban Dangerous and Old Buildings	Householders of urban dangerous and old buildings approved by competent authorities

\* MOEA: Ministry of Economic Affairs.



Signing ceremony of "Co-guarantee" with local governments.

# Application Procedures

## 1. Indirect Guarantee – Apply to Financial Institutions

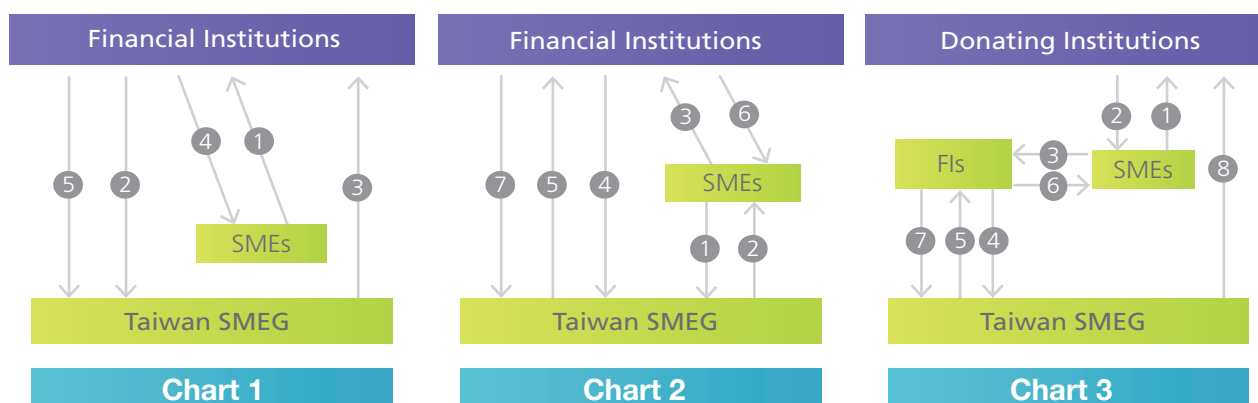
SMEs apply for loans to the contracted FIs. After conducting a credit investigation, if the FIs find the SMEs short of collateral but eligible for credit guarantees, they may forward the applications to Taiwan SMEG for credit guarantees. The FIs should not extend loans until the Taiwan SMEG grants guarantees on the applications (see Chart 1).

## 2. Direct Guarantee – Apply to Taiwan SMEG Directly

Those SMEs which have ability of R&D, business management or market development, but encounter difficulty in obtaining financing via market mechanism may apply to Taiwan SMEG directly for credit guarantees. Taiwan SMEG will issue a Letter of Commitment to the SMEs; then the SMEs can apply to FIs for loans with the Letter of Commitment (see Chart 2).

## 3. Co-guarantee – Apply to Donating Institutions

The co-guarantee project is designed to cooperate with government agencies, local governments, public and private enterprises which donate funds. SMEs may apply to donating institutions for recommendation, and then apply to the contracted FIs for loans after receiving a Letter of Recommendation issued by the donating institutions (see Chart 3).



### The Indirect Guarantee

1. Apply for loans
2. Apply for credit guarantees
3. Notifies of guarantees approval
4. Extend loans
5. Inform of financing & transfer guarantee fee

### The Direct Guarantee

1. Apply for credit guarantees
2. Issues the Letter of Commitment
3. Apply for loans
4. Confirm the guarantees
5. Offers the guarantees
6. Extend loans
7. Inform of financing & transfer guarantee fee

### The Co-guarantee

1. Apply for recommendation
2. Letter of Recommendation
3. Apply for loans
4. Apply for credit guarantees
5. Issues the Letter of Guarantee
6. Extend loans
7. Transfer guarantee fee
8. Informs of the remaining funds

# State of the Operations

## Overall Performance

From its inauguration in 1974 to the end of 2018, the Taiwan SMEG has offered credit guarantees on 7.12 million cases, which is NT\$13,321.72 billion in amount. With the credit guarantees, the Taiwan SMEG's clients have obtained a total of NT\$17,986.21 billion in various forms of credit from FIs. The outstanding credit covered by guarantees posted NT\$614.17 billion as of the end of 2018. The outstanding credit supported by credit guarantees for SMEs accounted for 12.27% of the outstanding credit for SMEs offered by all the FIs as of the end of 2018.

**Table 1 Credit Guarantee Service Statistics**

Amount unit: NT\$ million

Year	No. of Cases	Amount Guaranteed	Amount Supported	Outstanding Credit Covered by Guarantees	Outstanding Credit Supported	Net Worth
2013	394,645	1,056,065	1,312,363	681,357	851,181	51,983
2014	405,113	1,140,854	1,425,826	698,933	885,961	57,634
2015	382,936	1,020,753	1,336,580	634,274	838,395	59,084
2016	366,221	964,912	1,291,398	609,951	818,340	61,488
2017	345,805	969,806	1,287,392	602,037	802,044	64,525
2018	334,789	1,006,592	1,308,104	614,174	803,281	67,618

## Default and Claim Payment

In 2018, Taiwan SMEG's default amount reached a total of NT\$9,686 million, and the claim payment amount was NT\$8,710 million. The default and claim payment amount in recent five years are shown in Table 2.

**Table 2 Default and Claim Payment**

Amount unit: NT\$ million

Item \ Year	2014	2015	2016	2017	2018
Default Amount	10,333	11,900	12,075	10,651	9,686
Claim Payment Amount	6,769	7,187	7,743	8,447	8,710

## Breakdown by Types

In terms of outstanding credit covered by guarantees, Credit Guarantees for General Purpose Loans accounted for 67.45%, ranking first among all types of credit guarantee programs in 2018. The Credit Guarantee for Loans under the Portfolio Guarantee, and the Credit Guarantee for Loans for Raw Materials, ranking the second and the third, accounted for 10.43% and 9.45% of all credit guarantee programs.

**Table 3 Guarantee Performance by Type in 2018**

Amount unit: NT\$ thousand

Type of Credit Guarantee	No. of Cases	Amount Guaranteed	Outstanding Credit Covered by Guarantee	Percentage
General Purpose Loans	196,029	656,271,591	414,286,804	67.45%
Loans under Portfolio Guarantee	23,715	138,419,240	64,060,034	10.43%
Loans for Raw Materials	85,743	149,297,067	58,043,912	9.45%
Guarantees on Contract Performance	7,588	13,728,170	16,299,657	2.65%
Preferential Loans Based on Partner Award of Credit Guarantee	6,123	14,849,169	12,907,663	2.10%
Loans for Young Entrepreneurs and Start-ups	1,471	1,479,153	8,711,387	1.42%
Policy-oriented Loans	514	1,690,683	7,798,269	1.27%
Loans for SME's Obtaining Domestic Investment Capital	288	2,267,567	4,357,488	0.71%
Loans for Forward-looking Infrastructure and Green Energy Technologies	638	3,956,506	3,042,087	0.50%
Credit Guarantee Project for Preferential Export Loans	3,060	9,033,248	3,017,628	0.49%
Micro Entrepreneur Loans	985	1,295,724	2,604,220	0.42%
Loans for Supply-chain Enterprises	1,472	3,220,192	1,482,405	0.24%
Export Loans	1,754	3,787,675	1,240,990	0.20%
Disaster Reconstruction Loans for SMEs	21	118,096	481,537	0.08%
Loans for Investment of SMEs in New Southbound Countries	17	318,159	312,139	0.05%
Guarantees on Issuing Commercial Papers	120	776,235	253,837	0.04%
Direct Guarantee for Fostering Enterprise Innovation	44	154,223	149,980	0.02%
Loans Supported by Co-guarantee	4,512	3,593,686	4,293,581	0.70%
Loans Supported by Separate Funds	502	1,974,580	7,494,456	1.22%
Others	193	361,470	3,335,787	0.54%
<b>Total</b>	<b>334,789</b>	<b>1,006,592,435</b>	<b>614,173,863</b>	<b>100.00%</b>

**Table 3-1 Guarantee Performance of the Entrusted Credit Guarantee Programs in 2018**

Amount unit: NT\$ thousand

Type of Credit Guarantee	As of the end of 2018		
	Cases	Amount Guaranteed	Amount Supported
Student Loans	11,892,756	364,685,777	455,857,615
Studying-abroad Student Loans	15,686	10,808,885	13,511,107
Youth Experiencing-abroad Loans	4,452	418,652	523,315
Studying-abroad Student Loans Sponsored by Taipei City Government	11,292	5,866,756	7,333,444
Loans under Chinatrust Poverty Alleviation Program	443	62,415	62,415

Note: The data is on accumulative basis.



"Employee Training and Development Program" with Credit Guarantee Fund of Mongolia (CGFM).



## Breakdown by Industrial Sectors

As of the end of 2018, outstanding credit covered by guarantees for the wholesale & retail trade industry accounted for 43.81%, ranking the first among all types of business. The manufacturing industry accounted for 33.04%, ranking the second. The wholesale Machinery and Equipment industry accounted for 9.21%, ranking the first among the wholesale & retail trade industry. The metal product manufacturing industry represented 8.16%, ranking the first among the manufacturing industry.

**Table 4 Guarantee Performance by Industry in 2018**

Amount unit: NT\$ thousand

Type of Industry	No. of Cases	Amount Guaranteed	Outstanding Credit Covered by Guarantee	Percentage
Agriculture, Forestry, Fishing and Animal Husbandry	930	3,592,482	3,008,636	0.49%
Mining and Quarrying	186	906,385	921,054	0.15%
Manufacturing	96,472	342,067,385	202,909,743	33.04%
Electricity and Gas Supply	341	1,858,936	1,818,858	0.30%
Water Supply and Remediation Activities	1,424	4,759,242	3,997,772	0.65%
Construction	38,710	111,353,201	74,793,649	12.18%
Wholesale & Retail Trade	176,686	485,163,982	269,086,131	43.81%
Transportation and Storage	5,123	18,125,619	13,344,797	2.17%
Accommodation and Food Service Activities	2,820	6,949,156	11,569,546	1.88%
Information and Communication	2,092	6,554,708	5,483,834	0.89%
Real Estate Activities	297	1,083,799	1,429,927	0.23%
Professional, Scientific and Technical Activities	4,297	12,024,895	10,416,091	1.70%
Support Service Activities	3,617	7,895,224	6,041,342	0.98%
Education	107	326,101	494,223	0.08%
Human Health and Social Work Activities	179	584,814	685,976	0.11%
Arts, Entertainment and Recreation	585	1,321,746	1,595,832	0.26%
Other Service Activities	832	1,901,935	2,581,684	0.42%
Personal Loan and Other	91	122,826	3,994,768	0.66%
<b>Total</b>	<b>334,789</b>	<b>1,006,592,435</b>	<b>614,173,863</b>	<b>100.00%</b>

## Outstanding Clients

The Taiwan SMEG has constantly taken all necessary steps to prop up almost all kinds of industries over the past 44 years. Since the establishment of the Taiwan SMEG in 1974, a total of 406,964 SMEs have benefited from the services of the Taiwan SMEG. Out of the figure, 2,769 enterprises successfully grew and became large firms as of the end of 2018. Of them, 316 firms were listed on the stock market, accounting for 33.44% of the total listed ones; 435 enterprises were on the over-the-counter (OTC) market, accounting for 56.71% of the total OTC ones.

Several awards are bestowed to honor successful SMEs domestically. The National Award of SMEs is to honor those SMEs which have accomplished outstanding growth and success. Besides, the National Quality Award, the Small and Medium Enterprise Innovation Research Award, and the Rising Star Award are all designed for successful SMEs. Clients of Taiwan SMEG take significant lion's share in the winners of all of the awards. Statistics show that 73% of the winners of these awards used to be or still are the recipients of the Taiwan SMEG's credit guarantees. During the year of 2018, 8 winners of the National Award of Outstanding SMEs, 7 winners of the Model of Taiwan Entrepreneurs, 11 winners of the Rising Star Award, 20 winners of the Taiwan SMEs Innovation Award and 5 winners of the Business Start-up Award were either the Taiwan SMEG's current or previous guaranteed clients. The achievements of the Taiwan SMEG's clients are really praiseworthy.

The above-mentioned prominent guaranteed clients are commonly invited to share their managerial knowledge, experiences and success factors with all guaranteed clients in various activities held by the Torchbearer Institute (TI) nationwide. The TI has been an information exchange platform for successful entrepreneurs, scholars, government, financial sector and SMEs since its inception in 2005. The Taiwan SMEG will continue to play the role as the bridge between guaranteed clients and all related sectors.



Ms. Wan-ju Yu, legislator, and the guests of honor attend the press conference of "Case Sharing of Intangible Asset Financing."

# Financial Statements

## Balance Sheet of Dec. 31, 2018

Unit: NT\$

<b>Assets</b>	
<b>Current Assets</b>	<b>71,839,368,012.76</b>
Cash & Cash Equivalents	3,117,251,083.86
Debt Investments without Active Market – Current	53,160,818,189.00
Financial Assets - Current	2,439,346,252.00
Receivables	6,701,780.00
Other Financial Assets - Current	12,513,093,096.00
Other Current Assets	602,157,611.90
<b>Non-current Assets</b>	<b>28,826,583,090.50</b>
Capital Funds	333,957,800.00
Financial Assets – Noncurrent	10,211,815,076.00
Debt Investments without Active Market – Noncurrent	17,993,240,000.00
Fixed Assets - Net	278,646,411.50
Intangible Assets - Net	4,911,781.00
Other Non-current Assets	4,012,022.00
<b>Total Assets</b>	<b>100,665,951,103.26</b>
<b>Liabilities &amp; Net Worth</b>	
<b>Liabilities</b>	<b>33,048,400,632.00</b>
<b>Current Liabilities</b>	<b>372,109,433.00</b>
Advance Receipts	187,639,705.00
Other Payables	184,469,728.00
<b>Non-current Liabilities</b>	<b>32,676,291,199.00</b>
Reserve for Losses on Guarantee	20,155,895,106.00
Accounts under Custody	12,513,093,096.00
Other Non-current Liabilities	7,302,997.00
<b>Net Worth</b>	<b>67,617,550,471.26</b>
Capital Funds	333,957,800.00
Other Funds	66,789,156,308.00
Surplus (Loss)	705,193,299.26
Equity Adjustments	
Unrealized Loss on Financial Instruments	(210,756,936.00)
<b>Total Liabilities &amp; Net Worth</b>	<b>100,665,951,103.26</b>

## Income Statement for the Year Ended Dec. 31, 2018

Unit: NT\$

Revenues	
Guarantee Fee Revenue	3,650,492,818.00
Recovery of Bad Debts	1,603,287,358.00
Donations	2,610,013,841.00
Interest Revenue	887,244,218.00
Foreign Exchange Revenue	56,431,451.00
Gain on Investment	67,378,550.00
Miscellaneous Revenue	33,853,363.00
<b>Total Revenues</b>	<b>8,908,701,599.00</b>
Expenses	
Provision for Losses on Guarantee	7,456,619,189.00
Business & Administrative Expenses	745,531,074.40
Loss on Disposal of Fixed Assets	533,393.00
Miscellaneous Expenses	824,643.00
<b>Total Expenses</b>	<b>8,203,508,299.40</b>
<b>Net Surplus (Net Loss)</b>	<b>705,193,299.60</b>

# Useful Information

**Table 5 Major Economic Indicators**

Indicator \ Year	2013	2014	2015	2016	2017	2018
*Economic growth rate (%)	2.20	4.02	0.81	1.51	3.08	2.63
Per capita GNI (US\$)	22,526	23,330	23,109	23,289	25,055	25,456
GNI (NT\$ billion)	15,655	16,582	17,301	17,706	17,965	18,096
GDP (NT\$ billion)	15,231	16,112	16,771	17,176	17,501	17,777
Wholesale price index	113.72	113.08	103.07	100.00	100.90	104.56
Consumer price index	97.76	98.93	98.63	100.00	100.62	101.98
Unemployment rate (%)	4.18	3.96	3.78	3.92	3.76	3.71
Balance of trade (NT\$ billion)	1,380	1,659	2,156	2,117	2,232	1,857
Exports of goods and services (NT\$ billion)	10,580	11,254	10,776	10,771	11,357	11,867
Imports of goods and services (NT\$ billion)	9,200	9,595	8,620	8,654	9,125	10,010
Exchange rate (end of period) (NT\$/US\$)	30.0	31.8	33.0	32.4	30.0	31.0
Rediscount rate of Central Bank (end of period) (%)	1.875	1.875	1.625	1.375	1.375	1.375

Sources:

Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C.

Bank of Taiwan.

Central Bank of the Republic of China (Taiwan).

\* The economic growth rate was measured by the change rate of real GDP.

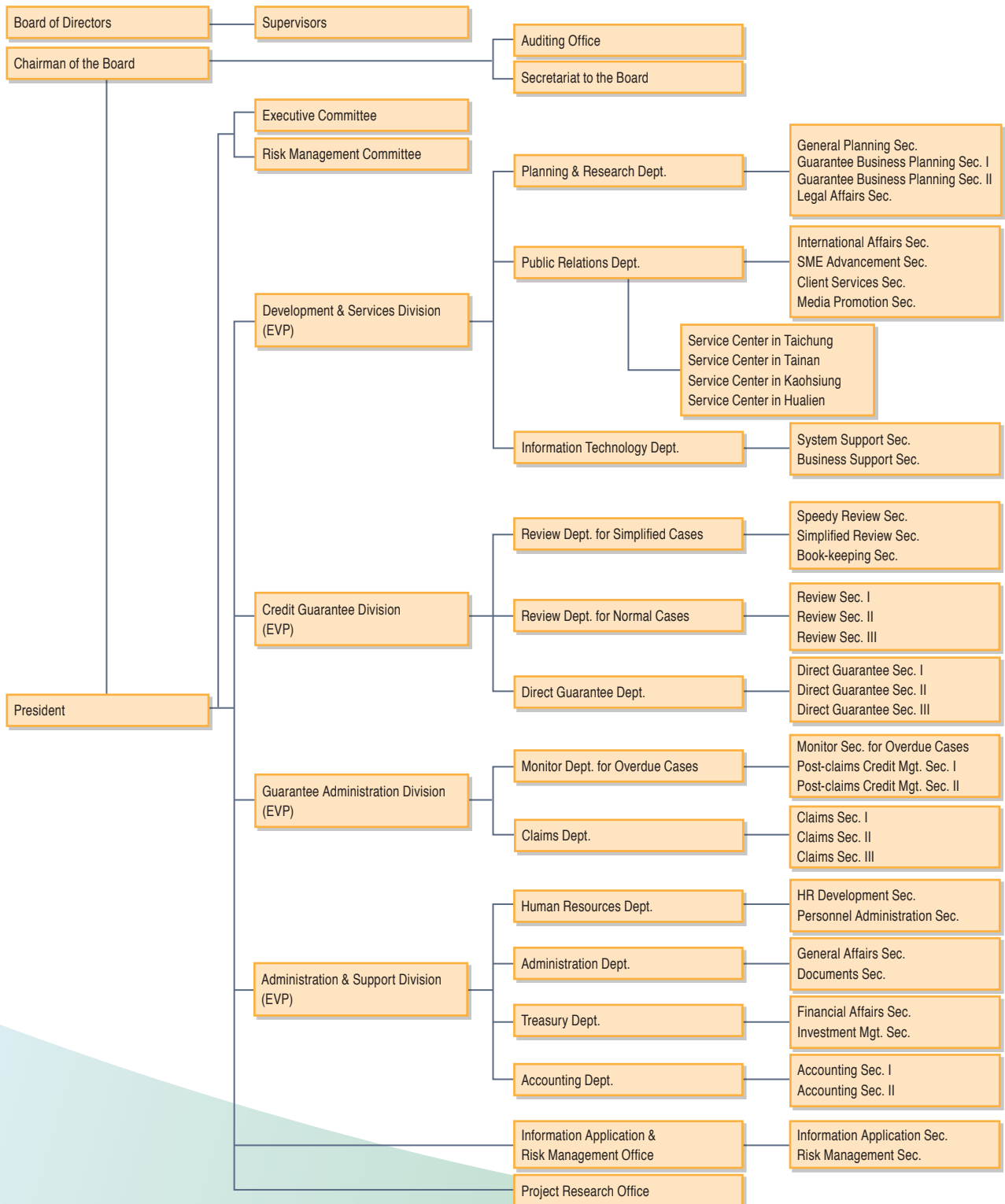
**Table 6 Recent Status of SMEs**

Indicator \ Year	2014	2015	2016	2017
SMEs/All enterprises (%)				
Number of enterprises	97.61	97.69	97.73	97.70
Number of employment sustained	78.25	78.22	78.19	78.44
Sales value	29.42	30.36	30.71	30.22
Direct export	14.62	15.21	15.04	14.23
Credit to SMEs/Credit to all enterprises (%)	23.85	24.48	24.83	25.38

Sources:

"White Paper on Small and Medium Enterprises in Taiwan, 2018," Small & Medium Enterprise Administration, Ministry of Economic Affairs.

# Organization Chart



Number of staff: 371 (as of March 31, 2019)





Small and Medium Enterprise Credit Guarantee  
Fund of Taiwan (Taiwan SMEG)

**Head Office**

Address: 3-5F., No.6, Sec. 1, Roosevelt Rd.,  
Zhongzheng Dist., Taipei City 10066,  
Taiwan (R.O.C.)  
Tel: 886-2-2321-4261  
Fax: 886-2-2394-7317  
<https://www.smeg.org.tw>  
E-mail: [mail@smeg.org.tw](mailto:mail@smeg.org.tw)

**Chongqing South Rd. Office**

Address: 3-4F., No.99, Sec. 1, Chongqing S. Rd.,  
Zhongzheng Dist., Taipei City 10045,  
Taiwan (R.O.C.)  
Tel: 886-2-2321-4261  
Fax: 886-2-2331-3485

**Service Center in Taichung**

Address: 5F.-3, No.218, Sec. 2, Taiwan Blvd.,  
West Dist., Taichung City 40354,  
Taiwan (R.O.C.)  
Tel: 886-4-2322-3617, 2322-3671  
Fax: 886-4-2323-7031

**Service Center in Tainan**

Address: 11F.-A, No.279, Sec. 2, Minsheng Rd.,  
West Central Dist., Tainan City 70054,  
Taiwan (R.O.C.)  
Tel: 886-6-222-0268、886-6-222-0238  
Fax: 886-6-222-0818

**Service Center in Kaohsiung**

Address: 6F., No.249, Zhongzheng 1st Rd.,  
Lingya Dist., Kaohsiung City 80283,  
Taiwan (R.O.C.)  
Tel: 886-7-716-4146, 716-4152  
Fax: 886-7-716-4228

**Service Center in Hualien**

Address: 4F., No.22, Gongyuan Rd.,  
Hualien City, Hualien County 97048,  
Taiwan (R.O.C.)  
Tel: 866-3-832-0208  
Fax: 886-3-832-0708