

**Financial Supervisory Commission (FSC)**  
**Performance Report Summary on 2023 Policy Plan**

Financial institution management and financial supervision in 2023 faced an increasingly complex environment. Climate change, the demographic divide, rapid development of high-end technology, and geostrategic shifts will be four structural forces dictating global risk over the next 10 years. The business crises faced by banks in Europe and America in 2023 demonstrated that adverse change can occur in an instant. The combination of traditional and emerging risks leads to both quantitative and qualitative changes, which makes risk assessment and management significantly more challenging. Therefore, the FSC has worked to achieve financial stability, improve resilience, enhance Fintech development, strengthen the sustainability ecosystem over the past years. We have completed numerous legislative amendments, promoted various policy measures, and continued to make progress in such areas as cyber security, Fintech, green finance, corporate governance, and protection of financial consumers.

The FSC's most important achievements of 2023 include the following: (a) Carried out stress tests for domestic banks and insurers to reinforce their capital structure and insurance companies' management of capital and liability. (b) Published the "Sustainable Development Action Plan for Listed Companies" to continue pushing enterprises to practice sustainable development. (c) Amended the "Securities and Exchange Act" to implement the oversight function of audit committees and to ensure timely disclosure of significant changes in equity ownership. (d) Promulgated an amendment to the "Regulations Governing Issuance of NTD Bank Debentures by Foreign Bank Branches" to ease restrictions on the use of the

proceeds of bank debentures, and to encourage them to participate in sustainable economic activity. (e) To strengthen climate change risk management, domestic banks and insurance industries completed the first climate risk scenario analysis initiative and evaluated the related financial effect. (f) Amended the "Regulations Governing the Administration of Shareholder Services of Public Companies" to enhance stockholders' rights. (g) Published the "FinTech Development Roadmap (2.0)" to enhance the development of Fintech. (h) Amended the "Securities Investment Trust and Consulting Act" to prevent fraudulent investment. (i) Continued to strengthen the social safety net, protection of the personal data of credit card holders, and the digital finance services of disadvantaged groups, in order to promote inclusive finance and rights protection. (j) Actively strengthened cross-border supervisory cooperation with other countries.

By upholding the goals of resilience, innovation, sustainability and inclusivity, the FSC will have in hand the rhythm to overall social and economic development, build consensus, and implement policies and measures in an orderly manner. We call upon financial institutions to engage in innovative and diversified development of financial products and services, making sure all the while not to undermine financial stability in the process. Taking co-existence and shared prosperity as our goal, we intend to help industries transform, upgrade, and move toward net-zero sustainability. Taking a people-centered focus and putting a high priority on cyber security, we plan to usher in Fintech and digital transitions. At the same time, motivated by a spirit of concern and empathy, we will resolve the financial service needs of disadvantaged groups and help consumers avoid falling victim to scam operations.