



**Asia-Pacific
Economic Cooperation**

**APEC High Level Meeting on
Driving SMEs' Growth to Promote Local Development**

Chinese Taipei, 31 March – 1 April 2008

Session 4

Financial Support for Local SMEs

How to Assist the Development of SMEs

Jack S. G. Huang
President, Taiwan Business Bank
Mar 31, 2008

How Financial Institutions Can Help Assist the Development of SMEs

- **current role of financial institutions in assisting the development of SMEs**
- **suggestions for financial institutions to reinforce the current role**
- **financial institutions' suggestions for SMEs**

Current Role of Financial Institutions in Assisting the Development of SMEs

- different roles in corresponding stages of development: founding stage, growth stage, maturity stage, transformation stage
- role of Taiwan Business Bank
- measures of increasing knowledge of characteristic of different industries
- measures of helping SMEs acquire financing and achieve sound management
- measures of dealing with SMEs' inadequate disclosure of financial status

Role of Financial Institutions in Assisting the Development of SMEs ---Founding Stage

demand for capital

- founding of enterprises
- development &
- marketing of products
- capital expenditure & working capital

help from financial institutions

- consultancy in founding procedures
- incubating consultancy
 - technology, management
- providing financing
 - funding of starting up and R & D

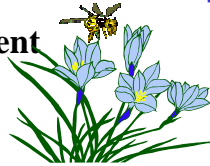


Role of Financial Institutions in Assisting the Development of SMEs

---Growth Stage

demand for capital

- facilities for expansion
- mass production & inventory management
- boost of marketing capacity
- sound management



help from financial institutions

- medium/long-term capital
- short/medium-term working capital
- electronic financial management
- consultancy in financial management & operation

Role of Financial Institutions in Assisting the Development of SMEs

---Maturity Stage

demand for capital

- expansion of production capacity
- diversification & exploration of new grounds
- improvement of financial structure
- improvement of management



help from financial institutions

- medium/long-term capital
- funds for R&D
- electronic financial management
- consultancy in financial management & operation

Role of Financial Institutions in Assisting the Development of SMEs

---Transformation Stage

demand for capital

- development of new products
- transformation of core business
- mergers & acquisitions

help from financial institutions

- funds for R&D
- funds for operation of core business
- capital for M&A

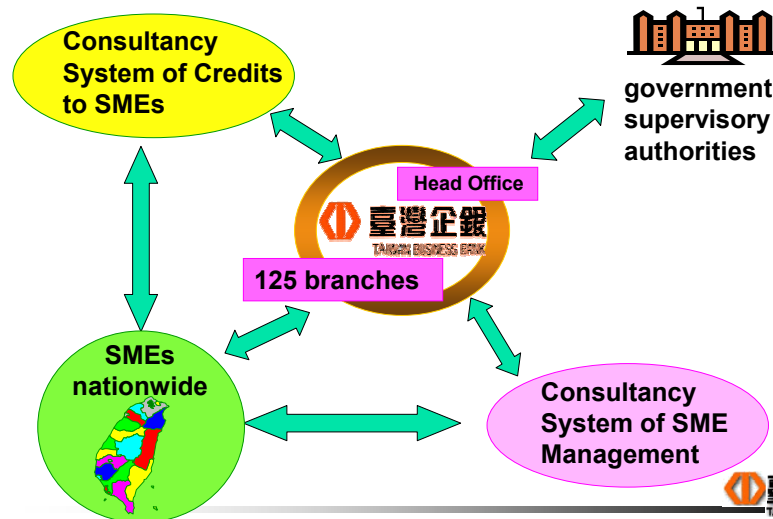


Role of Taiwan Business Bank

Taiwan Business Bank, established in accordance with Banking Act Article No.96, is a specialized bank that, by law, provides medium/long-term credits to SMEs. The mission of the bank is aimed at improving their production facilities, enhancing their financial structure, and ensuring the health of their management.

A Coherent and Comprehensive Strategy

-Structure of credits and consultancy extended to SMEs by TBB



Measures of Increasing Knowledge of Characteristics of Different Industries

- installing research department to gather relevant information on various industries on which extension of credits can be based
- working with relevant agencies, such as Industrial Technology Research Institute, Institute for Information Industry and Chung-Hua Institute for Economic Research, to gather relevant information
- forging promotion projects in collaboration with various industries so as to breed important emerging industries

Measures of Helping SMEs Acquire Financing and Achieve Sound Management

- working with relevant consultancy agencies, such as Taiwan Small Business Integrated Assistance Center and Chinese Management Association, to help SMEs establish sound financial systems and accounting systems
- working with relevant agencies in management consultancy system, such as Corporate Synergy Development and China Productivity to improve SMEs' production, product quality, marketing, organization structure, internal control and IT

Measures of Dealing with SMEs' Inadequate Disclosure of Financial Status

- Financial institutions should adopt the policy of frequent field study of their customers in order to better understand customers.
- In the assessment of SMEs, financial institutions should take into account of SMEs' inherent limitations besides gauging their credit rating and financial statements.
- Financial institutions should encourage SMEs to adopt operations of financial EDI, factoring and on-line financing, so that they can be kept informed of SMEs' most current condition.
- Financial institutions should attempt to become SMEs' core bank so as to make up for the opacity endemic to SMEs.

Suggestions for Financial Institutions to Reinforce the Current Role in Assisting the Development of SMEs

- Financial institutions should develop a wide range of financial products corresponding to the needs in different stages of enterprises.
- Government should establish data bank, so that performance of enterprises can be correctly appraised.
- Financial Institutions should establish effective two-way communication channels with SME Consultancy Systems.
- Expand the function of SME Credit Guarantee Fund.
- Financial institutions should strengthen the willingness to extend credits to SMEs and Emerging Industries.

Financial Institutions' suggestions for SMEs

- improve ability of R&D and innovation
- ensure a healthy accounting system and management
- wisely utilize SME credit products in line with government policies
- wisely utilize government R&D resources
- wisely utilize SME consultancy system

TBB's Outstanding Track Record in Extending Credits to SME

TBB extends SME credit products in line with government policies aimed at spawning a favorable environment in which SMEs are able to flourish.

Youth Startup Loans

Micro Business Startup Loans

R & D Loans

SME Grass Root Loans

SME Upgrading Loans

Traditional Industry Loans



TBB's Outstanding Track Record in Extending Consultancy to SMEs

- TBB has been delegated as manager bank to extend credit products in line with government policies.
- TBB ranks first in the total amount of loans referred to Small & Medium Business Credit Guarantee Fund.
- Abroad as well as domestically, TBB has been awarded an impressive number of prizes for its outstanding track records in extending credits to SMEs.
- TBB has outstanding track records in extending credits in line with government policies aimed at spawning a favorable environment in which SMEs are able to flourish.





Thanks

Financing SMEs – The Singapore Experience

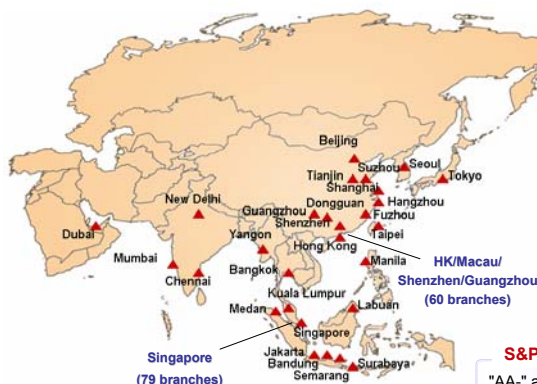
March 31 - April 1, 2008
APEC High Level Meeting
Driving SME's Growth to Promote Local Development Seminar

DBS Bank Ltd

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DBS Bank



Corporate Profile

Established in 1968 as a development financing institution. Since diversified into a full service bank listed on the Singapore Stock Exchange.

Global Franchise

Largest network of branches/offices in 15 markets, including Hong Kong, Indonesia, China, India, Japan, Korea, Malaysia, Myanmar, Philippines, Chinese Taipei, U.K., U.S & Middle East.

Strategic Positioning

Leading positions in corporate, SME and consumer banking, treasury and markets, wealth management, securities brokerage, equity and debt fund raising.

S&P Credit Ratings

"AA-" and "Aa1", among the highest in the Asia-Pacific region.

Awards & Accolades

- Best Domestic Bank, Best Equity House, Best Investment Bank (*FinanceAsia & The Asset*, 2007)
- Best Cash Management, Best Trade Finance, Best Transaction Banking (*The Asset*, 2007)
- Best Foreign Exchange Bank – Regional & Country Winner (*Global Finance*, 2007 & 2008)
- Best Local Private Bank (*Euromoney*, 2007)
- Best Overall for Corporate Governance (*Asiamoney*, 2008)

Living, Breathing Asia



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Introduction

- A** SMEs in Singapore
- B** Engagement of Stakeholders
- C** DBS Business Model - Reaching out to SME Customers
- D** Bridging the Supply & Demand Gap in Bank Financing



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SMEs in Singapore

Singapore is home to many dynamic and vibrant SMEs which

- Constitute 99% of all establishments and employ more than half the workforce
- Contribute more than 40% to total GDP

Definition of SME for qualification of government-assisted financing schemes

- At least 30% local equity
- Fixed assets not exceeding S\$15 million (US\$11 mil)
- Employment size not exceeding 200 for service companies

Financial institutions (FIs) in Singapore are building their SME banking franchise

- Definition of SME and organisational set-up vary from FI to FI
- Typically, SMEs with wider needs are accorded personalised service by dedicated relationship managers, and supported by product specialists for the whole suite of banking solutions

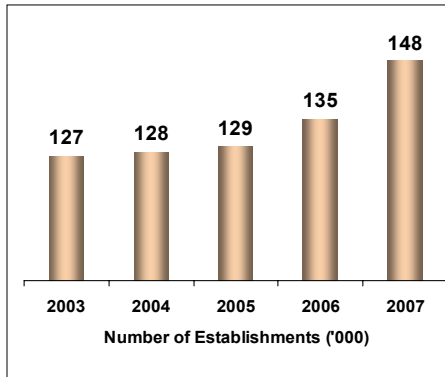
Source: Spring, Financial Handbook for SMEs



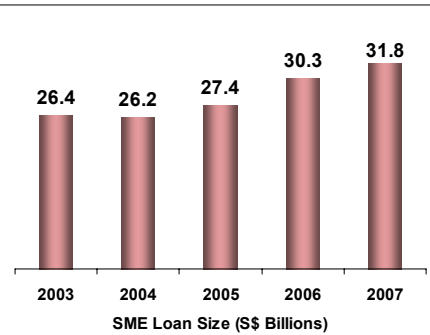
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SME market size in Singapore has been growing

Number of establishments*



Total SME loan size**



* Source: Estimates by AMI Business Consulting.

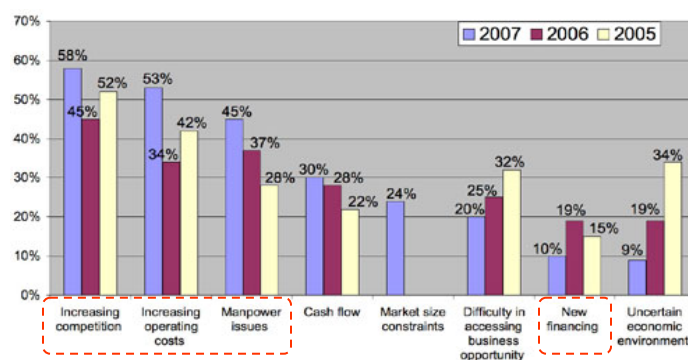
** Source: MAS. Total loans and advances to non-bank customers less loans to professional & private Individuals and housing loans. Based on SMEs' 33% contribution to GDP.



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SMEs: Top 3 Constraints in SME Growth

- Based on the 2007 annual SME Development Survey, the top 3 challenges facing Singapore SMEs are rising competition, increasing operating cost and manpower shortage.
- Availability of financing is no longer a key concern



Source: Spring. SME Development Survey 2007



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SME Operating Landscape

Challenges faced

- **Intense competition** due to globalisation and emergence of new markets
- **Limitation of domestic market** especially vis-a-vis competition from large corporates
- **Limited professional and management talent** pools
- **Higher operating cost** vs new and emerging markets like China, Vietnam, India

Strategies for Growth

- Developing new products and services
- Improving cost efficiency and productivity
- Venturing to new overseas markets
 - Malaysia
 - Indonesia
 - China
 - Thailand
 - Hong Kong
 - Vietnam
 - Philippines
 - India



What SMEs really want from FIs

- Start-up financing and equity financing
- Wide range of products and services customised to meet SME needs
- In-depth understanding of SME business to facilitate their growth locally & regionally
- Commitment as banker and business partner



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Introduction

A

SMEs in Singapore

B

Engagement of Stakeholders

C

DBS Business Model - Reaching out to SME Customers

D

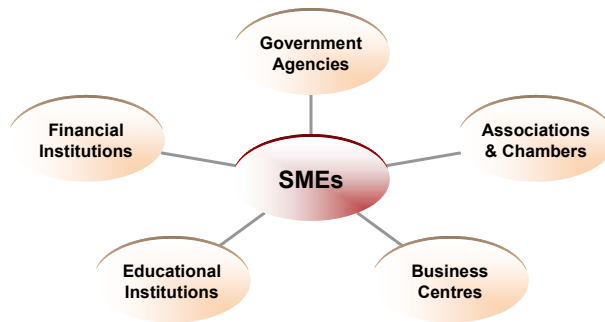
Bridging the Supply & Demand Gap in Bank Financing



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Engagement of Stakeholders

Financial institutions and affinity partners such as government agencies, trade associations, chambers of commerce, and educational institutions collaborate to value add to the SME community in the area of alternative financing options



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Government Agencies in Action



Economic Development Board

(1961) Singapore's lead agency responsible for planning & executing strategies to sustain Singapore's position as a compelling global hub for business & investment.



SPRING Singapore

(1972: National Productivity Board) is mandated to champion enterprise formation & growth. It works with SMEs, banks etc to nurture a pro-business environment & develop key industries. It also helps to build capabilities of enterprises, & increase their access to markets & business opportunities



IE Singapore

(1983: Trade Development Board) concentrates on helping Singapore-based companies to venture abroad. It also works to position Singapore as a base for foreign businesses to expand into the region in partnership with Singapore-based companies.



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Associations & Chambers of Commerce in Action

Business Associations



Action
Community for
Entrepreneurship



Association of
Small & Medium
Enterprises



Singapore
Business
Federation



Singapore
National
Employers
Federation

Chambers of Commerce



Singapore Chinese
Chamber of
Commerce & Industry
(SCCCI)



Singapore
International Chamber
of Commerce &
Industry (SICC)



Singapore Indian
Chamber of Commerce
& Industry (SICCI)



Singapore Malay
Chamber of
Commerce & Industry
(SMCCI)

Trade & Industry Associations



Singapore Food
Manufacturers'
Association



Singapore
Metal &
Machinery
Association



Textile and
Fashion
Federation

- Provide opportunities for networking, skills upgrading, cross-industry partnerships, overseas ventures, joint business missions etc
- Assist members to gain access to financing alternatives



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Business Enterprise Centres in Action

EDC@ASME

EDC@SMa

EDC@SCCCI

EDC@SMCCI

Enterprise Development Centres

- Assist Singapore enterprises to develop essential business competencies and adopt best practices throughout their operations so that they be competitive and successful enterprises both domestically and in the global market
- A one-stop advisory / resource centre for aspiring entrepreneurs & SME owners to gain access to a wide range of expert business consultancy products & services

REC@ASME

Regional Development Centres

- Assist foreign entrepreneurs looking to establish businesses in Singapore
- Provide access to comprehensive consultancy services and link-up to other SME-specific products and services
- Connect international entrepreneurs to the Singapore market, helping them set up, grow and succeed

SME
Credit Bureau

SME Credit Bureau

- Central online database of credit-related information on participating SMEs in Singapore
- An invaluable tool to banks & participating SMEs for evaluating a participating SME's creditworthiness



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Awards to Promote Spirit of Entrepreneurship



Entrepreneur of the Year Award

Organizer: Rotary – ASME

- One of Singapore's most prestigious business accolades accorded to local entrepreneurs
- Salute & honour local entrepreneurs who have shown outstanding performance in their chosen fields of business



Singapore Prestige Brand Award

Organizer: ASME

- Recognize SMEs that have shown outstanding performance in the communication of their Brands
- Enhance awareness of the importance of branding among local SMEs & in turn stimulate the growth of Singapore's brands & enterprises both locally & regionally



SICCI-DBS Singapore Indian Entrepreneur Award

Organizer: SICCI & DBS

- Give due recognition to the outstanding entrepreneurs within the Indian business community in Singapore
- Foster entrepreneurial spirit among budding Indian entrepreneurs.



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Educational Institutions in Action

Universities in Singapore

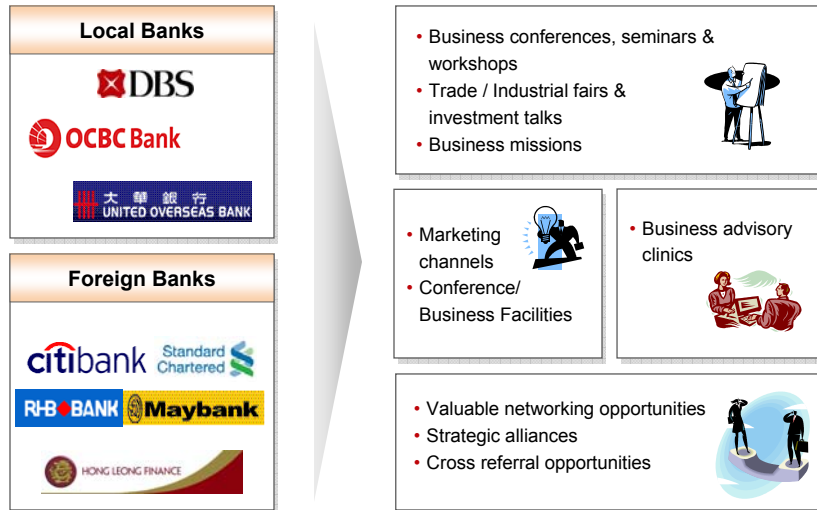


- Higher learning institutions (universities & polytechnics) have been actively engaging banks & local enterprises through strategic partnerships & alliances. Local enterprises tap on 'young minds' to develop new & innovative business applications & models.
- Recently, universities have been actively involved in developing postgraduate and executive development courses, aimed at enabling and empowering business owners / top executives of SMEs with relevant knowledge and skill-sets to take their businesses to the level of multi-national enterprises



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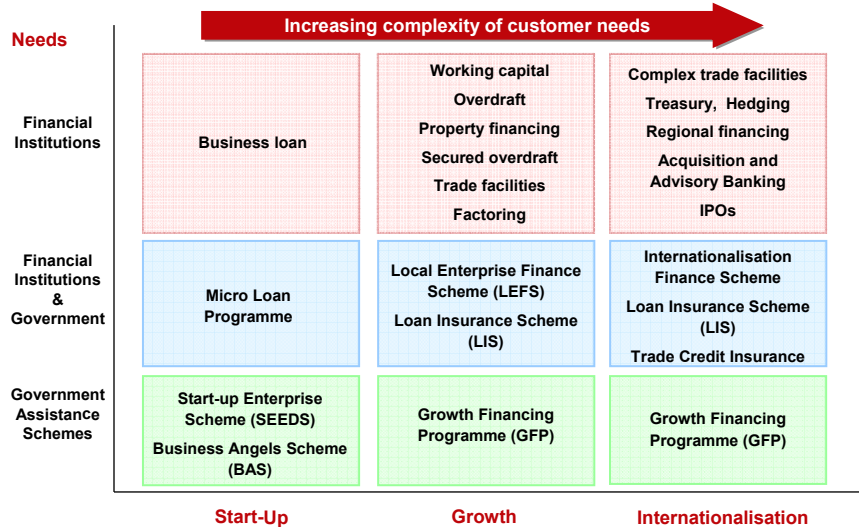
Financial Institutions in Action



Introduction

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- C** DBS Business Model - Reaching out to SME Customers
- D** Bridging the Supply & Demand Gap in Bank Financing

Leveraging our deep local customer and industry knowledge, DBS offers targeted product offerings to SMEs



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Multi-Pronged Approach to reach out to SMEs



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Regional SME Growth

- Constrained by the limited domestic market, Singapore enterprises are venturing overseas to capitalise on new business opportunities proffered by the global economy
- DBS is gearing itself with the capability and appetite to partner Singapore enterprises in their overseas ventures in the following areas :
 - Global banking support in collaboration with our overseas offices
 - Effective execution of Global Account Management framework
 - Connecting customers with strategic partners and resources on-site
 - Financing support from DBS Singapore through loans to local parent company including IE Singapore's Internationalisation Finance Scheme



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DBS is well-positioned to partner our SMEs expanding overseas



- Well-positioned at the crossroads of the most dynamic and fastest growing region of the world, ready to serve our customers as a bank that specialises in Asia
- Distribution capability in 15 markets in the world, including Asia, US, UK
- Dominant franchises in Asia's two key markets – Singapore and Hong Kong



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Successful Collaboration with Government Agencies

DBS Loan Securitisation

- DBS in collaboration with SPRING successfully completed a S\$100 mil (US\$70 mil) SME loan securitisation program to more than 400 SMEs within 12 months
- SME ACCESS Loan was put in place to assist SMEs with little collateral or limited track record, and those seeking financing for internationalisation purposes



Internationalisation Finance Scheme (IFS)

- A government-assisted financing program up to S\$15 mil (US\$11 mil) designed to help Singapore-based companies expand into overseas markets
- To assist local enterprises globalize their operations and leverage on global resources to grow
- DBS, in collaboration with IE Singapore, is the top performing Participative Financial Institution (PFI) based on approved loans during the first year of the launch (2007)



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Successful Collaboration with Government Agencies

DBS MICE Financing Package

- First-of-its-kind MICE (Meeting, Incentives, Conventions and Exhibitions) financing package to help SMEs seize business opportunities overseas
- Our MICE financing package provides one-stop comprehensive services such as flight/accommodation/free transfers/concierge services arrangement through our preferred partner (Chan Brothers), as well as financing the total cost of participation in trade fairs overseas, plus assistance in application for 50-70% grant from IE Singapore



Loan Insurance Scheme

- DBS is the leading participating FI in helping to administer government assistance schemes for budding entrepreneurs
- We hold the lion's share (34%) of the Loan Insurance Scheme (LIS)





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Bridging the Supply & Demand Gap in Bank Financing

Sharing insights into what banks look for in business loan proposals

| | Lender | Borrower |
|------------------|--|--|
| Perspective |  <ul style="list-style-type: none"> Banks are in the business of making loans Growing assets & loan book is one of our key performance indicators |  <ul style="list-style-type: none"> Businesses require funding to grow & internationalise Access to financing is top-of-the-mind concern |
| Responsibilities | <ul style="list-style-type: none"> Fiduciary Accountability <ul style="list-style-type: none"> Accountable to shareholders & depositors and subject to regulatory requirements Credit Risk Management <ul style="list-style-type: none"> Key to viability of banks Financial prudence forms the cornerstone of a stable financial system Capital Management <ul style="list-style-type: none"> Achievement of appropriate risk-return profile & return on capital | <ul style="list-style-type: none"> Openness & sincerity in providing information to facilitate lender in evaluating the business Provision of information on management, financial performance, competitive strengths & business prospects etc |

Understanding the Dynamics of the Loan Application Process – 5Cs

Loan proposals are evaluated based on

5 fundamental lending criteria or 5Cs:

- Character
- Capacity
- Capital
- Conditions
- Collateral



Character

- Owner/management integrity in disclosing pertinent information
- Integrity in business dealings
- Reliability & reputation



Capacity

- Ability to meet financial commitments
- Key areas of consideration include:
 - **Management**
 - **Business**
 - **Financials**



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Capital

- Equity
 - Paid-up capital
 - Directors/Shareholders loans
 - Related companies' loans
- Demonstration of shareholders' commitment in meeting business obligations
- Funding business growth: Balanced usage of debt & equity
- Capital reduces excessive reliance on external source of funds & serves as a cushion against market adversity



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Conditions

- Outlook of economy & industry
- Susceptibility of business to changes in government regulations, technology & consumer demand
- Entry barriers
- Country/currency risks



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Collateral

- Availability of collateral only as a fallback
- Repayment capability & not collateral is the primary determinant in assessing credit-worthiness
- Banks' willingness to consider unsecured loans if the other 4 Cs (character, capacity, capital & conditions) can be fulfilled or if banking facilities can be structured against identified source of repayment or packaged with accounts receivable financing



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Conclusion

DBS has the capability, expertise, extensive market and broad product range to meet the banking needs of companies at every stage of their growth from infancy to listing.



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Thank You

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SME Financing Assisted by the Taiwan SMEG



Mr. Yih-yaw Jan
President
Small & Medium Enterprise Credit Guarantee Fund of Taiwan
(Taiwan SMEG)

Outline



1. Current SME Financing Situation
2. Introduction to Taiwan SMEG,
its Objectives & Functions
3. Methods of Obtaining SME Financing through
Taiwan SMEG's Services
4. Taiwan SMEG's Assistance to SMEs Having
Difficulties in Securing Financing
5. Conclusions



Current SME Financing Situation



Taiwan SMEG

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Recent Proportion of SMEs & Bank Financing

| Year | SMEs/All Enterprises (%) | | Credit to SMEs/Credit to All Enterprises (%) |
|------|--------------------------|-------------|--|
| | No. of Enterprises | Sales Value | |
| 2001 | 98.18 | 28.38 | 23.59 |
| 2002 | 97.72 | 29.51 | 20.67 |
| 2003 | 97.83 | 31.47 | 20.02 |
| 2004 | 97.73 | 30.60 | 17.98 |
| 2005 | 97.80 | 29.46 | 16.06 |
| 2006 | 97.77 | 29.84 | 17.16 |

《Sources: "White Paper on SMEs in Taiwan, 2007," Small & Medium Enterprise Administration, Ministry of Economic Affairs.》

◎ The data show that SMEs in Chinese Taipei are the disadvantaged group of bank financing



Taiwan SMEG

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The Causes of SMEs' Financing Problem

| SMEs | Banks |
|--|--|
| <ul style="list-style-type: none"> ■ Poor credit conditions ■ Unsound accounting system, lack of full financial disclosure ■ Insufficient self-funded capital, weak financial structure ■ Lack of collateral or guarantor ■ Ambiguous loan project ■ Unhealthy organizational structure ■ Insufficient financing information and external information | <ul style="list-style-type: none"> ■ High financing cost ■ Asymmetric financial information ■ Uncertain industry perspective and industry traits ■ Concern about operation profit and avoid lending risk ■ Restructuring & merge of financial institutions → Great change of credit policy → Frequent change of lending personnel: difficult to build up good relations with SMEs |



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《Sources: Taiwan SMEG》

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Introduction to Taiwan SMEG, its Objectives & Functions



Taiwan SMEG

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Introduction to Taiwan SMEG

- Establishment: 1974
- Supervising Agency:
Ministry of Economic Affairs
- Nature of Operation:
 - Non-profit organization
 - Credit-guarantee-specialized institution for SME financing
- Features: A bridge between banks and enterprises; focus on small businesses having weak financial conditions
- Paid-in Capital: Donated by governments & financial institutions

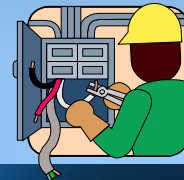


Taiwan SMEG

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Objectives of Taiwan SMEG

- Help SMEs secure financing by offering credit guarantee
- Remove SMEs' obstacle to lack of collateral when applying for finance
- Enhance the financial institutions' willingness to extend loans to SMEs
- Support related assistance agencies to increase effect of SME assistance



Taiwan SMEG

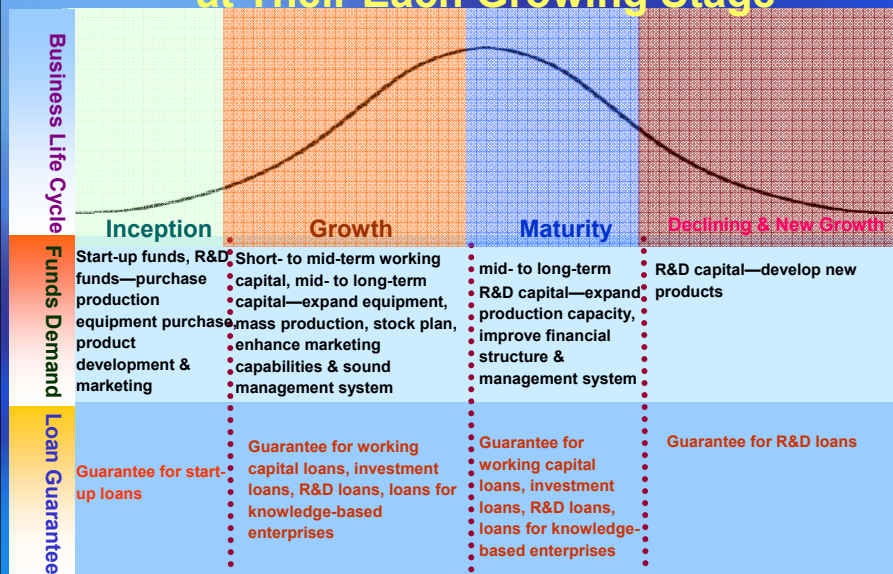
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Functions of Taiwan SMEG

- Help SMEs secure credit loans
- Promote Chinese Taipei's economic growth, create & sustain employment opportunities
- Mitigate SME's external impact of depression
- Foster the growth of SMEs stage by stage



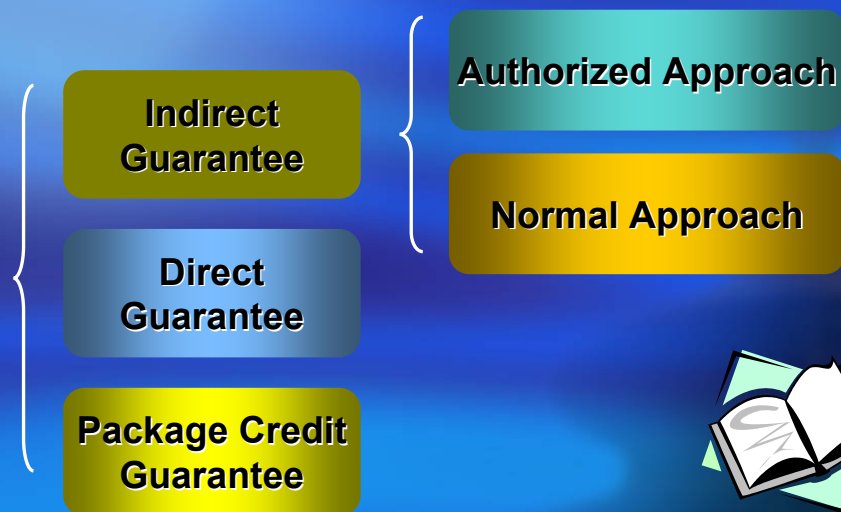
Taiwan SMEG Meets SMEs' Funding Needs at Their Each Growing Stage





Methods of Obtaining SME Financing through Taiwan SMEG's Services

Methods of Taiwan SMEG's Granting Credit Guarantee



Indirect Guarantee

◆ Features:

- Allocate funds to each SME effectively and fairly; maximum amount of guaranteed loans for a single enterprise is NT\$100 million
- Simplify banks' processing procedures, shorten application time
- Review large amount cases by Normal Approach to control risk
- Diversify items of credit guarantee in accordance with SMEs' different operational characteristics
- Reduce SMEs' cost of capital with low guarantee fee
- Foster the growth of SMEs with development potential but short of collateral for external financing

◆ Application: through banks



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Direct Guarantee

◆ Features:

- Finances are not regarded as key appraisal
- Lay stress on business management, R&D, industry perspective, intangible assets, etc.
- High guarantee coverage, which enhances banks' willingness to extend loans to enterprises
- Heighten the value of business operation
- Guarantee Fee: 0.75% ~ 3.75%



◆ Application: Apply for credit guarantee to Taiwan SMEG, and then apply for loan to bank with Letter of Commitment issued by Taiwan SMEG



Taiwan SMEG

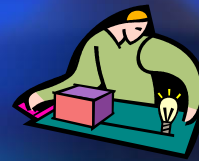
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Package Credit Guarantee

◆ Features:

- Designed based on the total risk control
- Help banks introduce new products, increase more financial sources for SMEs
- Simplify application procedures
- Lift restriction on the maximum amount of NT\$100 million of guaranteed loans for a single enterprise
- Flexible guarantee fee: 0.25% ~ 1.25%

◆ Application: through banks



Taiwan SMEG

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Taiwan SMEG's Performance (1/2)

Credit Guarantee for SMEs over the Past Years

- No. of guaranteed enterprises: Over 260,000 enterprises
- Amount supported: Over NT\$5,800 Billion
- Amount guaranteed: Over NT\$3,900 Billion
- Enterprises used to be our clients exceeding SME-scale: Over 2,200
- No. of listed & OTC companies used to be our clients: Over 500
- Winners of National Award of SMEs, Rising Star Award, SME Innovation Research Award, Symbol of Excellence Award & National Quality Award: Our clients represent about 64%

《from 1974 to the end of Feb. 2008》

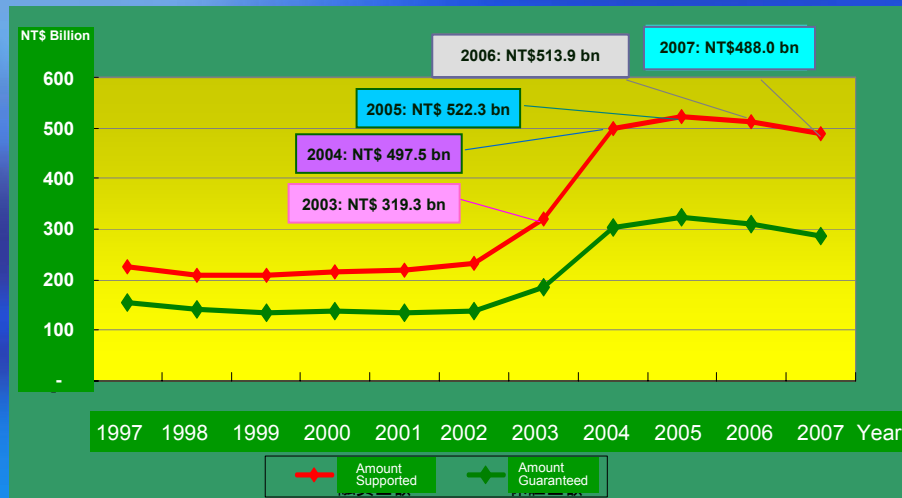


Taiwan SMEG

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Taiwan SMEG's Performance (2/2)

Amount Supported & Guaranteed for SMEs over the Past 10 Years



Taiwan SMEG's Assistance to SMEs Having Difficulties in Securing Financing

- Provide various guarantees for start-up loans
- Launch Firefly Counterpart Guarantee Fund Project
- Establish Torchbearer Institute
- Launch Torchbearer Assistance Fund
- Expand business promotion

Taiwan SMEG's Assistance to SMEs (1/5)

Provide various guarantees for start-up loans

- Help youths, women, the middle-aged or senior unemployed & released prisoners to start their new businesses
 - Youth Business Start-up Loans
 - Micro-business Start-up Loans
 - Women Start-up Loans
 - Start-up Loans for Released Prisoners (launched in 2008)
- Performance of Guarantee for Start-up Loans:
 - From the launch of the former 3 loans in 1986 to the end of Feb. 2008, the Taiwan SMEG has offered credit guarantees NT\$13.2 billion, helping start-ups obtain start-up funds of NT\$16.6 billion, increasing jobs and promoting economic growth



Taiwan SMEG

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Taiwan SMEG's Assistance to SMEs (2/5)



Launch Firefly Counterpart Guarantee Fund Project

~ Help the production/supply chains of various industries coexist and prosper

Individual funds are established by donating enterprises.
Taiwan SMEG then disburses an equivalent sum to the funds

Provide credit guarantees to companies in the up-, mid- and downstream segments of individual industries; help them obtain working capital for raw Material; encourage them to conduct R&D

Close ties between companies in the up-, mid- and downstream segments;
A healthy environment for the production/supply chains to coexist and prosper



Taiwan SMEG



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Taiwan SMEG's Assistance to SMEs (3/5)

Establish Torchbearer Institute

- A virtual platform to pass down knowledge
- A platform for SMEs to learn managerial knowledge
- Share successful experiences with enterprises
- Improve SMEs' competitiveness & financial risk management capabilities



Taiwan SMEG

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Taiwan SMEG's Assistance to SMEs (4/5)

Establish Torchbearer Assistance Fund (TAF)

- Exert the spirit of passing down successful experiences, enhance functions of Torchbearer Institute
- Help SMEs improve finance/accounting system, business constitution and competitiveness
- Help solve enterprises' problems through assistance from professional institutions
- Up to the end of Feb. 2008, the funds of the TAF have amounted to NT\$12.8 million; 38 applications have been accepted.



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Taiwan SMEG's Assistance to SMEs (5/5)

Expand business promotion

- Set up “one-stop service window” to strengthen ties with banks
- Make banks fully understand Taiwan SMEG's credit guarantee items and their features
- Assist enterprises in selecting proper credit guarantee items through bank's help
- Exert functions of credit guarantee effectively
- Increase functions of service centers in Taichung and Kaohsiung



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Conclusions



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Conclusions



- Enhance support to help SMEs secure financing, create more financial sources
- Create diversified guarantee business
- Improve SME's financial risk management skills
- Create an all win situation for SMEs, banks and Taiwan SMEG



Thank you !

