

The Credit Bureau of Taiwan



JCIC

ANNUAL REPORT 2010

Joint Credit Information Center



JCIC Annual Report 2010

Contents

01	Foreword
08	History
10	Objectives
11	Organizational Structure
12	Directors and Supervisors
13	Services
15	Information Security Management System and Data Protection
19	Highlights of 2010
42	List of Member institutions
51	Financial Statement
53	Chronicle of 2010



FOREWORD

As Taiwan's financial and credit information center, the Joint Credit Information Center (JCIC) has the mandate of "establishing a nationwide credit information databank, providing credit records as well as operating and financial information about economic entities to its members, improving the credit investigation function of the financial sector, advancing credit investigation techniques, ensuring the safety of credit transactions, promoting the development of a sound national credit system, and providing information needed by the financial supervisory authority." Aside from helping financial institutions improve their risk management, we perform our tasks in line with government policies and the needs of member institutions. Operating under three guidelines - "strengthening information security and confidentiality; enhancing the accuracy, timeliness and integrity of data, and developing value-added credit products; and expanding and upgrading the IT system, and creating an economical, convenient inquiry and product development environment", we aspire to provide updated, diverse and comprehensive services, develop more products relating to credit information and financial risk management, and upgrade our service quality to help member institutions strengthen their risk management capability. Looking into the future, we will play an active role in supporting our financial supervisory system in aligning itself with international practice.

Thanks to the leadership of its boards of directors and supervisors, the concerted efforts of its staff, the guidance of the competent authorities and the cooperation and support of its member institutions, the JCIC succeeded in promoting all of its operations smoothly and achieved positive results on several fronts in 2010. A recap of our 2010 operational results is presented as follows:

1. We continued to implement the "Preferential Admission Program for Community Financial Institutions." The credit departments of all farmers' and fishermen's associations across the country are now JCIC members. As the end of 2010, the JCIC had a total of 425 member institutions.
2. In response to the varying needs of member institutions in financial, credit and risk management, we continued to conduct data quality inspection in accordance with the *Guidelines for Monthly Reports on Outstanding Loans and the Guidelines for Creating Datafiles on Credit Card Holders and Contract Merchants*. We designed logic inspection criteria based on the data reporting rules to inspect the quality of data reported by member institutions.
3. In conjunction with the easing of cross-strait financial regulations, we stepped up the security control mechanism for credit inquiries by member institutions. Internally we continued to hold information security training classes and



FOREWORD

establish internal control systems for respective operations in accordance with the internal directives and guidelines. We held an information security management review meeting every six months, and made rigorous efforts in ensuring internal compliance with the requirements for documentation and record retention to implement information security management in the details of daily operations. In 2010, we passed two subsequent audits following the initial ISO 27001 certification, and through an “External Monitoring Service for Security Operations Center (SOC)” program, added new security safeguards to enhance our capability to fend off attacks and expedite the response to information security incidents. In the efforts to improve the security and accuracy of data processing and to prevent man-made errors, we built a “Credit Report Data Filing Platform”, and in addition, included in the “Credit Information Correction Platform” cases which allowed exemptions for taxi firms and corrections for charges under NT\$1,000. For member institutions, we put in place rigorous security control measures for inquiries by new members that join JCIC after August 1, 2009, including computer surveillance of inquiry volume; instant online matching for credit inquiries of existing customers; and verifying the legality of inquiries about new customer credit information.

4. To help member institutions implement their information security control systems and personnel training programs, we introduced a three-year information security training program for the credit inquiry operation personnel of all member institutions. In 2010, we held 16 information security workshops for a total of 1,491 participants.
5. To upgrade our IT hardware and software and the efficiency of application systems, improve our member inquiry services and enhance the application of our value-added information, we purchased new data warehouse storage systems and completed the development and testing of databases as well as the replacement of the batch inquiry server in April 2010.
6. To ensure the security and efficiency of data transmission with member institutions, we upgraded the encrypted file transfer system software for members and adopted a new version of the file transfer process. We will continue to monitor the efficiency of encrypted file transfer on the part of members.
7. Based on the quality credit information accumulated over the years, we strengthened the techniques and the quality of credit risk quantification models, including the development of a consumer credit scoring system and a corporate



FOREWORD

credit scoring system, an internal independent verification of scoring models, and beefing up the monitoring and utilization of scoring products.

8. We provided support to the competent authorities with respect to the processing of IRB bank applications.
9. To reward member institutions for their contribution to advancing the quality of reported information and to demonstrate the importance the JCIC attaches to the operation of credit information security control, we have been offering rewards every year since we introduced the Measure for Rewarding Member Institutions for Reporting Credit Information in 2001. The rewards disbursed so far amounted to more than NT\$930 million. In the 2010 annual event of “Best Member Institutions and Best Individuals in Credit Information Security Management and Credit Information Reporting”, 9 institutions and 9 individuals received the “Golden Security Award” and 13 institutions and 14 individuals received the “Golden Quality Award.”
10. In the efforts to strengthen R&D and develop value-added credit information, we developed online, real-time financial ratio calculation products to help member institutions gauge the financial ratios of their corporate borrowers in comparison with other companies in the industry. Through the product research and analysis platform, we continued to track the data reporting and inquiry status of all 178 products currently available for inquiry as an aid in product development, maintenance and promotion in the future. We completed operations relating to the validation, documentation and product development of corporate scoring models by rolling out two products – “J20 Corporate Credit Scoring – Excluding Information on Responsible Persons” and “J21 - Corporate Credit Scoring –Including Information on Responsible Persons” on May 21, 2010. We also launched the third version of “J10 Consumer Credit Score Information” on December 1, 2010. We will regularly monitor the performance of credit scoring models and publish monitoring reports on a quarterly basis. We will also undertake analysis and research on subjects that could affect the scoring result and continue to grasp the use of scoring models by financial institutions to keep in line with the notions of scoring product promotion and risk management.
11. We stepped up international exchange on risk management to optimize the benefits of the knowledge-based economy and information sharing, thereby boosting the JCIC’s service content and quality.



FOREWORD

Looking into the new year, the Center, as a national credit information center, will continue to fulfill its mandate under the three guiding principles, with its primary focus on the following:

A. Step up information security and confidentiality

(a) Internally implement measures in connection with information security management

1. The Management Information System Department will be divided into an Information Management Department and a Security Control Section to step up the control of information operations. We will review and revise our security control system (including hierarchy of access authority, account/password management, and change management) and its standard procedures in response to organizational change and the instructions of the competent authority.
2. We will continue the verification of ISO 27001 and step up the internal inspection and self-assessment of information operations to ensure compliance with the established operating procedures.
3. We will continue to review and fortify our “Information Security Management System” (ISMS) by adhering to the spirit of the Plan-Do-Check-Act (PDCA) cycle to ensure the security of our overall information environment.
4. We will continue the annual drill of switching operations to an off-site redundancy location to ensure continued business operations in the event of a disaster. We will make sure all personnel receive sufficient hours of information security training in accordance with the requirements set by the National Information and Communication Security Task Force and step up awareness of information security throughout the JCIC.
5. We will continue to adopt improvement measures and implement AIX management.
6. We will continue to provide training to upgrade the professional skills and knowledge of internal information security personnel and revise their qualifications.

(b) Externally continue to shore up the security control mechanism for credit inquiries



FOREWORD

by member institutions and provide members with assistance

1. In enhancing the functions of computer audit, we will look into the feasibility of online reporting of internal audit results by members based on the document review of W20 reported by all members in 2010. We will also keep better track of credit information inquiries and storage by member institutions and their inquiry records. At the same time, we will continue to conduct “document examination of designated items” and “onsite examination” to ensure the legality of inquiries made by member institutions. In the selection of candidates for onsite examination, we will add “members who did not inquire W20 audit worksheet in a timely manner” to the sampling criteria, and observe the rule of giving examination priority to members who did not use W20 in a timely manner. To assist member institutions in carrying out self-inspection, we will establish a follow-up system to urge them to undertake the self-inspection mechanism.
 2. In providing assistance to new members, we will step up the training and qualification management of their credit information inquiry personnel while enhancing the audit skills and professional knowledge of JCIC auditors. We will also draw up control measures for sudden increase in volume of inquiries by new members (including lawfully-established branches of Mainland-funded banks in Taiwan that have been accepted as members with the approval of the JCIC board of directors).
- B. In the efforts to enrich the data content and improve the quality of data, we will focus on several areas. We plan to revise the file formats for 12 types of reported information, including “Monthly Report of Outstanding Loans” and “Profile of Credit Cardholders.” We also plan to promote the reporting of “information on switch of payment method by credit cardholders that have been using revolving credit on a long-term basis” so as to generate relevant statistics for the reference of the competent authority. We will build a SME financing service platform in collaboration with the Bankers Association and the Small and Medium Sized Enterprise Administration, Ministry of Economic Affairs. With regard to the creation of an external operational risk loss database, we will track the number of such data reported by banks, examine their quality based on the data published by the Financial Supervisory Commission, and then produce consistent statistical reports for inquiry based on the needs of member institutions. We will step up data definition and the quality of data content, and review



FOREWORD

the data reporting reward and misreporting punishment mechanism to improve data accuracy, timeliness, integrity and consistency.

- C. In the efforts to strengthen R&D and develop value-added credit information, we will revise the “DBR22 requirement for unsecured debt and annual income information” product in conjunction with the inclusion of partially-guaranteed loans and secondary-guaranteed loans under the DBR22 rule. To readily grasp the debt situation of borrowers, we plan to develop a product that combines “Monthly Report of Outstanding Loans” and “Daily Newly Approved Credit Line and Individual Disbursement and Repayment Data.” In coordination with the creation of a SME financing service platform, we will develop information products on notation of transaction financing and registration of reserve account in order to help financial institutions lower the risk of their transaction financing business. We will look into improving the real estate reference information products and plan on the development of mortgage related products by evaluating the possibility of linking up mortgage balance with house features. With regard to credit scoring products, we plan to design the lists of significant variables in association with debt, repayment and inquiry, and undertake product design and related cost benefit analysis. In line with the amendment of the Personal Information Protection Act, we will continue to support the Financial Supervisory Commission and the Bankers Association in studying the necessity of amending the Banking Act or other financial administration regulations and changing the content of the principal’s written consent (to inquiries about credit information).
- D. On expansion and upgrade of computer systems, we plan to upgrade our existing networking equipment to ensure the normal operation of our networking system and improve network efficiency. We plan to replace 37 switches, 4 routers, 3 traffic managers, as well as tape autoloader and Windows equipment.
- E. To implement the principle of “user pays”, we will look into the possibility of charging members a reasonable fee for 9 credit products that are currently free. We will assist the Financial Supervisory Commission in document and onsite examination of IRB banks who apply for the adoption of internal ratings-based approach (IRB),



FOREWORD

and in producing the “IRB Review Manual” in coordination with the revised “IRB Self-Evaluation Checklist.” To help the Financial Supervisory Commission obtain statistical credit information on small and medium enterprises, we plan to ask financial institutions to submit reports on the profile of their corporate borrowers.

F. We will make better use of the document and consumables management systems to enhance the efficiency of internal management and save management costs. We will implement new rules that require public notice of tenders for procurement projects exceeding NT\$1 million and revise the operating procedures based on the accumulated procurement experience to improve the efficiency of procurements. We will revise on-the-job training guidelines and mandate hours of training for various positions so as to raise the professional knowhow of JCIC personnel.

G. On other fronts, we plan to introduce a corporate identity system, including a logo that conveys a distinct image of the JCIC. The new logo was already selected by the JCIC board of directors on January 27, 2010, with the trademark registration completed on September 1 the same year. We will also continue to prepare for the 8th World Consumer Credit Reporting Conference (WCCRC), to be hosted by the JCIC in 2012.

In the future, we will continue to strive for our role as a national credit information center. We will continue to step up our information security management system as well as that of the member institutions, and work for promoting the risk management capabilities of the members. To the public, we will continue to propagate the concept of “value your credit” and raise awareness about the security and protection of personal data as well as the correct use of credit to help build a sound credit transaction environment as we strive to create a win-win situation for our member institutions, the public, and the JCIC.



History

Joint Credit Information Center (JCIC) was established in 1975 under the auspices of the Bankers Association of Taipei, with a mandate for the compilation, processing, and exchange of credit data among financial institutions. In 17 years of operation, its scope of business had so expanded that the Bankers Association decided in 1992 to donate all its operating surpluses to transform it into an independent non-profit foundation. The new JCIC continues to serve its member institutions by providing accurate and quality credit information on a user fee basis.

For the sake of improving the quality of the credit data reported by its member institutions and offering them a greater incentive to report such data, JCIC formulated in October 2001 the “Measure for Rewarding Member Institutions for Reporting Credit Information” (called the “Reward Measure” hereunder), which stipulates that JCIC should set aside a reward fund based on its operating status. In 2002, to further encourage members to observe the Membership Rules, step up security control over credit inquiries, and conduct regular audit, JCIC revised the Reward Measure and renamed it “Reward Measure for Members’ Credit Inquiry Operation Control and Credit Data Reporting.” To remind its member institutions of the importance of complying with the Computer-Processed Personal Data Protection Act, the Banking Act and the Membership Rules when they make credit inquiries, the JCIC started the “reason for inquiry” checking mechanism for all products in 2004. JCIC also uses this mechanism to conduct matching analysis to achieve the control objectives of ex-ante prevention and ex-post-facto investigation.

We developed the “Corporate Credit Scoring System” and the “Consumer Credit Scoring System” in 2006, and introduced the 3rd version of “Consumer Credit Scoring System” in 2010 for inquiry and use by member institutions.

In an effort to help the government uphold law and order, JCIC has set up a fraud reporting platform that links up with financial institutions, and developed fraud and alert account reporting operations and products, for which JCIC received the 2006 Special Contribution to Fraud Prevention Award from the Financial Supervisory Commission. In September 2009 JCIC was again selected as an Outstanding Financial Fraud Prevention Institution by the Financial Supervisory Commission and thus honored in a public ceremony.



History

In compliance with the Consumer Insolvency Act, we started in April 2008 to offer a “List of Financial Institution Creditors” for application by consumers specifically for use in debt workout, and set up an exchange and inquiry platform for debt workout, debt settlement and liquidation information on April 11, 2008.

In November 2009, JCIC received the ISO 27001 certification for information security management from the British Standards Institution (BSI) and passed the Continuing Surveillances in 2011 to affirm continuation of the registration.

JCIC is currently the only credit reporting agency that collects credit data from financial institutions in Taiwan, and also the first in Asia that collects both positive and negative credit data on individuals and corporations. JCIC currently offers 169 “standard” products in nine categories (Basic Information, Credit Information, Financial Information, etc.) and 1,658 sets of “customized” and account management information products for inquiry or use by member institutions.

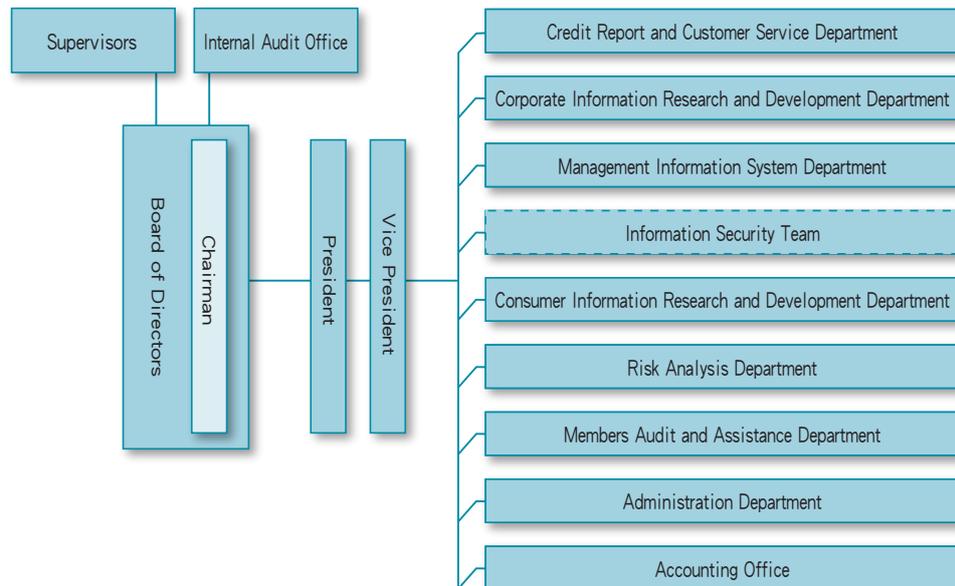


Objectives

- A. To establish a nationwide credit information database and to provide credit records as well as operational financial information of economic entities.
- B. To improve the credit investigation function of the financial sector and to promote the development of credit investigation techniques.
- C. To ensure the safety of credit transactions and to promote the sound development of the national credit system.
- D. To provide information needed by the competent authority for financial supervision.



Organizational Structure



A. The Board of Directors

Pursuant to the Banking Act, the operation of JCIC is authorized and supervised by the Financial Supervisory Commission (FSC) under the Executive Yuan and the Banking Bureau of FSC. JCIC has a Board of Directors composed of nine directors and also has three supervisors. The directors and supervisors are either representatives or scholars appointed by the FSC, the Central Bank of the Republic of China (Taiwan), and the Bankers Association of the Republic of China.

To supervise the business operation and corporate governance of JCIC, an Internal Audit Office that reports directly to the Board of Directors is set up to perform internal audit activities.

B. Management

The president is responsible for operations pursuant to resolutions made by the Board of Directors, and is assisted by the vice president. Under the president, there are eight departments, namely: Credit Report and Customer Service, Corporate Information Research and Development, Management Information System, Consumer Information Research and Development, Risk Analysis, Members Audit and Assistance, Administration, and an Accounting Office. To meet new business objective, the task forces Information Security Team was setup.



Directors and Supervisors

Title	Name	Company Affiliation
Chairman	Mr. Fu-Hsiung Hu	
Director	Ms. Susan S. Chang	Chairman, Taiwan Financial Holdings / Bank Of Taiwan Chairman, The Bankers Association of the Republic of China
Director	Mr. Tzong-Rong Tsai	Commissioner, Financial Supervisory Commission, Executive Yuan
Director	Mr. Hsien-Nung Kuei	Director General, of Banking Bureau Financial Supervisory Commission, Executive Yuan
Director	Mr. Gregory K. H. Wong	Chairman, Cathy United Bank
Director	Mr. Jen-Te Huang	Professor, Department of Economics, National Cheng-Chi University
Director	Ms. Cher-Jean Li	Secretary-General, Taiwan Provincial Consultative Council
Director	Mr. Kun-Shan Wu	Director, Legal Office, Central Bank of the Republic of China (Taiwan)
Director	Mr. Hai-Nan Wang	Associate Professor, Department of Law, National Cheng-Chi University
Supervisor	Mr. Jing-Twen Chen	Professor, Department of Finance, National Central University
Supervisor	Ms. Yu-Ming Chen	Counselor, Central Bank of the Republic of China (Taiwan)
Supervisor	Ms. Nancy Young	Secretary-General, The Bankers Association of the Republic of China

Note: Ming-Daw Chang Appointed to another government office on January 08, 2010



Services

A. Services to Member Institutions

1. Maintaining a nationwide credit information databank and providing credit inquiry services.
2. Processing supplements, corrections or deletions of credit information.
3. Conducting financial analysis and credit rating of enterprises.
4. Conducting credit and finance-related research.
5. Handling legal matters relating to credit information.
6. Publishing books and journals, including Finance and Credit Series, Business & Industrial Key Financial Ratios, Business & Industrial Key Financial Structure Information, and Overview of Financial Institutions.
7. Publishing Joint Credit Information Center Periodical.
8. Holding lectures, workshops, and seminars relating to credit information for personnel of member institutions.
9. Handling fraud reporting by member institutions.
10. Transferring inquiries regarding owner-occupied properties.
11. Handling other matters relating to credit information.

B. Services to Individuals

1. Processing inquiries about individual credit reports.
2. Processing applications for notation service.
3. Processing supplements and corrections to individual credit records.
4. Processing inquiries about individual credit-related matters.

Services

C. Statistics on Credit Inquiry Services, 2007 ~ 2009

Service	2008	2009		2010	
	Total	Total	Growth	Total	Growth
Credit information inquiry service (10,000 inquires) (Note 1)	42,856	37,873	-11.63%	40,334	6.50%
Personal credit report (Note 2)	218,368	184,981	-15%	154,542	-16%
Individual application for notation service (Note 3)	1,496	1,270	-15%	1,084	-15%
Notation of payoff by relatives (Note 4)	1,793	1,334	-26%	1,058	-21%

Notes :

1. Member institutions adopted a more stringent loan policy during the period of financial crisis. In 2010 as the financial storm subsided, member institutions gradually returned to normal lending practices. As a result, the number of credit information inquiry made by member institutions rose in 2010 as compared to 2009.
2. Consumer applications for "List of Financial Institution Creditors" for debt workout with financial institutions under the *Consumer Debt Clearance Act* have peaked in 2008. The application for personal credit report dropped by 16% in 2010.
3. JCIC started the notation service in July 2003. Following a peak in 2005 during which many applications were processed, the caseload begins to fall gradually from 2006.
4. Taiwan experienced a credit card /cash card debacle in 2006, during which the cases of payoff by relatives shot up. As such notation cases were processed in 2006, the caseload begins to fall gradually afterwards.



Information Security Management System and Data Protection

A. Information Security Management System

1. Internal security management

The JCIC carries out information security management and control in compliance with the management guidelines which emphasize data quality, value addition, security, internal information security rules, and the confidentiality, integrity and availability of information assets, and in compliance with the ISO27001 standards. The major operations include the following:

(1) Physical and environmental security management

To safeguard its important information assets and employee safety, the JCIC controls access to all its offices and computer room, and has security guards and video cameras in place. We also check regularly the entry/exit log and put equipment and systems under control to ensure the physical and environmental security of the JCIC.

(2) Data access management

User access to credit data and access hours are under control. The use of computer resources and credit data access records of internal users are checked regularly according to JCIC security policy to prevent improper use of credit data.

(3) Network security management

We have layers of firewall in place to segregate network segments with different use purposes. We have deployed intrusion detection and defense systems and a central virus scanner system to protect the JCIC's internal and external networks and prevent unauthorized entry or internal attacks.

(4) Enhancing the availability of network and computer systems

To enhance the availability of the network and computer systems, we have set up an off-site server to ensure the continuity of services to member institutions in case the main computer center is unable to provide information services.

(5) System development and security maintenance management

We segregate the system environment for operation, development and testing purposes, and track the progress of projects, and adopt access control to protect the credit database.



Information Security Management System and Data Protection

(6) Stepping up “continuous operation” management

To make sure all operations can continue after a disastrous event, we step up our emergency response system, examine our standard operating procedures, and provide training for backup personnel. In the annual switch of operation to the offsite redundancy location, backup personnel are assigned to operate the facility to ensure the viability of our standard operating procedures and that our personnel are adequately trained and prepared for emergency.

(7) We have passed the third-party verification of ISO 27001

2005 for all JCIC functions and maintain the normal operation of “Information Security Management System” (ISMS). We adhere to the spirit of the Plan-Do-Check-Act (PDCA) cycle to achieve the goal of implementing and fortifying the security protection of JCIC information system architecture.

(8) Beefing up information security management training

We conduct annual information security training and promotional activities from time to time to raise employee awareness of information security.

(9) Self-assessment and internal audit operation

According to the JCIC rules, all departments are required to carry out self-assessment. The Internal Audit Office and the Information Security Team of Management Information System Department (now under the Security Control Section) also conduct periodic and assigned internal audits.

2. Member’s security management

(1) Management of reporting by member institutions

We assign staff to handle data reported by member institutions and execute data processing and datafile creation for data reported by members via FTP based on automatic scheduling.

(2) Management of inquiries by member institutions

We put credit information inquiry operation of member institutions under control and upgrade the security mechanism of their inquiry system: ①for Internet inquiry, we adopt card reader and IC card equipment coupled with unique sequence number and two-way encrypt/decrypt; ②for Secure Terminal Server (STS) inquiry, we have built a closed network for server connection and add



Information Security Management System and Data Protection

encrypt/decrypt mechanism to the data transfer hardware; and ③for File Transfer Protocol (FTP) inquiry, we have an encrypted file transfer system, use proprietary custom-made programs and add the encrypt/decrypt functions to data transmission. We also promote the watermarking mechanism for the printing of data inquired by member institutions to enhance data protection and operational efficiency on the part of member institutions

B. Data Protection

To win the trust of the public and data principals and to win support for the sustained development of the JCIC, we have been endeavoring consistently in the directions of rigorous observation of legal procedures for collection and use of credit information to protect personal privacy while taking into account the security of credit transactions. While we consider expanding the scope of data collection, we must simultaneously shore up the foundation for data protection in business operation and management. Our data protection efforts include:

1. Reinforcing compliance with Article 12 of the JCIC Membership Rules by members

When a member makes a credit inquiry, there must be a specific purpose and the inquiry is made based on: (1) an agreement with the principal; (2) a like-kind contractual relationship, or (3) a written consent of the principal. The aforesaid requirements are set forth in compliance with the confidentiality clauses in the Personal Information Protection Act and the Banking Act. Thus it applies to the inquiry of both personal and corporate data, unless the information is already made public or otherwise provided by law. In the implementation of this rule, we have put into effect the “reason for inquiry” check mechanism, which serves as a reminder beforehand and allows checking afterwards. It also aids internal and external supervision at member institutions. We have implemented computer audit of the “reason for inquiry” reporting system since August 1, 1998. When a member institution checks “existing customer” in the first-layer “reason for inquiry”, the system will carry out instant item-by-item match before sending an inquiry reply in lieu of ex-post matching. If the matching result shows that the member institution has never reported credit information on the customer being inquired, the system will reject the inquiry. The instant audit could prevent massive improper extraction of credit information by member institutions.



Information Security Management System and Data Protection

2. The credit data obtained by members from the JCIC are strictly for internal reference only. Unless it is otherwise provided by law or agreed by the principal in writing, inquired data may not be made public or transferred to others. Credit information provided by JCIC can only be used by members for the reference of their credit operation or other legally registered operations, and should not be used as the sole basis for approving or denying financial dealing with the principal so as to prevent the improper use of personal credit data.

3. Augmenting the security audit of the credit information inquiry operation of members

To put into effect the management of credit inquiries by members, we have drafted relevant rules and asked members to observe the inquiry rules as well as the provisions stipulated in the Personal Information Protection Act, the Banking Act, and the instructions of the competent authorities. To ensure security for the inquiry and use of credit information, we have put into effect concrete measures, including self-audits by members, assigned audits, on-site audits, and matching analysis. The outcome of these control measures will be included in the computation of member rewards as material encouragement of the efforts put forth by members in information security management and maintaining the quality of reported data. If a member institution is found violating the inquiry rules or other codes, we will mete out disciplinary actions according to the severity of offence. In 2010, of member institutions that violated the Membership Rules, 6 had their inquiry service suspended, 4 were penalized with fixed-amount deduction of their reward, and 3 had points deducted in the annual security audit.

4. We continue to uphold the basic rights of the data principals provided in Article 4 of the Personal Information Protection Act that allows them to inquire, browse, copy, supplement and correct their credit data. We implement a rigorous check mechanism for credit report application, including requiring two ID to prevent the use of fake identity. When a principal applies to supplement or correct data, we would require the presentation of his ID and verify it with the reporting institution before making the correction so as to protect the rights of principals.

5. We strengthen measures in connection with our internal control system and information security management system on a continual basis.



Highlights of 2010

A. Membership Status

We continued to implement the “Preferential Admission Program for Community Financial Institutions” in 2010. As of the end of 2010, the JCIC had 425 member institutions, including 38 domestic banks, 19 Taiwan branches of foreign banks, 26 credit cooperative associations, 9 bills finance companies, 2 securities finance companies, 301 credit departments of farmers’ and fishermen’s associations, 3 non-life insurance companies, 18 life insurance companies, 5 credit card issuers, and 5 other institutions approved by the competent authority.

B. Information Security and Confidentiality

(A) Implementing Internal ISMS-related Measures

1. We passed two subsequent audits following the initial ISO 27001 certification to maintain the validity of our ISO 27001 certificate. We also continued to improve our “Information Security Management System” (ISMS) by adhering to the spirit of the Plan-Do-Check-Act (PDCA) cycle to ensure the security of our overall information environment.
2. We put in place a new security appliance (web application firewall [WAF]) through an “External Monitoring Service for Security Operations Center (SOC)” program to enhance our capability to fend off attacks and expedite the response to information security incidents.
3. We performed the same-site redundancy drill on April 17, 2010 and the off-site redundancy drill on May 20 the same year. On November 20, 2010, we completed the actual switch of operation to an off-site redundancy location.
4. We undertook center-wide information security training in accordance with the training hours requirement for Class B units set by the National Information and Communication Security Task Force to raise awareness to information security throughout the JCIC.
5. We enlisted the service of outside information security consultants to carry out service network checks, mainframe vulnerability scans and network penetration testing and patch up or improve weaknesses found to shore up our IT architecture.



Highlights of 2010

6. We upgraded the firewall and its management system to enhance network security.
7. We embarked on improvement based on the comments given in the July 2010 audit by the Department of Banking Examination, which recommended the establishment of an AIX server access control list and implementation of AIX administration.
8. We strengthened the internal Internet browser management by using a white list in lieu of negative list control.
9. We held an information security promotion task force meeting once every month and an information security committee meeting once every six months, in which information security activities were discussed and coordinated to achieve the goal of organization-wide information security.
10. To ensure the update of information security related documents, all offices and departments are required to inspect their work manuals at least once every six months and give summary reports in the semi-annual information security management review board meetings.
11. To prevent direct manual correction of credit database and step up the security of data correction, cases where the taxi service company is not at fault and credit correction cases under NT\$1,000 are included in the "Credit Information Correction Platform" starting 2010, under which correction data are input into the platform and will be released only if it is approved by the supervisor with a password.
12. To improve the security and accuracy of filing manually produced credit data reports, we have built a "Credit Report Data Filing Platform" to enhance the intactness of operational records.
13. A staffer was assigned to control blank credit report forms. Request for such forms requires the filling of a signed requisition with number of copies indicated thereon. We also set up a blank report form register to facilitate follow-up and subsequent audit.
14. We have set up a printer control area specifically for the printing of credit data. Entry into this area is password' controlled.



Highlights of 2010

15. We have established system control of repeat printing of a principal's credit report.
16. To ensure information security, scanning of "financial audit reports" and "credit report applications" will each be moved to the center from outside service providers.

(B) Assisting Members in Internal Security Management of Credit Information Inquiry Operations

1. Strengthening computer audit

- (1) We continued to provide audit information on a monthly basis with the "W20 Audit Worksheet for Regular Assigned Document Audit" product. We also plan to generate monthly statistics on the dates of member's inquiry of the product and the month of the information inquired as basis for checking members' audit operations.
- (2) We have drawn up the "Onsite Audit Sampling Rules" and started to use computer to select members and cases to be audited in an objective and effective manner.
- (3) We are planning an "Online Response of W20 Audit Results by Members" program based on a review of the full-year W20 audit results (e.g. reason for mismatching) submitted by members in mid-December 2010.

2. New-member assistance

- (1) We launched a new-member assistance program on August 1, 2009, and as of the end of 2010 have assisted four newly admitted farmers' associations (FA) - Fengyuan City FA, Zhutian Township FA, and Wandang Township FA, and Changzhi Township FA in drawing up "Credit Information Inquiry Control Guidelines", establishing management system for documents relating to credit applications and data principal's consent forms, and asked them to provide related business plans.
- (2) We offered workshops for credit information inquiry/auditing personnel of the aforementioned four farmers' associations in October 2009. We also offered courses for new credit information inquiry operation personnel in November 2010 and issued a course completion certificate to the participants.



Highlights of 2010

- (3) We added a fax server for new members to turn in all customer consent forms after they have made inquiries on new credit applications to ensure the legality of inquiries made. As of December 31, 2010, four farmers' associations have faxed in 1,153 consent forms. The JCIC verified 640 of those forms by phone (55.5% check rate).
3. Assisting member institutions in implementing information security control system and offering training courses
 - (1) To help member institutions implement security control for their credit information inquiry operations, we have planned a three-year information security training program that applies to the credit inquiry operation personnel of all member institutions. In 2010, we held 16 information security workshops including six sessions for 435 seed instructors and six sessions for 1,056 general inquiry operation personnel.
 - (2) To hone the data inquiry and reporting skills of the personnel of member institutions, we offered courses on credit data creation and use. We held together 34 sessions of "Credit Information Product Workshop" and 3 sessions of "Data Reporting and Check Operation Workshop" in northern, central and southern Taiwan.
 - (3) We issued a letter on January 20, 2010 to all head offices of the member institutions, asking them to provide a list of inquiry operation personnel for the JCIC to create an inquiry operation personnel database. By JCIC statistics, the member institutions have altogether 46,701 inquiry operation personnel, of which, 43,649 persons or 93.5% work for domestic banks. The database will be updated every six months. We will also set up a system to track whether such personnel attend training courses regularly.
 - (4) We sent a letter to the Taiwan Academy of Banking and Finance (TABF) on May 19, 2010, asking it to increase the weight of questions on information security control in its tests. The TABF agreed to do so in the "Basic Proficiency Test for Bank Lending Personnel" it offers.
 - (5) We have set up a profile record for each member.



Highlights of 2010

4. Implementing control measures for international transfer of customer data

- (1) We sent a letter to the Taiwan branches of foreign banks and domestic banks, asking them to draw up operational process and control measures for international transfer of customer data, include the measures in their "Credit Information Inquiry Control Guidelines," and submit a copy of the same to the JCIC for reference.
- (2) We identified the units in charge of international data transfer at member institutions and restrict the international transfer of customer data by the Taiwan branches of foreign banks to their head offices only. We also create a database on the approval authorities at the Taiwan branches of foreign banks as an aid in onsite audits of their international transfer operations.
- (3) We held a forum on international data transfer operations for foreign banks on September 3, 2010. Presided over by the JCIC Chairman, the forum was attended by officials of the Banking Bureau and a total of 34 representatives of foreign bank members.

(C) Audits of Members' Information Security Control Mechanism for Credit Inquiry Operations and Reward Program

1. Routine audits

- (1) We carried on the "assigned audit" and "annual audit" operations, through which we produced a monthly audit list based on matching analysis on members that checked "new applications" as reason for inquiry but did not submit any report over a period of time and asked such members to conduct self-inspection. We also asked members to conduct self-inspection of their frequently made mistakes in the credit inquiry operation and make corrections.

(2) Special assigned audits

We sent a letter to all members on May 14, 2010, asking them to carry out "2010 special assigned audits" and rolled out a "W01 special assigned audit worksheet" product, according to which 386 head offices and 3,215 branches should carry out the special audits, and in total 64,168 pieces of information should be audited, including 34,527 pieces in Category A "new applications without matching inquiry record" and 29,641 pieces in Category B "inquiry record of customs declarations."



Highlights of 2010

(3) Onsite audits

① We conduct onsite audits of cases as instructed or handed down by the competent authority, of members that violated the Membership Rules before disciplinary action was imposed, members who are found performing poorly in annual audits or previous year's assigned audits, new members, new applications made in December the previous year, and members with high percentage of mismatching. In 2010, we conducted 131 onsite audits, including 128 general audits and 3 special audits.

② We made onsite visits and audits of altogether 35 Taiwan branches of foreign banks and domestic banks that have international data transfer operations in 2010.

③ We conducted audits of financial institutions that offer auto purchase loans with regard to their use of credit information inquired.

(4) We carried on the "annual security audit of credit inquiry operation control of members" and carried out reviews and improvements based on the audit results.

2. Reward program

(1) We set aside cash rewards for the "Reporting of Credit Information by Member Institutions and Performance of Inquiry Operation Control" program based on the 2010 budget and operating surplus and actually disbursed NT\$61,906,547 to members in 2010 according to a resolution adopted by the board of directors.

(2) In the annual awards for "Best Member Institutions and Best Individuals in Credit Information Security Management and Credit Information Reporting" presented on December 24, 2010, 9 institutions and 9 individuals received the "Golden Security Award" and 13 institutions and 14 individuals received the "Golden Quality Award."

3. In July 2010, we conducted the annual audit of Internet appliances (IC card, card reader) of all member institutions.



Highlights of 2010

C. Improving the Content, Data Quality, Timeliness and Integrity of Credit Information Databank

(A) Enriching the Content of Credit Databank

1. Credit-related information

- (1) In accordance with the suggestion made by the Bankers Association to the Banking Bureau to include partially-guaranteed loans and secondary-guaranteed loans in the definition of DBR22 as “the amount of loan balance (loan balance plus the balance of partially-guaranteed and secondary-guaranteed loans) minus the appraised value of collateral”, we drafted the guidelines for reporting the amount of “loan balance (loan balance plus the balance of partially-guaranteed and secondary-guaranteed loans) minus the appraised value of collateral” and the guidelines took effect on November 1, 2010.
- (2) To assist victims of typhoon Morakat, we have instituted various payment deferral measures, including waivers of bad credit reports on Morakat victims during the deferral period. We have also drawn up the guidelines for reporting “notation to the credit record of individuals/enterprises victimized by typhoon Morakat” for subsequent reporting, checking and statistics needs. The guidelines took effect on January 1, 2010.
- (3) To truthfully reflect the debt amounts of borrowers, we added a field of “original amount (in NTD) of loan balance reported in 1,000 NTD” in “Monthly Report of Outstanding Loans” and “Daily Cash Card Report” on May 1, 2010.

2. Credit card information

- (1) To protect the interests of data principals and improve the timeliness of data, we changed the weekly reports of “credit cardholder profile” and “credit card information” to daily reports, and required the reporting of “weekly balance of credit card accounts.” We also required that for credit card debt that has been paid off or settled normally or as non-performing debt, credit card issuers must report the “credit card account information” no later than the next day following the date of settlement.



Highlights of 2010

- (2) To enhance the quality of reported data and implement a resolution adopted by the Consumer Protection Commission in a meeting on “consumer protection concerning consumers being misreported by banks to the JCIC as a case of irregular repayment”, we have set out measures for handling credit card misreporting cases.
- (3) In accordance with the reclassification of outstanding credit card balance using minimum payment method by the Financial Supervisory Commission (FSC), we revised the reporting format for “credit card account information” and “weekly balance of credit card accounts” to include the amounts of “installment cash advance”, “consumer installment credit”, and “installment account” in the reported file.
- (4) In line with the provision in the Regulations Governing Institutions Engaging in Credit Card Business on the percentage of cash advance allowed, we added a field of “overseas cash advance limit” in the “credit card account information” file.
- (5) We sent member institutions the newly drafted *Guidelines for Creating Datafiles on Credit Card Holders and Contract Merchants*.
- (6) We required the reporting of “information on switch of payment method by credit cardholders that have been using revolving credit on a long-term basis” and submitted relevant statistics on a monthly basis to the FSC.

3. Consumer information

- (1) To improve the quality of data that use consumers’ Chinese names, we asked the FSC to assist the JCIC in carrying out matching of Chinese names of borrowers and credit cardholders with the Ministry of the Interior.
- (2) We provided member institutions with recollected tax ID information in a letter Jin-Zhen-(Yan)-Zi-0990001315 dated February 4, 2010 and asked them to make confirmation. We also consolidated the ID data on principals reported by member institutions with JCIC’s own data.

4. Debt workout information

In conjunction with the “Debt Workout Rules for Change of Repayment Conditions under the Consumer Debt Clearance Act” drafted by the Bankers Association and the revised rules for change of repayment conditions for guaranteed debt, we added seven file formats as well as related formats and check criteria, which were rolled out on October 12, 2010.



Highlights of 2010

5. Corporate information

(1) Corporate financial reports

We completed the construction of financial information on financial holding companies and non-profit organizations as well as CPA-audited financial reports on China investments of domestic enterprises.

(2) Corporate information

We continued to purchase the AREMOS Economic Statistical Databanks system to support the development of corporate scoring models and projects on stress testing for risk control.

(3) Other corporate information

① We built an SME financing service platform in collaboration with the Bankers Association and the Small and Medium Enterprise Administration and planned for the reporting of invoice financing notations to help financial institutions reduce the risk of their transaction financing business.

② We reported to the FSC Banking Bureau on July 15, 2010, that operations under the *“Guidelines for Trial Operation of Financial Leasing Companies Acting as An Agent of Principals in the Application and Pickup of Credit Reports”* would be included into the corporate leasing business.

(4) In conjunction with the gradual opening of Taiwan’s markets to investment by Chinese companies, we would disclose of registration information of “Chinese companies” provided by the Department of Commerce, Ministry of Economic Affairs.

(5) We started to plan to switch member institutions’ reporting of “negative pledge information” in hardcopy to electronic filing.

(6) We started to collect information on “big tax defaulters” provided by the National Tax Administration.

(B) Construction of Operational Loss Database

We completed two quarterly trial operational loss reporting operations in January and April, 2010, respectively, and reviewed important issues, and, based on the review result, revised the reporting guidelines for the approval of the FSC Banking Bureau. The operational loss data reporting commenced on July 1, 2010.



Highlights of 2010

(C) Enhancing Data Quality, Timeliness and Integrity

1. Strengthening data definitions, reporting rules, and the promotion of check logic
 - (1) We held 13 workshops to step up the promotion of reporting rules and check logic, clarify the definitions of data fields and minimize the room for ambiguity.
 - (2) We produced a data check logic list and provided it to member institutions for their data checks.
 - (3) We issued a letter to members each quarter to update the check intensity and remind members that they have the discretion to remove check items identified in the previously received letter. As of July 2010, we had issued such letters twice.
2. Stepping up checking of data accuracy, timeliness, integrity and consistency
 - (1) We stepped up the physical check of data before incorporating them into the database so as to prevent the entry of invalid data. As of the end of 2010, we had held nine meetings on credit card data quality, credit data quality, and automatic determination of data change notice to discuss the data check logic and the logic of data change determination.
 - (2) We stepped up the logic check of the data in the database, and, if any incongruence was found, asked the reporting institutions to take corrective actions.
 - (3) To enhance the transparency of data check mechanism, we sent letters to reporting institutions on a quarterly basis to inform them of the data check items and results. As of July 2010, we had issued such letters four times, which identified 20 credit-related items and 19 credit card-related items.
3. Based on a resolution made in a Consumer Protection Commission's meeting regarding "consumer protection concerning consumers being misreported by banks to the JCIC as cases of irregular repayment", we provided financial institutions with statistics on misreported cases in January and July 2010 and urged them to ensure the accuracy of customer credit data reported.



Highlights of 2010

4. We continued to improve the early-warning system on erroneous reporting of customer IDN's by financial institutions and monitor the number of erroneously reported cases on a quarterly basis.
5. To improve the consistency of alert account data, we started in June 2010 to make related information available for inquiries by individual financial institutions on the 25th each month and check the number of such accounts reported by an institution at the beginning of previous month, the number of accounts increased in the month, the number of accounts released in the month, and the number of accounts at the end of the month (including details on account numbers) as basis for filing with the FSC Banking Bureau by individual financial institutions. We also started in June 2010 to compile the confirmed data on the 10th of each month for the reference of the FSC Banking Bureau.
6. We put in place the quality check mechanism for operational risk loss data that allows instant follow-up of questionable data.

D. Developing Value-added Credit Information Products

(A) Developing Value-added Credit Information Products

1. Credit information products
 - (1) To fully disclose the credit and debt information of borrowers, we added the information on "new line and disbursement/repayment information: Y/N", "original amount (in NTD) of loan balance reported in 1,000 NTD", "securitized debt information", "currency", "whether the granted line could be cancelled", and "notation of revolving credit" in credit related products.
 - (2) To understand better a borrower's use of funds, we introduced a new credit product – "Credit Balance Change Information – by Purpose of Use."
2. Credit card information products
 - (1) To prevent the impact of incomplete credit information provided in some credit information products on the credit extension decision of member institutions, we decided to take "K01 Credit Card Information – ID No./ Uniform Business No." and "K23 Credit Card Account Information" offline.



Highlights of 2010

(2) We changed the name of K21 to “K21 Principal and Supplementary Credit Card Information” and added the spaces for “telephone”, “a combined credit line?”, “a physical card issued”, “card activation notation”, “guarantor”, and “notation on liability for other’s credit card payment” to provide more comprehensive credit card information.

(3) We developed a “K34 Credit Card Account Balance (Including Weekly Reported Outstanding Balance, Revolving Credit to Debt Ratio and Unsecured Credit Information”, which combine the monthly report and weekly report information to provide information on more readily updated credit card balance.

(4) To help credit card acquirers strengthen the credit check and risk control of contract merchants so as to reduce the risk of merchant default, we added the “guarantor” data to the field of “responsible person” in “K24 Credit Card Merchant Profile Summary” beginning January 1, 2011.

3. Consumer profile products

(1) Product “A97 List of Credit Cardholders and Borrowers without Household Registration in Taiwan Changing Account Numbers” became available for inquiry on September 1, 2010.

(2) Product “A20 Household Registration Office Inquiry Window Indexing” became available for inquiry on July 1, 2010, to allow financial institutions to immediately check with household registration offices when they find any irregularity with the ID card presented by their customers.

4. Corporate information products

(1) We developed online, real-time financial ratio calculation products to help member institutions gauge the financial ratios of their corporate borrowers in comparison with other companies in the industry.

(2) To help member institutions classify data more effectively, we added a space for “type of information” in the “automatic notification service of material information announced by public companies” and offered a new product “Subject Matters of Material Information Announced Public Companies – by Bank.”



Highlights of 2010

- (3) We launched the “Industry Financial Ratios” to make it convenient for member institutions to inquire about financial ratio information.
 - (4) We revised the “Real Estate Brokered Transaction Information” and “Real Estate Bank Appraisal Information” and developed the “Real Estate Brokered Transaction Information, Auction Prices and Bank Appraisal Information” to provide member institutions with more reference information for their real estate loan business.
 - (5) In conjunction with government policy requiring financial institutions to rein in the risk of housing loans, we developed the product “B42 Consolidated Credit Extension, Housing Loan and Settled Real Estate Loan Cases in the Past Three Years – by Bank” to help member institutions understand the real estate loan activities of their applicants in the past three years and the locations of collaterals. This product was made available on October 20, 2010.
 - (6) To make it convenient for member institutions to inquire about information on shares held by corporate insiders for their stock pledge business, we introduced a product “N30 Corporate Insiders – Shareholding and Pledge Information” on September 1, 2010.
 - (7) We included information on guarantors into contract merchant-related products in accordance with the newly revised credit card operational guidelines.
5. Debt workout information products
- (1) In coordination with the revision of the method for reporting settled credit card debt and to prevent incomplete disclosure of debt information of borrowers who participate in debt negotiations by financial institutions, we revised the “Credit Report –List of Creditors for Debt Workout” and Z90 and Z91 to disclose the names of creditor banks that have reported “normal debt settlement” under the “Unsecured Loan Information – Credit Card” in the past two months.
 - (2) In conjunction with the implementation of debt workout - switch of payment method program, we revised the content of four products, which were rolled out on October 12, 2010.



Highlights of 2010

(3) With regard to the application of the disclosure period for Z13 notation to that for debt workout, debt restructuring or liquidation information products, the proposal was approved by the Banking Bureau on September 28, 2010. We notified member institutions of the related support measures on December 8, 2010, and planned to implement the new measures on March 1, 2010, to give financial institutions more time to prepare related information.

(4) With regard to the proposal that “creditor banks should provide free of charge summary information on principal, interest, penalty, and fees and calculation method to borrowers who apply for debt workout”, we introduced a new file format in line with the request of the Bankers Association and send the form of “Borrower’s Unsecured Debt Details” in pdf format to the leading creditor banks with the aim of improving the efficiency of debt workout operation.

6. Real estate information products

(1) We completed housing price indices that cover 63 districts, 22 cities and counties, as well as nationwide housing price indices. We also periodically updated the housing price indices and monitored the reasonableness of housing price indices.

(2) We continued to study the development of risk indices of long-term historical default rates in relation to housing loans.

(3) We evaluated the feasibility of calculating loss given default (LGD) on housing loans and related model construction, continued to inspect the quality of recycled data, and studied the usability of external court auction data (published by Transparent Real Estate Journal).

7. We consulted the opinions of member institutions on the general credit information products of the JCIC. Members had no particular comments on the content of existing products and their points. However in coordination with the revision of K21, the content of “J30 Credit Information of Credit Cardholders” was also revised and the product now charges 24 points.

8. Starting May 1, 2010, the item “new applications” checked by member institutions will be singled out from the existing “inquiry records of non-type Z products” and separately presented to help member institutions understand better the credit expansion state of their customers so as to achieve enhanced risk control. Product “A00 State of Consent Given by Data Principals” was taken offline on July 1, 2010, due to the incomplete information furnished by the product.



Highlights of 2010

9. Through the product research and analysis platform, we continued to track the data reporting and inquiry status of all 178 products currently available for inquiry as reference for product development, maintenance and promotion in the future.

(B) Development, Monitoring and Improvement of Credit Scoring Models

1. Corporate credit scoring system

- (1) We have completed operations relating to the validation, documentation and product development of corporate scoring models and rolled out two products – “J20 Corporate Credit Scoring – Excluding Information on Responsible Persons” and “J21 - Corporate Credit Scoring –Including Information on Responsible Persons” on May 1, 2010.
- (2) We regularly monitored the performance of credit scoring models and published monitoring reports on a quarterly basis. We also embarked on analysis and research on subjects that could affect the scoring results, including completing the JCIC scoring and comparing with external data.

2. Consumer credit scoring system

- (1) We completed the third revision of “J10 Consumer Credit Score Product” on December 2, 2010.
- (2) We regularly monitored the performance of consumer scoring models and published monitoring reports on a quarterly basis. We also embarked on analysis and research on subjects that could affect the scoring results, including the benefits of J10 product to member institutions in the credit card or housing loan application stage or in customer management.

3. We continued to follow up on the use of credit scoring models by financial institutions with the aim of helping them use the scoring models more effectively. We also continued to market and promote scoring products and the concept of risk management through published papers, workshops, visits of individual banks, research service platform and other custom-made services to increase the inquiries and enhance the effective use of scoring products.



Highlights of 2010

(C) Stepping up Research and Development

1. In conjunction with the prevailing Personal Information Protection Act, we drafted a pamphlet to introduce JCIC systems and measures for the protection of personal information, and published an article entitled “Joint Credit Information Center and Credit Data Protection” in a JCIC magazine.
2. To support the supervisory needs of the FSC Banking Bureau, we commissioned the Taiwan Econometric Society to undertake a research project entitled “Evaluation of Bank Value” in 2010. The research team has finished a preliminary analysis of the data provided by banks and in the process found a plethora of problems in terms of data integrity and quality, which would have a bearing on the continuation of the project. We have submitted a progress report to the FSC Banking Bureau. The Banking Bureau, the research team and the JCIC will discuss subsequent actions of the research project.

E. Expanding and Upgrading Computer System

(A) Upgrading the IT hardware and the Efficiency of Application Systems

1. In preparation for year 2011 (year 100 according to Taiwan calendar system), we completed the testing and revisions of relevant application systems and software programs.
2. We completed the upgrade of our e-mail system.
3. We completed the construction of a document management system platform.
4. To enhance the application of our value-added information, we planned to purchase new data warehouse storage systems. The procurement contract was signed in June 2010 and the installation took place in July and August 2010. The whole procurement project was completed on August 31, 2010.
5. A procurement contract was awarded to replace our existing networking equipment to ensure the continuous operation of our networking system. The new equipment was installed on September 17, 2010.



Highlights of 2010

6. We completed the database development, database testing, and batch inquiry server replacement in April 2010.
7. We completed the backup of Windows server in May 2010.
8. To ensure the normal operations of the JCIC, we continued to plan and carry out the upgrade of equipment for a Windows environment.

(B) Enhancing the Security and Efficiency of Data Transfer between JCIC and Member Institutions

To strengthen the functions of data transmission and user interface with member institutions, we upgraded the encrypted file transfer system software for members and adopted a new version of file transfer process. We will continue to follow up on the efficiency of encrypted file transfer on the part of members

F. Enhancing the Content and Quality of Other Services

(A) Enhancing the Auxiliary Services (Workshops, Training, etc.) to Member Institutions

We held 47 workshop sessions for member institutions in 2010. The courses offered included “Members Security Control of Credit Information and Member Rewards”, “Identity Confirmation Process for Data Principals, Reporting of Fraud Cases, and Notation of Repayment by Relatives (Third Parties)”, “Operations Relating to Consumer Debt Clearance Act”, “Special Courses for Credit Departments under Farmers’ and Fishermen’s Associations”, “Consumer Finance”, “Corporate Finance”, “Customized Inquiry”, “Data Reporting and Check Operation under the Guidelines for Monthly Report on Outstanding Loans”, and “Data Reporting and Check Operation under the Guidelines for Creating Datafiles on Credit Card Holders and Contract Merchants.”

(B) Continuing to Review the JCIC Fee Schedule for Inquiries about Credit Information by Members

To help member institutions strengthen the risk control of contract merchants and their guarantors, we drafted the “Inquiries and Fees for Management of Contract Merchants and Guarantors and Operational Guidelines.”



Highlights of 2010

(C) Promoting Work in Connection with the Competent Authority's Supervisory Review and Promoting Other Works

1. We continued to assist the competent authority in the document and onsite examination of IRB bank applicants. In 2010, we completed the document review of supplemental explanations submitted by the First Bank.
2. We revised the "IRB Self-Evaluation Checklist", which was then announced by the FSC Banking Bureau.
3. We participated in the drafting of "IRB Review Manual" by the Banking Bureau.
4. We assisted the competent authority in carrying out operations relating to "stress testing by domestic banks", including the drafting of operating rules, setting of stress scenarios, preliminary trial calculation and information service preparation operation. We also acted as the leader of the FSC "Basel II Joint Research Task Force – Stress Testing Research Team" to take charge of promoting the aforementioned operations. We worked together with 11 banks to draft the "Stress Test Guide" and provided the study results for the reference of all banks.
5. We provided statistical reports in line with the needs of the competent authority or other supervisory agencies.
 - (1) We provided monthly statistical reports on unsecured consumer debt, cash cards and credit cards, debt workout and the Bankers Association's debt negotiations to the FSC, the Central Bank and the Bankers Association.
 - (2) We provided the Banking Examination Department and the Economic Research Department of the Central Bank as well as the Council for Economic Planning and Development with monthly outstanding loans statistics reports, and provided the Banking Examination Department with nine other types of reports, including new loans, over-due loans, top 50 enterprise-group borrowers, top 20 borrowers, corporate financial statements, corporate default rates, individual historical default rates, personal loans outstanding - by use purpose and percentage of real estate loan-to-value ratio. In line with the supervisory needs of the Central Bank for housing loans, we provided the Economic Research Department of the Central Bank with statistical data on the housing loan balance, new loans and LTV on a monthly basis.



Highlights of 2010

- (3) We examined the housing loan statistical information reported by banks and provided related statistical reports in line with the supervisory needs of the competent authority.
- (4) We provided the competent authority with credit statistics as requested from time to time.
- (5) We provided the Construction and Planning Agency of the Ministry of the Interior with statistical reports on real estate transaction prices on a quarterly basis as requested.
- (6) The JCIC provided the Securities and Futures Bureau with the lending information of securities firms every six months.

(D) Enhancing the Quality of Service to the Public

1. We built an “over-the-counter service satisfaction survey platform” to understand better the public view of JCIC over-the-counter services and to improve further our service quality. We also erected an electronic billboard to publicize the JCIC policies and reminders.
2. We included indigenous people over 55 years of age and families in hardship into the favorable credit report inquiry fees program starting August 1, 2010.
3. To enhance the integrity of credit reports, we included the following information in the reports:
 - (1) Daily principal debt repayment information under “bank loans” and “guarantor.”
 - (2) New loans under NT\$1,000 under “bank loans.”
 - (3) New credit card debt reassignment and repayment information.
 - (4) For corporate credit report, new credit scoring information at the option of the corporate applicant.
4. To enhance the efficiency of credit report operation, we constructed a “leasing company batch inquiry and data maintenance system” platform and asked leasing companies to report application information by file transfer starting June 30, 2010.



Highlights of 2010

5. JCIC staffers visited the credit report institution in Singapore to understand the operating procedures for applying for credit reports with SingPass as reference for the project of using Citizen Digital Certificate IDN for application of credit reports.
6. To raise public awareness of the importance of maintaining good credit, we issued three Q&A pamphlets on respectively “alert account”, “JCIC’s credit information disclosure period” and “supplemental notations of credit information” (including “notation of data principal”, “notation of repayment by relatives” and “notation of third-party repayment”).
7. To improve the functions of our customer service system, we upgraded our telephone customer service equipment in 2010 and printed FAQ pamphlets for member institutions and data principals to enhance the quality of telephone services.

G. Internal Management

(A) Stepping up the Efficiency of Internal Management

1. To improve internal management, the JCIC Organizational Rules was revised, passed by the JCIC board of directors, and approved by the FSC on August 9, 2010.
2. In the continuing efforts to improve information security control and internal control systems, we promoted “self-evaluation of information security” and “self-evaluation of internal controls” by the internal departments, which were conducted 24 times and 32 times, respectively.
3. To strengthen the monitoring and control of resolutions adopted by the JCIC board of directors and the staff meetings as well as instructions by the senior officers to enhance JCIC governance, an automated official document management system was introduced on August 1, 2010, and the numbers of official documents approved by the competent authorities were calculated starting June 1, 2010 to strengthen document management and improve administrative efficiency.



Highlights of 2010

4. We implemented an automated consumables management system, which produces quarterly statistics on requisitions of consumables by respective units and semiannual consumable consumption comparison charts every six months to beef up the requisition management and inventory control of consumable articles.
5. We held a cleanliness and greenery contest to improve the quality of our work environment.
6. To improve the transparency of our procurement operations, we implemented new rules that require public notice of tender for procurement projects valued over NT\$3 million. Procurement projects valued over NT\$1 million are also carried out through public notice of tender on a test basis.
7. We continued the construction of the procurement management system database to improve the future performance of procurement operations.
8. We studied the use of dispatched workers and related adjustments in response to the amendment of the Labor Standards Act.

(B) Carrying out Internal Audits

1. We conducted 38 internal audits in 2010.
 - (1) On IT operations, we conducted weekly audits of internal credit information change and inquiry records, and focused on the audits of databank backup operation, program development and revision management operation, server account management operation, information outsourcing management operation, and information security team operation.
 - (2) On accounting and finance operations, aside from the weekly audit of bank statement reconciliation forms, we focused on the audits of cash receipts and payments, fund management, time deposit management, check processing and accounting documents audit operation.
 - (3) On administration and management operations, we focused on the audits of procurement and payment operation, information asset management operation, property inventory and management operations.



Highlights of 2010

(4) On business operations, we focused on the audits of credit report applications and processing operation, and internal research data download operation.

2. The internal audits are conducted to ensure the implementation of internal control systems. Concrete suggestions for improvement are also made based on the audit results. The audit results and the improvements made are duly reported to the directors and supervisors.

(C) Enhancing Employee Competency

1. We continued to hone the professional skills and know-how of employees by holding lunch-break lectures, motivational enhancement activities, cultural events, and group activities to forge solidarity among the employees.

2. We commissioned the Taiwan Academy of Banking and Finance to conduct “promotion tests” and “dispatched-worker replacement tests”, and through the process, recruited 2 grade-5 clerical staff and 2 grade-4 technicians in 2010, and provided them with vocational training.

3. We commissioned the Taiwan Academy of Banking and Finance to conduct recruitment tests and recruited 5 new employees through this channel. The new employees reported to work on December 31, 2010.

4. To align our accounting standards with international standards, we continued to keep track of changes in international accounting standards and assigned accounting staff to attend relevant seminars and courses.

5. To enhance the professional knowledge of employees and enrich the collection of books in our library, we purchased 458 books (Chinese and English) and subscribed to 30 magazines in 2010. .



Highlights of 2010

H. Others

(A) Participating in International Activities to Draw upon International Experience and Gain International Exposure

1. We embarked on the preparations for the 8th World Consumer Credit Reporting Conference (WCCRC), to be hosted by the JCIC in 2012, and sent staff to attend the 7th WCCRC meeting in 2010 to make observation and promote next year's event.
2. We actively participated in international meetings and conferences, including Annual Risk Management Institute Research Conference, Credit Congress & Exposition, Experian Vision Conference, European Computer Audit, Control and Security Conference, FICO World, Global Association of Risk Professionals (GARP), Information & Data Quality Conference, MIT Information Quality Industry Symposium, Risk Capital, Risk Management Annual Conference, and Shanghai Finance Conference. We sent staffers to visit the credit service institution in Singapore to draw on international experiences and enhance our capability to construct scoring models.

(B) Others

To promote its image, the JCIC has designed a corporate identity system. After the new logo was approved by the board of directors on January 27, 2010, it was registered on September 1 of the same year, and officially publicized.



List of Member institutions

Domestic Banks (38)

Bank of Taiwan	Agricultural Bank of Taiwan	Far Eastern International Bank
Land Bank of Taiwan	China Development Industrial Bank	Yuanta Bank
Taiwan Cooperative Bank	Industrial Bank of Taiwan	Bank SinoPac Company Limited
First Commercial Bank	Taiwan Business Bank	E. Sun Commercial Bank, Ltd.
Hua Nan Commercial Bank, Ltd.	Standard Chartered Bank (Taiwan) Ltd.	Cosmos Bank, Taiwan
Chang Hwa Commercial Bank	Taichung Commercial Bank	Taishin International Bank
Citibank Taiwan Ltd.	King's Town Bank	Ta Chong Bank Ltd.
The Shanghai Commercial & Savings Bank, Ltd.	Hwatai Bank	Jih Sun International Bank
Taipei Fubon Commercial Bank	Shin Kong Commercial Bank	En Tie Commercial Bank
Cathay United Bank	Sunny Bank	Chinatrust Commercial Bank
The Export-Import Bank of the Republic of China	Bank of Panhsin	HSBC Bank (Taiwan) Ltd.
Bank of Kaohsiung	Cota Commercial Bank	Bank of Taipei
Mega International Commercial Bank	Union Bank of Taiwan	



List of Member institutions

Taiwan Branches of Foreign Banks (19)

Citibank N.A.	United Overseas Bank	Standard Chartered Bank
Bank of America, N.A.	ABN AMRO Bank	Sumitomo Mitsui Banking Corporation
Bangkok Bank Public Company Ltd.	Deutsche Bank AG	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Metropolitan Bank and Trust Co.	The Bank of East Asia, Ltd.	Australia and New Zealand Banking Group Ltd.
BNP PARIBAS	DBS Bank Ltd, Taipei Branch	Oversea-Chinese Banking Corporation Ltd.
Calyon Corporate and Investment Bank	ING Bank, N.V.	
UBS AG	Mizuho Corporate Bank, Ltd.	

Bills Finance Companies (9)

Mega Bills Finance Corp.	Dah Chung Bills Finance Corp.	Ta Ching Bills Finance Corp.
China Bills Finance Corp.	Taiwan Finance Corp.	Taishin Bills Finance Corp.
International Bills Finance Co., Ltd.	Grand Bills Finance Co.	Taiwan Cooperative Bills Finance Corp.

Securities Finance Companies (2)

Global Securities Finance Co., Ltd.	Yuanta Securities Finance Co., Ltd.
-------------------------------------	-------------------------------------



List of Member institutions

Credit Cooperative Associations (26)

The Fifth Credit Cooperative Association of Taipei	The Third Credit Cooperative Association of Hsinchu	The Fourth Credit Cooperative Association of Chiayi
The Ninth Credit Cooperative Association of Taipei	Jhu Nan Credit Cooperative Association	The Third Credit Cooperative Association of Tainan
The Keelung First Credit Cooperative	The Second Credit Cooperative Association of Taichung	The Third Credit Cooperative Association of Kaohsiung
The Second Credit Cooperative Association of Keelung	The First Credit Cooperative Association of Changhua	The First Credit Cooperative Association of Hualien
The Danshuei First Credit Cooperative Bank	The Fifth Credit Cooperation of Changhua	Hualien 2nd Credit Cooperative Association
The Danshuei Credit Cooperative Association of Taipei County	The Sixth Credit Cooperation of Changhua	Penghu First Credit Cooperative Association
The Yilan Credit Cooperative Association of Yilan County	The Tenth Credit Cooperative Association of Changhua	The Second Credit Cooperative Association of Penghu
Credit Cooperative Association of Taoyuan	The Credit Cooperative Association of Lugang	Kinmen Credit Cooperative Association
The First Credit Cooperative Association of Hsinchu	Chiayi The Third Credit Cooperation	



List of Member institutions

Life Insurance Companies (18)

Taiwan Life Insurance Co., Ltd.	Shin Kong Life Insurance Co., Ltd.	Far Glory Life Insurance Co., Ltd.
Prudential Life Assurance Co., Ltd.	Fubon Life Assurance Co., Ltd.	Hontai Life Insurance Co., Ltd.
Cathay Life Insurance Co., Ltd.	Global Life Insurance Co., Ltd.	Allianz President Life Insurance Co., Ltd.
China Life Insurance Company, Ltd.	Mass Mutual Mercuries Life Insurance Co., Ltd.	New York Life Insurance Taiwan Corporation
Nan Shan Life Insurance Co., Ltd.	Chaoyang Insurance Co., Ltd.	Metlife Taiwan Insurance Co., Ltd.
Kuo Hua Life Insurance Co., Ltd.	Singfor Life Insurance Co., Ltd.	BankTaiwan Life Insurance Co., Ltd.

Property Insurance Companies (2)

Cathay Century Insurance Co., Ltd.	Tokio Marine Nawa Insurance Co., Ltd.
------------------------------------	---------------------------------------

Credit Departments of Fishermen's Associations (25)

Keelung District	Changhua District	Yongan District
Wanli District	Yunlin District	Donggang District
Rueifang District	Chiayi District	Liouciou District
Toucheng District	Nansh District	Singang District
Su-ao District	Nansian District	Fishermen's Association of Penghu
Taoyuan District	Kaohsiung District	Linyuan District
Hsinchu District	Siaogang District	Singdagang District
Nanlong District	Siaogang District	Linbian District
Tongyuan District	Mituo District	



List of Member institutions

Credit Departments of Farmers' Associations (276)

Shihlin District	Taishan Township	Gueishan Township
Beitou District	Linkou Township	Bade City
Neihu District	Lujhou City	Dasi Township
Nankang District	Wugu Township	Fusing Township
Mujha District	Bali Township	Dayuan Township
Jingmei District	Danshuei Township	Lujhu Township
Keelung City	Sanjihh Township	Hsin Chu City
Jinshan District	Shihmen Township	Jhubei City
Banciao City	Yilan City	Hukou Township
Sijhih City	Toucheng Township	Sinpu Township
Shekeng Township	Jiaosi Township	Guansi Township
Shihding Township	Jhuangwei Township	Cyonglin Township
Rueifang District	Yuanshan Township	Baoshan Township
Pingsi Township	Luodong Township	Sinfeng Township
Sindian District	Sansing District	Jhudong District
Pinglin Township	Wujie Township	Hengshan District
Jhonghe District	Dongshan Township	Beipu Township
Tucheng City	Suao District	Emei Township
Sansia Township	Pingjhen City	Jhunan District
Shulin City	Longtan Township	Toufen Township
Yingge Township	Yangmei Township	Sanwan Township
Sanchong City	Sinwu Township	Nanjhuang Township
Sinjhuang City	Taoyuan City	Shihtan Township



List of Member institutions

Houlong Township	Datu Township	Sioushuei Township
Tongsiao Township	Shalu Township	Lugang Township
Yuanli Township	Longjing Township	Siansi Township
Miaoli City	Wuci Township	Fusing Township
Zaociao Township	Cingshuei Township	Hemei Township
Touwu Township	Dajia Township	Shengang Township
Gongguan Township	Waipu Township	Yuanlin Township
Dahu District	Da-an Township	Shetou Township
Tongluo Township	Shengang Township	Yongjing Township
Sanyi Township	Fengyuan Township	Pusin Township
Sihu Township	Nantou City	Sihu Township
Jhuolan Township	Jhongliao Township	Dacun Township
Taichung City	Caotun Township	Tianjhong Township
Tai ping City	Guosing Township	Beidou Township
Dali City	Puli Township	Tianwei Township
Wufong Township	Ren-ai Township	Pitou Township
Wurih Township	MingJian Township	Sijhou Township
Houli Township	Jiji Township	Jhutang Township
Shihgang Township	Shueili Township	Erlin Township
Dongshih Township (Taichung)	Yuchih Township	Dacheng Township
Heping Township	Sinyi Township	Ershuei Township
Sinshe Township	Jhushan Township	Puyan Township
Tanzih Township	Lugu Township	Fenyuan Township
Daya Township	Huatan Township	Fangyuan Township



List of Member institutions

Changhua City	Jhuci District	Cigu Township
Dounan Township	Alishan Township	Guanmiao Township
Dapi Township	Jhongpu Township	Longci Township
Huwei Township	Shueishang Township	Guantian Township
Tuku Township	Lucao Township	Madou Township
Linnei Township	Taibao City	Jiali Township
Baojhong Township	Puzih City	Sigang Township
Dongshih Township (Yunlin County)	Dongshih Township	Jiangiyun Township
Taisi Township	Lioujiao Township	Syuejia Township
Lunbei Township	Singang Township	Beimen Township
Mailiao Township	Minsyong Township	Singing City
Douliou City	Dalin Township	Houbi Township
Gukeng Township	Sikou Township	Baihe Township
Cihtong Township	Yijhu Township	Dongshan Township
Siluo Township	Budai Township	Sinshih Township
Erlun Township	Tainan City	Lioujia Township
Beigang Township	YongKang City	Siaying Township
Shueilin Township	Gueiren Township	Liouying Township
Kouhu Township	Sinhua Township	Yanshuei Township
Sihhu Township	Zuojhen Township	Shanhua Township
Yuanchang Township	Yuching Township	Danei Township
Chiayi City	Rende Township	Nanhua Township
Fanlu Township	Anding Township	Nanshi Township
Meishan Township	Shanshang Township	Kaohsiung City



List of Member institutions

Siaogang District	Shanlin Township	Pingtung County
Renwu Township	Jiasian Township	Hualien City
Dashe Township	Jiading Township	Sinsiou District
Dashu Township	Neimen Township	Jian Township
Liouguei Township	Jiouru Township	Shoufong Township
Gangshan Township	Ligang Township	Fongrong District
Lujhu Township	Linluo Township	Guangfeng District
Alian Township	Neipu District	Rueisuei Township
Tianliao Township	Kinding Township	Yusi District
Yanchao Township	Nanjhou District	Fuli Township
Ciaotou Township	Donggang Township	Taitung District
Zihguan Township	Liouciou Township	Luye District
Mituo Township	Fangshan District	Guanshan Township
Yongan Township	Hengchun Township	Chihshang Township
Hunei Township	Manjhou Township	Donghe Township
Fongshan City	Pintung City	Chenggong Township
Daliao Township	Checheng District	Changbin Township
Linyuan Township	Fangliao Area	Taimali District
Niao-Song Township	Jutian Township	Penghu County
Cishan Township	Wandan Township	Lienchiang County
Meinong Township	Changjih Township	Taiwan Province



Financial Statement

Credit Card Issuers (5)

National Credit Card Center of R.O.C.	Aeon Credit Card (Taiwan) Co., Ltd.	Global Payments Asia Pacific Hong
American Express Cards Internation Inc.	Diners Club International Taiwan ,Ltd.	

Other Institutions Approved by the Competent Authorities (5)

Small and Medium Business Credit Guarantee Fund (SMEG)	Small Business Integrated Assistance Center	Chunghwa Post Co., Ltd.
Agricultural Credit Guarantee Fund	Central Deposit Insurance Corp.	



Financial Statement

Statement of Financial Position

As of December 31, 2010
UNIT : NT\$

Assets	
Current Assets	
Cash and Cash Equivalents	3,667,193,265
Account Receivables	135,064,211
Other Financial Assets-Current	20,083,724
Prepaid Items	10,396,540
Total Current Assets	3,832,737,740
Funds & Investments	
Financial Assets Carried at Cost-Noncurrent	4,580,094
Total Funds & Investments	4,580,094
Fixed Assets	
Original Cost	
Land	573,980,779
Building	414,875,311
Computer Equipments	450,484,058
Transportation Equipments	2,563,750
Other Equipments	94,080,711
Total Original Cost	1,535,948,609
Less Accumulated Depreciation	(532,155,757)
Prepaid Equipments	1,357,143
Total Fixed Assets	1,005,185,995
Other Assets	
Deposit-out	697,250
Collections	600,000
Total Other Assets	1,297,250
Total Assets	4,843,801,079
Liabilities and Surpluses	
Current Liabilities	
Income Tax Payable	35,839,491
Account Payables	74,380,172
Other Current Liabilities	4,810,606
Total Current Liabilities	115,030,269
Other Liabilities	
Accrued Pension Liabilities	68,161,483
Deposit-in	1,187,730
Reserve of Operating Indemnity	1,641,679,929
Total Other Liabilities	1,711,029,142
Total Liabilities	1,826,059,411
Fund and Surpluses	
Fund	2,850,000,000
Fund Received in Advance	15,170
Retained Surpluses	167,726,498
Total Fund and Surpluses	3,017,741,668
Total Liabilities and Surpluses	4,843,801,079

Financial Statement

Statement of Revenues, Expenses and Retained Surpluses

January 1 ~ December 31, 2010 & 2009
UNIT : NT\$

Items	2010		2009	
	Amount	%	Amount	%
Revenues				
Inquiry Charges	729,821,967	99	719,714,353	97
Publication Revenue	30,541	-	34,802	-
Net Operating Revenues	729,852,508	99	719,749,155	97
Interest Income	7,602,805	1	18,318,552	3
Dividend Income	1,962,943	-	1,768,267	-
Gain on Sale of Equipment	4,381	-	130,285	-
Rental Income	182,856	-	13,333	-
Other Revenues	164,644	-	865,081	-
Total Revenues	739,770,137	100	740,844,673	100
Expenses				
Operating Expenses	569,337,887	77	598,595,824	81
Other Losses	-	-	47,773	-
Total Expenses	569,337,887	77	598,643,597	81
Current Period Surplus before Income Tax	170,432,250	23	142,201,076	19
Income Tax Expense	(35,670,531)	(5)	(42,846,517)	(6)
Current Period Surplus	134,761,719	18	99,354,559	13

Above financial statements were audited by Deloitte & Touch, Whilst, approved by the 10th joint meeting of the 6th-term directors and supervisors of JCIC.



Chronicle of 2010

Date	Contents
2010/12/24	The 2010 “Golden Security Award” and “Golden Quality Award” Ceremony is held.
2010/12/01	<ul style="list-style-type: none">• In coordination with the Long-Term Revolver Payment Plan Mechanism announced by FSC on October 26, 2010, the “Data Submitting Guide of Long-Term Revolver Payment Plan Mechanism” was drafted for the reporting of Monthly Statistics of Long-Term Revolver Payment Plan Applying Status to the FSC. Reporting begins officially in December.• The “Reporting Guidelines for Non-guarantee Commercial Paper Information” is implemented, and member institutions begin reporting.
2010/11/01	<p>The MIS Dept structure was adjusted, and an Information Security Team (task force) was added:</p> <ol style="list-style-type: none">1. The MIS Dept includes the IT Application Programming Division, IT System Programming Division, and starting November 3, 2010 the Data Processing Control Division was divided into Data Processing Division and Operation Division.2. The Information Security Team includes the Security Control Division, Data Control Division and Quality Control Division.
2010/10/26	In compliance with the “Regulations Governing Institutions Engaging in Credit Card Business” on percentage of cash advance amount, field “Overseas Cash Advance Amount” was added to KK4 beginning October 24, 2010.
2010/10/20	<ul style="list-style-type: none">• Product “B42 Comprehensive Loan Balance and 3-Years Mortgage History Records – by account” is available online.• Disclosure of returned check information was revised in product B36~B40, B42, J01, J02, J03, J05 and J06 to include returned checks due to insufficient fund in both NTD and OBU foreign currencies.
2010/10/11	On October 15, 2010, member institutions were notified by official document that beginning January 1, 2011, inquiry fees will be collected for 8 products that were originally free but contain contents of credit risk management reference values, including “A50 Information on Personal Data”, “Z07 Fraud Cases Information”, “Z13 Supplement and Notation Information”, “Z14 List of Credit Cardholders with Added or Deleted Supplement/Notation in the Last Week”, “Z15 List of Credit Cardholders with Added or Deleted Supplement/Notation on the Previous Day”, “Z18 Statistics of Fraud Cases-by account holder”, “K04 Credit card Cancellation/Suspension (by card issuer) List”, and “K05 Credit Card Merchants' Agreement Termination (by acquiring center) List”.



Chronicle of 2010

Date	Contents
2010/09/03	<ul style="list-style-type: none">• The “Seminar for Members Regarding International Transmission Procedure – Senior Officers of Foreign Banks” was held.• In coordination with FSC’s classification for credit card amortization business, as of September 3, 2010, new reporting field “Statement of Installment Purchase Amount” was added to KK4 (credit card payment information) and KK8 (credit card weekly payment information).
2010/09/01	Three new products “A97 Foreign ID Changing List of Credit Cardholder and Loan Debtor”, “K34 Credit Card Account (Monthly & Weekly), Revolving Ratio and Non-secured Credit Information” and “N30 Holdings and Stock Pledge Information of Public Company Insiders” were available for inquiry beginning September 1, 2010.
2010/08/31	With the approval by the FSC via document Financial-Supervisory-Banking-Kuo-09900267130 dated August 9, 2010, the JCIC organization regulation revision was reported at the 7th meeting of the 6th-term Board on August 31, 2010, in which the Members Audit and Assistance Team was elevated to the Members Audit and Assistance Department, and the Risk Research Team was elevated to the Risk Analysis Department.
2010/08/16	Member institutions were notified of the availability of new product “BDM004 Corporate Bonds Maturity Monitoring Service”.
2010/08/02	<ul style="list-style-type: none">• Product G11 was revised and available online for inquiry; product G14, G33, G34, G41, G42, G43 and G44 were taken offline.• The Taiwan Clearing House will provide JCIC OBU Foreign Currency Returned Check and Note Information beginning August 2, 2010.
2010/08/01	New products “M40 Summary of Composite Realities” and “M41 Detailed Information of Composite Realities” were available for inquiry.
2010/07/15	<ul style="list-style-type: none">• “New Loan and Repayment Information”, “Original amount (dollar) for reporting rounded to the thousand”, “Debt Transfer Securitization Information”, “Currency”, “Credit Line Revoked” and “Note on Revolving Credit” were added to products “B07 Personal Past Due Loan and Bad Debt – By Account”, B08 \ B09 \ B10 \ B33 \ B36 \ B37 \ B38 \ B39 \ B40 \ B51 \ B52 and B53 beginning July 15, 2010.• “Original amount (dollar) for reporting rounded to the thousand ” was added to product “B66 Daily Cash Card Balance and Repayment Record”.



Chronicle of 2010

Date	Contents
2010/07/01	<ul style="list-style-type: none">• Product “K01 Credit Card Information – Consumer & Corporate”, “K23 Credit Card Holder Payment Record” and “A00 Principal’s Written Consent Information” were taken offline; product “K21 Credit Card - Additional Cardholder Information” and “J03 Comprehensive Credit Report for Cardholders” were revised; in addition, OBU Foreign Currency Check Dishonored Account information was added to any product that disclosed “Dishonored Check Record Information”.• New product “A20 Household Registration Institution Inquiry Index” was available for inquiry.
2010/06/01	<ul style="list-style-type: none">• To enhance data timeliness, reporting of “Credit Card Holder Basic Information (KK1)” and “Credit Card Information (KK2)” have been revised from weekly to daily beginning June 1, 2010.• Product “N50 Business & Industrial Key Financial Ratios” was launched online.
2010/05/01	<ul style="list-style-type: none">• Product “F10 Corporate Finance as Compared to the Industry – By Financial Ratio and Amount” was launched online.• Product “N05 The Significant Announcements of Listed Companies – By Bank” was launched online.• Product “J20 JCIC Corporate Score – Without Owner’s Information” and “J21 JCIC Corporate Score – With Owner’s Information” were available online for inquiry.• The "Reporting Format for the Monthly Report on Outstanding Loans of Financial Institutions" and “Reporting Format for the Daily Report of Cash Card Data” were revised to add the field “Original amount (dollar) for reporting rounded to the thousand”. Implementation began on May 1, 2010.• Of the inquiry records (excluding Z type products) made by financial institutions for the past three months, reason of inquiry marked as “New Application” will be listed separately and provided to members online beginning May 1, 2010 as reference on operational risk management.
2010/04/01	<ul style="list-style-type: none">• To enhance data timeliness, reporting of “Credit Card Weekly Payment Information (KK8)” formally began on April 1, 2010.• New product “F14 Five-year Financial Statement Information – By Enterprise” and “F15 Five-year Financial Ratio Information – By Enterprise” were available online for inquiry.



Chronicle of 2010

Date	Contents
2010/03/01	<ul style="list-style-type: none">• In cooperation with the implementation of Measures for Handling Misreporting of Credit Card Information, as of March 1, 2010, field “Reporting Reason” was added to “Credit Card Payment Information (KK4)” in order to compile statistics on misreported cases.• To enhance data timeliness, beginning March 1, 2010, reporting of termination information for “Credit Card Payment Information (KK4)” for credit card holders with normal termination or bad debt paid off must be no later than the next day after termination date.
2010/02/01	<p>As of February 1, 2010, four new products “F31 Corporate Yearly Consolidated Financial Statements & Key Financial Ratios”(15 inquiry points), “F32 Consolidated Financial Statements Auditors’ Report Information, Consolidated and Unconsolidated Subsidiaries Information” (15 inquiry points), “F33 Consolidated Financial Statements Related Party Transactions Information” (20 inquiry points) and “N31 Public Companies Quarterly Consolidated Financial Statements & Key Financial Ratios” (15 inquiry points) were launched for inquiry.</p>
2010/01/01	<ul style="list-style-type: none">• To assist the Morakot typhoon victims, the Bankers Association has concluded a guideline on payment extension for victim’s debts such as loans, credit cards and cash cards. As the guideline exempts banks reporting bad credit records on victims during the extension period, financial institutions were requested to report “Listing of Morakot typhoon victims applied for credit card payment extension” and “Annotated information on loans of Morakot typhoon victims/companies” starting November 16, 2009 and January 1, 2010 respectively.• Product “K24 Credit Card Merchants Profile” was revised; information on primary merchant was added.



Joint Credit Information Center

10F, No. 2, Sec.1, Chong Ching S. Rd., Taipei 100, Taiwan
Tel (02)2381-3939 • Fax (02)2311-8277

www.jcic.org.tw