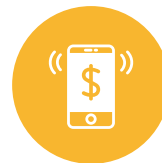




財團聯合信用卡處理中心
National Credit Card Center of R.O.C.



ANNUAL REPORT 2018

<https://www.nccc.com.tw>

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One. Preface

In 2018, the global economic growth maintained at 3%, however the growing trade tensions between the United States and China has brought unrest to the global economy. Our import market and export market were also affected, and our economic growth was mostly driven by domestic demands. According to release by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, ROC, Taiwan' s GDP growth rate was 2.6%. Under the influence of the positive stock market performance and steady growth of wages, the growth rate of private consumption was up to 3.07%, and the credit card market maintained a stable growth trend. In accordance with the statistics of the Financial Supervisory Commission, the total number of cards in circulation was about 44.03 million and the amount of the annual accounts increased by 9.93% over the previous year, reaching NT\$2.88 trillion, making a new record. The high performance of various business indicators has benefited from the increasingly sound credit card payment environment, the rise of mobile payment and innovation technology as well as the government' s active promotion of electronic payment, which have increased consumers' willingness to use credit card and promotes the stable growth of the credit card market.

In accordance with the plan of “Double the PCE Percentage of Electronic Payments in 5 Years” set up by the government, NCCC continues to promote the “Government Credit Card Payment Platform” . In 2018, the number of participating public service, state-owned enterprises and public medical institutions reached 1,424 and the transaction amount increased nearly twice as much as that in 2018, up to NT\$19.2 billion. NCCC has launched “Credit Card Payment Platform for Public Hospital Fee” in January 2019 to enhance the payment services in domestic medical industry, such as for appointments, enquiries and filling prescriptions, to create a more convenient and complete e-payment environment.

In response to the growing trend of mobile payment, NCCC modified its credit card authorization switching and settlement systems to process EMVCo. QR Code transaction domestically, as of November 2018, a total of 16 card issuers and 6 acquirers officially launched. As such, it enabled Taiwan payment industry to enter a new era of payment by scanning standardized QR Codes and built up an ecosystem of QR Code payment. The business officially launched with the pilot case of taxis at the Taoyuan Airport, which brought a brand new and convenient payment experience

for the public. In the future, NCCC will continue to bring about various scenarios to improve the cardholders' experiences with rapid and secure payments and to optimize our credit card payment environment.

To coordinate with the regulatory authority's policy of promoting international mobile payment business in Taiwan (e.g. Apple Pay, Samsung Pay and Google Pay), NCCC continues to assist member institutions by providing more mobile payment services. In June 2018, in cooperation with JCB International, the ÜTS (i.e. Üny Token Vault) was established to provide the services of JCB' s Apple Pay in Taiwan, not only strengthened the security but also improved processing efficiency. It also helped to stimulate the development of mobile payment market in Taiwan.

In order to develop the domestic payment industry infrastructure and provide payment services in line with the domestic cardholders' consumption habits, NCCC signed a cooperation agreement with Discover Financial Services LLC in July 2018, and planned to establish a domestic payment card brand. By forming the strategic alliances, NCCC' s domestic payment cards will be globally accepted through DFS Network, with acceptance in 190 countries, 42 million merchants and 2 million ATMs, which will increase the convenience of using the card abroad. In addition, NCCC and its member institutions will extend merchant services, provide diversified acceptance form of choice, including Discover and Diners and offer convenience for cardholders around the world.

In terms of "Electronic Stored Value Card Transaction Operation Platform" services operated by NCCC, HappyCash joined the Platform in November 2018. Moreover, NCCC has successfully integrated credit card functionalities with 4 Electronic Stored Value cards, including iPass, EasyCard, iCash and HappyCash into one POS, so as to provide a shared terminal for ESV card issuers. As such, NCCC realized the goal of resource sharing and cost efficiency. Terminal sharing also has a great impact on promoting the development of payment industry in Taiwan.

NCCC also continued to enhance Credit Card Payment Data Open System Applications and continued to open the credit card purchase transaction data of 6 major industries and 6 metropolitan cities as well as 16 counties in Taiwan. Moreover, NCCC will extend its services to connect with open data in public sectors and open those in the official website of NCCC for public reference. These value-added services will be free of charge. At the same time, we have been committed to improving the

data quality. The open datasets have been awarded the Gold Medal of the “Data Disclosure Gold Award” and have been recommended by the Financial Supervisory Commission to join the “Open Data Application Awards” competition held by the National Development Council, resulting as winning the 3rd place.

In order to provide more value-added services, NCCC published six research reports related to credit card big data on the official website of NCCC and published the second issue of “Big Data Platform - Case Sharing and Statistics Collection”. It was sent to all government agencies, banks, and all major libraries in Taiwan to provide references for academic research, industrial development, and policy development as well as to implement information sharing and inclusive financing.

Looking ahead in 2019, due to the global trend of mobile payment and digital financial technology, NCCC shall continue leading the trend of payment card industry in Taiwan, adapting to the development of digital financial services for new technology, and attain a safer and more convenient payment service. Furthermore, NCCC will continue to stimulate economic growth and promoting Taiwan to become a cashless society. NCCC shall continue to implement its social responsibility by supporting concern-for-society activities and government policy promoting programs.

National Credit Card Center
Chairman

Teng Cheng Liu





Two.


Introduction to National Credit Card Center

I. Introduction

The Center was first established as “National Debit Card Center” in 1983. In 1988, responding to the trend of financial liberalization and internationalization, the Ministry of Finance amended the “Regulations Governing Banks Conducting National Debit Card Business” and approved the issuance of credit card. Thus, the “National Debit Card” was transformed into “National Credit Card”; the Center’s name was changed to “National Credit Card Center”.

NCCC is a non-profit public interest entity and serves as a credit card domestic settlement and authorization switching center in accordance with the government policy. Also, NCCC establishes membership system that provides card issuing member institutions with centralized processing services including international credit card brand licensing and sponsorship, shared information system, as well as merchant network setup. With aim to promote the payment card industry development and to arrive at the goal of non-cash society in Taiwan, NCCC also strives to push forward innovative businesses for the payment card industry.

II. History

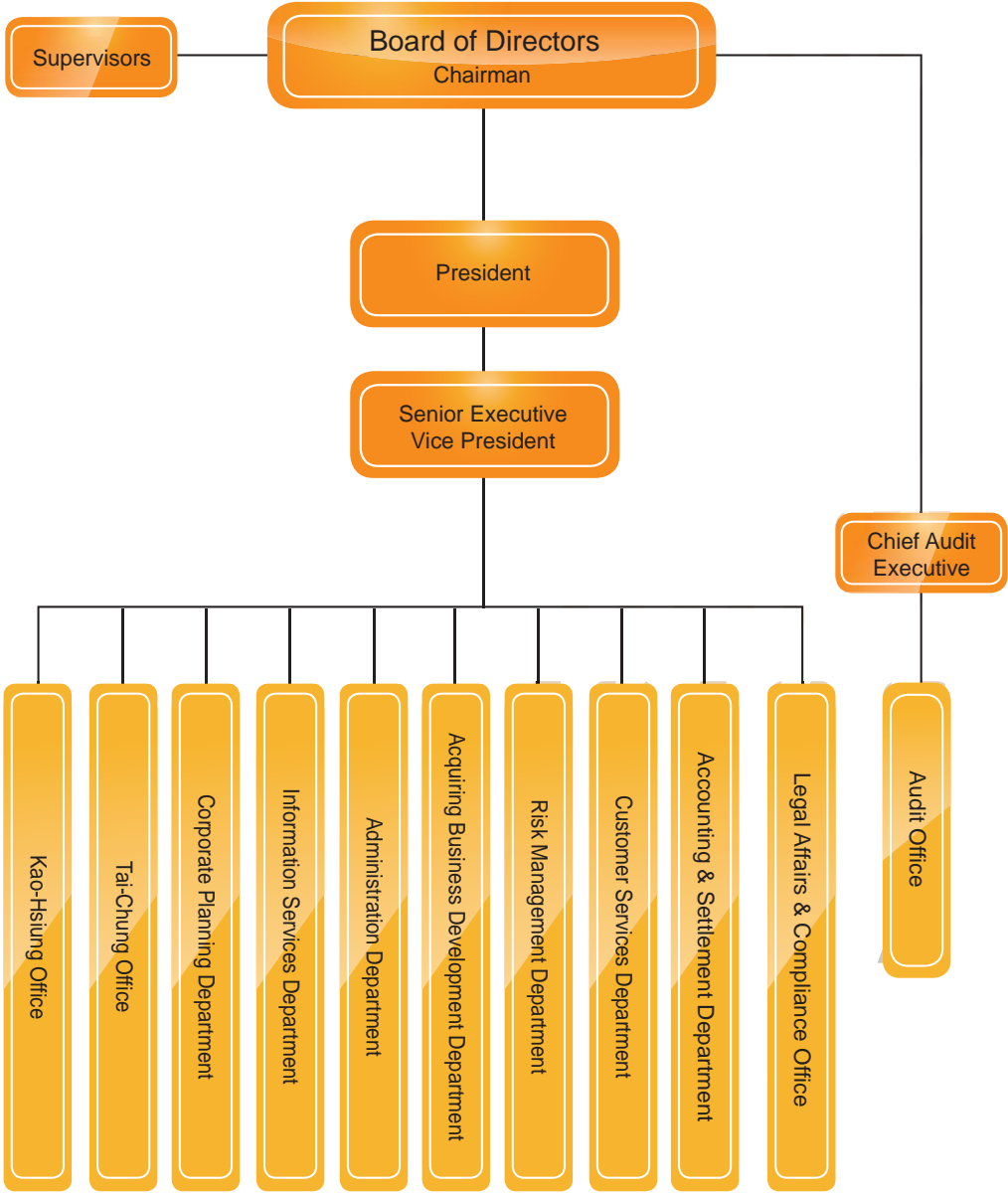
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- 1979 The Council for Economic Planning and Development, Executive Yuan, approved a “Proposal for Issuance of National Debit Card” in May 1979 and planned establishment of “National Debit Card Center” jointly formed by banks and investment & trust companies. And the Ministry of Finance called a meeting gathering the financial institutions to discuss the operating guidelines for National Debit Card.
 - 1981 The Ministry of Finance promulgated the “Regulations Governing Banks Conducting National Debit Card Business”, adopted policy of “one person one card /deposit first/ consumption afterwards”, and called a meeting gathering 24 financial institutions including Central Trust of China to research into the debit card business.
 - 1983 The National Debit Card Center was established and the domestic financial institutions started conducting debit card issuing business. The center was engaged in handling centralized settlement processing and was committed to operate debit card acquiring business.
 - 1988 Responding to the trend of financial liberalization and internationalization and to enhance the consumer convenience, the Ministry of Finance promulgated eliminating the limit of “one person one card”, adding to the function of revolving credit, and approved the issuance of “credit card”. Concurrently, the Center’s name was changed to “National Credit Card Center”.
 - 1989 NCCC cooperating with Visa International introduced Visa Credit Card, and concurrently launched international credit card domestic settlement business.
 - 1989 NCCC set up the Kaohsiung Branch Office in December 1989 as the credit card market continued expanding.
 - 1991 NCCC partnered with MasterCard International and commenced MasterCard Credit Card issuing business as the credit card business continued growing.

- 
- A vertical timeline on the left side of the page, marked with orange downward-pointing triangles and corresponding years. The timeline lists key milestones of NCCC from 1993 to 2011. The descriptions are aligned to the right of the timeline.
- 1993 ▼ NCCC set up the Taichung Branch Office in July 1993 to meet business expansion need in the central area of Taiwan.
 - 1994 ▼ NCCC partnered with JCB International and introduced JCB Credit Card, providing another payment card choice for the general public in Taiwan. The Taiwan's credit card market has been vigorously growing since then.
 - 1996 ▼ The credit card acquiring market was opened; NCCC member banks were allowed to conduct acquiring business themselves. Also, NCCC accepted the member banks' outsourcing of acquiring business.
 - 1997 ▼ NCCC cooperated with Visa International in establishing the first Internet credit card transaction environment in Chinese version in the world and setting up a "National Credit Card Center Worldwide Information Website" delivering the latest professional global payment card business knowledge.
 - 2000 ▼ NCCC completed self-built credit card domestic settlement processing system.
 - 2002 ▼ To coordinate with the government policy, NCCC set up various operation systems including "Individual Income Tax Payment by Credit Card", "Payments in Taipei e-services Online", as well as "National Travel Card Payment".
 - 2004 ▼ To coordinate with the government policy, NCCC set up "A Common Operating Platform for Various Fee Payments in e-government Services".
 - 2007 ▼ In making utmost efforts for protecting the information security of credit cardholders and merchants, NCCC implemented strict data control measures and obtained the ISO 27001 information security certificate in 2007.
 - 2009 ▼ to be in line with the government cross-strait financial business policy, NCCC, approved by the regulatory authorities in 2009, conducted China UnionPay Card (including credit card and debit card) POS payment transaction authorization, settlement, and acquiring operations in Taiwan.
 - 2010 ▼ NCCC obtained approval to engage in UnionPay Credit Card ATM cash advance transaction authorization and settlement processing services in Taiwan. NCCC became the first institution obtaining approval to engage in UnionPay Card Online Payment acquiring business in Taiwan.
 - 2011 ▼ Faced with the trend of diversified development with transaction volume increasingly growing in the payment card industry, NCCC established a new computer workstation named "Ding Pu Data Center" at Ding Pu Hi-tech Square, Tu-Cheng, to enhance the computer workstation performance efficiency and to correspond with the energy-saving principle, which project was approved by the regulatory authorities. The new computer workstation, representing a milestone of NCCC's corporate sustainable development, completed construction and opened in 2012.

- 2012 ▼ To comply with the Personal Data Protection law requirements and strengthen the trusted relationship with clients, NCCC established internal control system for personal data protection. And NCCC obtained BS10012 Personal Information Management System Certification from the British Standards Institution in 2013 by which NCCC abides to fully carry out the information security and personal data protection measures.
- 2013 ▼ 2014: To build up Payment Service Provider Trusted Service Manager platform (PSP TSM) and maintain a stable and secure payment system, NCCC coordinated with Financial Information Service Co. and Taiwan Clearing House in jointly establishing Taiwan Mobile Payment Company that opened a new era for mobile payment industry in Taiwan.
- 2015 ▼ The NCCC Jhubei backup computer workstation located at a separate site from main office formally began operation. In accordance with the government policy, NCCC contributed to the “Financial Technology Development Fund” for supporting innovative FinTech service research and development as well as FinTech talent cultivation program.
- 2016 ▼ To support the goal of “Double the PCE Percentage of Electronic Payments in 5 Years” set by the regulatory authorities and to respond to the FinTech development trend of integrating virtual and physical applications, NCCC established “Credit Card Payment Platform for Public Agency Fee”, created Credit Card Big Data platform and committed to promoting mobile payment and Internet payment businesses.
- 2017 ▼ To support the goal of “Double the PCE Percentage of Electronic Payments in 5 Years”, NCCC expanded application scopes of “Credit Card Payment Platform for Public Agency Fee” acceptance channels to public hospital’s medical service, provided the “Electronic Stored Value Card Transaction Operation Platform” service and optimized payment card acceptance environment, extended the small amount payment platform channels to McDonald’s and KFC, and completed establishment of domestic and foreign TSP systems switching mechanism.
- 2018 ▼ In response to the trend of global mobilization and digital finance with the electronic payment multiplication policy set by the authorities, NCCC planned to set up its own payment card brand in Taiwan, and signed a cooperation agreement with Discover Financial Services LLC in July of 2018. This facilitate card consumption aboard and actively promoted the development of electronic payments in Taiwan. Implementation of universal Merchant-Presented QR Code, aligned with EMVCo., further extended the usage of electronic payments. By create a financial sharing QR Code, it expanded the domain’s e-payment.

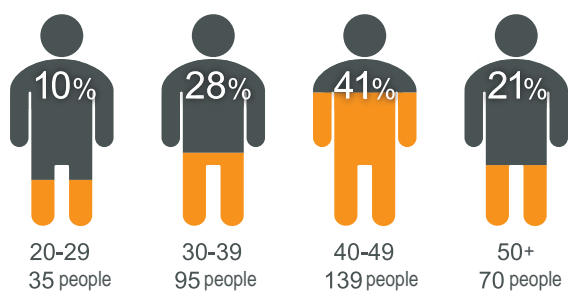
III. Organization Structure

(I) Organization Chart



(II) Employees

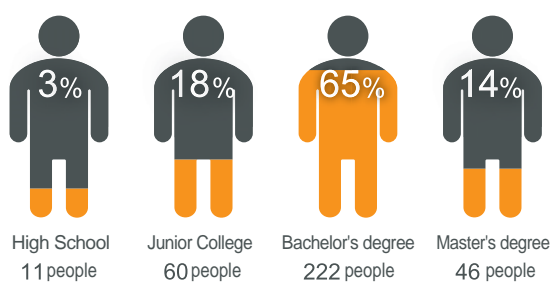
▼ Age Statistic



Age Statistic	Total Amount	%
20-29	35	10
30-39	95	28
40-49	139	41
50+	70	21

No. of Staff	339
Average age	42.87
Average years of service	15.3

▼ Educational Background Statistic



Educational Background Statistic	Total Amount	%
High School	11	3
Junior College	60	18
Bachelor's degree	222	65
Master's degree	46	14

(III) The Executives of NCCC (at Year-end 2018)(at Year-end 2018)

Title	Name
President	Mr. Tong Liang Lin
Senior Executive Vice President	Mr. Hanover H.H. Chu
Senior Executive Vice President	Mr. Eric Hwang
Chief Audit Executive Audit Office	Mr. Charles Chiu
Executive Vice President Corporate Planning Dept.	Mr. Te-Ho Chen
Executive Vice President Accounting & Settlement Dept.	Ms. Carolyn Yao
Executive Vice President Customer Services Dept.	Mr. Kavin Lin
Executive Vice President Information Services Dept.	Ms. Christina Wang
Executive Vice President Administration Dept.	Ms. Carolyn Liu
Executive Vice President Risk Management Dept.	Mr. Leo Y. Lee
Executive Vice President Acquiring Business Development Dept.	Mr. Change Tsai
Chief Compliance Officer Legal Affairs & Compliance Office	Ms. Angela Hsu
Branch Chief Kao-Hsiung Office	Mr. Shang-Chin Huang
Branch Chief Tai-Chung Office	Mr. James Hsu


IV. Directors / Supervisors (at Year-end 2018)



Group photo of the 12th Board of Directors & Supervisors

Title	Name
Chairman	Teng-Cheng Liu
Director	Rong-Jou Wang
Director	Thomas T.L. Wu
Director	Wei-Cheng Lee (Alan Lee)
Director	C-F Lin
Director	Tong Liang Lin
Director	Huey-Jiun Lin
Director	Chao-Shun Chang
Director	Li-Chun Wang
Director	Thomas Chen
Director	Eric Chen
Director	Gary K.L. Tseng
Director	Ray . DAWN

Title	Name
Supervisor	C. W. Yang
Supervisor	Frank Hsu
Supervisor	Yong-Yi Tsai

A photograph of a business meeting. In the foreground, a person's hands are gesturing over a desk. On the desk, there are several documents, including one with a blue bar chart and another with a pie chart. A pen is also visible. In the background, another person in a suit is partially visible, looking at a document. The scene is set in a bright, modern office environment.

Three.

Business Operations & Operating Results

I. Credit Card Authorization Switching and Settlement Operation

(I) Credit Card Authorization Switching Center Operation

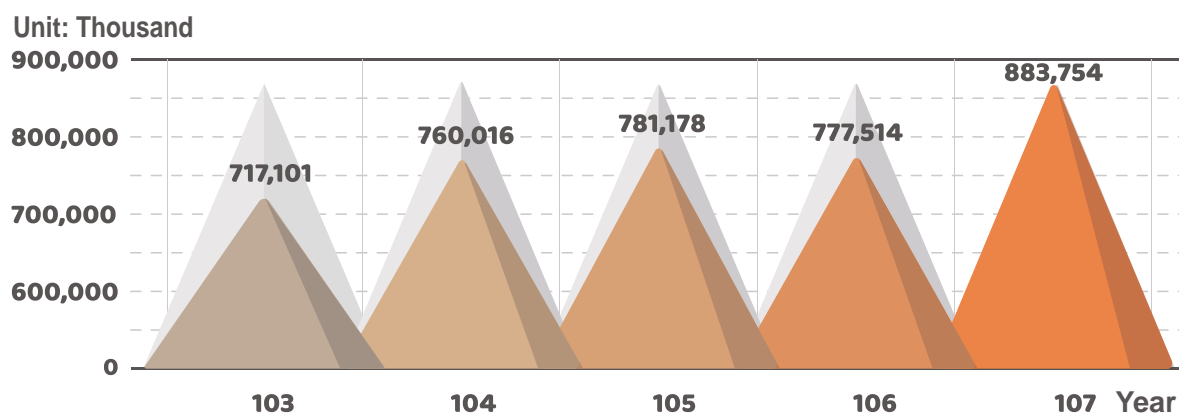
In response to request from the Ministry of Finance for integrating and establishing a credit card domestic authorization network, NCCC and Financial Information Service Co. jointly completed system link and set up a "hub of credit card authorization system link" in 2002. All the domestic credit card issuing and acquiring institutions may choose to link with either NCCC or FISC to switch and complete the transactions through the hub of authorization system link. By doing so, we have achieved the government's policy goal of "Taiwan-issued international credit cards complete transaction authorization processing inside of the country when used in Taiwan". Meanwhile, for the transactions made outside of Taiwan by NCCC member-issued credit cards and the transactions made inside of Taiwan by foreign-issued credit cards acquired by NCCC members, NCCC acts on behalf of members to switch the authorization messages through connecting with the interface of the international credit card associations.

《Business Scope》

1. To handle inter-bank credit card authorization switching transactions through the hub of authorization system link for Taiwan-issued credit cards (including magnetic-stripe card and chip card) that are used at domestic merchants (including brick-and-mortar, electronic commerce, mail order and TV order) and which transactions are processed via reading magnetic stripe, chip, or by RFID reader, or by manual operation.
2. To process authorization switching for transactions made at merchants in foreign country by Taiwan-issued credit cards and transactions made at merchants in Taiwan by foreign-issued credit cards.

《Operating Results in 2018》

Number of transactions: In 2018, NCCC handled 883,754 thousand authorization switching transactions, increasing 13.66% compared to 777,514 thousand in 2017 as shown in the following figure.



(II) Domestic Credit Card Interchange & Settlement

NCCC, by obtaining the regulatory authorities' approval, engages in processing domestic credit card interchange & settlement operations, that is to handle the non-on-us transactions acquired by all acquiring institutions, to consolidate and generate the settlement sum, to process settlement funds collecting and sending through "Central Bank of the Republic of China (Taiwan) Interbank Funds Transfer System". The business aims are as follows:

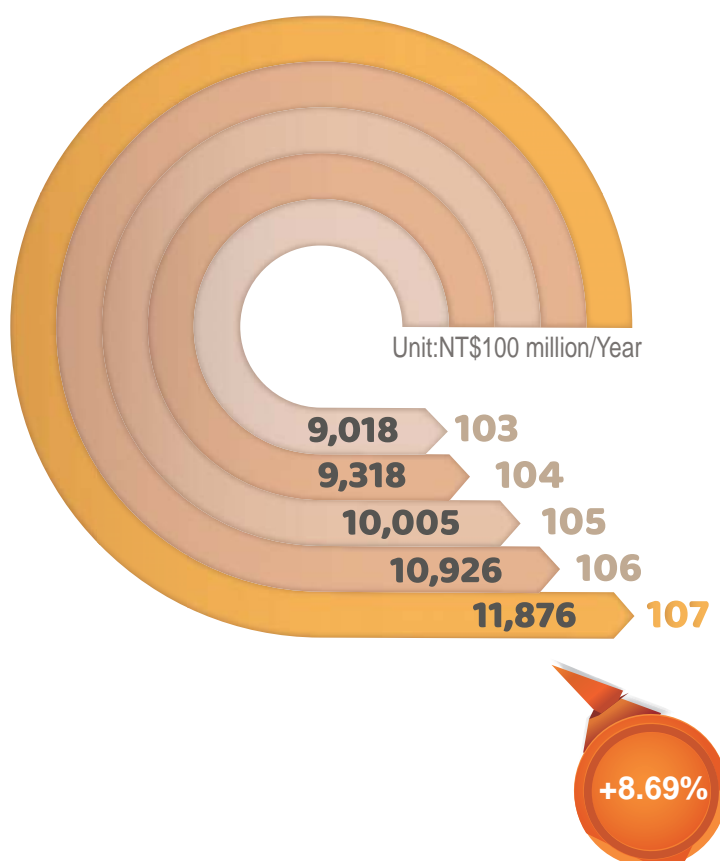
1. To develop domestic credit card interchange & settlement operating regulations in accordance with the government policy.
2. To handle domestic credit card inter-bank settlement so as to enhance transaction data security.
3. To carry out the policy of "domestic transaction to be settled inside of the country" so as to increase operating efficiency.

《Business Scope》

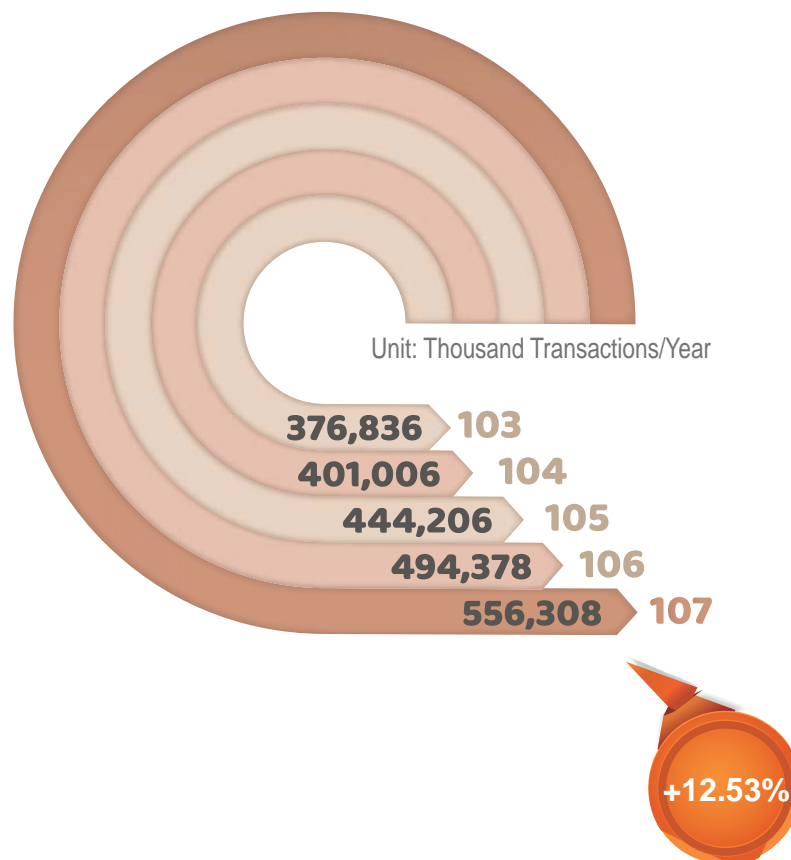
Domestic Interchange & Settlement processing includes credit card and debit card of U Card, VISA, MasterCard and JCB issued in Taiwan. The number of participating institutions totaled 38.

《Operating Results in 2018》

1. Transaction Volume: The domestic settlement summed to NT\$1,187,600 million in 2018, up to 8.69% compared to NT\$1,092,600 million in 2017 as shown in the following figure:



2. Transaction Numbers: The number of domestic settlement transactions totaled 556,308 thousand in 2018, up 12.53% compared to 494,378 thousand in 2017 as shown below:



(III) Domestic and International Transaction Settlement for NCCC Member-issued Credit Cards

NCCC is established as a member organization. To help members reduce operating costs, NCCC consolidates domestic and international transactions made by NCCC member- issued credit cards and handles settlement operation for the members. The operation effectiveness can be summarized as follows:

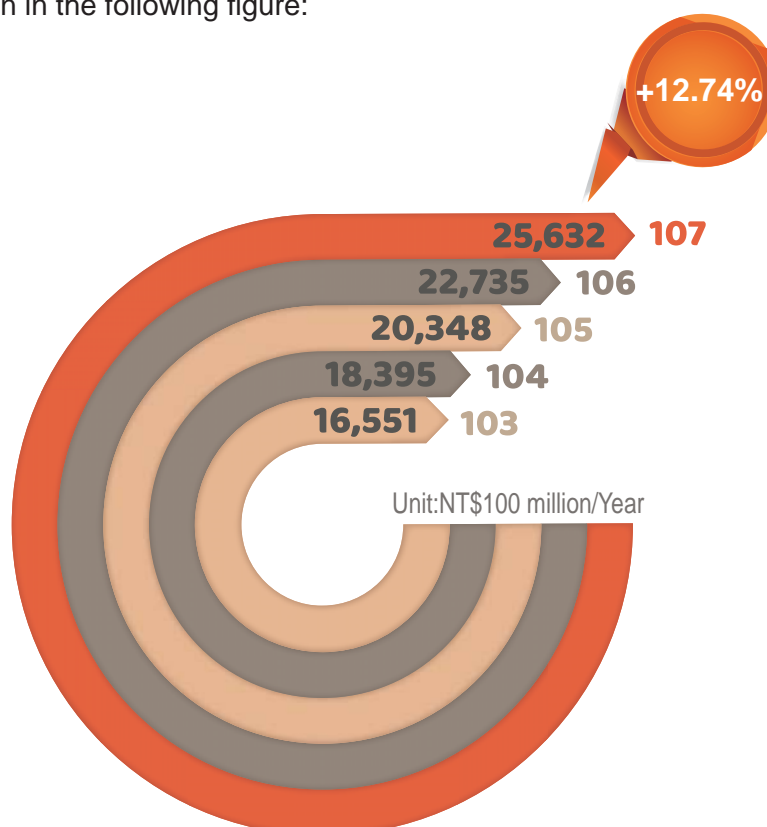
1. To coordinate setting up a settlement system linking with the international credit card associations and processing transaction settlement for members.
2. To provide centralized transaction processing service so as to reduce members' operating cost and improve operating efficiency.
3. To periodically provide business statistic data for members' reference in policy making.

《Business Scope》

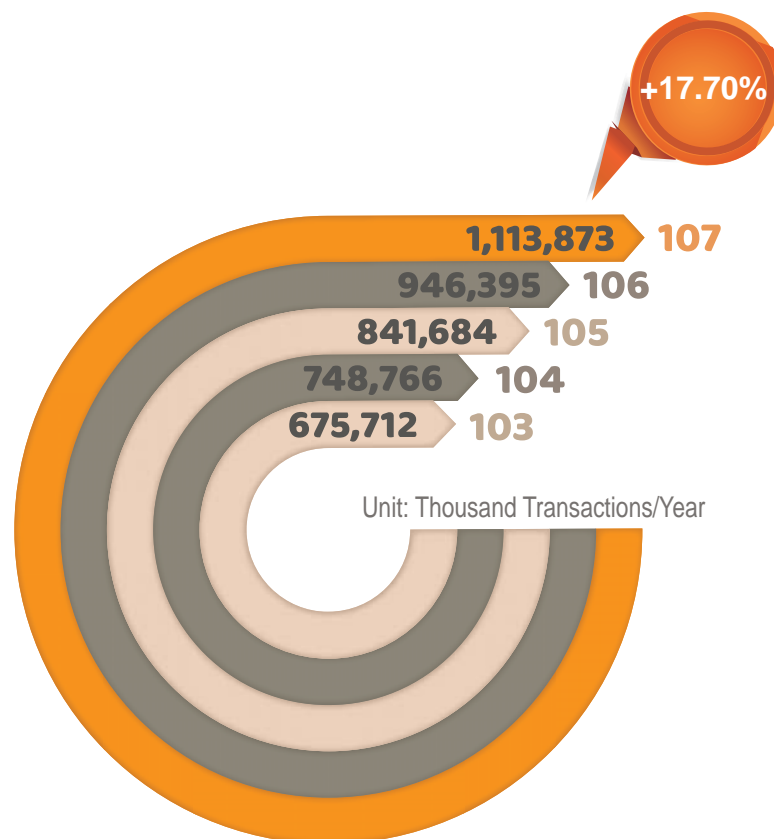
The NCCC member-issued cards include credit card and debit card of U Card, VISA, MasterCard and JCB. The number of participating institutions totalled 26.

《Operating Results in 2018》

1. Transaction Volume: The total transaction amount was NT\$2,563,200 million. Compared with the NT\$2,273,500 million in 2017, the annual growth rate is 12.74%, as shown in the following figure:



2. Number of transactions: The number of transactions in 2018 is 1,113,873 thousand. Compared with the number 946,395 thousand in 2017, the annual growth rate is 17.70%, as shown below:



II. Acquiring Operation

The acquiring operation related services include not only payment card transaction settlement for the merchants, but merchant recruitment, merchant credit evaluation, as well as card acceptance equipment installment, and so on.

When cardholders make transactions at NCCC merchants, NCCC acquires the sales receipts with transaction details, sends payment to merchants after deducting handling charge, and processes payment with each corresponding card issuing bank.

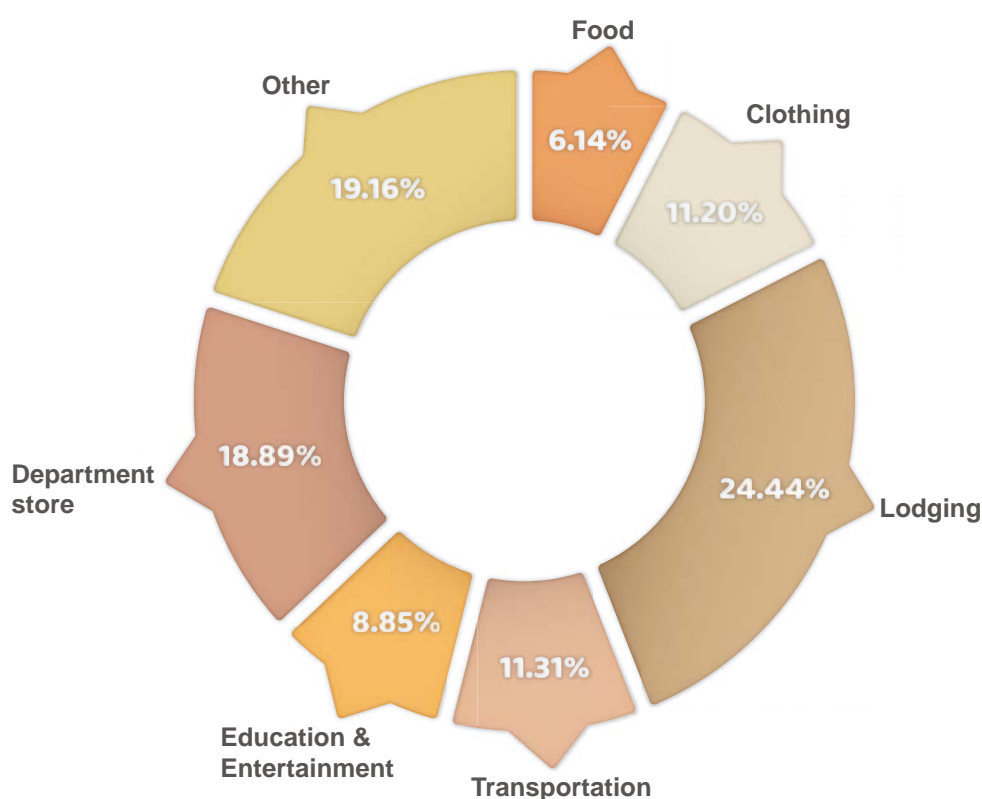
《Business Scope》

The NCCC acquiring operation includes U CARD, VISA, MasterCard, JCB, DFS (Discover/ Diners), UnionPay and Taiwan Pay (formerly Smart Pay). NCCC has also accepted acquiring service outsourcing from American Express International (Taiwan), Inc. to conduct certain acquiring operation services for American Express Card on behalf of Amex in Taiwan.

《Operating Results in 2018》

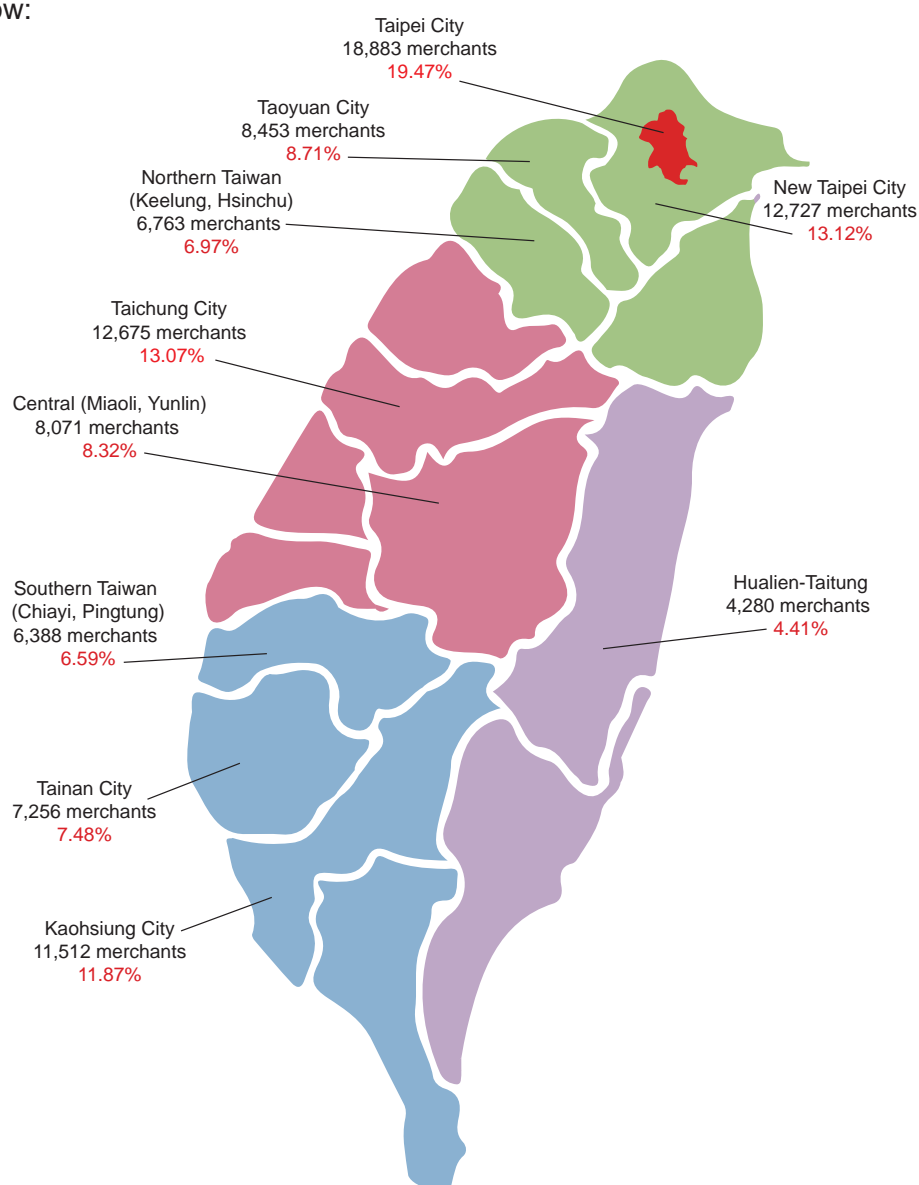
(I) NCCC Merchant Categories and Percentage of Shares

As at the year-end 2018, the number of NCCC merchants (including installment payment merchant locations) was 97,008, of that, Food 5,959, Clothing 10,863, Lodging 23,707, Transportation 10,975, Education and Entertainment 8,589, Department Store/ Supermarket 18,328, and Others 18,587. The percentage share of each merchant category is shown below:



(II) Network of NCCC Merchants

As at the year-end 2018, the number of NCCC merchants (including installment payment merchant locations) was 97,008 of that, Taipei City 18,883, New Taipei City 12,727, Taoyuan City 8,453, Taichung City 12,675, Tainan City 7,256, Kaohsiung City 11,512, Northern Taiwan 6,763, Central Taiwan 8,071, Southern Taiwan 6,388, and Eastern Taiwan 4,280. The percentage share of each city or county or area is shown below:



Taipei City 18,883 merchants (19.47%)

New Taipei City 12,727 merchants (13.12%)

Taoyuan City 8,453 merchants (8.71%)

Taichung 12,675 merchants (13.07%)

Tainan 7,256 merchants (7.48%)

Kaohsiung 11,512 merchants (11.87%)

Northern Taiwan (Keelung, Hsinchu) 6,763 merchants (6.97%)

Central (Miaoli, Yunlin) 8,071 merchants (8.32%)

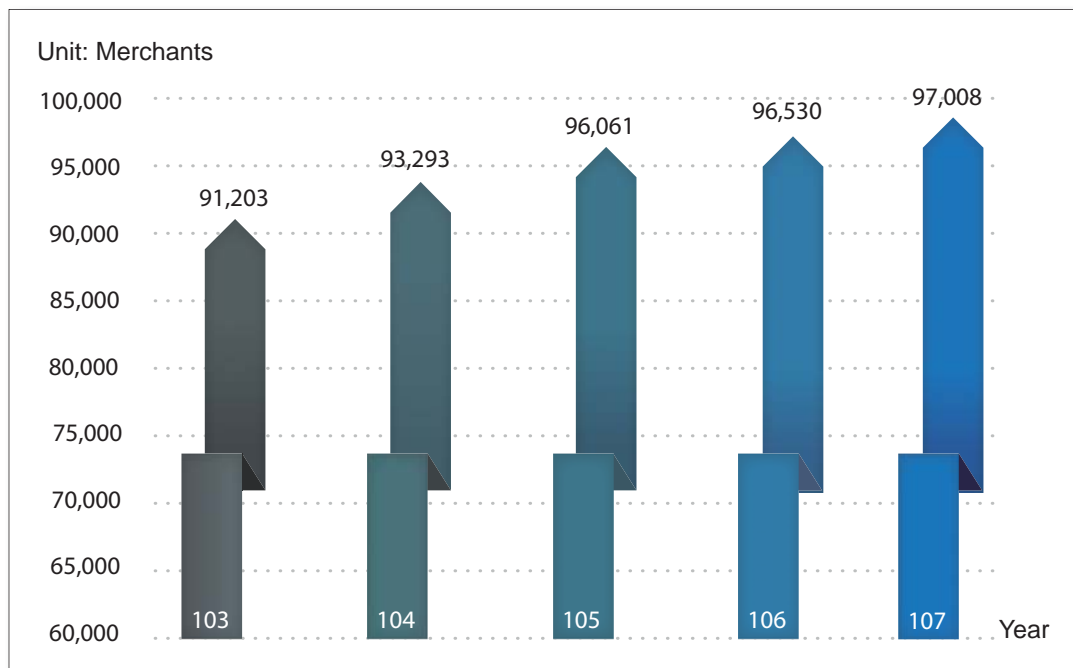
Southern Taiwan (Chiayi, Pingtung) 6,388 merchants (6.59%)

Eastern Taiwan (Hualien, Taitung) 4,280 merchants (4.41%)

Total 97,008 (100%)

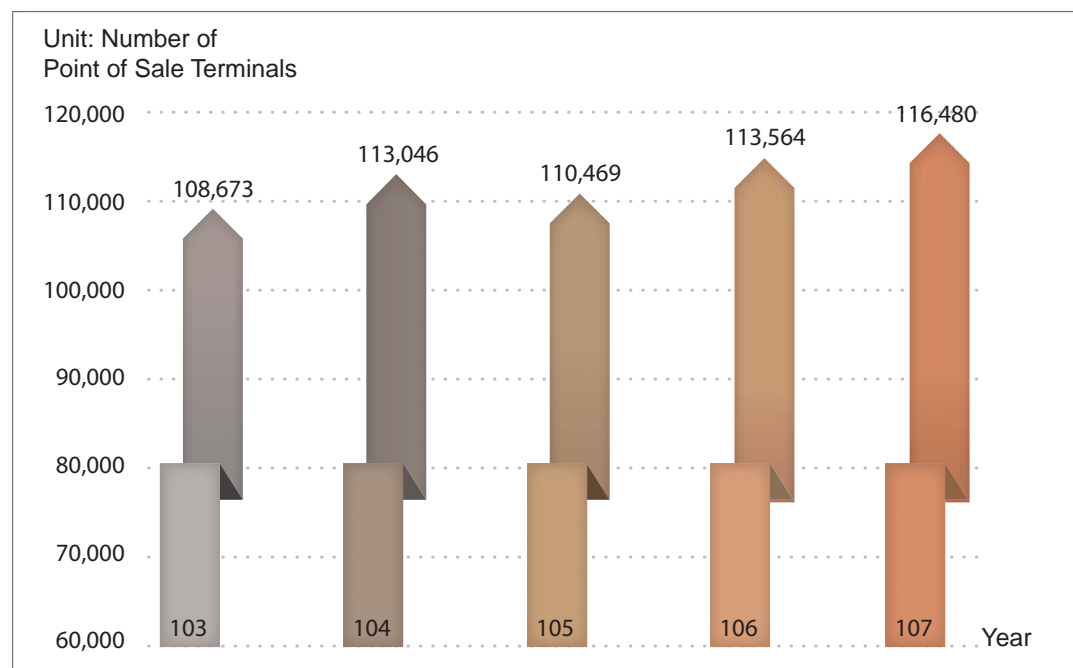
(III) NCCC Merchant Base

As at the year-end 2018, the total number of NCCC contracted merchants (including installment payment merchant locations) was 97,008, which was about 0.50% higher than the same period of last year, as shown below:



(IV) Number of point of Sale Terminals

As at the year-end 2018, the number of NCCC's Point of Sale Terminals (including terminal owned by NCCC and purchased by merchant itself, and virtual terminal) was 116,480, an increase of 2.57% versus the year-end 2017, which is shown below:



III. NCCC Common Operating Platforms

(I) Credit Card Issuing Business of NCCC Members

NCCC member institutions have issued U Card, Visa, MasterCard, and JCB cards. The card issuance continued expanding sharply in the wake of matured consumer banking environment, rising consumer demand, coupled with market promotion and cardholder solicitation by the NCCC member institutions. Until the recent years, the increase of cards issued has been slowing down, and the number of cards in circulation has been growing at a steady pace.

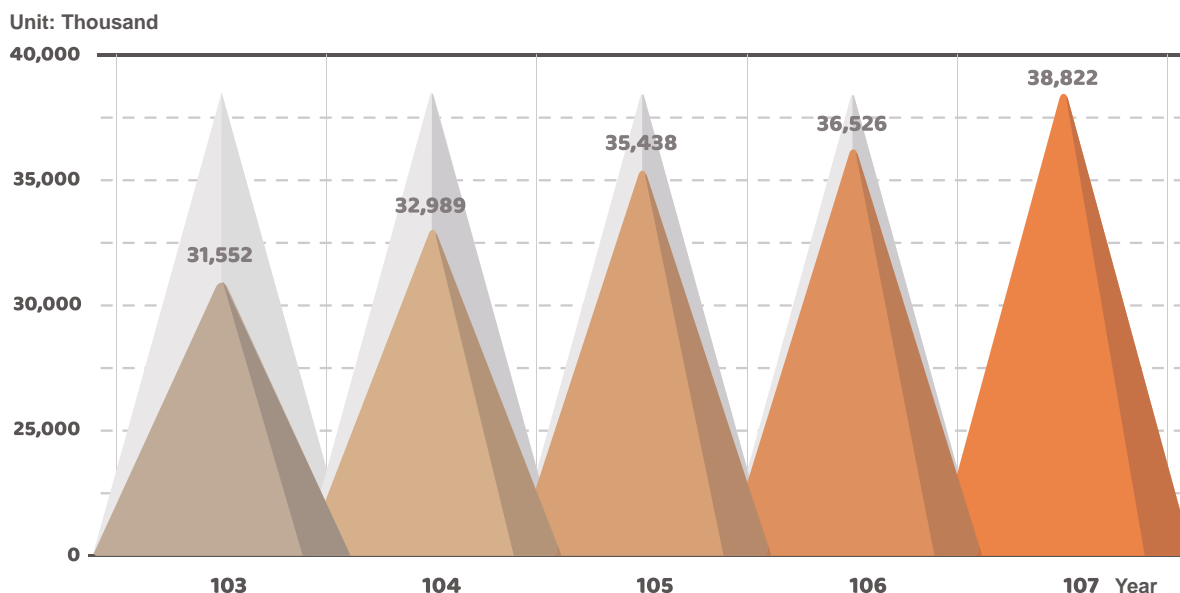
《Business Scope》

U CARD, VISA, MasterCard, and JCB Card issued by NCCC member institutions.

《Operating Results in 2018》

Effective cards: The number of cards in circulation of NCCC Members was 38,822 thousand in 2018, an annual growth rate of 6.29%, compared to 36,526 thousand in 2017.

[Effective cards refer to number of cards issued minus number of cards cancelled.]



(II) Installment Payment Operating Platform

In response to the market needs, NCCC developed a common operating platform for both the card issuing institutions and their installment payment merchant partners in 2004. Those merchant partners who link to the NCCC platform system can provide online installment payment service function that allows the cardholders to pay off the transaction bill in several times for one transaction amount.

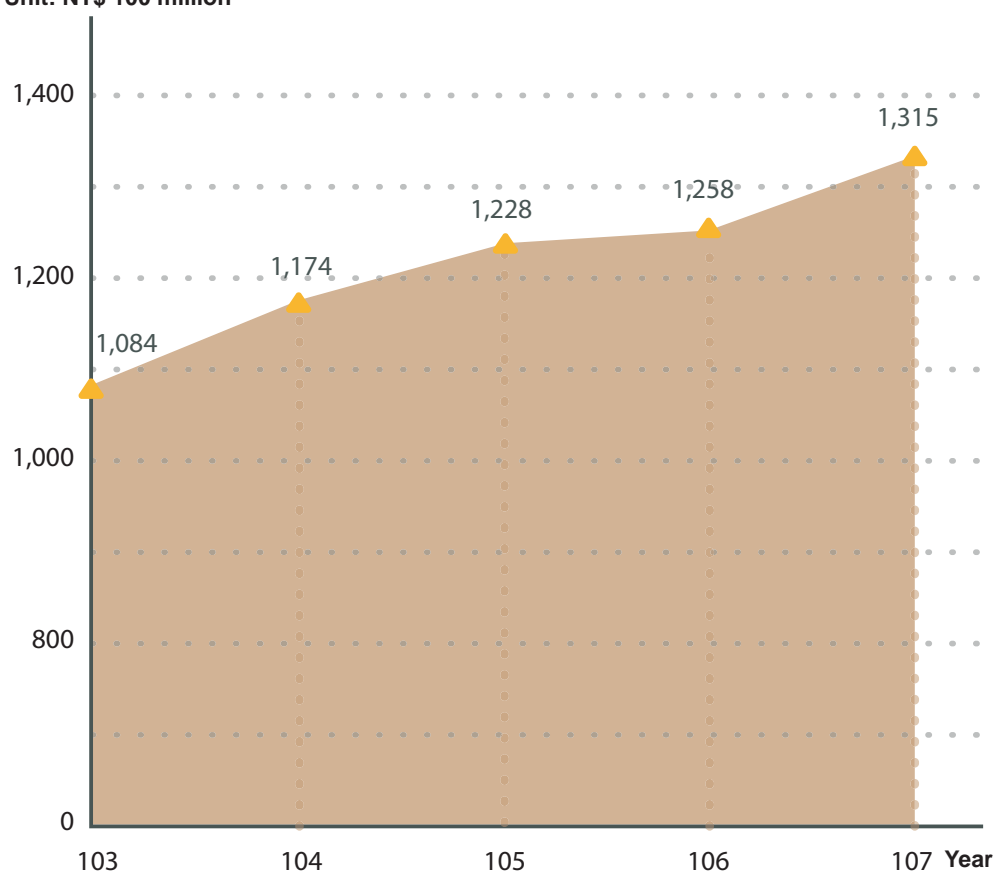
《Business Scope》

The installment payment operating platform service applies to those card issuing institutions and merchants who participate the platform.

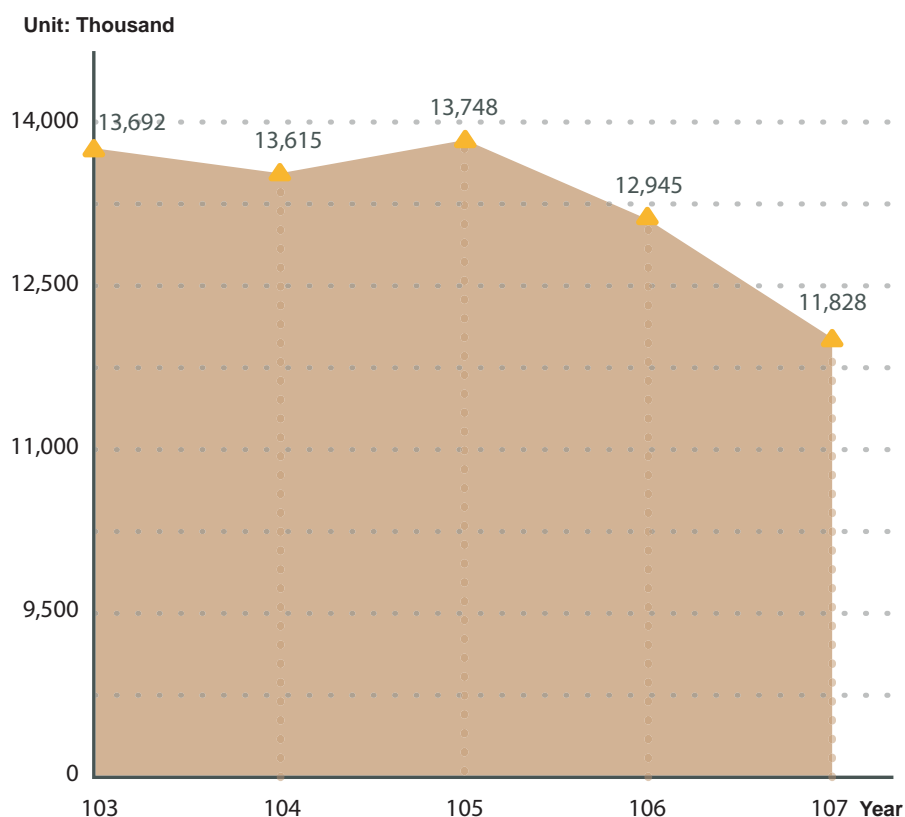
《Operating Results in 2018》

1. Transaction Volume: The total installment payment amount summed to NT\$131.5 billion in 2018, which is 4.6% higher than the NT\$125.8 billion in 2017. The details are as follows:

Unit: NT\$ 100 million



2. Transaction Numbers: The total number of installment payments was 11,828,000 in 2018 as shown in the figure below:



(III) Credit Cardholders Online Transaction Authentication Service

To enhance credit card online transaction security and strengthen cardholder services, NCCC has implemented "Access Control Server (ACS) Authentication Service for Online Transaction Security" that enables the cardholders to make online purchase transactions in a more secure environment through identification enrollment and password verification processes. The Access Control Server (ACS) Authentication Service platform, passed examination by Visa designated qualified Security Assessor, provides a wide applied online transaction authentication system supporting 3 card brands of VISA Verified by Visa, MasterCard SecureCode and JCB J/Secure.

(IV) Credit Card Purchase Transaction Benefit Platform

To meet the market needs, NCCC created a credit card purchase transaction benefit platform in 2014, providing transaction benefit promotion program for the card issuing institutions and merchants. When the credit cardholders make purchase transactions at merchants, the transactions will be immediately checked against the benefit terms and be exchanged for the benefit via the platform and point of sale terminal, which can simplify operations, leverage marketing resources, and further increase customers along with sales volume. The credit card purchase transaction benefit platform service applies to those card issuing institutions and merchants who participate the platform. In 2018, a total of 30 events were held, with a total number of 98 institutions and 3,846 merchants participating.

(V) Credit Card ATM Cash Advance

NCCC established a credit card cash advance network and has partnered with the participating institutions to provide ATM cash advance transaction service to the credit card holders. The cardholders can use credit cards of U Card, Visa, MasterCard, JCB, and AmEx to make cash advance transactions by entering password at those ATMs on which a “NCCNET Plum Blossom” sticker displayed (as below). The business scope includes the following:

1. Domestic ATM cash advance transaction service on the NCCC value-added application platform.
2. ATM transaction switching service for foreign Visa PLUS Card.
3. ATM transaction switching service for foreign MasterCard Cirrus Card.



(VI) Bonus Point Accumulation and Redemption

NCCC created a bonus point accumulation and online redemption platform for the card issuing institutions. The participating merchants linked to the NCCNET POS network can provide online redemption function that enables the cardholders to immediately redeem the bonus points accumulated to the transaction amount when paying for purchase.

(VII) Government Fee Payment

To increase the penetration rate of electronic payments and to expand the credit card acceptance channels, NCCC established a "Credit Card Payment Platform for Public Agency Fee", allowing the general public to pay government bodies related fees and bills over the counters by credit card. The payment platform also applies to public hospital's related medical service fees (not including plastic surgery, postnatal nursing and physical examination). The platform supports not only POS but also websites and Apps of publicly- owned institutions and hospitals' link, to the extent that raising the convenience of fee payment. Furthermore, to provide consolidated all-in-one service, NCCC will provide App- ÜnyCare as a portal for all participating institutions and the general public.

To coordinate with the government policy of bringing greater convenience to the people and to provide incremental service functions to the credit card issuers, NCCC has partnered with Chunghwa Telecom and motor vehicle administration bodies in providing the general public with fee payment services, where people can use credit card to pay school registration fee, public service related charges, motor vehicle administration fees and various types of taxes by obtaining transaction authorization via phone voice operating system or via Internet. The business scope includes the following:

- 1 E-government service platform: including "school registration & miscellaneous fees" and "on-campus administration affairs fees" charged by all levels of schools as well as public service related fees charged by all levels of government bodies who participate

on the e-government service platform.

- 2 Motor vehicle administration fee: including traffic violation fine, fuel fee, handling fee, license plate fee, license plate number selection charge, etc.
- 3 Various types of taxes: including payments of Individual Consolidated Income Tax, assessed tax, as well as business tax, etc.

(VIII) Electronic Stored Value Card Transaction Operation Platform

In 2016, to promote the convenience of consumers' small amount payment and to accelerate domestic electronic payment rate in accordance with the "Regulations Governing Institutions Engaging In Credit Card Business", "Act Governing Issuance of Electronic Stored Value Cards", "Rules Governing the Business of Electronic Stored Value Card Issuers" and "Regulations Governing the Security of Electronic Stored Value Cards" and other operation specifications, NCCC established "Electronic Stored Value Card Transaction Operation Platform" to integrate four domestic electronic stored value card transactions. Thereby, it reduced the processing costs of small amount transactions and create a favorable business environment.

《Business Scope》

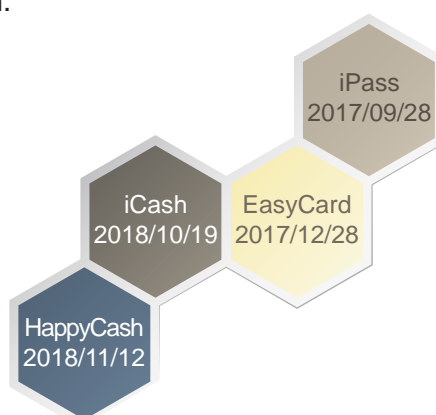
Refer to the merchants that signed up NCCC's "Electronic Stored Value Card Transaction Operation Platform" for electronic stored value card transactions.

《Operating Results in 2018》

The date of signing contracts with four electronic stored value card issuers and the launch dates are shown below:

Electronic stored value card practitioner	Date of contract signing	Launch Date
iPass	2017/09/27	2017/09/28
EasyCard	2017/12/25	2017/12/28
iCash	2018/04/17	2018/10/19
HappyCash	2018/07/24	2018/11/12

Number of transactions: In 2018, the total number of electronic stored value card transactions was 162,881, including 77,111 for iPass, 85,526 for EasyCard, 188 for iCash and 56 for HappyCash.



IV. Fraud Prevention Operation

To monitor credit card frauds in retail transactions, NCCC has utilized prevention system with parameters preset and reporting mechanism as a monitoring tool to identify any abnormal activities and proceed with investigations. For those merchants who are verified violating merchant contract, NCCC will take actions of educating, or warning, or monitoring or terminating merchant contract depending upon the violation extent. Also, NCCC, as the credit card fraud reporting center, provides a fraud transaction information reporting platform that consolidates information from credit card institutions and international associations and shares the information with each other to prevent exposure to fraud; thus, establishing an effectively risk controlled credit card transaction environment in Taiwan.

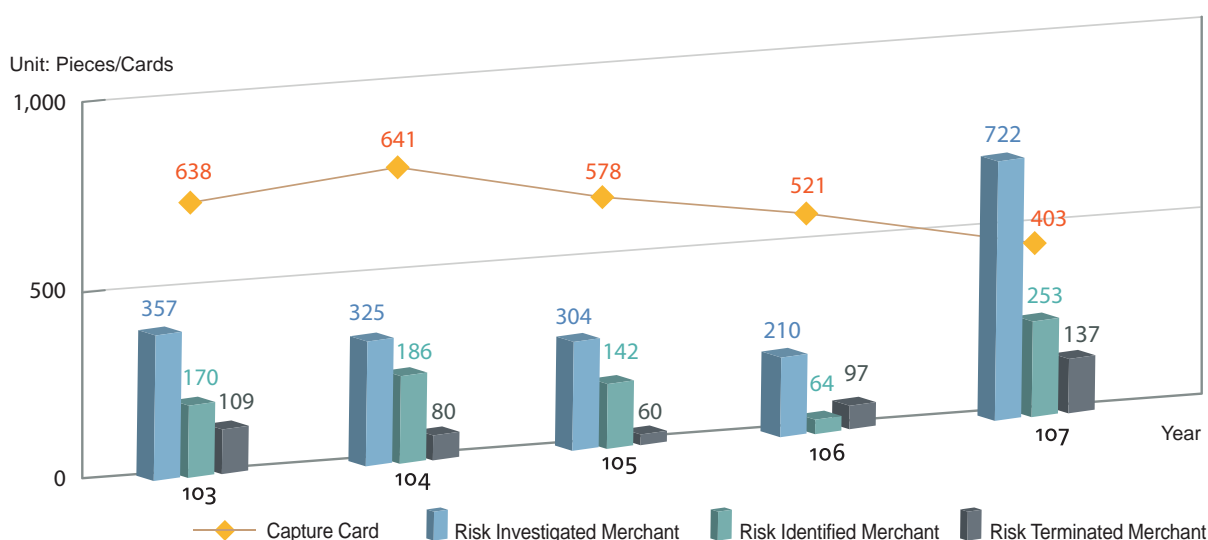
《Business Scope》

For NCCC merchants, NCCC implements effective monitoring and management system, consolidates and sends analytic fraud information to the credit card institutions, which helps creating a more secure credit card transaction environment in Taiwan.

《Operating Results in 2018》

(I) Risk Merchant Control and Credit Card Confiscation:

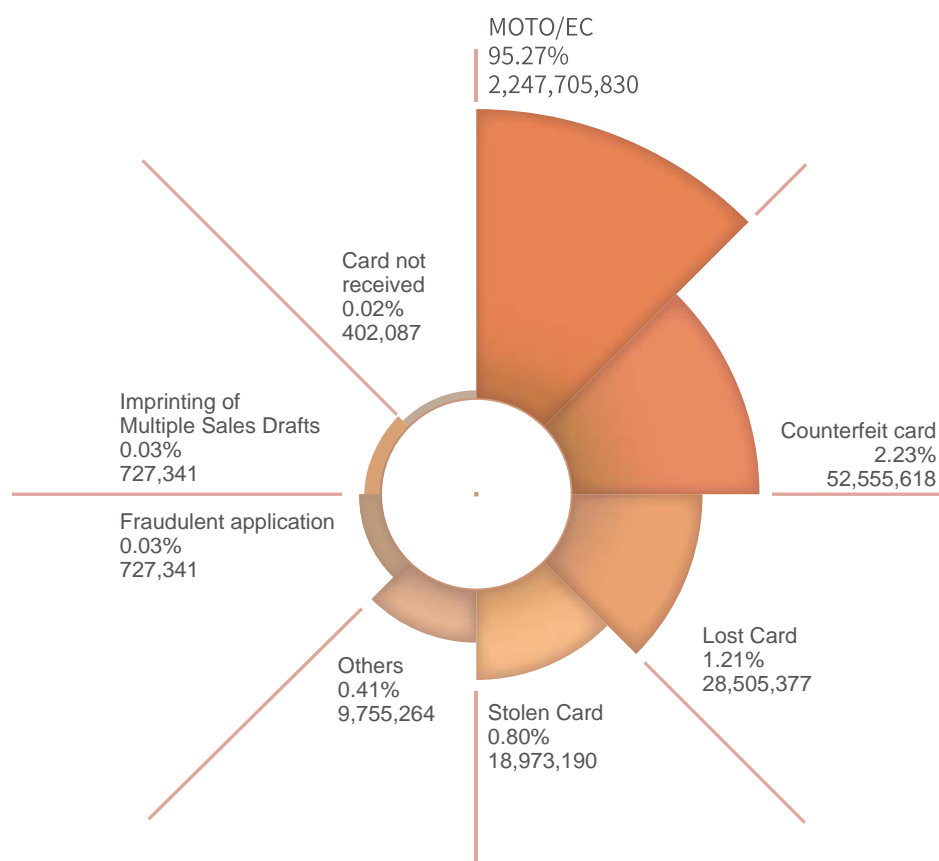
1. Number of risk merchants investigated: 722 merchants investigated in 2018 increased 512 from 210 merchants in 2017.
2. Number of risk merchants on monitor list: 253 merchants on monitor list in 2018 increased 189 from 64 in 2017.
3. Number of risk merchants cancelled: 137 merchants cancelled in 2018 increased 40 from 97 in 2017.
4. Number of cards confiscated by merchants: 403 cards confiscated by merchants in 2018, dropped 118 from 521 in 2017.



(II) Fraud Transaction Categories Distribution Analysis reported by Domestic Issuers

Date period: January 2018 to December 2018

Unit : NTD



Total amount of suspected fraudulent transactions notified by domestic card issuers:
NT\$2,359,286,159 (not the actual amount of loss)

Remarks: (In accordance with the standards of International Card Associations' Fraud Reporting Classification)

- (1) Lost card: Card lost and found used fraudulently.
- (2) Stolen card: Card stolen and used fraudulently.
- (3) Card not received: New/ Renewed Card intercepted during mail and used fraudulently.
- (4) Fraudulent application card: Card applied and used fraudulently without authorization by the genuine cardholder.
- (5) Counterfeit card: Card counterfeited and used fraudulently
- (6) MOTO/EC: Non-face-to-face transactions made without authorization by the genuine cardholder.
- (7) Imprinting of multiple Sales Drafts: Merchant falsely uses cardholder's data such as card number and forges transactions.
- (8) Others: Other types of fraud not listed above.



Four. Business Performance

<https://nccc.com.tw>

I. Major Achievements in 2018

(I) Expand the payment card application channels and introduce innovative applications in response to the promotion of the "Double the PCE Percentage of Electronic Payments in 5 Years":

1. Credit Card Payment Platform for Public Agency Fee:

- (1) The exclusive application of the credit card payment platform for public agency fee ÜnyCare was developed in the fourth quarter of 2018. In August 2018, it's compliant with the "Basic Information Security Testing of Mobile App" as required by the Industrial Development Bureau, Ministry of Economic Affairs. Also, attestation of compliance was issued by a laboratory, and the App passed the review of the App Store (iOS) and Google Play (Android). Currently, we were aiming at public hospitals, providing consolidation services of public hospitals. , card issuers and consumers. Going forward, APP application will extend to other public/government agencies and state-owned institutions in order to integrate offline and online payment services.
- (2) In 2018, the number of transactions on the platform was 2.49 million with the amount up to NT\$19.29 billion. The number of newly increased channels was 502, and the total number of channels was 1,424. The total number of participating card issuers was 33.

2. Electronic stored value card transaction operation platform service:

Integrate credit card and function for four electronic stored value card (iPass, Easycard, iCash, HappyCash) to save the cost of having to deploy additional equipment, with a cumulative number of 2,136 assigned merchants.

3. Credit card was served as an electronic invoice carrier:

NCCC provides a credit card as an electronic invoice carrier service. The cardholder may directly use the credit card as the carrier for the incoming bonus. At present, 18 member institutions have been joined.

4. Accept the small-scale business entities application for the introduction of mobile payment applicable tax incentives:

In January 2018, cooperated with the Ministry of Finance to formulate "Specifications for the Operation of Taxes for Small-Scale Business Operators to Introduce Mobile Payments", and accept the small-scale business operators using induction terminal equipment for a 1% tax rate to accelerate the popularization of mobile payment.

5. Dynamic Currency Conversion supported EC merchants:

NCCC's EC merchants have supported the dynamic currency conversion (DCC) value-added application service as of August 2018, expecting to expand the scope of e-payment services.

(II) Assisting in the promotion of digital financial innovative services:

1. Credit card served as an auxiliary to cardholder authentication:

The platform handles digital deposit opening and new account's application for credit card identity verification services. A total of 33 card issuers have joined this platform, providing electronic payment institutions and financial institutions with "credit card" to assist cardholder identity verification. In April 2018, it joined the "Fast Identity Online (FIDO)" alliance of the International Identity Recognition Development Standards Organization, and plans to continue to expand the application of biometric technology on this platform and provide more diversified security verification services.

2. Projects to implement and promote a domestic payment card brand:

Entered into a strategic cooperation with Discover Financial Services (DFS) to share their mutual channels and position its own payment card brand as "the best card for living in Taiwan." The project is being implemented in two phases. The first phase is the brand infrastructure and the entity accepted at this stage are mainly physical cards. The second phase is the system establishment of mobile card-issuing business. The infrastructure assessment in the first phase has been completed, and the system development starts in January 2019.

3. DFS card (Discover/Diners) acquiring and transaction authorization transfer / international clearing business: The DFS card (Discover/Diners) acquiring and transaction authorization transfer / international clearing business were launched on March 8, 2018. Taishin International Bank, Hong Kong Global Payments Asia-Pacific Limited Taiwan branch and NCCC have accepted DFS foreign cards, to facilitate foreign cardholders' consumption in Taiwan.

4. Buying Insurance Online with credit card served as an auxiliary to cardholder authentication:

NCCC completed setting up an operating platform of "Buying Insurance Online with Payment by Credit Card" where credit card is also used as a proof of identity.

5. Merchant-Presented QR Code compliant with EMVCo. Standards:

Built on top of EMVCo. Merchant-Presented QR Code Standard, the pilot launched in November 2018, with total of 16 card issuers and 6 acquirers with different types of merchants.

6. Mobile payment and member institutions introduce HCE/Tokenization transfer service:

(1) Switching of domestic TSP: via NCCC's existing switching service, there are already 16 member issuers that use the token service provided by Taiwan Mobile Payment Company.

(2) Switching of international TSP, NCCC system has obtained verification of international credit card associations, Visa and MasterCard, and can support card issuers to issue international mobile payment credit cards (Apple Pay, Google Pay and Samsung Pay), and has supported 16 card issuers to enroll

token services.

- (3) Building up domestic TSP: NCCC completed the domestic Token Vault(Üny) in March 2018 and passed the validation by JCB International. It enables the issuer members to issue JCB mobile payment credit cards. At present, CTBC, E. Sun Commercial Bank, First Commercial Bank, etc., adopted the Token Vault(Üny) for the international mobile payment (Apple Pay) business.

7. Card-on-file service "Üny":

Expanding "Üny" the Card-on-file service, from a single merchant to other merchants, it eliminates the cumbersome process of storing credit card numbers for multiple times.

8. Credit card purchase transaction benefit platform:

There are 23 participating institutions in credit card purchase transaction benefit platform. 30 events were organized in 2018 and involved 98 institutions and 3,846 merchants, including approximately 7.93 million cards of 157 merchants and 8 card-issuing banks in "2018 World Flower Flora Exposition in Taichung".

(III) Cooperate with the government data disclosure policy, continuously disclose credit card open data and enhance the function of data application:

1. NCCC has opened 1,024 sets of statistical reports from credit card transactions, which were categorized into groups by areas, industries, and de-identified cardholders' characteristics, and were published on the NCCC's website and "Government open data". The data has been updating monthly, with cumulative downloads and views of more than 137,000 times.
2. On April 12, 2019, NCCC had organized open data in 2017 and case analyses reports, and published "Credit Card Big Data Platform – Case Study and Abstract" to various government agencies, financial institutions and all major libraries in Taiwan.
3. In 2018, 6 case analyses reports were published on the NCCC's website, which were reported by many media.
4. NCCC has collected the fraud data of acquirers from January 1, 2018, and added the data set of "Fraudulent Transaction Types of Foreign Cardholders Using Credit Cards in Taiwan" in January 2019, which was published on the NCCC's website and "Government open data".

(IV) In compliance with The Anti-Money Laundering Act

1. Set up an AML task force:

NCCC established a task force for anti-money laundering under the Risk Management Department (established on July 21, 2018) to implement risk grading

management of merchants, to continue to review the status of high-risk merchants, to review ultimate beneficiaries of newly signed merchants, to monitor and report any suspected money laundering transactions.

2. Educational training and advocating regulations:

The Board of Directors, and supervisors, Chief AML/CFT Compliance Officer, supervisors, designated personnel and all staff (including on-site vendors and temporary personnel) of NCCC have completed the training courses on anti-money laundering and anti-terrorism education.

3. Internal control and implementation self-audit:

- (1) The Chairman, President, Chief auditor, Chief AML/CFT Compliance Officer have jointly issued a statement internal control system.
- (2) All units have included the internal control system of the "Directions Governing Anti-Money Laundering and Countering Terrorism Financing of Credit Card Business" into the scope of self-audit, and no non-compliance is found in the audit reports.

4. Compliance Operation:

Since March, 2018, NCCC has been taking the measures of review the ultimate beneficiary and executive officer, which strengthens the identification of the high-risk customers in merchants, batch scanning of merchants and using "anti-money laundering system" of TDCC. Through this system, the customer identity is confirmed online, and it is checked whether the person in charge of the merchants is an internationally sanctioned person or a person with important political positions domestic and abroad, or the identity of his/her family member and the identity of persons close to him/her.

5. Preparation for the APG mutual evaluation:

In accordance with national policies, NCCC set up a task force for a mock interview/exercise.

(V) Strengthen information security and risk control

Continue to handle various safety certifications required by government and international card association:

In 2018, NCCC continuously passed the information security management system ISMS (ISO27001: 2013) and the personal information management system PIMS (BS10012: 2009) audit certification, so as to meet the requirements by the authorities for information security and personal data protection of NCCC. In addition, in order to comply with the international card association's protection of credit card transaction data, it continues to pass the ACS security certification, the annual certification of the Payment Card Industry Data Security Standard (PCI DSS), and follows the Personal Identification Number (PIN) safe operation specification for processing payment card data. In 2018, there were 58 payment service providers or merchants which met the requirements of PCI DSS and were registered with international card associations on a regular basis.

(VI) Actively cooperate with various public welfare activities of the competent authorities to fulfill social responsibilities:

1. Participate in various social welfare activities and charitable donations:

- (1) Donated NT\$10 million to the Financial Services Industry Public Funds for Educational Use.
- (2) Donated NT\$3 million for the "0206 Hualien Earthquake".
- (3) Donated NT\$500,000 to the Ministry of Education-School Education Depository.
- (4) NCCC and UDN Fun Life jointly held the "Romeo and Juliet French Musical" charity event from May 25 to June 3, 2018 and invited 60 students from Taiwan Fund for Children and Families to enjoy the musical.
- (5) NCCC participated in the "2018 Financial Services Caring Carnival" in Keelung and Taoyuan hosted by Taiwan Financial Services Roundtable and set up a public interactive booth to promote financial knowledge.

2. Participated in digital financial activities and various financial forums:

- (1) NCCC participated in the "Fintech Ecosystem Research and Development Association--Synchronous VR, AI, Big Data Intelligent Technology Financial Platform" established by Taipei Foundation of Finance on March 21, 2018.
- (2) Participated in the "Financial Action Lecture Series-Mobile Payment Lecture" held by the Economic Daily on November 9, 2018 at Tainan National Cheng Kung University, to enable financial knowledge to enter the campus and provide university students with the latest financial trends and policy directions.
- (3) NCCC participated in the seminar organized by International Identity Recognition Development Standards Organization FIDO Alliance held in Taipei on November 30, 2018 to exchange and discuss identity issues with domestic and foreign financial technology industries.
- (4) NCCC participated in the "FinTech Taipei 2018" hosted by the Taiwan Financial Services Roundtable and the Taiwan Academy of Banking and Finance on December 7 and 8, in response to the competent authority's e-payment multiplication plan and advocated NCCC's official business payment platform ÜnyCare APP business.

II. Business Plans for 2019

- (I) In response to market demand and industry trends, continue to improve the Wallet Service so as to provide enhanced solutions.
 - 1. To establish the scalability by system integration, and resource coordination of payment tools and payment service providers.
 - 2. Plan the wallet service that meets the market demand in conjunction with the value-added services such as QR Code provided by NCCC, in order to build a payment ecosystem.
- (II) Cooperate with the government open data policy, NCCC big data platform plans to:
 - 1. Continue to provide service integrations of various industrial systems, promote consolidation with external data, and increase cross-domain application of credit card big data, in order to create the value of data economy.
 - 2. Use emerging technologies such as artificial intelligence, Internet of Things, and machine learning to provide one-stop smart life services with localized solutions, in the meanwhile to evaluate the feasibility of cross-border cooperation.
- (III) Response to the trend of global mobilization and the development of digital finance, and to ensure the security and convenience of mobile transactions, enhance ACS (Access Control Server) services and varied functions based on the latest operation rules of international card associations.
- (IV) In response to the global mobile communication device popularization and digital development trend, NCCC plans the second phase of credit card served as an auxiliary to cardholder authentication platform, and evaluate the introduction of Two Factors Authentication, and initiate strategic cooperation with telecom operators and professional certification bodies, thereby extend application scenarios.
- (V) To sustain business continuity plans of developing Domestic Card Brand are as follows:
 - 1. To develop marketing plans and launch a series of brand image promotion and marketing campaigns to enhance brand awareness.
 - 2. To set up Certification Body for processing Acquirer's terminal certification, in

accordance with Brand Operational Rules and development.

3. To motivate acquirers and issuers to adopt Domestic Card Brand by planning marketing activities with other card associations

(VI) To attain the goals of facilitating economic development and convenience of payment, NCCC will offer acquiring services in the following aspects:

1. To promote value-added platforms such as "installment payment", "bonus point & redemption" and "credit card purchase transaction benefit", and to differentiate of NCCC's acquiring services, so as to reach win-win situation for merchants, issuers and consumers.
2. To continuously promote "Government Fee Payment" and "Small Amount Payment" platforms for more scenarios.
3. From the perspective of R&D innovation, NCCC will continue to improve and integrate the value-added application services.
4. To use the strategy of reinforce the coordination and cooperation with other acquirers, international card associations, more advanced technology partners and vendors for better insights into the trends.

(VII) To implement anti-money laundering and anti-terrorism policies continuously, and to make the comprehensive anti-money laundering and anti-terrorism risk assessments, and to regularly review risk assessment methods.

(VIII) To promote the sharing mechanism of domestic risk monitoring and management methods, to assist member institutions with various risk management and control measures, as a result of risk control indicator(BP value) better in Taiwan than in AP region.

(IX) Fulfill social responsibility and engage in social welfare activities such as charity and financial knowledge advocacy.



Five. **Annual Major Events**

I. Major Events in 2018

Jan.2018

▶ Jan.01

NCCC member Yuanta Bank merged with TC Bank and took effect.

▶ Jan. 26

The 12th session of the 6th Board of Directors and Supervisors Joint Meeting was held.

Feb.2018

▶ Feb. 07

NCCC has compiled 2017 Credit Card Big Data Platform - Case Sharing and Statistics Collection to distribute to various government agencies, financial institutions, and libraries across Taiwan to share the results of credit card big data.

Mar.2018

▶ Mar. 08

NCCC offered the processing service of Discover and Diners transactions to extend card acceptance to acquirers.

▶ Mar. 16

NCCC was approved by the Intellectual Property Office of the Ministry of Economic Affairs to obtain a utility model patent for the “Improved Secure Access Module”. It integrated electronic stored value card transaction (such as Easy Card, iPass) and credit card transactions to be processed by the same POS to provide more diversified payment services to the public.

▶ Mar. 21

NCCC participated in the "Fintech Ecosystem Research and Development Association - Intelligent Technology Finance Platform Connecting VR, AI, Big Data " established by the Taipei Foundation Of Finance to continuously align with the development trend of financial digital innovation.

▶ Mar. 30

NCCC incorporated the National Travel Card Policy to boost tourism in Hualien, effectively stimulate the local economy, adjust the national tourism card inspection system, and relax the provisions on the mandatory vacation subsidy for public servants to meet the policy objectives.

Apr. 2018

▶ Apr. 10

In response to the requirements of the American Express chip network upgrade, NCCC launched the American Express Authorization Switching System, NCCC acquiring system and the settlement system on April 10, 2018, and deployed chip-enabled terminals accordingly.

▶ Apr. 12

The 12th session of the 7th Board of Directors and Supervisors Joint Meeting was held.

▶ Apr. 18

In order to strengthen the ability of personal data management and earn the trust of customers in NCCC, NCCC passed the re-inspection by BSI British Standards Association BS10012.

▶ Apr. 20

- NCCC chairman participated in the financial industry' s oath-taking rally to prevent money laundering and anti-terrorism.
- NCCC acquiring services extended to offer Discover and Diners, providing a convenient environment for foreign travelers to enjoy shopping with cards.

▶ Apr. 25

In order to solve the cardholder's password hassle and to understand the technological development technology trend, specification and use cases of biometric identification and multi-factor authentication, NCCC joined the International Identity Verification Development Standards Organization Fast Identification Online (FIDO) alliance as an associate member.

May. 2018

► May. 01

NCCC was approved by the Intellectual Property Office of the Ministry of Economic Affairs to obtain the invention patent for "Method having credit card transaction benefit functions and credit card purchase transaction benefit platform".

► May. 15

- The President participated in the Visa 2018 Asia Pacific Risk Executive Committee Meeting and Security Summit. ◦
- Partnership with KFC in regards to "the small amount payment platform" was a major milestone for the aim of enhancement the "domestic PCE percentage of electronic payments" and promotion "small amount payment".

► May. 23

- Participated in "2018 Financial Services Charity Fair-Keelung" event organized by Taiwan Financial Services Roundtable, NCCC set up interactive booth on site to advocate financial knowledge and fulfil social responsibilities.
- In response to the government's policy of 90% of Taiwan's mobile payment ratio in 2025, NCCC conformed to "Directions governing applicable tax incentives for small-scale profit-seeking enterprises to enable mobile payment capability" by Ministry of Finance in January 2018 and offered contactless solutions to those who will be eligible for 1% tax rate.

► May. 25

NCCC sponsored the UDN Fun Life charity event of "Romeo and Juliet French Musical" and invited 60 teachers and students to promote the art to children's music education. During the performance (May 25, 2018 to June 3, 2018), a POS was installed to provide convenient services for people to buy souvenirs.

Jun. 2018

▶ Jun. 01

The "Small Amount Payment Platform" supported Debit Card and provided consumers with more payment options and a more convenient payment experience in June 2018.

▶ Jun. 19

NCCC cooperated with JCB International to set up ÜTS Token Vault, which supports the launch of JCB Apple Pay mobile phone credit card transaction issued in Taiwan and helps to develop the mobile payment market.

▶ Jun. 29

NCCC cooperated with consultants to establish "NCCC AML and CFT Risk Assessment Procedures and Methodology", and implement a risk assessment of NCCC for money laundering prevention. The result of existing risk assessment is low.

Jul. 2018

▶ Jul. 04

Cooperated with the "Enhanced Financial Knowledge Advocacy for ex-offenders" organized by the competent authority and the Taiwan Financial Services Roundtable, and assigned lecturer to Yilan Prison for 7 financial knowledge advocacy, with a total of 640 students involved.

▶ Jul. 19

The 12th session of the 8th Board of Directors and Supervisors Joint Meeting was held.

▶ Jul. 31

NCCC signed an Alliance Agreement with Discover Financial Services LLC. The two strategic alliances cooperated to plan and build a domestic payment card brand to provide payment services that meet the requirements of cardholders.

Aug. 2018

- ▶ Aug. 30
Cooperated with market development and key merchant operation, NCCC Dynamic Currency Conversion service of EC capability launched in August 2018, expecting to expand the scope of e-payment service.
- ▶ Aug. 31
NCCC passed the annual data security check certification of the Payment Card Industry Data Security Standard (PCI DSS).

Sep.2018

- ▶ Sep. 03
The NCCC Access Control Server (ACS) Authentication Service platform passed the inspection of Secure Vectors Information Technologies Inc., an evaluation agency designated by Payment Card Industry Security Standards Corporation (PCI SSC) in August 2018, which complied with the PCI 3DS security regulations.
- ▶ Sep. 12
NCCC acquiring services of Discover and Diners card have been extended to provide EC solution, which enabled merchant to provide diversified payment services and a convenient environment for foreign travelers.

Oct. 2018

- ▶ Oct. 01
Cota Bank set up its own issuing host to connect with NCCC and to process transaction authorization.
- ▶ Oct. 13
NCCC Chairman participated in the "2018 Financial Services Charity Fair" Taoyuan event organized by the Financial Association. NCCC set up an interactive booth at the event venue to promote financial knowledge and demonstrate the image of NCCC social responsibility.

▶ Oct. 25

The 12th session of the 9th Board of Directors and Supervisors Joint Meeting was held.

▶ Oct. 29

NCCC credit card big data application platform was recommended by the Financial Supervisory Commission to participate in the "Assessment for Best Application of Open Data" voting event organized by the National Development Council. It ranked No. 3 by the public vote, and its open data set was all awarded the "Golden Quality Award of Open Data".

Nov. 2018

▶ Nov. 01

Cooperating with the Directorate-General of Personnel Administration, Executive Yuan, the National Travel Card Transaction Verification System was simplified for the convenience of user login and information security in November 2018. The user registration service was equipped with the interface of eCPA to provide a Citizen Digital Certificate option.

▶ Nov. 12

NCCC's "small amount payment platform" offered the solution of electronic stored value cards in November 2018 and provided integrated POS which processed electronic stored value card transaction (such as Easy Card, iCash, and HappyCash) and credit card transactions for more diversified payment services.

▶ Nov. 13

Senior Executive Vice President Huang attended the Northeast Asia Regional Member Council meeting held by UnionPay International Hong Kong.

▶ Nov. 14

- In November 2018, NCCC modified its credit card authorization switching and settlement systems to process EMVCo. QR Code transaction domestically, a total of 16 card issuers and 6 acquirers officially launched.
- NCCC Chairman participated in the international member council meeting held by UnionPay International Hong Kong.

Dec. 2018

- ▶ Dec. 02
Hwatai National Bank set up its own issuing host to connect with NCCC and to process transaction authorization.
- ▶ Dec. 7
 - NCCC passed the 2018 annual review of the Information Security Management System (ISMS).
 - NCCC participated in the "FinTech Taipei 2018" sponsored by the Taiwan Financial Services Roundtable and the Academy of Banking and Finance in response to the e-payment multiplication plan of the competent authority and advocated the ÜnyCare APP business of the credit card payment platform for public agency fee.
- ▶ Dec. 25
NCCC Chairman participated in the scholarship awards ceremony of the "financial education charity fund of the financial services industry".

II. Event Happening



The signing ceremony of NCCC and the United States Discovery Financial Services Corporation (DFS). The figures in the picture are Chairman Teng-Cheng Liu of the NCCC (fourth from right), DFS Global Business Development Senior Vice Chairman Joseph Hurley (fourth from left), President Tong Liang Lin of NCCC (third from right), and DFS Global Business Development Director Andrew Lee (third from left), Senior Executive Vice President Hanover H.H. Chu of NCCC (first from right), business development director Jeff Chang of DFS Asia Pacific(second from right), Senior Executive Vice President Eric Hwang of NCCC (second from left), and DFS Asia Pacific Acquiring Business Director Greg Zheng (first from left). (31/07/2018)



NCCC participated in the "FinTech Taipei 2018 Taipei Financial Technology Exhibition" hosted by the Taiwan Financial Services Roundtable and the Academy of Banking and Finance. The picture figures include the Chairman Teng-Cheng Liu (first from left) and President Tong Liang Lin (first from right). (08/12/2018)



NCCC participated in "2018 Financial Services Caring Charity Fair" Taoyuan event organized by Taiwan Financial Services Roundtable. The picture figures included the Chairman Teng-Cheng Liu (front row second) and Senior Executive Vice President Eric Hwang (front row left two) and the Chairman of the Financial Management Committee, Li-Hsiung Koo (front row, third from right). (13/10/2018)



NCCC donated to Taiwan Financial Services Roundtable the "Financial Education Charity Fund of The Financial Service Industry". Photo of the Chairman, Teng-Cheng Liu of NCCC (fourth from left in the front row) attended at the scholarship and grant awards presentation ceremony. (25/12/2018)

VI. Appendix

Directory of Member Institutions

Member Institution	Address	Telephone
CTBC Bank Co., Ltd	11F., No.188, Jingmao 2nd Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	(02)2768-0505
Mega International Commercial Bank Co., Ltd	4F., No.99, Sec. 3, Chongyang Rd., Sanchong District, New Taipei City 241, Taiwan (R.O.C.)	(02)8982-2222
Cathay United Bank	1F., No.35 South Guangfu Road, Songshan District, Taipei City, Taiwan (R.O.C.)	(02)2171-1788
E. Sun Commercial Bank Ltd	No.10, Alley 17, Lane 42, Jhongsing N. St., Sanchong Dist., New Taipei City 241, Taiwan (R.O.C.)	(02) 8512-1313
Union Bank of Taiwan	5F., No.399, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	(02)2719-2233
The Shanghai Commercial Savings Bank Ltd	3F., No.87, Zhengzhou Rd., Datong District, Taipei City 103, Taiwan (R.O.C.)	(02)2558-2111
Bank Sinopac Co., Ltd	6F., No.17, Bo-ai Rd., Zhongzheng District, Taipei City 100, Taiwan (R.O.C.)	(02)2375-2277
Standard Chartered Bank(Taiwan Limited)	B1F., No.168, Dunhua N. Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02)2547-7888
KGI Bank	3F., No.188, Jingping Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	(02)8023-9077
Taipei Fubon Commercial Bank Co., Ltd.	6F., No.50, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	(02)6611-2555
Far Eastern International Bank	No.33, Alley 3, Lane 182, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan (R.O.C.)	(02)8073-1166
Jih Sun International Bank	9F., No.85, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	(02)2561-5888
Taishin International Bank	3F., No.207, Sec. 2, Jiuzong Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	(02)8798-9999
Entie Commercial Bank	2F., No.36, Sec. 3, Bade Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02)2577-8577
DBS Bank (Taiwan) Ltd	12F., No.399, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	(02)6612-9889
Taiwan Shin Kong Commercial Bank	8F., No.31, Lane 11, Guangfu N. Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02)8787-7272
Yunta Commercial Bank Co., Ltd	6F., No.210, Sec. 3, Chengde Rd., Datong District, Taipei City 103, Taiwan (R.O.C.)	(02)2182-1998
Sunny Bank	No.88, Sec. 1, Shipai Rd., Beitou District, Taipei City 112, Taiwan (R.O.C.)	(02)2820-8166
Hwatai Commercial Bank Co., Ltd	12F., No.33, Jingye 4th Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2772-9111
COTA Commercial Bank	2F., No.339, Dazhi Rd., East District, Taichung City 401, Taiwan (R.O.C.)	(04)2280-5288
Aeon Credit Card (Taiwan) Co., Ltd.	E + 5F., No.87, Songjiang Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02)2501-0880
First Commercial Bank	9F., No.203, Sec. 2, Bade Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2173-1988
Hua Nan Bank	12F., No.123, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	(02) 2371-3111
Taiwan Rakuten Card Inc.	7F., No.49, Sec. 3, Minsheng E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	(02) 2516-8328
Taichung Commercial Bank	No.87, Minquan Rd., West District, Taichung City 403, Taiwan (R.O.C.)	(04) 2223-6021
O-bank	No.99, Sec. 2, Tiding Blvd., Neihu District, Taipei City 114,, Taiwan (R.O.C.)	(02) 8752-7000



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