

### Major Indicators of Taiwan Economy

Period	Economic growth rate(%)	GNP (at current prices)		Unemployment rate(%)	Period	Foreign trade (custom statistics) (Million US\$)			Annual Rate of change(%)	
		Amount (million US\$)	Per capita (US\$)			Exports	Imports	Balance	Exports	Imports
2003	3.43	309,300	13,752	4.99	2003	144,240	127,258	16,982	10.4	13.1
2004	6.15	342,100	15,156	4.44	2004	174,034	167,895	6,139	20.7	31.9
2005	4.16	364,000	16,113	4.13	2005	189,394	181,606	7,788	8.8	8.2
2006	4.89	374,500	16,494	3.91	2006	224,017	201,596	22,421	18.2	11.0
2007	5.70	394,800	17,294	3.91	2007	246,723	219,346	27,377	10.1	8.8
2008. f	4.32	428,100	18,693	3.80	2008.2	17,660	15,950	1,710	18.5	25.9

  

Period	Foreign exchange reserves (end of period, US\$ million)	Period	Consumer price index (Annual rate of change)(%)	Wholesale price index (Annual rate of change)(%)
2005	253,290	2005	2.30	0.60
2006	266,100	2006	0.6	5.64
2007	270,310	2007	1.8	6.45
2008.2	277,840	2008.2	3.89	8.47

  

Period	Exchange Rate (NT dollars per foreign currency)			Period	Interest rate(%)	
	USD	JPY	EUR		Rediscount rate	Money market rate
2008.2	30.950	0.2967	46.986	2008.2.29	3.375	2.028

\* f: forecast

### TDCC Achieves Milestone in VMU Services

TDCC has devoted considerable efforts to the development of VMU (Virtual Matching Utilities) services in recent years, helping participants to reduce labor costs in settlement matching and to improve operational efficiency. While continuing to provide VMU services for equity products transacted through securities firms and custodian banks, TDCC now includes bill and bond transaction data transmitted by dealers into the scope of its VMU services, aiming to further simplify the settlement procedures for fixed-income securities.

With the internationalization and liberalization of the capital markets, competition among markets has become increasingly intense. Considering the effectiveness of STP (Straight Through Processing) in improving market efficiency and

reducing operational costs and risks, major securities markets across the world have all made tremendous efforts in establishing an STP network. Currently, TDCC provides a variety of services to securities firms and custodian banks through its systems, including the transmission, inquiry and printing of transaction settlement data, which effectively elevates the operational efficiency of these participants. As of February 18<sup>th</sup>, 2008, a total of 19 custodian banks and 210 securities firms have used these services to reduce operational costs within their organizations. Through its established systems, TDCC also provides the facilities to transmit settlement data on TSEC and GTSM-listed stocks. To further strengthen its services to participants, TDCC also developed a new system function last year

that transfers emerging stocks settlement data.

Additionally, TDCC has incorporated DVP (Delivery Versus Payment) settlement data for bills and bonds into its VMU services, so as to further satisfy the needs of its participants. Effective from January 14<sup>th</sup>, 2008, all bond dealers and securities firms that have entrusted TDCC for the settlement of fixed income securities or short-term bills are able to transmit settlement data through VMU services. Custodian banks may also process inquiries, receive files and confirm settlement information on the settlement date. As of February 18<sup>th</sup>, 2008, a total of 8 bill dealers and 10 custodian banks have used the services.

### TDCC Signs MOU with CDSL

To support the government's policy in expediting the internationalization and liberalization of the capital market, and in strengthening cooperation with securities depository and clearing institutions in Asia, Taiwan Depository & Clearing Corp. (TDCC) has signed a Memorandum of Understanding (MOU) on cooperation and information sharing with Central Depository Services (India) Limited (CDSL) through an exchange of notes on February 18<sup>th</sup>, 2008, followed by the MOU signed with the National Securities Depository LTD (NSDL) of India last year. Both parties agreed to pursue extensive experience sharing in the areas of business operations, employee training and future development.

the major stock exchanges of the world.

Central Depository Services India Limited (CDSL) was established in February 1998, collaboratively funded by the Bombay Stock Exchange and a plurality of domestic banks. CDSL officially began operations in 1999, providing central depository services for stocks, corporate bonds, funds, bank debentures, and commercial papers, etc. and responsible for central depository book-entry services for more than 400 participants, 4.3 million depository accounts and 5,900 issuing companies. All stocks under custody have been dematerialized. CDSL also settles commodities exchange trades.

With the signing of the MOU on cooperation and information sharing, TDCC and CDSL plan to build a channel for long-term and regular information exchange within the agreed scope to facilitate the development of new business and services and improve the efficiency of depository and settlement operations in the international market. TDCC and CDSL also plan to forge mutual collaboration through regular two-way visits, which are expected to benefit the long-term development of the capital markets and financial service sectors in both Taiwan and India.

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Chairman Ju and President Lin granted employees for their efforts at the lunar New Year greeting event, and encouraged them to continue providing secure and efficient depository and clearing services for the industry.



President Sherman Lin and Mr. Vijay V Raut, Managing Director and CEO of CDSL, signed a MOU on February 18<sup>th</sup>, 2008, through an exchange of notes.

