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TDCC received a "Letter of thanks for Public Welfare Activity" from Vincent C. Siew, Vice President, Taiwan, R.O.C., during the ceremony of "2011 TFF-Bloomberg BEST FUND AWARD" held by Taipei Foundation of Finance (TFF) and Bloomberg on 8th March, 2011.



Ching-Li Meng, Senior Executive Vice President of TDCC, led delegates to visit Yoshinobu Takeuchi, President and CEO of JASDEC in Japan and KSD's experts in Korea for the purpose of Strengthening Supporting Mechanisms for Shareholder Meetings.

TDCC Server Facilities Provide Invulnerable Data Protection Backup Facilities and Services Always Online

TDCC's main computer center located at Nankang Software Industrial Park, and TDCC's remote backup system placed at Chunghwa Telecom Co., (100 kilometers away from Taipei city).

I. Backup Mechanisms

Methods of backup for the various TDCC information systems, and planning for onsite and remote backup for its various operations, have been based on the type of operations at its different units and their specific requirements and desired recovery speeds. TDCC information systems are ranked in three classes, high-level, mid-level, and ordinary-level, in accordance with the information security system ranking formula of the National Information and Communication Security Center established by the Executive Yuan's National Information and Communication Security Taskforce. High-level TDCC systems include four types: Securities depository system, Vault management system, Futures clearing system, and systems for bills custody, clearing, and settlement. By design, remote backup systems for the Securities depository and Vault management systems function as onsite backup systems would, and no physical backup facilities are deployed on site at those two units, but for all other systems, both onsite and remote backup systems are deployed (including mainframes and disk arrays). Data preservation and security is ensured with onsite and remote magnetic tape backups as well as storage mechanisms at third-area sites. And, in early 2007, the first offshore remote backup system, employing permanent customer data storage containers, was established, in which important customer data is held in safes. In the event of a natural disaster that makes it impossible to read the data domestically, data backed up on tape

can be read or printed out abroad.

II. Establishment and History of TDCC Backup Systems

1. Nankang Main Computer Center and Hong Ya Backup Center

As trading volumes on Taiwan's securities markets continued to climb to new record levels, the TDCC was prompted to plan the installation of both onsite and remote backup mechanisms. Any problems occurring in the operations mainframe at the main computer center could then be handled by activation of the onsite backup system, which would take over securities market operations as a whole. If a natural disaster or other factors were to interrupt normal operations at the main computer center, then TDCC's remote backup systems would take over and provide the functionality needed to handle market data.

With the emergence of new products and continued growth in business volume, the capacity of the server center originally located on Nanhai Road (in Taipei Jhongjheng District) was struggling to meet the market's needs. The TDCC sought to locate a new computer center in the Nankang Software Park (in Taipei Nankang District), and found it in the Hong Ya Building (in Taipei Songshan District), where it established its backup server facilities. The new operating environment allowed the TDCC computers to provide a double layer of protection for the securities markets.

2. Nankang Main Computer Center and Chupei Backup Center

In 2006, after merging with the Debt Instruments Depository and Clearing Company, the TDCC continued with its integration of the Nankang main computer center and the Chupei backup center.

(1) Integrating the Nankang Main Computer Center

In 2006, what was previously the Debt Instruments Depository and Clearing Company (DIDC) merged and consolidated its business into the new Taiwan Depository & Clearing Company, which continued to provide services to meet the needs of the securities and bills markets. The DIDC and the TDCC, however, had both established their own main computer centers and remote backup centers in the Nankang Software Park and at the Longtan Science Park (in Taoyuan County) and Hong Ya Building. After careful consideration, the TDCC opted to consolidate the two centers into one main computer center. The process of consolidation was completed in June 2006, and planning was begun on related matters, including the further consolidation of the two remote backup centers.

(2) Consolidation of the Chupei Remote Backup Center

After completing its consolidation of the two main computer centers in June 2006, the TDCC studied how to best consolidate the two remote backup centers. After a number of months of planning, reviewing possible new sites for remote server rooms, and preparation of associated measures, the TDCC selected the Chunghwa Telecom data center in Chupei (in Hsinchu County) for its remote backup computer center following the consolidation. In February of 2007, the TDCC took advantage of the long Chinese New Year holiday to move its backup facilities from the Hong Ya Building and Longtan into their new location. To ensure that the backup systems were operating normally following the consolidation, market participants including securities firms, futures commission merchants, and bills dealers took part in a trial run simulating a full-scale switchover to the new backup system, verifying that all backup mechanisms were capable of taking over operations from the Nankang main computer center with the required speed.

3. Backup Center Synchronous Data Mechanisms

The TDCC's remote backup installations originally operated by means of magnetic tape transmission

and conversion procedures. Considerations of overall backup speeds and the need to reduce backup center data latency led to the later adoption of a host-based asynchronous replication system, which brought improvements in remote backup for the securities depository system. The amount of data latency, however, was a factor of the network bandwidth then available (which was based on the dual-line T3 connection). During peaks in trading there was a significant amount of latency between the Nankang main computer center and the remote backup center. For that reason, the TDCC in 2005 began to consider types of remote backup systems used by financial institutions with facilities similar to the TDCC's, and adopted a Peer-to-Peer Remote Copy (PPRC) synchronous disk mirroring system operating over a Dense Wavelength Division Multiplexing (DWDM) network.

PPRC is a mechanism for synchronous copying of the data on a disk, providing real-time synchronous data transfer between the disk drives of the operations mainframe and the backup mainframe. The transmission network uses a DWDM high-speed fiber-optic signal extender and converter system with high-speed, high-volume signal transmission capacity, allowing real-time synchronous data transfer between the operations mainframe and the remote backup center. In the event of a natural disaster at the main operations center, the use of the PPRC system not only ensures exact, synchronous replication of data from the main center at the remote backup center, but also greatly reduces the time needed for activation of the backup system and resumption of normal trading operations.

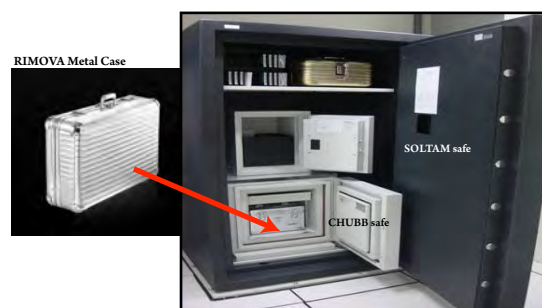
III. Offshore Remote Backup—Permanent Customer Data Storage Containers

To fully guarantee the security of investor assets, the TDCC in early 2007 set up an offshore remote backup—the permanent customer data storage container (black box) system. If, under extreme

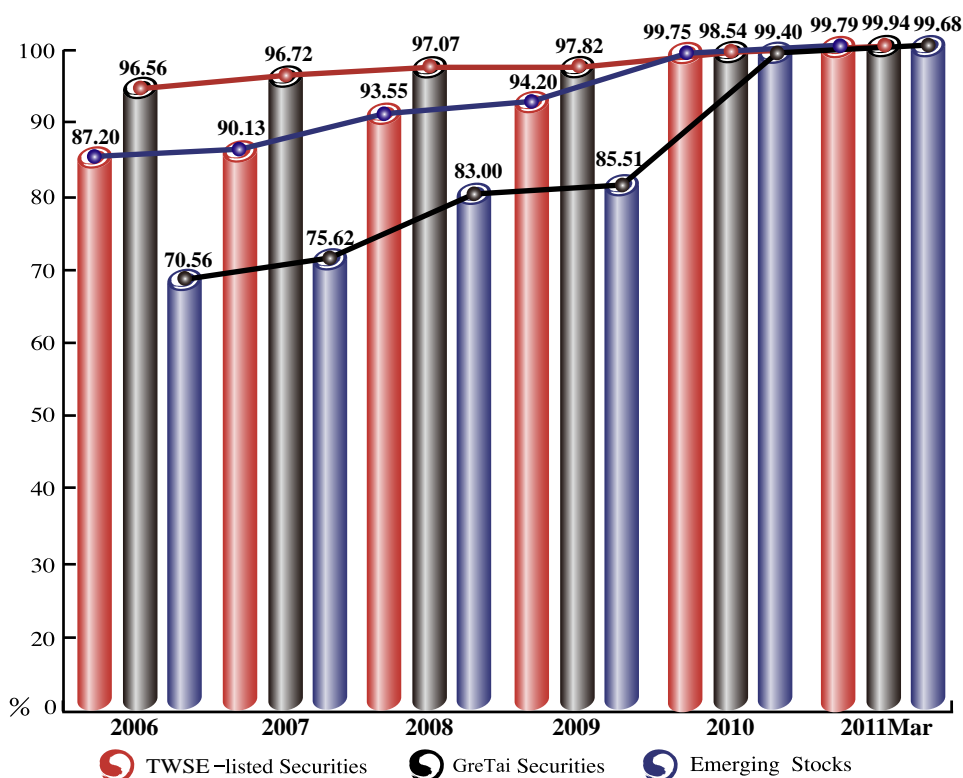
circumstances, the TDCC's main server room and backup center server room should both become inoperative, data on investors' securities balances stored in the "black box" of the Nankang server room and sent to an IBM data center overseas could still be read and printed out. The hardcopy information could then be returned to Taiwan to provide investors with documentation of their securities assets, thereby providing a further guarantee of investors' rights and interests.

The offshore remote backup, or the permanent customer data storage container (black box) system, operates when data storage media, containing the latest basic customer data, securities balances, bills accounts data, data on the underlying bills in bills financing, and vault balances of bills, are generated in batches every evening and placed in storage facilities with three layers of protection. The first is a German-made portable metal case for the media; the second is the British-made Chubb safety deposit box of the kind used by central banks in the US, England, Canada, New Zealand, Australia, Spain, and India, capable of withstanding temperatures in excess of 1000 degrees, to protect the metal cases holding the data storage media; the third is the Israeli-made Soltan TRTI 15×6 Banker's Treasury safe, certified by the US Underwriter's Laboratory with a Global Grade Class 2 rating. These three levels of protective measures create a storage facility that gives data on investors' securities assets full protection from fire, water, theft, and earthquake damage.

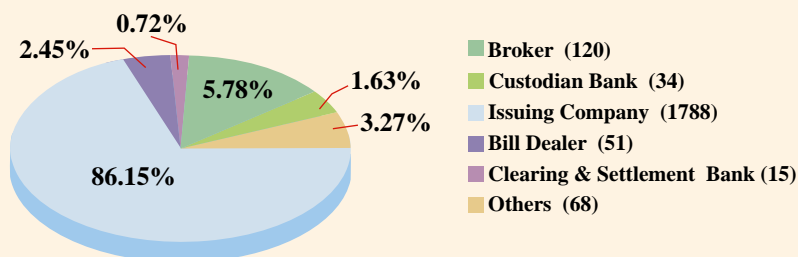
TDCC BLACK BOX



Ratio of Securities in Central Depository to Total Issuance



TDCC Participants (total 2076)



Accumulated Book-Entry Accounts: 15,007,126

Statistics of Book-Entry Operations

(1,000 Shares/10,000 NT)

Item Year Month	TWSE		GreTai		Emerging Stocks
	Total Trading Volume	Average Daily Trading Volume	Total Trading Volume	Average Daily Trading Volume	Trading Volume
2010 Apr	91,213,504	4,343,500	22,350,707	1,064,319	548,083
2010 May	73,264,043	3,488,764	16,021,301	762,919	439,003
2010 Jun	62,757,780	2,988,466	11,905,935	566,949	350,723
2010 Jul	84,653,421	3,847,883	16,738,716	760,851	516,872
2010 Aug	105,324,852	4,787,493	19,679,514	894,523	508,729
2010 Sep	94,403,181	4,495,390	17,538,417	835,163	522,643
2010 Oct	90,551,913	4,311,996	13,829,238	658,535	473,205
2010 Nov	86,850,117	3,947,733	12,571,181	571,417	475,448
2010 Dec	121,517,615	5,283,375	19,450,713	845,683	758,127
2011 Jan	106,171,081	5,308,554	15,954,856	797,743	614,805
2011 Feb	69,519,509	4,965,679	11,042,143	788,724	457,311
2011 Mar	98,670,216	4,290,009	18,615,713	809,379	700,194

Statistics of Bills Clearing & Settlement

Million NT

Item Year Month	Primary Market		Secondary Market				Total
	Underwriting/First	Redemption	Buy/Sell	Repo-Open	Repo-Close	Subtotal	
2010 Apr	468,467	474,296	951,838	1,926,886	1,983,014	4,861,738	5,804,501
2010 May	476,036	520,664	964,654	1,921,980	1,907,846	4,794,480	5,791,180
2010 Jun	522,464	508,509	989,770	1,904,380	1,853,692	4,747,842	5,778,815
2010 Jul	559,936	525,199	1,106,366	1,902,554	1,904,918	4,931,838	6,016,973
2010 Aug	529,039	543,655	1,161,154	1,857,040	1,940,272	4,958,466	6,031,160
2010 Sep	525,330	562,175	1,081,314	1,805,910	1,825,132	4,712,356	5,799,861
2010 Oct	524,122	527,443	1,055,874	1,816,914	1,765,198	4,637,986	5,689,551
2010 Nov	587,441	531,506	1,192,010	1,922,310	1,906,852	5,021,172	6,140,119
2010 Dec	563,710	608,689	1,148,540	2,136,232	2,125,710	5,410,482	6,582,881
2011 Jan	654,917	584,671	1,313,184	2,180,232	2,241,740	5,735,156	6,974,744
2011 Feb	462,315	458,141	893,160	1,480,340	1,444,320	3,817,820	4,738,276
2011 Mar	576,458	596,924	1,210,950	2,167,170	2,115,726	5,493,846	6,667,228

Par Value of Bills and Bonds Under Central Depository

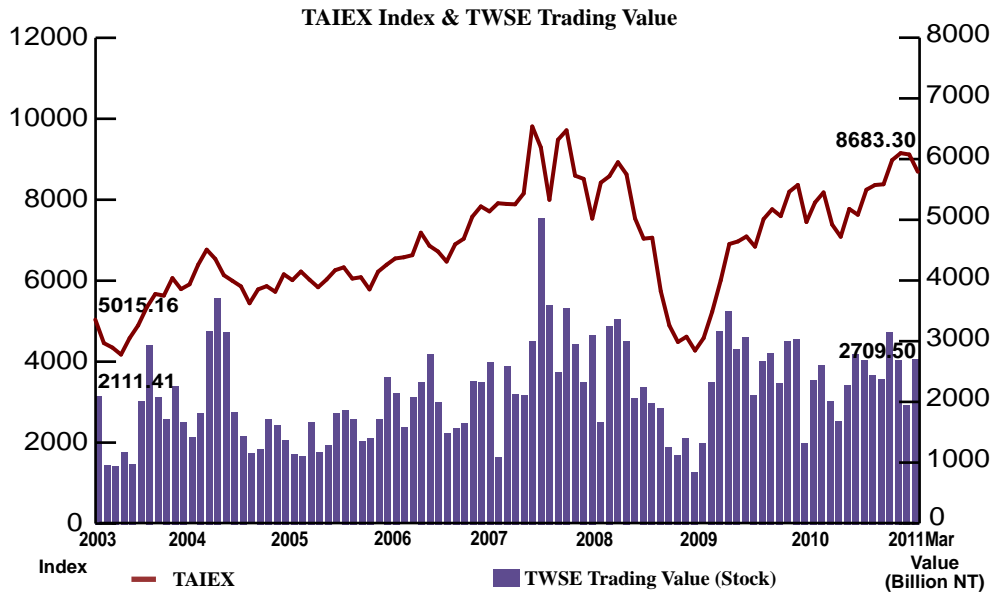
Million NT

Item Year Month	Bonds	Commercial Paper I	Commercial Paper II	Negotiable Certificate of Deposit	Bank Acceptance	Asset Backed Commercial Paper	Total
2010 Apr	1,742,552	149	756,564	8,964	155	32,293	2,540,677
2010 May	1,770,775	146	697,333	24,077	142	31,798	2,524,271
2010 Jun	1,841,777	166	702,585	34,898	116	29,682	2,609,224
2010 Jul	1,878,534	152	748,523	23,545	286	29,682	2,680,722
2010 Aug	1,906,871	153	730,056	27,955	242	29,164	2,694,441
2010 Sep	1,933,572	153	700,574	20,501	322	29,171	2,684,293
2010 Oct	1,944,790	160	690,372	27,007	278	29,584	2,684,293
2010 Nov	1,974,176	142	740,401	33,972	207	28,616	2,777,514
2010 Dec	2,042,469	189	686,053	42,623	218	29,273	2,800,825
2011 Jan	2,043,901	165	756,807	42,821	88	28,721	2,872,503
2011 Feb	2,035,839	151	761,234	43,690	195	27,508	2,868,617
2011 Mar	2,078,889	161	743,618	41,237	74	27,220	2,891,199

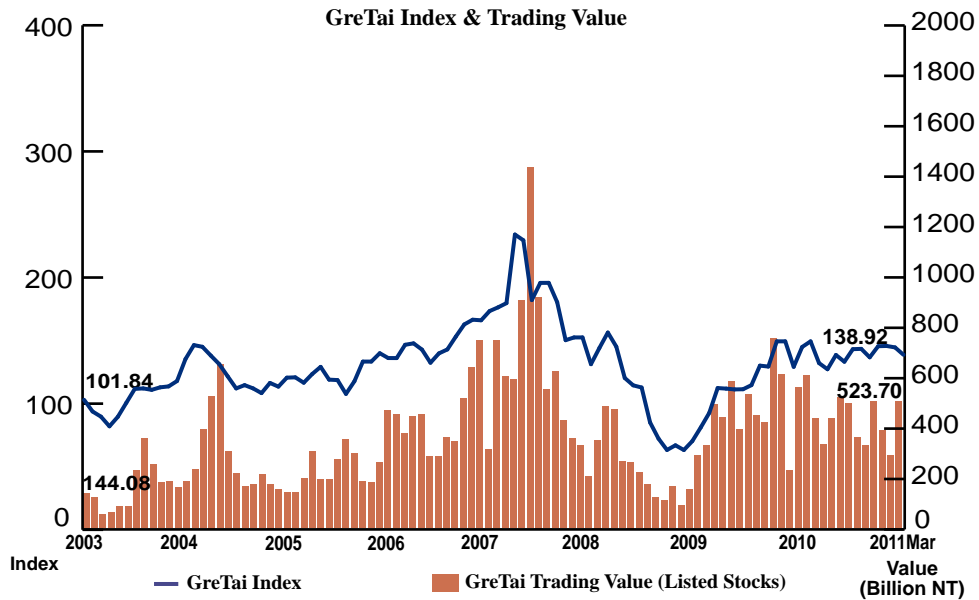
Note: Starting July 2008, the value of bonds are changed from par value to principal balance.

Statistics of Listed Companies

Item Year Month	TWSE				GreTai			
	NO.	Capital Issued (Billion NT)	Par Value (Billion NT)	Market Value (Billion NT)	NO.	Capital Issued (Billion NT)	Par Value (Billion NT)	Market Value (Billion NT)
2010 Apr	740	5,834.59	5,748.08	20,646.71	550	878.32	731.50	1,941.21
2010 May	741	5,840.95	5,754.49	19,051.87	553	789.79	734.47	1,759.87
2010 Jun	741	5,817.99	5,731.01	18,918.90	556	795.97	736.31	1,760.82
2010 Jul	743	5,837.90	5,730.82	20,071.12	557	802.72	738.11	1,874.17
2010 Aug	744	5,868.90	5,667.33	19,764.05	556	784.09	720.79	1,738.01
2010 Sep	744	5,882.81	5,727.29	21,399.71	559	754.94	694.62	1,953.14
2010 Oct	743	5,889.18	5,769.81	21,655.03	561	712.16	656.16	1,889.75
2010 Nov	747	5,912.19	5,782.34	22,031.39	563	708.28	657.39	1,882.31
2010 Dec	758	5,927.94	5,811.28	23,811.41	564	705.99	656.00	1,984.63
2011 Jan	759	5,913.79	5,797.12	24,235.32	571	709.12	657.00	2,032.75
2011 Feb	759	5,915.50	5,798.49	22,826.28	573	708.39	657.00	1,969.83
2011 Mar	761	5,917.50	5,801.02	23,066.60	578	713.47	659.00	1,954.17



Taifex Futures Index: 8642



The Shares and Market Capitalization under TDCC Custody (Million Shares/ Billion NT)

Item Year Month	Physical securities under custody		Dematerialized securities under custody			Total	
	Shares	Market Capitalization	Shares(A)	Ratio (A/B)%	Market Capitalization	Shares(B)	Market Capitalization
2010 Apr	371,344	10,651.73	532,565	54.65	13,903.01	903,909	24,554.74
2010 May	352,177	9,560.14	559,122	56.94	13,152.93	911,299	22,713.07
2010 Jun	330,073	9,294.79	584,317	59.37	13,464.88	914,390	22,759.67
2010 Jul	266,232	6,941.47	650,868	65.95	17,112.69	917,101	24,054.17
2010 Aug	234,648	5,923.28	684,121	69.21	17,548.17	918,769	23,471.46
2010 Sep	175,638	4,395.71	751,683	75.41	21,123.93	927,321	25,519.64
2010 Oct	130,256	3,206.01	809,001	80.21	23,007.75	939,258	26,213.76
2010 Nov	91,643	2,072.90	853,951	84.14	24,633.28	945,594	26,706.19
2010 Dec	69,327	1,354.94	885,266	86.50	27,517.07	954,594	28,872.01
2011 Jan	63,276	1,060.79	902,311	87.19	28,507.33	965,587	29,568.12
2011 Feb	62,800	1,046.21	906,269	87.28	27,028.97	969,070	28,075.18
2011 Mar	48,771	612.86	930,307	88.73	27,680.15	979,079	28,293.01