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On 5 November, TDCC held a launching ceremony for the announcement of providing automated fund order routing services for offshore fund distributors through the linkage with BBH, Calastone, and Euroclear.



Dr. Tran Dac Sinh, Chairman of Hochiminh Stock Exchange, led delegates to visit TDCC on 17 October 2012.

A New Milestone in Fund Services

TDCC Cooperates With Leading International Service Providers to Offer Automated Fund Information Transmission Service

On 5 October 2012, Taiwan Depository & Clearing Corporation (TDCC) signed agreements with three international information transmission service providers, BBH, Calastone, and Euroclear, to provide automated fund order routing services for fund distributors, marking a great stride forward for the automation of Taiwan's fund industry. On 5 November, TDCC held a launching ceremony for the new service, and announced that fund industry enterprises in Taiwan can now utilize TDCC platform to enjoy standardized, automated transmission of transaction information for both onshore and offshore funds. Among those in attendance to witness this historic moment were Securities and Futures Bureau (SFB) Director-General Tien-Mu Huang, Bankers Association of the ROC Chairman Teng-Cheng Liu, Taiwan Securities Association Chairman Min-Juh Hwang, and representatives of BBH, Calastone, and Euroclear.

At the launching ceremony, SFB Director-General Huang remarked that a raft of recent government measures, including the push for a "Taiwan-centric wealth management platform," are bound to enliven and diversify the development of the fund industry in the future. Against this backdrop, TDCC's efforts to advance basic

market infrastructure, such as fund data flow automation, have become all the more crucial. Director-General Huang voiced appreciation for the simultaneous launching in the Taiwan market of a one-stop service window for both onshore and offshore funds, and hoped that the industry members present would avail themselves of the service at the earliest opportunity, to enhance the operational efficiency and security of Taiwan's fund market.

At the launching ceremony, TDCC Chairman Kung-Wha Ding said that as the back office operations center for Taiwan's securities market, TDCC is charged with creating a safer, more efficient infrastructure for financial markets. Chairman Ding expressed confidence that the automated operations will significantly raise operational efficiency and lower operational costs in the fund industry. By preliminary estimates, the service will save nearly NT\$100 million in operational expenses in the overall Taiwan market yearly, not to mention millions of sheets of fax paper.

TDCC President Sherman Lin provided additional details of the new operations, noting that more than 80 percent of domestic fund issuers are already fully connected with TDCC. TDCC's cooperation with the three international fund

data service providers has brought Taiwan's fund operations into synch with international counterparts, establishing cross-border connectivity with 75 fund companies in Europe, Asia, and America, to meet enterprises' needs for access to international market channels.

A number of other leading industry figures also spoke at the launching ceremony, including Bankers Association of the ROC Chairman Teng-Cheng Liu, Taiwan Securities Association Chairman Min-Juh Hwang, Securities Investment Trust and Consulting Association Chairman Henry Lin, and Fidelity Investment Management (Hong Kong) Executive Director Janice Lin representing Asian Funds Automation Consortium (AFAC). The speakers noted that TDCC's new fund information transmission services are able to resolve complex many-to-many market operations, and achieve maximum efficiency through standardization. This model will serve as a best practice benchmark for other Asian markets that currently still rely primarily on manual operations. A number of the influential industry members present urged domestic banks, investment trust companies, and offshore fund companies to begin using the service as soon as possible, to hasten the arrival of a fully automated and standardized fund order routing system across the industry in Taiwan.

In Taiwan, banks are the primary distribution channel for funds at present. Each bank may process from 5,000 to 15,000 fund subscription and redemption transactions per month. Conventionally these operations have relied largely on manually operated connections, such as by fax machine, between

the banks and fund companies. A lack of uniform communication channels and instruction formats is inefficient and carries risks. Seeing that straight-through processing (STP) had long been adopted for fund transactions in the European and American markets, TDCC began planning an automated STP platform for successive application to onshore and offshore funds, to upgrade Taiwan's capital markets infrastructure and meet the demands of the industry for greater operational efficiency.

The automated fund order routing system for onshore funds completed by TDCC in 2010 has so far been adopted by 19 investment trust companies, and provides automated fund order transmission services for over 70 percent of the onshore fund market. For offshore funds, to satisfy the need for cross-border connectivity with 75 fund companies spread across Europe, Asia, and America, and meet the diverse needs of fund industry participants, TDCC has entered into cooperation with three internationally prominent fund data transmission service providers. Order information transmitted to TDCC by fund distributors can be transmitted directly to offshore fund companies through the channels established by TDCC with these service providers. This service ensures end-to-end secure transmission of fund transaction data and eliminates errors arising from manual data entry. It can be expected to greatly reduce operational costs as well as operational risks.

The key feature of this service is the use of uniform, standardized operations to thoroughly resolve the difficulties posed by complex many-to-many operations. To achieve the maximum benefit, it

requires across-the-board participation by fund distributors and fund companies. TDCC therefore has called on domestic distributors and fund companies to begin using the service as soon as possible, to collectively usher in the era of completely automated and standardized fund order routing in Taiwan.

Features of the Fund Services

1. Industry members enjoy a one-stop service window for automated order routing for both onshore and offshore funds.

2. The same routing specifications are used for onshore and offshore funds, and order routing and trade confirmation operations are automated.

3. Straight-through computer automated transmission of trade information is cost-saving, fast, and convenient.

4. Cooperation with international information transmission service providers offers complete cross-border connectivity with 75 fund companies in Europe, Asia, and America, fully meeting enterprises' needs for access to international market channels.

Advantages of Fund Automation

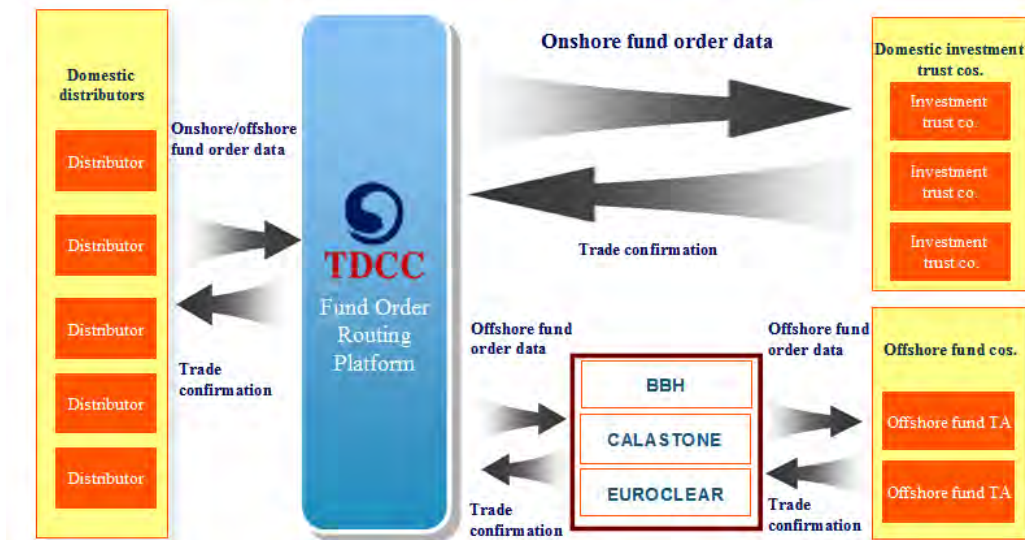
1. Users can choose from two available interfaces: Internet browser or automated transmission.

2. The service alleviates the risk from manual operations, greatly conserves operational cost, and raises operational efficiency.

3. Data transmission is encrypted from end to end, and a comprehensive backup mechanism is in place, ensuring data security and stability.

4. Transmissions are completely archived, and the transmission process is simple and easy to control.

TDCC Fund Information Transmission Service



TDCC Information Technology

Implementing the Disaster Recovery Automatic Switchover Mechanism

To maintain the normal operation of Taiwan's financial market, in 2005 our company developed Business Continuity Planning (BCP), to ensure continuity in business operations. The program comprises the company's main businesses, manpower and resources, as well as its processes, operations, etc. Our company conducts numerous disaster recovery switchover exercises to ensure the overall integrity and accessibility of the system.

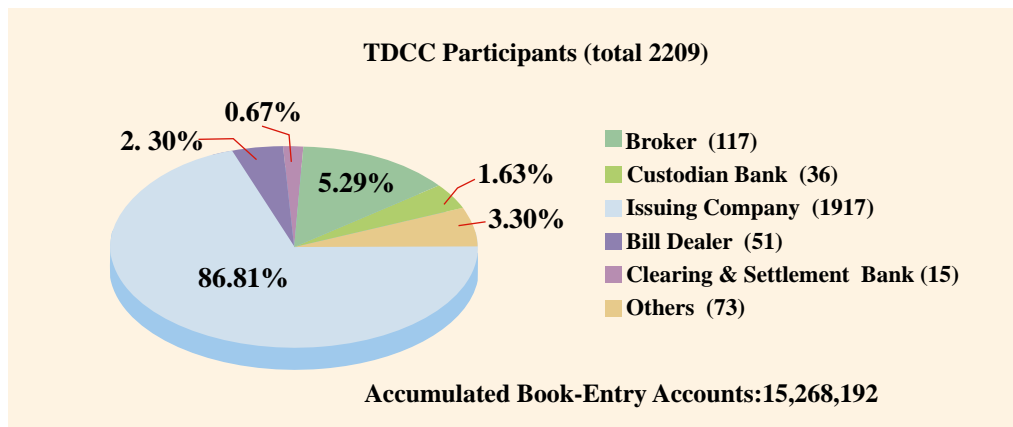
Though the present disaster recovery switchover operation satisfies the current operating standards and efficiency, our company is devoted to the pursuit of excellence, and thus continues to study and improve on the efficiency of the disaster recovery switchover, in order to speedily recover comprehensive market information

services, thus providing a higher level of information service.

The entire disaster recovery switchover operation comprises the network, servers, data, etc. At present, the procedure for the disaster recovery switchover relies on professional technical personnel manually executing and verifying each business information system based on the operation procedures, and they must coordinate with the information equipment (such as the timings for switching the network) to ensure the overall switching operation goes smoothly and accurately.

The above mentioned operation for the manual switching of business information systems individually by professional technical personnel is imperfect, as they are unable to carry out multiple switchings concurrently,

and their tasks have to be manually verified individually. Therefore, to simplify the overall operating procedure and reduce errors and risks due to human factors, we thus plan to introduce an automatic mechanism and implementation, with a modular operating procedure. The modular system would involve the readjustment and integration of the procedures and timings of the switchings, and would simplify the disaster recovery switchover process. Additionally, manual operations would be replaced with computerized operations, which would allow multiple concurrent disaster switchover operations. Computers will also replace manual verifications, which will greatly reduce the time required for operations and disaster switchovers.



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

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
2011 Dec	38,825	392.29	985,850	89.97	23,194.63	1,024,675	23,586.92
2012 Jan	38,796	391.98	982,031	89.94	24,658.70	1,020,828	25,050.69
2012 Feb	38,786	391.88	975,031	89.87	26,664.13	1,013,817	27,056.01
2012 Mar	38,740	391.42	974,286	89.87	26,083.38	1,013,026	26,474.81
2012 Apr	38,725	391.27	989,487	90.01	24,846.31	1,028,213	25,237.59
2012 May	38,715	391.17	996,836	90.08	24,282.82	1,035,551	24,673.99
2012 Jun	38,740	391.41	1,003,067	89.61	24,303.01	1,041,807	24,694.43
2012 Jul	38,773	391.74	1,012,227	89.73	24,132.19	1,051,000	24,532.94
2012 Aug	38,799	392.01	1,012,334	89.68	24,420.26	1,051,134	24,812.27
2012 Sep	38,503	389.04	1,009,822	89.68	25,486.02	1,048,325	25,875.07
2012 Oct	38,442	388.44	1,016,020	89.67	23,959.82	1,054,462	24,348.26
2012 Nov	37,704	381.06	1,005,878	89.63	25,296.19	1,043,582	25,677.26

Statistics of Listed Companies

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)
2011 Dec	790	6,152.38	6,026.77	19,216.18	607	731.91	682.42	1,417.08
2012 Jan	790	6,162.53	6,030.54	20,458.17	610	733.32	683.51	1,575.84
2012 Feb	790	6,169.47	6,036.28	22,116.16	610	732.59	682.76	1,788.41
2012 Mar	791	6,172.11	6,037.73	21,641.48	613	708.73	660.60	1,732.14
2012 Apr	794	6,174.46	6,047.50	20,480.20	615	710.34	662.20	1,651.82
2012 May	796	6,178.51	6,060.43	19,942.56	619	711.29	664.16	1,687.14
2012 Jun	797	6,217.27	6,097.15	19,981.11	622	710.77	670.21	1,675.48
2012 Jul	798	6,235.82	6,103.91	19,913.98	623	713.85	673.27	1,623.26
2012 Aug	799	6,331.25	6,125.87	20,352.73	622	721.05	675.79	1,674.92
2012 Sep	799	6,334.59	6,178.25	21,222.47	627	689.60	648.17	1,748.23
2012 Oct	802	6,345.17	6,216.05	19,768.50	627	689.33	650.80	1,558.93
2012 Nov	804	6,351.81	6,222.76	20,916.10	630	687.02	650.10	1,644.06

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	
2011 Dec	577,234	588,605	1,178,060	1,917,340	1,910,228	5,005,628	6,171,467
2012 Jan	464,951	428,616	939,774	1,552,912	1,552,962	4,045,648	4,939,215
2012 Feb	587,017	534,385	1,186,890	1,640,528	1,702,752	4,530,170	5,651,572
2012 Mar	628,952	603,462	1,208,098	1,921,848	1,865,828	4,995,774	6,228,188
2012 Apr	571,680	536,990	1,218,934	1,780,202	1,776,000	4,775,136	5,883,806
2012 May	640,827	584,464	1,286,396	1,843,578	1,860,624	4,990,598	6,215,889
2012 Jun	578,092	621,883	1,267,232	1,661,754	1,699,908	4,628,894	5,828,869
2012 Jul	613,151	567,494	1,180,386	1,831,054	1,750,818	4,762,258	5,942,903
2012 Aug	698,976	707,663	1,292,436	1,791,596	1,853,004	4,937,036	6,343,675
2012 Sep	658,351	633,386	1,273,672	1,453,332	1,512,086	4,239,090	5,530,827
2012 Oct	661,076	657,654	1,264,332	1,588,380	1,626,186	4,478,898	5,797,628
2012 Sep	730,543	704,156	1,309,946	1,669,696	1,639,478	4,619,120	6,053,819

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
2011 Dec	2,340,271	177	735,161	70,184	104	17,379	3,163,276
2012 Jan	2,370,107	185	776,381	65,304	88	17,379	3,229,444
2012 Feb	2,373,816	149	838,027	56,344	70	17,378	3,285,784
2012 Mar	2,394,663	153	869,559	50,038	330	17,378	3,332,121
2012 Apr	2,415,539	160	907,469	46,976	165	17,378	3,387,687
2012 May	2,436,039	180	967,554	43,292	103	17,379	3,464,547
2012 Jun	2,517,907	180	925,999	41,002	159	17,379	3,502,627
2012 Jul	2,533,155	167	966,347	46,447	35	17,379	3,563,531
2012 Aug	2,616,500	157	955,810	48,207	132	17,380	3,638,186
2012 Sep	2,671,800	156	987,937	40,987	193	17,380	3,718,453
2012 Oct	2,701,654	156	994,497	37,975	66	17,380	3,751,728
2012 Nov	2,727,736	144	1,017,539	41,334	64	17,381	3,804,198

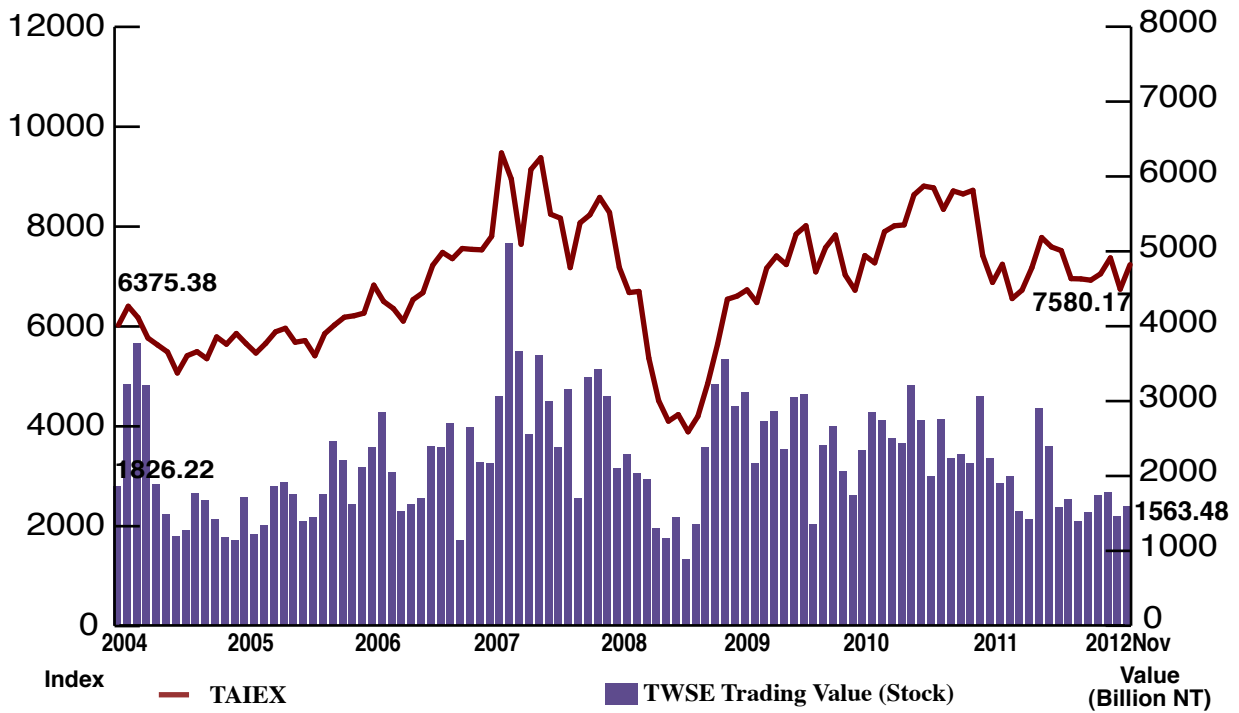
Note: Starting July 2008, the value of bonds are changed from par value to principal balance.

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
2011 Dec	61,014,126	2,773,369	8,085,420	367,519	345,322
2012 Jan	51,122,543	3,408,170	7,093,897	472,926	242,008
2012 Feb	100,034,924	5,001,746	16,039,538	801,977	508,678
2012 Mar	81,366,316	3,537,666	14,368,242	624,706	560,214
2012 Apr	56,828,319	2,841,416	9,630,313	481,516	428,207
2012 May	61,430,329	2,792,288	9,412,746	427,852	286,665
2012 Jun	51,506,865	2,452,708	7,857,373	374,161	295,487
2012 Jul	56,429,681	2,564,986	7,576,115	344,369	310,917
2012 Aug	64,027,804	2,910,355	9,899,614	449,982	516,982
2012 Sep	69,524,518	3,476,226	9,292,984	464,649	407,930
2012 Oct	58,222,902	2,646,496	8,803,852	400,175	467,756
2012 Nov	65,497,012	2,977,137	9,206,008	418,455	634,652

TAIEX Index & TWSE Trading Value



Taifex Futures Index: 7593

GreTai Index & Trading Value

