

**Taiwan Semiconductor Manufacturing
Company Limited**

**Financial Statements for the
Years Ended December 31, 2006 and 2005 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

We have audited the accompanying balance sheets of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2006 and 2005, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taiwan Semiconductor Manufacturing Company Limited as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting with respect to financial accounting standards, and accounting principles generally accepted in the Republic of China.

We have also audited, in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China, the consolidated financial statements of Taiwan Semiconductor Manufacturing Company Limited and subsidiaries as of and for the years ended December 31, 2006 and 2005, and have expressed an unqualified opinion on the consolidated financial statements.

January 11, 2007

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdiction. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited

BALANCE SHEETS

DECEMBER 31, 2006 AND 2005

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2006		2005		LIABILITIES AND SHAREHOLDERS' EQUITY	2006		2005	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 4)	\$ 100,139,709	17	\$ 85,383,583	17	Financial liabilities at fair value through profit or loss (Notes 2, 3 and 5)	\$ 10,751	-	\$ 234,279	-
Financial assets at fair value through profit or loss (Notes 2, 3 and 5)	44,601	-	1,380,905	1	Accounts payable	6,143,679	1	8,052,106	1
Available-for-sale financial assets (Notes 2, 3 and 6)	25,967,061	5	46,452,838	9	Payables to related parties (Note 23)	3,326,916	1	3,242,197	1
Held-to-maturity financial assets (Notes 2, 3 and 7)	8,510,823	2	602,509	-	Income tax payable (Notes 2 and 16)	7,850,418	1	3,815,888	1
Notes and accounts receivable	16,278,164	3	20,591,818	4	Accrued expenses and other current liabilities (Notes 3 and 14)	7,903,867	1	7,980,715	1
Receivables from related parties (Note 23)	16,869,509	3	21,050,604	4	Payables to contractors and equipment suppliers	10,669,523	2	8,859,230	2
Allowance for doubtful receivables (Note 2)	(690,931)	-	(976,344)	-	Current portion of bonds payable (Note 13)	7,000,000	1	-	-
Allowance for sales returns and others (Note 2)	(2,751,065)	-	(4,269,969)	(1)					
Other receivables from related parties (Note 23)	449,266	-	1,797,714	1	Total current liabilities	42,905,154	7	32,184,415	6
Other financial assets (Note 3)	653,460	-	1,106,030	-					
Inventories, net (Notes 2 and 8)	19,152,214	3	16,257,955	3	LONG-TERM LIABILITIES				
Deferred income taxes assets (Notes 2 and 16)	7,832,000	1	7,013,000	1	Bonds payable (Note 13)	12,500,000	2	19,500,000	4
Prepaid expenses and other current assets (Note 3)	1,221,199	-	1,171,773	-	Other long-term payables (Note 14)	1,271,896	-	1,511,100	-
					Other payables to related parties (Notes 23 and 25)	403,375	-	1,100,475	-
Total current assets	193,676,010	34	197,562,416	39	Total long-term liabilities	14,175,271	2	22,111,575	4
LONG-TERM INVESTMENTS (Notes 2, 3, 6, 7, 9 and 10)					OTHER LIABILITIES				
Investments accounted for using equity method	101,044,356	18	51,076,803	10	Accrued pension cost (Notes 2 and 15)	3,530,116	1	3,461,392	1
Available-for-sale financial assets	6,647,511	1	-	-	Guarantee deposits (Note 25)	3,809,961	1	2,892,945	1
Held-to-maturity financial assets	28,973,495	5	28,775,308	6	Deferred credits (Notes 2 and 23)	1,183,118	-	1,259,139	-
Financial assets carried at cost	712,843	-	807,490	-	Total other liabilities	8,523,195	2	7,613,476	2
Total long-term investments	137,378,205	24	80,659,601	16	Total liabilities	65,603,620	11	61,909,466	12
PROPERTY, PLANT AND EQUIPMENT (Notes 2, 11 and 23)					CAPITAL STOCK - NT\$10 PAR VALUE				
Cost					Authorized: 27,050,000 thousand shares				
Buildings	96,961,851	17	90,769,622	18	Issued: 25,829,688 thousand shares in 2006	258,296,879	45	247,300,246	49
Machinery and equipment	527,850,728	92	459,850,773	91	24,730,025 thousand shares in 2005				
Office equipment	8,659,225	2	7,850,035	1	CAPITAL SURPLUS (Notes 2 and 18)	54,107,498	10	57,117,886	11
	633,471,804	111	558,470,430	110	RETAINED EARNINGS (Note 18)				
Accumulated depreciation	(417,467,250)	(73)	(359,191,829)	(71)	Appropriated as legal capital reserve	43,705,711	8	34,348,208	7
Advance payments and construction in progress	12,230,805	2	14,867,032	3	Appropriated as special capital reserve	640,742	-	2,226,427	-
Net property, plant and equipment	228,235,359	40	214,145,633	42	Unappropriated earnings	152,778,079	26	106,196,399	21
GOODWILL (Note 2)	1,567,756	-	1,567,756	-	Total retained earnings	197,124,532	34	142,771,034	28
OTHER ASSETS					OTHERS (Notes 2, 3 and 22)				
Deferred income tax assets (Notes 2 and 16)	5,761,127	1	6,759,955	2	Cumulative translation adjustments	(1,191,165)	-	(640,742)	-
Deferred charges, net (Notes 2 and 12)	5,593,068	1	6,681,144	1	Unrealized gains on financial instruments	561,615	-	-	-
Refundable deposits	1,306,234	-	83,642	-	Total others	(629,550)	-	(640,742)	-
Assets leased to others, net (Note 2)	67,145	-	72,879	-	TREASURY STOCK (AT COST, Notes 2 and 20)				
Others	-	-	6,789	-	33,926 thousand shares in 2006 and 32,938 thousand shares in 2005	(918,075)	-	(918,075)	-
Total other assets	12,727,574	2	13,604,409	3	Total shareholders' equity	507,981,284	89	445,630,349	88
TOTAL	<u>\$ 573,584,904</u>	<u>100</u>	<u>\$ 507,539,815</u>	<u>100</u>	TOTAL	<u>\$ 573,584,904</u>	<u>100</u>	<u>\$ 507,539,815</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

Taiwan Semiconductor Manufacturing Company Limited

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2006		2005	
	Amount	%	Amount	%
GROSS SALES (Notes 2 and 23)	\$ 319,210,148		\$ 270,315,064	
SALES RETURNS AND ALLOWANCES (Note 2)	<u>5,328,513</u>		<u>5,726,700</u>	
NET SALES	313,881,635	100	264,588,364	100
COST OF SALES (Notes 17 and 23)	<u>164,163,235</u>	<u>52</u>	<u>149,344,315</u>	<u>56</u>
GROSS PROFIT	<u>149,718,400</u>	<u>48</u>	<u>115,244,049</u>	<u>44</u>
OPERATING EXPENSES (Notes 17 and 23)				
Research and development	14,601,385	5	13,395,801	5
General and administrative	7,190,422	2	7,485,011	3
Marketing	<u>1,626,734</u>	<u>1</u>	<u>1,349,413</u>	<u>1</u>
Total operating expenses	<u>23,418,541</u>	<u>8</u>	<u>22,230,225</u>	<u>9</u>
INCOME FROM OPERATIONS	<u>126,299,859</u>	<u>40</u>	<u>93,013,824</u>	<u>35</u>
NON-OPERATING INCOME AND GAINS				
Equity in earnings of equity method investees, net (Notes 2 and 9)	5,526,727	2	-	-
Interest income (Notes 2 and 3)	3,382,868	1	2,506,769	1
Settlement income (Note 25)	967,506	1	950,046	-
Technical service income (Notes 23 and 25)	670,297	-	491,267	-
Gain on disposal of property, plant and equipment and other assets (Notes 2 and 23)	596,459	-	494,374	-
Valuation gain on financial instruments, net (Notes 2, 3, 5 and 22)	33,850	-	-	-
Foreign exchange gain, net (Notes 2 and 3)	-	-	2,572,560	1
Others (Note 23)	<u>419,020</u>	<u>-</u>	<u>366,344</u>	<u>-</u>
Total non-operating income and gains	<u>11,596,727</u>	<u>4</u>	<u>7,381,360</u>	<u>2</u>
NON-OPERATING EXPENSES AND LOSSES				
Loss on settlement and disposal of financial instruments, net (Notes 2, 3 and 5)	1,623,882	1	3,742,312	2
Interest expense (Note 3)	661,200	-	1,180,484	-
Foreign exchange loss, net (Note 2)	412,726	-	-	-
Loss on disposal of property, plant and equipment (Note 2)	240,985	-	59,992	-
Equity in losses of equity method investees, net (Notes 2 and 9)	-	-	1,052,045	-

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2006		2005	
	Amount	%	Amount	%
Valuation loss on financial instruments, net (Notes 2, 3, 5 and 22)	\$ -	-	\$ 337,160	-
Others	<u>151,294</u>	-	<u>203,768</u>	-
Total non-operating expenses and losses	<u>3,090,087</u>	<u>1</u>	<u>6,575,761</u>	<u>2</u>
INCOME BEFORE INCOME TAX	134,806,499	43	93,819,423	35
INCOME TAX EXPENSE (Notes 2 and 16)	<u>(7,550,582)</u>	<u>(2)</u>	<u>(244,388)</u>	<u>-</u>
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	127,255,917	41	93,575,035	35
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES, NET OF TAX BENEFIT OF NT\$82,062 THOUSAND (Note 3)	<u>(246,186)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 127,009,731</u>	<u>41</u>	<u>\$ 93,575,035</u>	<u>35</u>
	2006		2005	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (NT\$, Note 21)				
Basic earnings per share	<u>\$ 5.21</u>	<u>\$ 4.93</u>	<u>\$ 3.64</u>	<u>\$ 3.63</u>
Diluted earnings per share	<u>\$ 5.21</u>	<u>\$ 4.92</u>	<u>\$ 3.64</u>	<u>\$ 3.63</u>

Certain pro forma information (after income tax) is shown as follows, based on the assumption that the Company's stock held by subsidiaries is treated as an investment instead of treasury stock (Notes 2 and 20):

	2006	2005
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	<u>\$ 127,338,237</u>	<u>\$ 93,881,698</u>
NET INCOME	<u>\$ 127,092,051</u>	<u>\$ 93,881,698</u>
EARNINGS PER SHARE (NT\$)		
Basic earnings per share	<u>\$ 4.92</u>	<u>\$ 3.64</u>
Diluted earnings per share	<u>\$ 4.92</u>	<u>\$ 3.64</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock		Capital Surplus	Retained Earnings				Others			Treasury Stock	Total Shareholders' Equity
	Shares (in Thousands)	Amount		Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Cumulative Translation Adjustments	Unrealized Gain on Financial Instruments	Total		
BALANCE, JANUARY 1, 2005	23,251,964	\$ 232,519,637	\$ 56,537,259	\$ 25,528,007	\$ -	\$ 88,202,009	\$ 113,730,016	\$ (2,226,427)	\$ -	\$ (2,226,427)	\$ (1,595,186)	\$ 398,965,299
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	8,820,201	-	(8,820,201)	-	-	-	-	-	-
Special capital reserve	-	-	-	-	2,226,427	(2,226,427)	-	-	-	-	-	-
Employees' profit sharing - in cash	-	-	-	-	-	(3,086,215)	(3,086,215)	-	-	-	-	(3,086,215)
Employees' profit sharing - in stock	308,622	3,086,215	-	-	-	(3,086,215)	(3,086,215)	-	-	-	-	-
Cash dividends to shareholders - NT\$2.00 per share	-	-	-	-	-	(46,504,097)	(46,504,097)	-	-	-	-	(46,504,097)
Stock dividends to shareholders - NT\$0.50 per share	1,162,602	11,626,024	-	-	-	(11,626,024)	(11,626,024)	-	-	-	-	-
Bonus to directors and supervisors	-	-	-	-	-	(231,466)	(231,466)	-	-	-	-	(231,466)
Net income in 2005	-	-	-	-	-	93,575,035	93,575,035	-	-	-	-	93,575,035
Adjustment arising from changes in percentage of ownership in investees	-	-	71,405	-	-	-	-	-	-	-	-	71,405
Translation adjustments	-	-	-	-	-	-	-	1,585,685	-	1,585,685	-	1,585,685
Issuance of stock from exercising stock options	6,837	68,370	202,559	-	-	-	-	-	-	-	-	270,929
Cash dividends received by subsidiaries from the Company	-	-	84,285	-	-	-	-	-	-	-	-	84,285
Treasury stock transactions - sales of the Company's stock held by subsidiaries	-	-	222,378	-	-	-	-	-	-	-	677,111	899,489
BALANCE, DECEMBER 31, 2005	24,730,025	247,300,246	57,117,886	34,348,208	2,226,427	106,196,399	142,771,034	(640,742)	-	(640,742)	(918,075)	445,630,349
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	9,357,503	-	(9,357,503)	-	-	-	-	-	-
Special capital reserve	-	-	-	-	(1,585,685)	1,585,685	-	-	-	-	-	-
Employees' profit sharing - in cash	-	-	-	-	-	(3,432,129)	(3,432,129)	-	-	-	-	(3,432,129)
Employees' profit sharing - in stock	343,213	3,432,129	-	-	-	(3,432,129)	(3,432,129)	-	-	-	-	-
Cash dividends to shareholders - NT\$2.50 per share	-	-	-	-	-	(61,825,061)	(61,825,061)	-	-	-	-	(61,825,061)
Stock dividends to shareholders - NT\$0.15 per share	370,950	3,709,504	-	-	-	(3,709,504)	(3,709,504)	-	-	-	-	-
Bonus to directors and supervisors	-	-	-	-	-	(257,410)	(257,410)	-	-	-	-	(257,410)
Capital surplus transferred to capital stock	370,950	3,709,504	(3,709,504)	-	-	-	-	-	-	-	-	-
Net income in 2006	-	-	-	-	-	127,009,731	127,009,731	-	-	-	-	127,009,731
Adjustment arising from changes in percentage of ownership in investees	-	-	187,095	-	-	-	-	-	-	-	-	187,095
Translation adjustments	-	-	-	-	-	-	-	(550,423)	-	(550,423)	-	(550,423)
Issuance of stock from exercising stock options	14,550	145,496	429,701	-	-	-	-	-	-	-	-	575,197
Cash dividends received by subsidiaries from the Company	-	-	82,320	-	-	-	-	-	-	-	-	82,320
Valuation gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	242,248	242,248	-	242,248
Equity in the valuation gain on available-for-sale financial assets of equity method investees	-	-	-	-	-	-	-	-	319,367	319,367	-	319,367
BALANCE, DECEMBER 31, 2006	<u>25,829,688</u>	<u>\$ 258,296,879</u>	<u>\$ 54,107,498</u>	<u>\$ 43,705,711</u>	<u>\$ 640,742</u>	<u>\$ 152,778,079</u>	<u>\$ 197,124,532</u>	<u>\$ (1,191,165)</u>	<u>\$ 561,615</u>	<u>\$ (629,550)</u>	<u>\$ (918,075)</u>	<u>\$ 507,981,284</u>

The accompanying notes are an integral part of the financial statements.

Taiwan Semiconductor Manufacturing Company Limited

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (In Thousands of New Taiwan Dollars)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 127,009,731	\$ 93,575,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,699,455	67,991,423
Amortization of premium/discount of financial assets	2,399	120,872
Loss on disposal of available-for-sale financial assets, net	485	150,081
Equity in losses (earnings) of equity method investees, net	(5,526,727)	1,052,045
Dividends received from equity method investees	626,367	668,464
Gain on disposal of investments accounted for using equity method investees, net	(26,031)	(583)
Gain on disposal of financial assets carried at cost, net	(212)	(2,919)
Loss on impairment of financial assets carried at cost	36,608	-
Gain on disposal of property, plant and equipment and other assets, net	(355,474)	(434,382)
Deferred income taxes	179,828	(3,278,952)
Loss on idle assets	44,072	131,849
Donation of idle assets	-	7,207
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets and liabilities at fair value through profit or loss	1,112,776	10,739
Notes and accounts receivable	4,313,654	(5,264,937)
Receivables from related parties	4,181,095	(4,914,565)
Allowance for doubtful receivables	(285,413)	(4,117)
Allowance for sales returns and others	(1,518,904)	942,055
Other receivables from related parties	985,419	(1,243,126)
Other financial assets	(99,109)	64,288
Inventories	(2,894,259)	(2,086,010)
Prepaid expenses and other current assets	(49,426)	(84,341)
Increase (decrease) in:		
Accounts payable	(1,908,427)	1,563,489
Payables to related parties	(612,381)	(1,224,371)
Income tax payable	4,034,530	3,435,985
Accrued expenses and other current liabilities	157,262	(1,001,293)
Accrued pension cost	68,724	360,196
Deferred credits	(95,745)	95,744
Net cash provided by operating activities	<u>196,080,297</u>	<u>150,629,876</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale financial assets	(98,679,832)	(99,436,242)
Held-to-maturity financial assets	(18,554,027)	(14,199,142)
Financial assets carried at cost	(12,940)	(48,536)
Investments accounted for using equity method	(5,515,466)	(3,392,619)
Property, plant and equipment	(77,215,811)	(73,659,014)

(Continued)

Taiwan Semiconductor Manufacturing Company Limited

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (In Thousands of New Taiwan Dollars)

	2006	2005
Proceeds from disposal of:		
Available-for-sale financial assets	\$ 73,212,019	\$ 101,609,384
Financial assets carried at cost	71,191	16,599
Investments accounted for using equity method	37,946	65,076
Property, plant and equipment and other assets	1,277,729	2,087,236
Redemption of held-to-maturity financial assets upon maturity	10,410,000	14,595,394
Proceeds from return of capital by investee	162,354	-
Increase in deferred charges	(1,272,355)	(847,721)
Decrease (increase) in refundable deposits	<u>(1,222,592)</u>	<u>1,771</u>
Net cash used in investing activities	<u>(117,301,784)</u>	<u>(73,207,814)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid for common stock	(61,825,061)	(46,504,097)
Cash bonus paid to employees	(3,432,129)	(3,086,215)
Increase in guarantee deposits	917,016	2,480,552
Proceeds from exercise of employee stock options	575,197	270,929
Bonus to directors and supervisors	(257,410)	(231,466)
Repayment of long-term bonds payable	<u>-</u>	<u>(10,500,000)</u>
Net cash used in financing activities	<u>(64,022,387)</u>	<u>(57,570,297)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	14,756,126	19,851,765
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>85,383,583</u>	<u>65,531,818</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 100,139,709</u>	<u>\$ 85,383,583</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u>\$ 661,200</u>	<u>\$ 1,212,449</u>
Income tax paid	<u>\$ 3,189,528</u>	<u>\$ 87,351</u>
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition of property, plant, and equipment	\$ 79,026,104	\$ 51,363,935
Decrease (increase) in payables to contractors and equipment suppliers	<u>(1,810,293)</u>	<u>22,295,079</u>
Cash paid	<u>\$ 77,215,811</u>	<u>\$ 73,659,014</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of bonds payable	<u>\$ 7,000,000</u>	<u>\$ -</u>
Current portion of other payables to related parties (under payables to related parties)	<u>\$ 688,591</u>	<u>\$ 693,956</u>
Current portion of other long-term payable (under accrued expenses and other current liabilities)	<u>\$ 617,892</u>	<u>\$ 869,072</u>
Transfer of available-for-sale financial assets and other net assets to investments accounted for using equity method (Note 6)	<u>\$ 39,687,637</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

Taiwan Semiconductor Manufacturing Company Limited (the Company or TSMC), a Republic of China (R.O.C.) corporation, was incorporated as a venture among the Government of the R.O.C., acting through the Development Fund of the Executive Yuan; Philips Electronics N.V. and certain of its affiliates (Philips); and certain other private investors. On September 5, 1994, its shares were listed on the Taiwan Stock Exchange (TSE). On October 8, 1997, TSMC listed some of its shares of stock on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADSs).

The Company is engaged mainly in the manufacturing, selling, packaging, testing and computer-aided designing of integrated circuits and other semiconductor devices and the manufacturing of masks.

As of December 31, 2006 and 2005, the Company had 20,202 and 19,460 employees, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Guideline Governing Business Accounting, and accounting principles generally accepted in the R.O.C.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

Significant accounting policies are summarized as follows:

Use of Estimates

The preparation of financial statements in conformity with the aforementioned guidelines, law and principles requires management to make reasonable assumptions and estimates of matters that are inherently uncertain. The actual results may differ from management's estimates.

Classification of Current and Noncurrent Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the balance sheet date. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within one year from the balance sheet date. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalents

Repurchase agreements collateralized by government bonds and corporate notes acquired with maturities of less than three months from the date of purchase are classified as cash equivalents. The carrying amount approximates fair value.

Financial Assets/Liabilities at Fair Value Through Profit or Loss

Derivatives that do not meet the criteria for hedge accounting are initially recognized at fair value, with transaction costs expensed as incurred. The derivatives are remeasured at fair value subsequently with the changes in fair value recognized in earnings. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

Fair value is estimated using valuation techniques incorporating estimates and assumptions that are consistent with prevailing market conditions. When the fair value is positive, the derivative is recognized as a financial asset; when the fair value is negative, the derivative is recognized as a financial liability.

Available-for-sale Financial Assets

Investments designated as available-for-sale financial assets include debt securities and equity securities. Available-for-sale financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. Changes in fair value from subsequent remeasurement are reported as a separate component of shareholders' equity. The corresponding accumulated gains or losses are recognized in earnings when the financial asset is derecognized from the balance sheet. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

Except structured time deposits whose fair value is estimated using valuation techniques, fair values of open-end mutual funds and publicly traded stocks are determined using the net assets value and the closing-price at the end of the year, respectively. For debt securities, fair value is determined using the average of bid and asked prices at the end of the year.

Cash dividends are recognized as investment income upon resolution of shareholders of an investee but are accounted for as reductions to the original cost of investments if such dividends are declared on the earnings of the investees attributable to periods prior to the purchase of the investments. Stock dividends are recorded as an increase in the number of shares held and do not affect investment income. The cost per share is recalculated based on the new total number of shares. Any difference between the initial carrying amount of a debt security and the amount due at maturity is amortized using the effective interest method, with the amortization recognized in earnings.

If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases, for equity securities, the previously recognized impairment loss is reversed to the extent of the decrease and recorded as an adjustment to shareholders' equity; for debt securities, the amount of the decrease is recognized in earnings, provided that the decrease is clearly attributable to an event which occurred after the impairment loss was recognized.

Held-to-maturity Financial Assets

Debt securities for which the Company has a positive intention and ability to hold to maturity are categorized as held-to-maturity financial assets and are carried at amortized cost under the effective interest method. Those financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition. Gains or losses are recognized at the time of derecognition, impairment or amortization. A regular way purchase or sale of financial assets is accounted for using settlement date accounting.

If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease is clearly attributable to an event which occurred after the impairment loss was recognized, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a carrying amount that exceeds the amortized cost that would have been determined as if no impairment loss had been recognized.

Allowance for Doubtful Receivables

An allowance for doubtful receivables is provided based on a review of the collectibility of accounts receivable. The Company determines the amount of allowance for doubtful receivables by examining the aging analysis of outstanding accounts receivable and current trends in the credit quality of its customers as well as its internal credit policies.

Revenue Recognition and Allowance for Sales Returns and Others

The Company recognizes revenue when evidence of an arrangement exists, shipment is made, price is fixed or determinable, and collectibility is reasonably assured. Revenues from the design and manufacture of photo masks, which are used as manufacturing tools in the fabrication process, are recognized when the photo masks are qualified by customers. Provisions for estimated sales returns and others are generally recorded in the period the related revenue is recognized based on historical experience, management's judgment, and any known factors that would significantly affect the allowance.

Sales prices are determined using fair value taking into account related sales discounts agreed to by the Company and its customers. Sales agreements typically provide that payment is due 30 days from invoice date for a majority of the customers and 30 to 45 days after the end of the month in which sales occur for some customers. Since the receivables from sales are collectible within one year and such transactions are frequent, fair value of the receivables is equivalent to the nominal amount of the cash to be received.

Inventories

Inventories are stated at the lower of cost or market value. Inventories are recorded at standard cost and adjusted to the approximate weighted-average cost at the balance sheet date. Market value represents replacement cost for raw materials, supplies and spare parts and net realizable value for work in process and finished goods. The Company assesses the impact of changing technology on its inventories on hand and writes off inventories that are considered obsolete. Year-end inventories are evaluated for estimated excess quantities and obsolescence based on a demand forecast within a specific time horizon, which is generally 180 days or less. Estimated losses on scrap and slow-moving items are recognized and included in the allowance for losses.

Investments Accounted for Using Equity Method

Investments in companies wherein the Company exercises significant influence over the operating and financial policy decisions are accounted for using the equity method. The Company's share of the net income or net loss of an investee is recognized in the "equity in earnings/losses of equity method investees, net" account. Prior to January 1, 2006, the difference, if any, between the cost of investment and the Company's proportionate share of the investee's equity was amortized by the straight-line method over five years, with the amortization recorded in the "equity in earnings/losses of equity method investees, net" account. Effective January 1, 2006, pursuant to the revised Statement of Financial Accounting Standards No. 5, "Long-term Investments in Equity Securities" (SFAS No. 5), the cost of an investment shall be analyzed and the difference between the cost of investment and the fair value of identifiable net assets acquired, representing goodwill, shall not be amortized and instead shall be tested for impairment annually. The accounting treatment for the investment premiums acquired before January 1, 2006 is the same as that for goodwill which is no longer being amortized; while investment discounts continue to be amortized over the remaining periods. When an indication of impairment is identified, the carrying amount of the investment is reduced, with the related impairment loss recognized in earnings.

When the Company subscribes for additional investee's shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment in the investee differs from the amount of the Company's share of the investee's equity. The Company records such a difference as an adjustment to long-term investments with the corresponding amount charged or credited to capital surplus.

Gains or losses on sales from the Company to equity method investees are deferred in proportion to the Company's ownership percentage in the investees until such gains or losses are realized through transactions with third parties. The entire amount of the gains or losses on sales to investees over which the Company has a controlling interest is deferred until such gains or losses are realized through subsequent sales of the related products to third parties. Gains or losses on sales from equity method investees to the Company are deferred in proportion to the Company's ownership percentages in the investees until they are realized through transactions with third parties.

Gains or losses on sales between equity method investees are deferred in proportion to the Company's weighted-average ownership percentages in the investees that record such gains or losses until they are realized through transactions with third parties.

If an investee's functional currency is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

Financial Assets Carried at Cost

Investments in which the Company does not exercise significant influence and that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at their original cost, such as non-publicly traded stocks and mutual funds. The costs of mutual funds and non-publicly traded stocks are determined using the weighted-average method. If there is objective evidence which indicates that a financial asset is impaired, a loss is recognized. A subsequent reversal of such impairment loss is not allowed.

The accounting treatment for cash dividends and stock dividends arising from financial assets carried at cost is the same as that for cash and stock dividends arising from available-for-sale financial assets.

Property, Plant and Equipment and Assets Leased to Others

Property, plant, and equipment and assets leased to others are stated at cost less accumulated depreciation. When an indication of impairment is identified, any excess of the carrying amount of an asset over its recoverable amount is recognized as a loss. If the recoverable amount increases in a subsequent period, the amount previously recognized as impairment would be reversed and recognized as a gain. However, the adjusted amount may not exceed the carrying amount that would have been determined, net of depreciation, as if no impairment loss had been recognized. Significant additions, renewals and betterments incurred during the construction period are capitalized. Maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated service lives: buildings - 10 to 20 years; machinery and equipment - 5 years; and office equipment - 3 to 5 years.

Upon sale or disposal of property, plant and equipment, the related cost and accumulated depreciation are deducted from the corresponding accounts, with any gain or loss recorded as to non-operating gains or losses in the period of sale or disposal.

Goodwill

Goodwill represents the excess of the consideration paid for acquisition over the fair value of identifiable net assets acquired. Prior to January 1, 2006, goodwill was amortized using the straight-line method over the estimated life of 10 years. Effective January 1, 2006, pursuant to the newly revised SFAS No. 25, "Business Combinations - Accounting Treatment under Purchase Method" (SFAS No. 25), goodwill is no longer amortized and instead is tested for impairment annually. If an event occurs or circumstances change which indicated that the fair value of goodwill is more likely than not below its carrying amount, an impairment loss is recognized. A subsequent recovery in fair value of goodwill is not allowed.

Deferred Charges

Deferred charges consist of technology license fees, software and system design costs and other charges. The amounts are amortized over the following periods: Technology license fees - the shorter of the estimated life of the technology or the term of the technology transfer contract; software and system design costs and other charges - 3 years. When an indication of impairment is identified, any excess of the carrying amount of an asset over its recoverable amount is recognized as a loss. If the recoverable amount increases in a subsequent period, the previously recognized impairment loss would be reversed and recognized as a gain. However, the adjusted amount may not exceed the carrying amount that would have been determined, net of amortization, as if no impairment loss had been recognized.

Pension Costs

For employees under defined contribution pension plans, pension costs are recorded based on the actual contributions made to employees' individual pension accounts during their service periods. For employees under defined benefit pension plans, pension costs are recorded based on actuarial calculations.

Income Tax

The Company applies intra-period and inter-period allocations for its income tax, whereby (1) a portion of current income tax expense is allocated to the cumulative effect of changes in accounting principles; and (2) deferred income tax assets and liabilities are recognized for the tax effects of temporary differences and unused tax credits. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Any tax credits arising from purchases of machinery, equipment and technology, research and development expenditures, personnel training, and investments in important technology-based enterprises are recognized using the flow-through method.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Income tax on unappropriated earnings at a rate of 10% is expensed in the year of shareholder approval which is the year subsequent to the year the earnings are generated.

The R.O.C. government enacted the Alternative Minimum Tax Act (the AMT Act), which became effective on January 1, 2006. The alternative minimum tax (AMT) imposed under the AMT Act is a supplemental tax levied at a rate of 10% which is payable if the income tax payable determined pursuant to the Income Tax Law is below the minimum amount prescribed under the AMT Act. The taxable income for calculating the AMT includes most of the income that is exempted from income tax under various laws and statutes. The Company has considered the impact of the AMT Act in the determination of its tax liabilities.

Stock-based Compensation

Employee stock option plans that are amended or have options granted on or after January 1, 2004 are accounted for by the interpretations issued by the Accounting Research and Development Foundation. The Company adopted the intrinsic value method and any compensation cost determined using this method is recognized in earnings over the employee vesting period.

Treasury Stock

The Company's stock held by subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from the Company are recorded under capital surplus - treasury stock transactions.

Foreign-currency Transactions

Foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange gains or losses derived from foreign-currency transactions or monetary assets and liabilities denominated in foreign currencies are recognized in earnings. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are revalued at prevailing exchange rates with the resulting gains or losses recognized in earnings.

3. ACCOUNTING CHANGES

On January 1, 2006, the Company adopted the newly released Statements of Financial Accounting Standards No. 34, "Financial Instruments: Recognition and Measurement" (SFAS No. 34) and No. 36, "Financial Instruments: Disclosure and Presentation" and related revisions of previously released SFASs.

a. Effect of adopting the newly released SFASs and related revisions of previously released SFASs

The Company had categorized its financial assets and liabilities upon initial adoption of the newly released SFASs. The adjustments made to the carrying amounts of the financial instruments categorized as financial assets or financial liabilities at fair value through profit or loss were included in the cumulative effect of changes in accounting principles; the adjustments made to the carrying amounts of those categorized as available-for-sale financial assets were recognized as adjustments to shareholders' equity.

The effect of adopting the newly released SFASs is summarized as follows:

	Recognized as Cumulative Effect of Changes in Accounting Principles (Net of Tax)	Recognized as a Separate Component of Shareholders' Equity
Financial assets or liabilities at fair value through profit or loss	\$ (246,186)	\$ -
Available-for-sale financial assets	<u>-</u>	<u>-</u>
	<u>\$ (246,186)</u>	<u>\$ -</u>

The adoption of the newly released SFASs resulted in a increase in net income before cumulative effect of changes in accounting principles of NT\$280,036 thousand, a increase in net income of NT\$33,850 thousand, and a increase in basic earnings per share (after income tax) of NT\$0.001, for the year ended December 31, 2006.

Effective January 1, 2006, the Company adopted the newly revised SFAS No. 5 and SFAS No. 25, which prescribe that investment premiums, representing goodwill, be assessed for impairment at least on an annual basis instead of being amortized. Such a change in accounting principle did not have a material effect on the Company's financial statements as of and for the year ended December 31, 2006.

b. Reclassifications

Upon adoption of SFAS No. 34, certain accounts in the financial statements as of and for the year ended December 31, 2005 were reclassified to conform with the financial statements as of and for the year ended December 31, 2006. The previously issued financial statements as of and for the year ended December 31, 2005 need not be restated.

Certain accounting policies prior to the adoption of the newly released SFASs are summarized as follows:

1) Short-term investments

Short-term investments that were publicly-traded, easily converted to cash, and not acquired for the purpose of controlling the investees or establishing close business relationship with the investees were carried at the lower of cost or market value at the balance sheet date, with any temporary decline in value charged to current income. The market value of publicly-traded stocks was determined using the average-closing prices for the last month of the year.

2) Derivative financial instruments

The Company entered into forward exchange contracts to manage foreign exchange exposures on foreign-currency-denominated assets and liabilities. The contracts were recorded in New Taiwan dollars at the current rate of exchange at the contract date. The differences in the New Taiwan dollar amounts translated using the current rates and the amounts translated using the contracted forward rates were amortized over the terms of the forward contracts using the straight-line method. At the end of each year, the receivables or payables arising from forward contracts were restated using the prevailing exchange rates with the resulting differences credited or charged to income. In addition, the receivables and payables related to the same forward contracts were netted with the resulting amount presented as either an asset or a liability. Any resulting gain or loss upon settlement was credited or charged to income in the year of settlement.

The Company entered into cross currency swap contracts to manage currency exposures on foreign-currency-denominated assets and liabilities. The principal amount was recorded using the current rates of exchange at the contract date. The differences in the New Taiwan dollar amounts translated using the current rates and the amounts translated using the contracted rates were amortized over the terms of the contracts using the straight-line method. At the end of each year, the receivables or payables arising from cross-currency swap contracts were restated using prevailing exchange rate with the resulting differences credited or charged to income. In addition, the receivables and payables related to the contracts of the same counter party were netted with the resulting amount presented as either an asset or a liability. The difference in interest computed pursuant to the contracts on each settlement date or the balance sheet date was recorded as an adjustment to the interest income or expense associated with the hedged items. Any resulting gain or loss upon settlement was credited or charged to income in the year of settlement.

The Company entered into interest rate swap contracts to manage exposures to changes in interest rates on existing assets or liabilities. These transactions were accounted for on an accrual basis, in which the cash settlement receivable or payable was recorded as an adjustment to interest income or expense associated with the hedged items.

Certain accounts in the financial statements as of and for the year ended December 31, 2005 have been reclassified to conform to the classifications prescribed by the newly released SFASs. The reclassifications of the whole or a part of the account balances of certain accounts are summarized as follows:

	Before Reclassification	After Reclassification
<u>Balance sheet</u>		
Short-term investments, net	\$ 47,055,347	\$ -
Other financial assets	2,403,929	1,106,030
Prepaid expenses and other current assets	1,254,779	1,171,773
Long-term investments accounted for using cost method	807,490	-
Long-term bond investments	18,548,308	-
Other long-term investments	10,227,000	-
Accrued expenses and other current liabilities	(8,214,994)	(7,980,715)
Financial assets at fair value through profit or loss	-	1,380,905
Financial liabilities at fair value through profit or loss	-	(234,279)
Available-for-sale financial assets	-	46,452,838
Held-to-maturity financial assets	-	29,377,817
Financial assets carried at cost	-	807,490
	<u>\$ 72,081,859</u>	<u>\$ 72,081,859</u>
<u>Statement of income</u>		
Interest income	\$ 2,769,978	\$ 2,506,769
Foreign exchange gain (loss), net	(34,379)	2,572,560
Interest expense	(2,429,568)	(1,180,484)
Unrealized valuation loss on short-term investments	(337,160)	-
Loss on disposal of investments, net	(149,498)	-
Valuation loss on financial instruments, net	-	(337,160)
Loss on settlement and disposal of financial instruments, net	-	(3,742,312)
	<u>\$ (180,627)</u>	<u>\$ (180,627)</u>

4. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2006	2005
Cash and deposits in banks	\$ 68,898,115	\$ 37,007,192
Repurchase agreements collateralized by government bonds	31,241,594	47,963,226
Corporate notes	-	413,165
	<u>\$ 100,139,709</u>	<u>\$ 85,383,583</u>

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
<u>Derivatives - financial assets</u>		
Forward exchange contracts	\$ -	\$ 26,720
Cross currency swap contracts	<u>44,601</u>	<u>1,354,185</u>
	<u>\$ 44,601</u>	<u>\$ 1,380,905</u>
<u>Derivatives - financial liabilities</u>		
Cross currency swap contracts	<u>\$ 10,751</u>	<u>\$ 234,279</u>

The Company entered into derivative contracts during the years ended December 31, 2006 and 2005 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Company did not meet the criteria for hedge accounting prescribed by SFAS No. 34. Therefore, effective from January 1, 2006, the Company discontinued applying hedge accounting treatment for its derivative contracts.

Outstanding forward contracts as of December 31, 2005:

	Currency	Maturity Date	Contract Amount (in Thousands)
<u>December 31, 2005</u>			
Sell	US\$/NT\$	January 2006	US\$ 60,000

Outstanding cross currency swap contracts as of December 31, 2006 and 2005:

Maturity Date	Contract Amount (in Thousands)	Range of Interest Rates Paid	Range of Interest Rates Received
<u>December 31, 2006</u>			
January 2007 to February 2007	US\$ 820,000	3.19%-5.91%	0.90%-3.25%
<u>December 31, 2005</u>			
January 2006 to March 2006	US\$ 2,089,000	4.15%-4.54%	0.02%-2.12%

The Company did not enter into any interest rate swap contract during the year ended December 31, 2006. The Company rescinded all interest rate swap contracts in the first quarter of 2005 before their original maturities. The rescission loss of NT\$28,295 thousand has been reclassified and included in the "loss on settlement and disposal of financial instruments" account.

Net losses arising from derivative financial instruments for the year ended December 31, 2006 were NT\$1,615,796 thousand (including realized settlement losses of NT\$1,649,646 thousand and a valuation gain of NT\$33,850 thousand).

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2006	2005
Open-end mutual funds	\$ 25,967,061	\$ 6,198,982
Corporate bonds	4,150,202	11,853,044
Government bonds	1,998,067	1,776,279
Structured time deposits	499,242	-
Agency bonds	-	14,496,728
Corporate issued asset-backed securities	-	11,582,590
Corporate notes	-	263,249
Money market funds	-	260,686
Publicly-traded stocks	-	<u>21,280</u>
	<u>32,614,572</u>	<u>46,452,838</u>
Current portion	<u>(25,967,061)</u>	<u>(46,452,838)</u>
	<u>\$ 6,647,511</u>	<u>\$ -</u>

Starting from 2004, the Company entered into investment management agreements with three well-known financial institutions (fund managers) to manage its investment portfolios. In accordance with the investment guidelines and terms specified in these agreements, the securities invested by the fund managers cannot be below a pre-defined credit rating. Beginning from the third quarter of 2006, the Company transferred investment portfolios managed by the fund managers of US\$1,277,789 thousand to TSMC Global Ltd. (TSMC-Global), a subsidiary of TSMC. The transferred investment portfolios held by TSMC Global are still being managed by the same fund managers in accordance with the aforementioned investment guidelines and terms.

As of December 31, 2006, structured time deposits categorized as available-for-sale financial assets consisted of the following:

	Principal Amount	Carrying Amount	Range of Interest Rates	Maturity Date
<u>Step-up callable deposits</u>				
Domestic deposits	<u>\$ 500,000</u>	<u>\$ 499,242</u>	1.76%	March 2008

The interest rate of the step-up callable deposits was pre-determined by the Company and the banks.

7. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31	
	2006	2005
Corporate bonds	\$ 13,742,541	\$ 8,927,317
Structured time deposits	11,671,120	10,227,000
Government bonds	<u>12,070,657</u>	<u>10,223,500</u>
	37,484,318	29,377,817
Current portion	<u>(8,510,823)</u>	<u>(602,509)</u>
	<u>\$ 28,973,495</u>	<u>\$ 28,775,308</u>

Structured time deposits categorized as held-to-maturity financial assets consisted of the following:

	Principal Amount	Interest Receivable	Range of Interest Rates	Maturity Date
<u>December 31, 2006</u>				
Step-up callable deposits				
Domestic deposits	\$ 4,500,000	\$ 13,928	1.40%-1.83%	June 2007 to October 2008
Callable range accrual deposits				
Domestic deposits	3,911,520	4,808	(See below)	September 2009 to December 2009
Foreign deposits	<u>3,259,600</u>	<u>4,998</u>	(See below)	October 2009 to January 2010
	<u>\$ 11,671,120</u>	<u>\$ 23,734</u>		
<u>December 31, 2005</u>				
Step-up callable deposits				
Domestic deposits	\$ 3,000,000	\$ 8,145	1.40%-1.50%	June 2007 to October 2007
Callable range accrual deposits				
Domestic deposits	3,942,000	4,928	(See below)	September 2009 to December 2009
Foreign deposits	<u>3,285,000</u>	<u>5,023</u>	(See below)	October 2009 to January 2010
	<u>\$ 10,227,000</u>	<u>\$ 18,096</u>		

The amount of interest earned by the Company for the callable range accrual deposits is based on a pre-defined range as determined by the 3-month or 6-month LIBOR plus an agreed upon rate ranging between 2.10% and 3.45%. Based on the terms of the contracts, if the 3-month or 6-month LIBOR moves outside of the pre-defined range, the interest paid to the Company is at a fixed rate between zero and 1.5%. Under the terms of the contracts, the bank has the right to cancel the contracts prior to the maturity date.

As of December 31, 2006 and 2005, the principal of the deposits that resided in banks located in Hong Kong amounted to US\$80,000 thousand; those resided in banks located in Singapore amounted to US\$20,000 thousand.

8. INVENTORIES, NET

	December 31	
	2006	2005
Finished goods	\$ 4,754,342	\$ 2,768,575
Work in process	13,251,174	12,407,286
Raw materials	1,515,996	1,700,314
Supplies and spare parts	<u>421,648</u>	<u>786,772</u>
	19,943,160	17,662,947
Allowance for losses	<u>(790,946)</u>	<u>(1,404,992)</u>
	<u>\$ 19,152,214</u>	<u>\$ 16,257,955</u>

9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31			
	2006		2005	
	Carrying Amount	% of Owner- ship	Carrying Amount	% of Owner- ship
TSMC Global (Note 6)	\$ 42,496,592	100	\$ -	-
TSMC International Investment Ltd. (TSMC International)	26,593,749	100	23,912,812	100
TSMC (Shanghai) Company Limited (TSMC-Shanghai)	9,027,984	100	9,438,856	100
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	7,960,869	39	4,215,200	32
Vanguard International Semiconductor Corporation (VIS)	5,741,870	27	5,419,747	27
TSMC Partners, Ltd. (TSMC Partners)	4,433,819	100	4,091,166	100
TSMC North America (TSMC-North America)	2,014,990	100	1,790,186	100
Emerging Alliance Fund, L.P. (Emerging Alliance)	793,585	99	850,534	99
VentureTech Alliance Fund II, L.P. (VTAF II)	733,130	98	642,479	98
Global UniChip Corporation (GUC)	629,755	38	442,233	46
VentureTech Alliance Fund III, L.P. (VTAF III)	228,005	98	-	-
Chi Cherng Investment Co., Ltd. (Chi Cherng)	115,507	36	78,139	36
Hsin Ruey Investment Co., Ltd. (Hsin Ruey)	114,297	36	77,415	36
TSMC Japan K. K. (TSMC-Japan)	95,757	100	94,949	100
Taiwan Semiconductor Manufacturing Company Europe B.V. (TSMC-Europe)	49,741	100	23,087	100
Taiwan Semiconductor Manufacturing Company Korea (TSMC-Korea)	<u>14,706</u>	100	<u>-</u>	-
	<u>\$ 101,044,356</u>		<u>\$ 51,076,803</u>	

In November 2006, the Company acquired 81 thousand shares in SSMC from EDB Investments Pte Ltd. under a Shareholders Agreement. After the acquisition, the number of SSMC shares owned by the Company increased from 382 thousand to 463 thousand; the percentage of ownership increased from 32% to 39%.

For the years ended December 31, 2006 and 2005, net equity in earnings of NT\$5,526,727 thousand and net equity in losses of NT\$1,052,045 thousand were recognized, respectively. The carrying amounts of the investments accounted for using the equity method and the related equity in earnings or losses of equity method investees were determined based on the audited financial statements of the investees as of and for the same periods ended as the Company.

10. FINANCIAL ASSETS CARRIED AT COST

	December 31	
	2006	2005
Non-publicly traded stocks	\$ 364,913	\$ 472,500
Mutual funds	<u>347,930</u>	<u>334,990</u>
	<u>\$ 712,843</u>	<u>\$ 807,490</u>

11. PROPERTY, PLANT AND EQUIPMENT

Accumulated depreciation consisted of the following:

	<u>December 31</u>	
	2006	2005
Buildings	\$ 49,595,917	\$ 42,902,526
Machinery and equipment	361,401,800	310,626,317
Office equipment	<u>6,469,533</u>	<u>5,662,986</u>
	<u>\$ 417,467,250</u>	<u>\$ 359,191,829</u>

No interest was capitalized during the years ended December 31, 2006 and 2005.

12. DEFERRED CHARGES, NET

	<u>December 31</u>	
	2006	2005
Technology license fees	\$ 4,038,551	\$ 4,985,806
Software and system design costs	1,517,575	1,623,276
Others	<u>36,942</u>	<u>72,062</u>
	<u>\$ 5,593,068</u>	<u>\$ 6,681,144</u>

13. BONDS PAYABLE

	<u>December 31</u>	
	2006	2005
Domestic unsecured bonds:		
Issued in December 2000 and repayable in December 2005 and 2007 in two installments, 5.25% and 5.36% interest payable annually, respectively	\$ 4,500,000	\$ 4,500,000
Issued in January 2002 and repayable in January 2007, 2009 and 2012 in three installments, 2.60%, 2.75% and 3.00% interest payable annually, respectively	<u>15,000,000</u>	<u>15,000,000</u>
	19,500,000	19,500,000
Current portion	<u>(7,000,000)</u>	<u>-</u>
	<u>\$ 12,500,000</u>	<u>\$ 19,500,000</u>

As of December 31, 2006, future principal repayments for the Company's bonds were as follows:

Year of Repayment	Amount
2007	\$ 7,000,000
2009	8,000,000
2012	<u>4,500,000</u>
	<u>\$ 19,500,000</u>

14. OTHER LONG-TERM PAYABLES

Most of the payables resulted from license agreements for certain semiconductor-related patents. As of December 31, 2006, future payments for other long-term payables were as follows:

Year of Payment	Amount
2007	\$ 617,892
2008	337,043
2009	337,043
2010	337,043
2011	<u>260,767</u>
	1,889,788
Current portion (classified under accrued expenses and other current liabilities)	<u>(617,892)</u>
	<u>\$ 1,271,896</u>

15. PENSION PLANS

The Labor Pension Act (the Act) became effective on July 1, 2005. The employees who were subject to the Labor Standards Law prior to July 1, 2005 were allowed to choose to be subject to the pension mechanism under the Act with their seniority as of July 1, 2005 retained or continue to be subject to the pension mechanism under the Labor Standards Law. Employees who joined the Company after July 1, 2005 can only be subject to the pension mechanism under the Act.

The pension mechanism under the Act is deemed a defined contribution plan. Pursuant to the Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts starting from July 1, 2005, and recognized pension costs of NT\$618,975 thousand and NT\$261,096 thousand for the years ended December 31, 2006 and 2005, respectively.

The Company has a defined benefit plan under the Labor Standards Law that provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to a pension fund (the Fund), which is administered by the pension fund monitoring committee (the Committee) and deposited in the Committee's name in the Central Trust of China.

Pension information on the defined benefit plan is summarized as follows:

a. Components of net periodic pension cost for the year

	2006	2005
Service costs	\$ 178,432	\$ 468,044
Interest costs	163,740	163,294
Projected return on plan assets	(49,115)	(49,627)
Amortization	<u>12,339</u>	<u>8,300</u>
Net periodic pension costs	<u>\$ 305,396</u>	<u>\$ 590,011</u>

b. Reconciliation of funded status of the plan and accrued pension cost at December 31, 2006 and 2005

	2006	2005
Benefit obligation		
Vested benefit obligation	\$ 102,920	\$ 62,302
Nonvested benefit obligation	<u>3,873,239</u>	<u>3,356,213</u>
Accumulated benefit obligation	3,976,159	3,418,515
Additional benefits based on future salaries	<u>2,964,923</u>	<u>2,546,186</u>
Projected benefit obligation	6,941,082	5,964,701
Fair value of plan assets	<u>(1,945,572)</u>	<u>(1,681,365)</u>
Funded status	4,995,510	4,283,336
Unrecognized net transition obligation	(116,191)	(124,491)
Unrecognized net loss	<u>(1,349,203)</u>	<u>(697,453)</u>
 Accrued pension cost	 <u>\$ 3,530,116</u>	 <u>\$ 3,461,392</u>
 Vested benefits	 <u>\$ 106,645</u>	 <u>\$ 67,752</u>

c. Actuarial assumptions at December 31, 2006 and 2005

Discount rate used in determining present values	2.25%	2.75%
Future salary increase rate	3.00%	3.00%
Expected rate of return on plan assets	2.50%	2.75%

d. Contributions to the Fund for the year \$ 230,577 \$ 223,654

e. Payments from the Fund for the year \$ 10,823 \$ 8,419

16. INCOME TAX

a. A reconciliation of income tax expense based on "income before income tax" at statutory rate and income tax currently payable was as follows:

	Years Ended	
	December 31	
	2006	2005
Income tax expense based on "income before income tax" at statutory rate (25%)	\$ (33,701,625)	\$ (23,454,856)
Tax effect of the following:		
Tax-exempt income	12,274,041	12,243,435
Temporary and permanent differences	2,080,110	(860,918)
Cumulative effect of changes in accounting principles	82,062	-
Additional tax at 10% on unappropriated earnings	(1,156,130)	(1,489,709)
Income tax credits	<u>12,715,377</u>	<u>10,110,561</u>
 Income tax currently payable	 <u>\$ (7,706,165)</u>	 <u>\$ (3,451,487)</u>

b. Income tax expense consisted of the following:

	Years Ended December 31	
	2006	2005
Income tax currently payable	\$ (7,706,165)	\$ (3,451,487)
Other income tax adjustments	335,411	(71,853)
Net change in deferred income tax assets		
Investment tax credits	(3,908,879)	(2,018,813)
Temporary differences	1,522,734	1,768,265
Adjustment in valuation allowance	<u>2,206,317</u>	<u>3,529,500</u>
Income tax expense	<u>\$ (7,550,582)</u>	<u>\$ (244,388)</u>

c. Net deferred income tax assets consisted of the following:

	December 31	
	2006	2005
Current deferred income tax assets		
Investment tax credits	<u>\$ 7,832,000</u>	<u>\$ 7,013,000</u>
Noncurrent deferred income tax assets, net		
Investment tax credits	\$ 12,124,892	\$ 16,852,771
Temporary differences	840,464	(682,270)
Valuation allowance	<u>(7,204,229)</u>	<u>(9,410,546)</u>
	<u>\$ 5,761,127</u>	<u>\$ 6,759,955</u>

d. Integrated income tax information:

The balance of the imputation credit account as of December 31, 2006 and 2005 was NT\$ 828,612 thousand and NT\$20,087 thousand, respectively.

The estimated creditable ratio for distribution of earnings of 2006 and 2005 was 0.54% and 2.88%, respectively.

The imputation credit allocated to shareholders is based on its balance as of the date of dividend distribution. The estimated creditable ratio may change when the actual distribution of imputation credit is made.

e. All earnings generated prior to December 31, 1997 have been appropriated.

f. As of December 31, 2006, investment tax credits consisted of the following:

Regulation	Item	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 2,685,805	\$ -	2006
		4,113,439	-	2007
		6,802,469	3,955,466	2008
		6,030,309	6,030,309	2009
		<u>5,114,762</u>	<u>5,114,762</u>	2010
		<u>\$ 24,746,784</u>	<u>\$ 15,100,537</u>	
Statute for Upgrading Industries	Research and development expenditures	\$ 1,780,480	\$ -	2006
		1,245,142	-	2007
		1,627,095	1,627,095	2008
		1,534,230	1,534,230	2009
		<u>1,534,050</u>	<u>1,534,050</u>	2010
		<u>\$ 7,720,997</u>	<u>\$ 4,695,375</u>	
Statute for Upgrading Industries	Personnel training	\$ 27,311	\$ -	2006
		16,197	-	2007
		40,734	40,734	2008
		<u>40,442</u>	<u>40,442</u>	2009
		<u>\$ 124,684</u>	<u>\$ 81,176</u>	
Statute for Upgrading Industries	Investments in important technology-based enterprises	<u>\$ 79,804</u>	<u>\$ 79,804</u>	2010

g. The profits generated from the following expansion and construction projects are exempt from income tax:

	Tax-Exemption Period
Construction of Fab 8 - modules B	2002 to 2005
Expansion of Fab 2 - modules A and B, Fab 3, Fab 4, Fab 5 and Fab 6	2003 to 2006
Construction of Fab 12	2004 to 2007

h. The tax authorities have examined income tax returns of the Company through 2003.

17. LABOR COST, DEPRECIATION AND AMORTIZATION

	<u>Year Ended December 31, 2006</u>		
	<u>Classified as Cost of Sales</u>	<u>Classified as Operating Expenses</u>	<u>Total</u>
Labor cost			
Salary	\$ 9,877,603	\$ 4,172,915	\$ 14,050,518
Labor and health insurance	686,125	352,085	1,038,210
Pension	610,873	313,416	924,289
Meal	449,505	159,302	608,807
Welfare	184,560	99,323	283,883
Others	<u>225,615</u>	<u>19,784</u>	<u>245,399</u>
	<u>\$ 12,034,281</u>	<u>\$ 5,116,825</u>	<u>\$ 17,151,106</u>
Depreciation	<u>\$ 61,028,727</u>	<u>\$ 3,296,764</u>	<u>\$ 64,325,491</u>
Amortization	<u>\$ 1,430,069</u>	<u>\$ 918,011</u>	<u>\$ 2,348,080</u>
	<u>Year Ended December 31, 2005</u>		
	<u>Classified as Cost of Sales</u>	<u>Classified as Operating Expenses</u>	<u>Total</u>
Labor cost			
Salary	\$ 9,160,576	\$ 3,682,390	\$ 12,842,966
Labor and health insurance	625,744	297,483	923,227
Pension	576,776	274,280	851,056
Meal	429,307	141,259	570,566
Welfare	167,218	95,208	262,426
Others	<u>159,724</u>	<u>44,783</u>	<u>204,507</u>
	<u>\$ 11,119,345</u>	<u>\$ 4,535,403</u>	<u>\$ 15,654,748</u>
Depreciation	<u>\$ 61,576,001</u>	<u>\$ 3,031,796</u>	<u>\$ 64,607,797</u>
Amortization	<u>\$ 1,763,527</u>	<u>\$ 1,603,496</u>	<u>\$ 3,367,023</u>

18. SHAREHOLDERS' EQUITY

As of December 31, 2006, 889,740 thousand ADSs of the Company were traded on the NYSE. The number of common shares represented by the ADSs is 4,448,702 thousand (one ADS represents five common shares).

Capital surplus can only be used to offset a deficit under the Company Law. However, the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers, convertible bonds and the surplus from treasury stock transactions) may be appropriated as stock dividends, which are limited to a certain percentage of the Company's paid-in capital.

Capital surplus consisted of the following:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
From merger	\$ 24,003,546	\$ 24,003,546
Additional paid-in capital	19,974,431	23,254,234
From convertible bonds	9,360,424	9,360,424
From treasury stock transactions	389,188	306,868
From long-term investments	379,854	192,759
Donations	<u>55</u>	<u>55</u>
	<u>\$ 54,107,498</u>	<u>\$ 57,117,886</u>

The Company's Articles of Incorporation as revised on May 10, 2005 provide that, when allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and then set aside the following items accordingly:

- a. Legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the Company's paid-in capital;
- b. Special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge;
- c. Bonus to directors and supervisors and bonus to employees of the Company of not more than 0.3% and not less than 1% of the remainder, respectively. Directors who also serve as executive officers of the Company are not entitled to receive the bonus to directors and supervisors. The Company may issue stock bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors or, by the person duly authorized by the Board of Directors;
- d. Any balance left over shall be allocated according to the resolution of the shareholders' meeting.

The Company's Articles of Incorporation also provide that profits of the Company may be distributed by way of cash dividend and/or stock dividend. However, distribution of profits shall be made preferably by way of cash dividend. Distribution of profits may also be made by way of stock dividend; provided that the ratio for stock dividend shall not exceed 50% of the total distribution.

Any appropriations of the profits are recorded in the year of shareholder approval and given effect to in the financial statements of that year.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends and bonuses for the portion in excess of 50% of the paid-in capital if the Company has no unappropriated earnings and the reserve balance has exceeded 50% of the Company's paid-in capital. The Company Law also prescribes that, when the reserve has reached 50% of the Company's paid-in capital, up to 50% of the reserve may be transferred to capital.

A special capital reserve equivalent to the net debit balance of the other components of shareholders' equity (for example, cumulative translation adjustments and unrealized loss on financial assets, but excluding treasury stock) shall be made from unappropriated earnings pursuant to existing regulations promulgated by the Securities and Futures Bureau (SFB). Any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings for 2005 and 2004 had been approved in the shareholders' meetings held on May 16, 2006 and May 10, 2005, respectively. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share</u> (NT\$)	
	<u>For Fiscal</u> <u>Year 2005</u>	<u>For Fiscal</u> <u>Year 2004</u>	<u>For Fiscal</u> <u>Year 2005</u>	<u>For Fiscal</u> <u>Year 2004</u>
Legal capital reserve	\$ 9,357,503	\$ 8,820,201		
Special capital reserve	(1,585,685)	2,226,427		
Employees' profit sharing - in cash	3,432,129	3,086,215		
Employees' profit sharing - in stock	3,432,129	3,086,215		
Cash dividends to shareholders	61,825,061	46,504,097	\$ 2.50	\$ 2.00
Stock dividends to shareholders	3,709,504	11,626,024	0.15	0.50
Bonus to directors and supervisors	<u>257,410</u>	<u>231,466</u>		
	<u>\$ 80,428,051</u>	<u>\$ 75,580,645</u>		

The shareholders' meeting held on May 16, 2006 also resolved to distribute stock dividends out of capital surplus in the amount of NT\$3,709,504 thousand.

The amounts of the above appropriations of earnings for 2005 and 2004 are consistent with the resolutions of the meetings of the Board of Directors held on February 14, 2006 and February 22, 2005, respectively. If the above bonus to employees, directors and supervisors had been paid entirely in cash and charged to earnings of 2005 and 2004, the basic earnings per share (after income tax) for the years ended December 31, 2005 and 2004 shown in the respective financial statements would have decreased from NT\$3.79 to NT\$3.50 and NT\$3.97 to NT\$3.70, respectively.

The shares distributed as a bonus to employees represented 1.39% and 1.33% of the Company's total outstanding common shares as of December 31, 2005 and 2004, respectively.

As of January 11, 2007, the Board of Directors had not resolved the appropriation for earnings of 2006.

The above information about the appropriations of bonus to employees, directors and supervisors is available at the Market Observation Post System website.

Under the Integrated Income Tax System that became effective on January 1, 1998, R.O.C. resident shareholders are allowed a tax credit for their proportionate share of the income tax paid by the Company on earnings generated since January 1, 1998.

19. STOCK-BASED COMPENSATION PLANS

The Company's Employee Stock Option Plans under the 2004 Plan, 2003 Plan and 2002 Plan were approved by the SFB on January 6, 2005, October 29, 2003 and June 25, 2002, respectively. The maximum number of options authorized to be granted under the 2004 Plan, 2003 Plan and 2002 Plan was 11,000 thousand, 120,000 thousand and 100,000 thousand, respectively, with each option eligible to subscribe for one common share when exercisable. The options may be granted to qualified employees of the Company or any of its domestic or foreign subsidiaries, in which the Company's shareholding with voting rights, directly or indirectly, is more than fifty percent (50%). The options of all the plans are valid for ten years and exercisable at certain percentages subsequent to the second anniversary of the grant date. Under the terms of the plans, the options are granted at an exercise price equal to the closing price of the Company's common shares listed on the TSE on the grant date.

Options of the aforementioned plans that had never been granted or had been granted but subsequently cancelled had expired as of December 31, 2006.

Information about outstanding options for the years ended December 31, 2006 and 2005 was as follows:

	Number of Options (in Thousands)	Weighted- Average Exercise Price (NT\$)
<u>Year ended December 31, 2006</u>		
Balance, beginning of year	67,758	\$ 39.4
Options granted	2,758	40.1
Options exercised	(14,550)	40.1
Options cancelled	<u>(3,152)</u>	43.7
Balance, end of year	<u>52,814</u>	39.6
<u>Year ended December 31, 2005</u>		
Balance, beginning of year	64,367	\$ 40.5
Options granted	14,864	48.4
Options exercised	(6,837)	39.6
Options cancelled	<u>(4,636)</u>	44.1
Balance, end of year	<u>67,758</u>	42.1

The number of outstanding options and exercise prices have been adjusted to reflect the appropriations of dividends in accordance with the plans.

As of December 31, 2006, information about outstanding and exercisable options was as follows:

Range of Exercise Price (NT\$)	Options Outstanding			Options Exercisable	
	Number of Options (in Thousands)	Weighted- average Remaining Contractual Life (Years)	Weighted- average Exercise Price (NT\$)	Number of Options (in Thousands)	Weighted- average Exercise Price (NT\$)
\$27.6-\$39.7	34,584	5.15	\$ 35.5	28,351	\$ 35.5
45.1- 52.3	<u>18,230</u>	6.88	47.5	<u>4,390</u>	45.7
	<u>52,814</u>			<u>32,741</u>	

No compensation cost was recognized under the intrinsic value method for the years ended December 31, 2006 and 2005. Had the Company used the fair value based method (based on the Black-Scholes model) to evaluate the options granted after January 1, 2004, the assumptions and pro forma results of the Company for the years ended December 31, 2006 and 2005 would have been as follows:

	Years Ended December 31	
	2006	2005
Assumptions:		
Expected dividend yield	1.00%-3.44%	1.00%-3.44%
Expected volatility	43.77%-46.15%	43.77%-46.15%
Risk free interest rate	3.07%-3.85%	3.07%-3.85%
Expected life	5 years	5 years
Net income:		
Net income as reported	\$ 127,009,731	\$ 93,575,035
Pro forma net income	126,889,209	93,458,191
Earnings per share (EPS) - after income tax (NT\$):		
Basic EPS as reported	\$4.93	\$3.63
Pro forma basic EPS	4.92	3.63
Diluted EPS as reported	4.92	3.63
Pro forma diluted EPS	4.92	3.63

20. TREASURY STOCK

(Shares in Thousands)

	Beginning Shares	Stock Dividends	Disposal	Ending Shares
<u>Year ended December 31, 2006</u>				
Parent company stock held by subsidiaries	<u>32,938</u>	<u>988</u>	<u>-</u>	<u>33,926</u>
<u>Year ended December 31, 2005</u>				
Parent company stock held by subsidiaries	<u>45,521</u>	<u>2,242</u>	<u>14,825</u>	<u>32,938</u>

Proceeds from sales of treasury stock for the year ended December 31, 2005 were NT\$899,489 thousand. As of December 31, 2006 and 2005, the book value of the treasury stock was NT\$918,075 thousand; the market value was NT\$ 2,290,026 thousand and NT\$2,047,126 thousand, respectively. The Company's stock held by subsidiaries is treated as treasury stock and the holders are entitled to the rights of shareholders, except that starting from June 24, 2005, pursuant to the revised Company Law, the holders are no longer entitled to vote in shareholders' meetings.

21. EARNINGS PER SHARE

	Years Ended December 31			
	2006		2005	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Basic EPS (NT\$)				
Income before cumulative effect of changes in accounting principles	\$ 5.22	\$ 4.94	\$ 3.64	\$ 3.63
Cumulative effect of changes in accounting principles	<u>(0.01)</u>	<u>(0.01)</u>	<u>-</u>	<u>-</u>
Income for the year	<u>\$ 5.21</u>	<u>\$ 4.93</u>	<u>\$ 3.64</u>	<u>\$ 3.63</u>
Diluted EPS (NT\$)				
Income before cumulative effect of change in accounting principles	\$ 5.22	\$ 4.93	\$ 3.64	\$ 3.63
Cumulative effect of changes in accounting principles	<u>(0.01)</u>	<u>(0.01)</u>	<u>-</u>	<u>-</u>
Income for the year	<u>\$ 5.21</u>	<u>\$ 4.92</u>	<u>\$ 3.64</u>	<u>\$ 3.63</u>

EPS is computed as follows:

	Amounts (Numerator)		Number of Shares (Denominator) (in Thousands)	EPS (NT\$)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>Year ended December 31, 2006</u>					
Basic EPS					
Income available to common shareholders	\$ 134,478,251	\$ 127,009,731	25,788,555	<u>\$ 5.21</u>	<u>\$ 4.93</u>
Effect of dilutive potential common stock - stock options	<u>-</u>	<u>-</u>	<u>24,628</u>		
Diluted EPS					
Income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 134,478,251</u>	<u>\$ 127,009,731</u>	<u>25,813,183</u>	<u>\$ 5.21</u>	<u>\$ 4.92</u>
<u>Year ended December 31, 2005</u>					
Basic EPS					
Income available to common shareholders	\$ 93,819,423	\$ 93,575,035	25,763,320	<u>\$ 3.64</u>	<u>\$ 3.63</u>
Effect of dilutive potential common stock - stock options	<u>-</u>	<u>-</u>	<u>12,647</u>		
Diluted EPS					
Income available to common shareholders (including effect of dilutive potential common stock)	<u>\$ 93,819,423</u>	<u>\$ 93,575,035</u>	<u>25,775,967</u>	<u>\$ 3.64</u>	<u>\$ 3.63</u>

22. DISCLOSURES FOR FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	December 31			
	2006		2005	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 44,601	\$ 44,601	\$ 1,380,905	\$ 818,550
Available-for-sale financial assets	32,614,572	32,614,572	46,452,838	46,452,838
Held-to-maturity financial assets	37,484,318	37,375,517	29,377,817	29,063,831
Investments accounted for using equity method (with market price)	6,371,625	17,044,040	5,419,747	10,991,064
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	10,751	10,751	234,279	173
Bonds payable (including current portion)	19,500,000	19,817,149	19,500,000	19,924,923
Other long-term payables (including current portion)	2,981,754	2,981,754	4,174,603	4,174,603

b. Methods and assumptions used in the determination of fair values of financial instruments

- 1) The aforementioned financial instruments do not include cash and cash equivalents, receivables, other financial assets, payables, and payables to contractors and equipment suppliers. The carrying amounts of these financial instruments approximate their fair values.
 - 2) Fair values of financial assets/liabilities at fair value through profit or loss were determined using valuation techniques incorporating estimates and assumptions that were consistent with prevailing market conditions.
 - 3) Fair values of available-for-sale and held-to-maturity financial assets were based on their quoted market prices; while fair values of structured time deposits were estimated using valuation techniques.
 - 4) Fair value of bonds payable was based on their quoted market price.
 - 5) Fair value of other long-term payables was based on the present value of expected cash flows, which approximates their carrying amount.
- c. Gains recognized for the changes in fair value of derivatives estimated using valuation techniques were NT\$33,850 thousand for the year ended December 31, 2006.
- d. As of December 31, 2006 and 2005, financial assets exposed to fair value interest rate risk were NT\$70,143,491 thousand and NT\$77,190,280 thousand, respectively, financial liabilities exposed to fair value interest rate risk were NT\$10,751 thousand and NT\$234,279 thousand, respectively, and financial assets exposed to cash flow interest rate risk were NT\$7,171,120 thousand and NT\$7,227,000 thousand, respectively.

- e. The Company recognized an unrealized gain of NT\$242,248 thousand in shareholders' equity for the changes in fair value of available-for-sale financial assets for the year ended December 31, 2006. The Company also recognized an unrealized gain of NT\$319,367 thousand in shareholders' equity for the changes in available-for-sale financial assets held by equity method investees for the year ended December 31, 2006.
- f. Information about financial risks
 - 1) Market risk. The derivative financial instruments categorized as financial assets/liabilities at fair value through profit or loss are mainly used to hedge the exchange rate fluctuations of foreign-currency- denominated assets and liabilities. Therefore, the market risk of derivatives will be offset by the foreign exchange risk of these assets and liabilities. Available-for-sale financial assets held by the Company are mainly fixed-interest-rate debt securities. Therefore, the fluctuations in market interest rates would result in changes in fair values of these debt securities.
 - 2) Credit risk. Credit risk represents the potential loss that would be incurred by the Company if the counter-parties or third-parties breached contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The counter-parties or third-parties to the foregoing financial instruments are reputable financial institutions, business organizations, and government agencies. Management believes that the Company's exposure to default by those parties is low.
 - 3) Liquidity risk. The Company has sufficient operating capital to meet cash needs upon settlement of derivative financial instruments and bonds payable. Therefore, the liquidity risk is low.
 - 4) Cash flow interest rate risk. The Company mainly engages in investments in fixed-interest-rate debt securities. Therefore, cash flows are not expected to fluctuate significantly due to changes in market interest rates.

23. RELATED PARTY TRANSACTIONS

The Company engages in business transactions with the following related parties:

- a. Industrial Technology Research Institute (ITRI), the chairman of the Company was one of its supervisors, who resigned in October 2006.
- b. Philips, a major shareholder of the Company.
- c. Subsidiaries
 - TSMC-North America
 - TSMC-Shanghai
 - TSMC-Europe
 - TSMC-Japan
 - TSMC-Korea
- d. Investees
 - GUC (with a controlling interest)
 - VIS (accounted for using equity method)
 - SSMC (accounted for using equity method)

e. Indirect subsidiaries

WaferTech, LLC (WaferTech)
TSMC Technology, Inc. (TSMC Technology)

f. Indirect investee

VisEra, originally an investee over which the Company had a controlling interest; beginning in November 2005, VisEra became an indirect investee accounted for using the equity method due to changes in investment structure.

Transactions with the aforementioned parties, other than those disclosed in other notes, are summarized as follows:

	<u>2006</u>		<u>2005</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>For the year</u>				
Sales				
TSMC-North America	\$ 190,459,073	60	\$ 153,618,916	57
Philips	4,024,990	1	3,298,770	1
Others	<u>972,872</u>	<u>-</u>	<u>650,239</u>	<u>-</u>
	<u>\$ 195,456,935</u>	<u>61</u>	<u>\$ 157,567,925</u>	<u>58</u>
Purchases				
WaferTech	\$ 12,530,552	27	\$ 11,137,313	28
SSMC	6,820,632	15	5,729,672	15
TSMC-Shanghai	4,405,843	10	1,405,030	4
VIS	<u>3,911,838</u>	<u>8</u>	<u>4,142,457</u>	<u>10</u>
	<u>\$ 27,668,865</u>	<u>60</u>	<u>\$ 22,414,472</u>	<u>57</u>
Manufacturing expenses - technical assistance fees				
Philips (Note 25a)	<u>\$ 755,904</u>	<u>1</u>	<u>\$ 581,059</u>	<u>-</u>
Marketing expenses - commission				
TSMC-Japan	\$ 254,758	16	\$ 243,646	18
TSMC-Europe	236,454	15	221,164	16
TSMC-Korea	<u>9,981</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 501,193</u>	<u>31</u>	<u>\$ 464,810</u>	<u>34</u>
General and administrative expenses - rental expense				
GUC	<u>\$ 14,606</u>	<u>-</u>	<u>\$ 16,744</u>	<u>-</u>
Research and development expenses				
GUC	\$ 39,421	-	\$ 19,467	-
TSMC Technology	<u>37,559</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 76,980</u>	<u>-</u>	<u>\$ 19,467</u>	<u>-</u>

(Continued)

	2006		2005	
	Amount	%	Amount	%
Sales of property, plant and equipment				
TSMC-Shanghai	\$ 401,561	44	\$ 125,381	13
VisEra	-	-	534,279	52
	<u>\$ 401,561</u>	<u>44</u>	<u>\$ 659,660</u>	<u>65</u>
Non-operating income and gains				
SSMC (primarily technical service income, see Note 25e)	\$ 314,953	3	\$ 316,243	4
TSMC-Shanghai	278,295	2	180,234	3
VIS (primarily technical service income, see Note 25h)	261,237	2	210,720	3
VisEra	<u>246,242</u>	<u>2</u>	<u>308,071</u>	<u>4</u>
	<u>\$ 1,100,727</u>	<u>9</u>	<u>\$ 1,015,268</u>	<u>14</u>
As of December 31				
Receivables				
TSMC-North America	\$ 16,461,956	97	\$ 20,407,621	97
Philips	250,919	2	573,565	3
Others	<u>156,634</u>	<u>1</u>	<u>69,418</u>	<u>-</u>
	<u>\$ 16,869,509</u>	<u>100</u>	<u>\$ 21,050,604</u>	<u>100</u>
Other receivables				
TSMC-Shanghai	\$ 123,853	28	\$ 28,593	2
VIS	121,911	27	74,457	4
SSMC	69,568	15	149,251	8
TSMC-North America	59,547	13	198,505	11
VisEra	58,980	13	374,202	21
TSMC Technology	3,785	1	972,563	54
Others	<u>11,622</u>	<u>3</u>	<u>143</u>	<u>-</u>
	<u>\$ 449,266</u>	<u>100</u>	<u>\$ 1,797,714</u>	<u>100</u>
Payables				
WaferTech	\$ 864,733	26	\$ 1,133,217	35
VIS	717,562	22	563,240	17
Philips	688,591	21	693,956	21
TSMC-Shanghai	478,714	14	274,820	9
SSMC	459,305	14	485,873	15
Others	<u>118,011</u>	<u>3</u>	<u>91,091</u>	<u>3</u>
	<u>\$ 3,326,916</u>	<u>100</u>	<u>\$ 3,242,197</u>	<u>100</u>
Other long-term payables				
Philips (Note 25a)	<u>\$ 403,375</u>	<u>100</u>	<u>\$ 1,100,475</u>	<u>100</u>

(Continued)

	<u>2006</u>		<u>2005</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Deferred credits				
TSMC-Shanghai	\$ 723,661	61	\$ 641,762	51
VisEra	<u>124,350</u>	<u>11</u>	<u>186,525</u>	<u>15</u>
	<u>\$ 848,011</u>	<u>72</u>	<u>\$ 828,287</u>	<u>66</u>

(Concluded)

The terms of sales to related parties were not significantly different from those of sales to third parties. For other related party transactions, prices were determined in accordance with mutual agreements.

The Company deferred the gains (classified under the deferred credits) derived from sales of property, plant and equipment to TSMC-Shanghai and VisEra, and then recognized such gains (classified under the non-operating income and gains) over the depreciable lives of the disposed assets.

The Company leased part of its office space from GUC with a quarterly rental of NT\$4,186 thousand; beginning from June 2006, the renewed quarterly rental was NT\$3,473 thousand. The Company also leased certain buildings and facilities to VisEra with a monthly rental of NT\$7,684 thousand (classified under the non-operating income and gains).

24. SIGNIFICANT LONG-TERM LEASES

The Company leases several parcels of land from the Science Park Administration. These operating leases expire on various dates from March 2008 to December 2020 and can be renewed upon expiration.

As of December 31, 2006, future lease payments were as follows:

Year	Amount
2007	\$ 291,646
2008	260,249
2009	251,671
2010	204,603
2011	203,089
2012 and thereafter	<u>1,487,039</u>
	<u>\$ 2,698,297</u>

25. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The significant commitments and contingencies of the Company as of December 31, 2006, excluding those disclosed in other notes, were as follows:

- a. On June 20, 2004, the Company and Philips amended the Technical Cooperation Agreement, which was originally signed on May 12, 1997. The amended Technical Cooperation Agreement is for five years beginning from January 1, 2004. Upon expiration, this amended Technical Cooperation Agreement will be terminated and will not be automatically renewed; however, the patent cross license arrangement between the Company and Philips will survive the expiration of the amended Technical Cooperation Agreement. Under this amended Technical Cooperation Agreement, the Company will pay Philips royalties based on a fixed amount mutually agreed-on, rather than under a certain percentage of the Company's annual net sales. The Company and Philips agreed to cross license the patents owned by each party. The Company also obtained through Philips a number of cross patent licenses.

- b. Under a technical cooperation agreement with ITRI, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity if TSMC's outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. The agreement was automatically renewed in 1992, 1997, 2002 and on January 1, 2007.
- c. Under several foundry agreements, the Company shall reserve a portion of its production capacity for certain major customers that have guarantee deposits with the Company. As of December 31, 2006, the Company had a total of US\$116,297 thousand of guarantee deposits.
- d. Under a Shareholders Agreement entered into with Philips and EDB Investments Pte Ltd. on March 30, 1999, the parties formed a joint venture company, SSMC, which is an integrated circuit foundry in Singapore. The Company's equity interest in SSMC was 32%. Nevertheless, Philips parted with its semiconductor company which was renamed as NXP B.V. in September, 2006. The Company and NXP purchased all the SSMC shares owned by EDB Investments Pte Ltd. Pro rata according to the Shareholders Agreement on November 15, 2006. After the purchase, the Company and NXP B.V. currently own approximately 39% and 61% of the SSMC shares respectively. The Company and Philips (now NXP) committed to buy specific percentages of the production capacity of SSMC. The Company and Philips (now NXP) are required, in the aggregate, to purchase up to 70% of SSMC's capacity, but the Company alone is not required to purchase more than 28% of the capacity. If any party defaults on the commitment and the capacity utilization of SSMC fall below a specific percentage of its capacity, the defaulting party is required to compensate SSMC for all related unavoidable costs.
- e. The Company provides technical services to SSMC under a Technical Cooperation Agreement (the Agreement) entered into on May 12, 1999. The Company receives compensation for such services computed at a specific percentage of net selling price of all products sold by SSMC. The Agreement shall remain in force for ten years and may be automatically renewed for successive periods of five years each unless pre-terminated by either party under certain conditions.
- f. Under a Technology Transfer Agreement (TTA) with National Semiconductor Corporation (National) entered into on June 27, 2000, the Company shall receive payments for the licensing of certain technology to National. The agreement was to remain in force for ten years and could be automatically renewed for successive periods of two years thereafter unless either party gives written notice for early termination under certain conditions. In January 2003, the Company and National entered into a Termination Agreement whereby the TTA was terminated. Under the Termination Agreement, the Company will be relieved of any further obligation to transfer any additional technology. In addition, the Company granted National an option to request the transfer of certain technologies under the same terms and conditions as the terminated TTA. The option will expire in January 2008.
- g. In December 2003, the Company entered into a Technology Development and License Agreement with Freescale Semiconductor, Inc. to jointly develop 65-nm SOI (silicon on insulator) technology. The Company will also license related 90-nm SOI technology from Freescale Semiconductor, Inc. Any intellectual properties arising out of the co-development project shall be jointly owned by the parties. In accordance with the agreement, the Company will pay royalties to Freescale Semiconductor, Inc. and will share a portion of the costs associated with the joint development project.
- h. The Company provides a technology transfer to VIS under a Manufacturing License and Technology Transfer Agreement entered into on April 1, 2004. The Company receives compensation for such technology transfer in the form of royalty payments from VIS computed at specific percentages of net selling price of certain products sold by VIS. VIS agreed to reserve its certain capacity to manufacture for the Company certain products at prices as agreed by the parties.

- i. TSMC, TSMC-North America and WaferTech filed a series of lawsuits in late 2003 and 2004 against Semiconductor Manufacturing International Corporation (“SMIC”), SMIC (Shanghai) and SMIC Americas. The lawsuits alleged that SMIC companies infringed multiple TSMC patents and misappropriated TSMC’s trade secrets. These suits were settled out of court on January 30, 2005. As part of the settlement, SMIC shall pay TSMC US\$175,000 thousand over six years to resolve TSMC’s claims. As of December 31, 2006, SMIC had paid US\$ 60,000 thousand in accordance with the terms of this settlement agreement. In August 2006, TSMC, TSMC-North America and Wafertech filed a lawsuit against SMIC in Alameda County Superior Court in California for breach of aforementioned settlement agreement, breach of promissory notes and trade secret misappropriation, seeking injunctive relief and monetary damages. In September 2006, SMIC filed a cross-complaint against TSMC in the same court, alleging TSMC of breach of the settlement agreement and implied covenant of good faith and fair dealing, in response to TSMC’s August complaint. The outcome of this litigation cannot be determined at this time.
- j. Amounts available under unused letters of credit as of December 31, 2006 were NT\$6,480 thousand.

26. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the SFB for the Company and its investees:

- a. Financing provided: Please see Table 1 attached;
- b. Endorsement/guarantee provided: Please see Table 2 attached;
- c. Marketable securities held: Please see Table 3 attached;
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Please see Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$100 million or 20% of the paid-in capital: Please see Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$100 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
- h. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 7 attached;
- i. Names, locations, and related information of investees on which the Company exercises significant influence: Please see Table 8 attached;
- j. Information about derivatives of investees over which the Company has a controlling interest:

TSMC-Shanghai entered into forward exchange contracts during the year ended December 31, 2006 to manage exposures due to foreign exchange rate fluctuations.

Outstanding forward exchange contracts as of December 31, 2006:

<u>December 31, 2006</u>	Currency	Maturity Date	Contract Amount (in Thousands)
Buy	US\$/JPY	January 2007	JPY 38,610

Net realized settlement gains arising from TSMC-Shanghai's forward transactions for the year ended December 31, 2006 were NT\$2,543 thousand.

k. Information on investment in Mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached.
- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: Please see Note 23.

27. SEGMENT FINANCIAL INFORMATION

a. Industry financial information

The Company operates in one industry. Therefore, the disclosure of industry financial information is not applicable to the Company.

b. Export sales

Area	Years Ended December 31	
	2006	2005
Americas	\$ 153,974,683	\$ 119,838,520
Asia	102,121,046	99,594,071
Europe and others	<u>29,109,649</u>	<u>20,041,920</u>
	<u>\$ 285,205,378</u>	<u>\$ 239,474,511</u>

The export sales information is based on the amounts billed to customers within the areas.

c. Major customers representing at least 10% of gross sales

	Years Ended December 31			
	2006		2005	
	Amount	%	Amount	%
Customer A	\$ 190,459,073	60	\$ 153,618,916	57
Customer B	25,214,878	8	29,258,338	11

Taiwan Semiconductor Manufacturing Company Limited and Investees

FINANCING PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Name	Counter-party	Financial Statement Account	Maximum Balance for the Period (US\$ in Thousands)	Ending Balance (US\$ in Thousands)	Interest Rate	Type of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits (US\$ in Thousands)
											Item	Value		
1	TSMC International	TSMC Development	Other receivables	\$ 1,140,860 (US\$ 35,000)	\$ -	1.50%	2	\$ -	Operating capital	\$ -	-	\$ -	N/A	\$ 32,203,805 (US\$987,968) (Note 2)

Note 1: The type No. 2 represents necessary for short-term financing.

Note 2: Not exceeding the issued capital of the Company.

Taiwan Semiconductor Manufacturing Company Limited

**ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

No.	Endorsement/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Period (US\$ in Thousands)	Ending Balance (US\$ in Thousands)	Value of Collateral Property, Plant and Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statement	Maximum Collateral/Guarantee Amounts Allowable (Note 1)
		Name	Nature of Relationship (Note 2)						
0	TSMC	TSMC-North America	2	Not exceed 10% of the net worth of the Company, and be also limited to the paid-in capital of the endorsement/guarantee company, unless otherwise approved by Board of Directors.	\$ 1,303,840 (US\$ 40,000)	\$ -	\$ -	-	\$ 126,995,321
		TSMC Development	3		\$ 1,955,760 (US\$ 60,000)	-	-	-	

Note 1: 25% of the net worth of the Company as of December 31, 2006.

Note 2: The No. 2 represents a subsidiary in which the Company holds directly over 50% of the equity interest.
The No. 3 represents an investee in which the Company holds directly and indirectly over 50% of the equity interest.

Taiwan Semiconductor Manufacturing Company Limited and Investees

MARKETABLE SECURITIES HELD

DECEMBER 31, 2006

(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
The Company	<u>Government bond</u>							
	2004 Government Bond Series B	-	Available-for-sale financial assets	-	\$ 999,779	N/A	\$ 999,779	
	2003 Government Bond Series B	-	"	-	998,288	N/A	998,288	
	2006 Government Bond Series D	-	Held-to-maturity financial assets	-	3,657,320	N/A	3,657,446	
	2005 Government Bond Series A	-	"	-	3,049,919	N/A	3,049,726	
	2003 Government Bond Series B	-	"	-	1,647,851	N/A	1,645,179	
	2003 Asian Development Bank Govt. Bond	-	"	-	835,840	N/A	875,103	
	2003 Government Bond Series F	-	"	-	797,299	N/A	796,354	
	2004 Kaohsiung Municipal Series A	-	"	-	620,000	N/A	618,760	
	2003 Government Bond Series H	-	"	-	401,568	N/A	400,920	
	European Investment Bank Bonds	-	"	-	372,265	N/A	400,000	
	2002 Government Bond Series B	-	"	-	350,399	N/A	350,378	
	2004 Kaohsiung Municipal Series B	-	"	-	249,998	N/A	250,004	
	2003 European Bank for Reconspruction and Development Govt. Bond Series A	-	"	-	88,198	N/A	90,000	
	<u>Open-end mutual funds</u>							
	NITC Bond Fund	-	Available-for-sale financial assets	22,219	3,655,939	N/A	3,655,939	
	ABN AMRO Bond Fund	-	"	175,156	2,639,459	N/A	2,639,459	
	Fuh Hwa Bond	-	"	125,122	1,667,908	N/A	1,667,908	
	Mega Diamond Bond Fund	-	"	139,333	1,602,947	N/A	1,602,947	
	Prudential Financial Bond Fund	-	"	103,751	1,516,294	N/A	1,516,294	
	NITC Taiwan Bond	-	"	93,312	1,314,669	N/A	1,314,669	
	JF Taiwan Bond Fund	-	"	85,145	1,299,088	N/A	1,299,088	
	Cathay Bond	-	"	109,720	1,265,092	N/A	1,265,092	
	Jih Sun Bond Fund	-	"	88,165	1,202,901	N/A	1,202,901	
	Dresdner Bond DAM Fund	-	"	95,553	1,107,206	N/A	1,107,206	
	ABN AMRO Income	-	"	63,947	1,012,377	N/A	1,012,377	
President James Bond	-	"	65,496	1,010,426	N/A	1,010,426		
AIG Taiwan Bond Fund	-	"	78,629	1,002,595	N/A	1,002,595		
JF Taiwan First Bond Fund	-	"	66,826	939,082	N/A	939,082		
Shinkong Chi Shin Bond Fund	-	"	62,183	890,660	N/A	890,660		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	ABN AMRO Select Bond Fund	-	Available-for-sale financial assets	76,593	\$ 868,076	NA	\$ 868,076	
	Taishin Lucky Fund	-	"	78,624	806,386	NA	806,386	
	Polaris De-Bao Fund	-	"	63,273	701,069	N/A	701,069	
	TIIM High Yield	-	"	44,685	554,863	N/A	554,863	
	HSBC Taiwan Money Management	-	"	34,093	506,250	N/A	506,250	
	Invesco Bond Fund	-	"	27,176	403,774	N/A	403,774	
	<u>Corporate bond</u>							
	Hua Nan Bank	-	Available-for-sale financial assets	-	1,545,864	N/A	1,545,864	
	Cathay Bank	-	"	-	1,159,576	N/A	1,159,576	
	Taiwan Power Company	-	"	-	1,046,799	N/A	1,046,799	
	Formosa Petrochemical Corporation	-	"	-	397,963	N/A	397,963	
	Taiwan Power Company	-	Hold-to-maturity financial assets	-	4,080,391	N/A	4,087,276	
	Formosa Petrochemical Corporation	-	"	-	3,566,946	N/A	3,563,249	
	Nan Ya Plastics Corporation	-	"	-	2,773,810	N/A	2,781,223	
	Chinese Petroleum Corporation	-	"	-	1,451,378	N/A	1,450,722	
	China Steel Corporation	-	"	-	1,000,000	N/A	999,689	
	Formosa Plastic Corporation	-	"	-	516,663	N/A	519,076	
	Shanghai commercial & Saving Bank	-	"	-	286,497	N/A	286,408	
	Formosa Chemicals & Fiber Corporation	-	"	-	66,856	N/A	68,123	
	<u>Stocks</u>							
	TSMC Global	Subsidiary	Invest accounted for using equity method	1	42,496,592	100	42,496,592	
	TSMC International	Subsidiary	"	987,968	26,593,749	100	26,593,749	
	SSMC	Investee accounted for using equity method	"	463	7,960,869	39	6,794,726	
	VIS	Investee accounted for using equity method	"	442,262	5,741,870	27	10,813,301	
	TSMC Partners	Subsidiary	"	300	4,433,819	100	4,433,819	
	TSMC-North America	Subsidiary	"	11,000	2,014,990	100	2,014,990	
	GUC	Investee with controlling financial interest	"	41,263	629,755	38	6,230,739	
	TSMC-Japan	Subsidiary	"	6	95,757	100	95,757	
	TSMC-Europe	Subsidiary	"	-	49,741	100	49,741	
	TSMC-Korea	Subsidiary	"	80	14,706	100	14,706	
	United Industrial Gases Co., Ltd.	-	Financial assets carried at cost	16,783	193,584	10	299,493	
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	"	10,500	105,000	7	223,062	
	W.K. Technology Fund IV	-	"	4,000	40,000	2	51,398	
	Hontung Venture Capital Co., Ltd.	-	"	2,633	26,329	10	26,310	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	<u>Fund</u>							
	Horizon Ventures Fund	-	Financial assets carried at cost	-	\$ 280,179	12	\$ 280,179	
	Crimson Asia Capital	-	"	-	67,751	1	67,751	
	<u>Capital</u>							
	TSMC-Shanghai	Subsidiary	Investment accounted for using equity method	-	9,027,984	100	9,027,984	
	Emerging Alliance	Subsidiary	"	-	793,585	99	793,585	
	VTAF II	Subsidiary	"	-	733,130	98	731,808	
	VTAF III	Subsidiary	"	-	228,005	98	225,545	
	Chi Cheng	Subsidiary	"	-	115,507	36	574,071	
	Hsin Ruey	Subsidiary	"	-	114,297	36	573,809	
Chi Cheng	<u>Stock</u>							
	TSMC	Parent Company	Available-for-sale financial assets	16,947	1,143,941	N/A	1,143,941	Treasury stock of NT\$458,564 thousand is deducted from the carrying value
	VIS	Equity method investee	Investments accounted for using equity method	5,032	107,224	-	107,224	
Hsin Ruey	<u>Stock</u>							
	TSMC	Parent Company	Available-for-sale financial assets	16,979	1,146,085	N/A	1,146,085	Treasury stock of NT\$459,511 thousand is deducted from the carrying value
	VIS	Equity method investee	Investments accounted for using equity method	3,711	82,661	-	82,661	
TSMC International	<u>Stock</u>							
	InveStar	Subsidiary	Investments accounted for using equity method	9,207	US\$ 26,185	97	US\$ 26,185	
	InveStar II	Subsidiary	"	51,300	US\$ 46,195	97	US\$ 46,195	
	TSMC Development	Subsidiary	"	1	US\$ 659,356	100	US\$ 659,356	
	TSMC Technology	Subsidiary	"	1	US\$ 6,058	100	US\$ 4,473	
TSMC Development	WaferTech	Subsidiary	Investments accounted for using equity method	-	US\$ 282,420	100	US\$ 282,420	
Partners	<u>Common stock</u>							
	VisEra Holdings	Equity method investee	Investments accounted for using equity method	25,000	US\$ 34,000	49	US\$ 34,000	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
Emerging Alliance	<u>Common stock</u>							
	NetLogic Microsystems, Inc.	-	Financial assets at fair value through profit or loss	84	US\$ 1,828	-	US\$ 1,828	
	Pixim, Inc.	-	Financial assets carried at cost	1,924	US\$ 512	4	US\$ 512	
	RichWave Technology Corp.	-	"	4,247	US\$ 1,648	13	US\$ 1,648	
	Global Investment Holding Inc.	-	"	10,800	\$ 100,000	6	\$ 100,000	
	<u>Preferred stock</u>							
	Ikanos Communication, Inc.	-	Available-for-sale financial assets	515	US\$ 4,473	2	US\$ 4,473	
	Audience, Inc.	-	Financial assets carried at cost	1,654	US\$ 250	1	US\$ 250	
	Axiom Microdevices, Inc.	-	"	1,000	US\$ 1,000	3	US\$ 1,000	
	Centrality Communications	-	"	1,325	US\$ 1,800	3	US\$ 1,800	
	Miradia, Inc.	-	"	3,040	US\$ 1,000	3	US\$ 1,000	
	Mobilygen	-	"	1,415	US\$ 750	1	US\$ 750	
	Mosaic Systems, Inc.	-	"	2,481	US\$ 12	6	US\$ 12	
	Next IO, Inc.	-	"	800	US\$ 500	2	US\$ 500	
	NuCORE Technology Inc.	-	"	2,254	US\$ 1,455	2	US\$ 1,455	
	Optichron, Inc.	-	"	714	US\$ 1,000	4	US\$ 1,000	
	Optimal Corporation	-	"	582	US\$ 600	4	US\$ 600	
	Pixim, Inc.	-	"	2,193	US\$ 583	-	US\$ 583	
	Reflectivity, Inc.	-	"	4,848	US\$ 531	4	US\$ 531	
	Teknovus, Inc.	-	"	6,977	US\$ 1,327	3	US\$ 1,327	
Zenasis Technologies, Inc.	-	"	2,410	US\$ 1,399	5	US\$ 1,399		
<u>Option</u>								
Pixim, Inc.	-	Financial assets carried at cost	242	US\$ -	NA	US\$ -		
VTAF II	<u>Common stock</u>							
	Beceem Communications	-	Financial assets carried at cost	650	US\$ 1,600	1	US\$ 1,600	
	Leadtrend	-	"	1,150	US\$ 660	6	US\$ 660	
	Yobon	-	"	1,675	US\$ 787	13	US\$ 787	
	Sentelic	-	"	1,200	US\$ 2,040	15	US\$ 2,040	
	<u>Preferred stock</u>							
	5V Technologies, Inc.	-	Financial assets carried at cost	2,357	US\$ 1,768	11	US\$ 1,768	
	Ageia Technologies, Inc.	-	"	2,030	US\$ 2,074	2	US\$ 2,074	
	Aquantia Corporation	-	"	1,264	US\$ 1,150	5	US\$ 1,150	
	Audience, Inc.	-	"	2,208	US\$ 474	1	US\$ 474	
	Axiom Microdevices, Inc.	-	"	3,015	US\$ 1,466	2	US\$ 1,466	
	GemFire Corporation	-	"	600	US\$ 68	1	US\$ 68	
	Impinj, Inc.	-	"	257	US\$ 500	-	US\$ 500	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
VTAF III	Miradia, Inc.	-	Financial assets carried at cost	2,740	US\$ 2,424	3	US\$ 2,424	
	Next IO, Inc.	-	"	216	US\$ 182	-	US\$ 182	
	Optichron, Inc.	-	"	353	US\$ 869	2	US\$ 869	
	Power Analog Microelectronics	-	"	2,000	US\$ 1,500	13	US\$ 1,500	
	Powerprecise Solutions, Inc.	-	"	1,445	US\$ 1,400	11	US\$ 1,400	
	RichWave Technology Corp.	-	"	500	US\$ 231	2	US\$ 231	
	Teknovus, Inc.	-	"	518	US\$ 119	-	US\$ 119	
	Tzero Technologies, Inc.	-	"	730	US\$ 1,500	2	US\$ 1,500	
	Xceive	-	"	714	US\$ 1,000	2	US\$ 1,000	
	<u>Common stock</u>							
	M2000, Inc.	-	Financial assets carried at cost	1,500	US\$ 1,500	4	US\$ 1,500	
	Mutual-Pak Limited	-	"	170	US\$ 52	13	US\$ 52	
	Quellan, Inc.	-	"	2,231	US\$ 2,500	7	US\$ 2,500	
SynDiTec, Inc.	-	"	4,332	US\$ 720	7	US\$ 720		
Validity-Pak Limited	-	"	5,333	US\$ 2,000	7	US\$ 2,000		
Investar	<u>Common stock</u>							
	Monolithic Power Systems, Inc.	-	Financial assets at fair value through profit or loss	1,975	US\$ 21,939	7	US\$ 21,939	
	Broadtek Electronics Corp.	-	"	29	US\$ 10	-	US\$ 10	
	Broadtek Electronics Corp.	-	Available-for-sale financial assets	116	US\$ 40	-	US\$ 40	
	Capella Microsystems (Taiwan), Inc.	-	Financial assets carried at cost	530	US\$ 154	2	US\$ 154	
	<u>Preferred stock</u>							
	Integrated Memory Logic, Inc.	-	Financial assets carried at cost	1,831	US\$ 1,221	9	US\$ 1,221	
	IP Unity, Inc.	-	"	1,008	US\$ 494	1	US\$ 494	
	Memsic, Inc.	-	"	2,724	US\$ 1,500	9	US\$ 1,500	
	NanoAmp Solutions, Inc.	-	"	541	US\$ 853	2	US\$ 853	
Sonics, Inc.	-	"	1,843	US\$ 3,530	2	US\$ 3,530		
Investar II	<u>Common stock</u>							
	Monolithic Power Systems, Inc.	-	Financial assets at fair value through profit or loss	864	US\$ 9,604	3	US\$ 9,604	
	RichTek Technology Corp.	-	"	255	US\$ 2,045	-	US\$ 2,045	
	Geo Vision, Inc.	-	"	46	US\$ 229	-	US\$ 229	
	RichTek Technology Corp.	-	Available-for-sale financial assets	227	US\$ 1,824	-	US\$ 1,824	
	Geo Vision, Inc.	-	"	15	US\$ 73	-	US\$ 73	
	eChannelOpen Holding, Inc.	-	Financial assets carried at cost	358	US\$ 251	4	US\$ 251	
	eLCOS Microdisplay Technology, Ltd.	-	"	270	US\$ 27	1	US\$ 27	
EoNEX Technologies, Inc.	-	"	55	US\$ 3,048	5	US\$ 3,048		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note	
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)		
GUC	Sonics, Inc.	-	Financial assets carried at cost	2,220	US\$ 32	-	US\$ 32		
	Epic Communications, Inc.	-	"	191	US\$ 37	1	US\$ 37		
	EON Technology, Corp.	-	"	4,247	US\$ 1,175	7	US\$ 1,175		
	Goyatek Technology, Corp.	-	"	2,088	US\$ 545	7	US\$ 545		
	Capella Microsystems (Taiwan), Inc.	-	"	534	US\$ 210	2	US\$ 210		
	Trendchip Technologies Corp.	-	"	2,000	US\$ 574	4	US\$ 574		
	Ralink Technology (Taiwan), Inc.	-	"	1,833	US\$ 791	3	US\$ 791		
	Auden Technology MFG Co., Ltd.	-	"	953	US\$ 223	4	US\$ 223		
	<u>Preferred stock</u>								
	eLCOS Microdisplay Technology, Ltd.	-	Financial assets carried at cost	2,667	US\$ 3,500	8	US\$ 3,500		
	Alchip Technologies Limited	-	"	3,531	US\$ 2,950	15	US\$ 2,950		
	FangTek, Inc.	-	"	6,930	US\$ 3,250	20	US\$ 3,250		
	Kilopass Technology, Inc.	-	"	3,887	US\$ 2,000	6	US\$ 2,000		
	Memsic, Inc.	-	"	2,289	US\$ 1,560	7	US\$ 1,560		
	NanoAmp Solutions, Inc.	-	"	375	US\$ 1,500	1	US\$ 1,500		
	Sonics, Inc.	-	"	2,115	US\$ 3,082	6	US\$ 3,082		
	<u>Open-end mutual funds</u>								
	ABN AMRO Bond Fund	-	Available-for-sale financial assets	2,352	\$ 35,041	N/A	\$ 35,041		
	Ta Chong Bond Fund	-	"	2,306	30,037	N/A	30,037		
	Dresdner Bond DAM Fund	-	"	2,592	30,036	N/A	30,036		
	NITC Taiwan Bond	-	"	2,132	30,035	N/A	30,035		
AIG Taiwan Bond Fund	-	"	2,355	30,031	N/A	30,031			
Fuh Hwa You Li Bond Fund	-	"	2,018	25,035	N/A	25,035			
<u>Stock</u>									
Global Unichip Corporation - North America	Subsidiary	Investments accounted for using equity method	100	6,396	100	6,396			
Global Unichip Japan	Subsidiary	"	-	2,681	100	2,681			
TSMC Global	<u>Government bond</u>								
	United States Treas Nts	-	Available-for-sale financial assets	-	US\$ 151,045	N/A	US\$ 151,045		
	<u>Corporate bonds</u>								
	Abbott Labs	-	Available-for-sale financial assets	-	US\$ 1,505	N/A	US\$ 1,505		
	Abbott Labs	-	"	-	US\$ 2,547	N/A	US\$ 2,547		
	Ace Ltd.	-	"	-	US\$ 1,001	N/A	US\$ 1,001		
	Aig Sunamerica Global Fing Ix	-	"	-	US\$ 1,000	N/A	US\$ 1,000		
	Allstate Life Global Fdg Secd	-	"	-	US\$ 2,956	N/A	US\$ 2,956		

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	American Express Co.	-	Available-for-sale financial assets	-	US\$ 3,452	N/A	US\$ 3,452	
	American Gen Fin Corp.	-	"	-	US\$ 1,620	N/A	US\$ 1,620	
	American Gen Fin Corp. Mtn	-	"	-	US\$ 3,448	N/A	US\$ 3,448	
	American Gen Fin Corp. Mtn	-	"	-	US\$ 1,971	N/A	US\$ 1,971	
	American Gen Fin Corp. Mtn	-	"	-	US\$ 1,001	N/A	US\$ 1,001	
	American Honda Fin Corp. Mtn	-	"	-	US\$ 3,092	N/A	US\$ 3,092	
	American Honda Fin Corp. Mtn	-	"	-	US\$ 801	N/A	US\$ 801	
	Ameritech Capital Funding Co.	-	"	-	US\$ 483	N/A	US\$ 483	
	Amgen Inc.	-	"	-	US\$ 2,905	N/A	US\$ 2,905	
	Anz Cap Tr I	-	"	-	US\$ 972	N/A	US\$ 972	
	Associates Corp. North Amer	-	"	-	US\$ 2,541	N/A	US\$ 2,541	
	Axa Finl Inc.	-	"	-	US\$ 2,151	N/A	US\$ 2,151	
	Bank New York Inc.	-	"	-	US\$ 1,487	N/A	US\$ 1,487	
	Bank One Corp.	-	"	-	US\$ 3,365	N/A	US\$ 3,365	
	Bank One Corp.	-	"	-	US\$ 2,045	N/A	US\$ 2,045	
	Bank Utd Houston Tx Mtbn	-	"	-	US\$ 528	N/A	US\$ 528	
	Bear Stearns Cos Inc.	-	"	-	US\$ 3,379	N/A	US\$ 3,379	
	Beneficial Corp. Mtn Bk Entry	-	"	-	US\$ 2,297	N/A	US\$ 2,297	
	Berkshire Hathaway Fin Corp.	-	"	-	US\$ 1,486	N/A	US\$ 1,486	
	Chase Manhattan Corp. New	-	"	-	US\$ 5,077	N/A	US\$ 5,077	
	Chase Manhattan Corp. New	-	"	-	US\$ 2,115	N/A	US\$ 2,115	
	Chubb Corp.	-	"	-	US\$ 2,116	N/A	US\$ 2,116	
	Cit Group Hldgs Inc.	-	"	-	US\$ 3,027	N/A	US\$ 3,027	
	Citicorp	-	"	-	US\$ 1,372	N/A	US\$ 1,372	
	Cogentrix Energy Inc.	-	"	-	US\$ 3,751	N/A	US\$ 3,751	
	Colonial Pipeline Co.	-	"	-	US\$ 1,494	N/A	US\$ 1,494	
	Consolidated Edison Inc.	-	"	-	US\$ 2,910	N/A	US\$ 2,910	
	Countrywide Fdg Corp. Mtn	-	"	-	US\$ 2,037	N/A	US\$ 2,037	
	Credit Suisse Fincl Products	-	"	-	US\$ 1,500	N/A	US\$ 1,500	
	Credit Suisse First Boston	-	"	-	US\$ 734	N/A	US\$ 734	
	Credit Suisse First Boston Usa	-	"	-	US\$ 2,177	N/A	US\$ 2,177	
	Daimlerchrysler North Amer	-	"	-	US\$ 977	N/A	US\$ 977	
	Daimlerchrysler North Amer Hld	-	"	-	US\$ 751	N/A	US\$ 751	
	Dayton Hudson Corp.	-	"	-	US\$ 2,020	N/A	US\$ 2,020	
	Deere John Cap Corp.	-	"	-	US\$ 4,928	N/A	US\$ 4,928	
	Dell Computer Corp.	-	"	-	US\$ 2,820	N/A	US\$ 2,820	
	Den Danske Bk Aktieselskab	-	"	-	US\$ 2,019	N/A	US\$ 2,019	
	Diageo Plc	-	"	-	US\$ 3,444	N/A	US\$ 3,444	
	Emerson Elec Co.	-	"	-	US\$ 3,215	N/A	US\$ 3,215	
	European Inv't Bk	-	"	-	US\$ 3,970	N/A	US\$ 3,970	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	European Invt Bk	-	Available-for-sale financial assets	-	US\$ 6,057	N/A	US\$ 6,057	
	Federal Home Ln Bks	-	"	-	US\$ 7,937	N/A	US\$ 7,937	
	Fifth Third Bk Cincinnati Oh	-	"	-	US\$ 2,427	N/A	US\$ 2,427	
	Fleet Boston Corp.	-	"	-	US\$ 2,643	N/A	US\$ 2,643	
	Fleet Finl Group Inc. New	-	"	-	US\$ 905	N/A	US\$ 905	
	Fpl Group Cap Inc.	-	"	-	US\$ 849	N/A	US\$ 849	
	Ge Global Ins Hldg Corp.	-	"	-	US\$ 1,915	N/A	US\$ 1,915	
	General Elec Cap Corp. Mtn	-	"	-	US\$ 3,888	N/A	US\$ 3,888	
	General Elec Cap Corp. Mtn	-	"	-	US\$ 8,759	N/A	US\$ 8,759	
	General Elec Cap Corp. Mtn	-	"	-	US\$ 8,282	N/A	US\$ 8,282	
	General Elec Cap Corp. Mtn	-	"	-	US\$ 2,119	N/A	US\$ 2,119	
	General Re Corp.	-	"	-	US\$ 3,292	N/A	US\$ 3,292	
	Goldman Sachs Group Inc.	-	"	-	US\$ 4,989	N/A	US\$ 4,989	
	Goldman Sachs Group Inc.	-	"	-	US\$ 3,456	N/A	US\$ 3,456	
	Greenpoint Finl Corp.	-	"	-	US\$ 968	N/A	US\$ 968	
	Hancock John Global Fdg Ii Mtn	-	"	-	US\$ 2,896	N/A	US\$ 2,896	
	Hancock John Global Fdg Ii Mtn	-	"	-	US\$ 5,132	N/A	US\$ 5,132	
	Hancock John Global Fdg Mtn	-	"	-	US\$ 975	N/A	US\$ 975	
	Hartford Finl Svcs Group Inc.	-	"	-	US\$ 5,037	N/A	US\$ 5,037	
	Hartford Finl Svcs Group Inc.	-	"	-	US\$ 1,345	N/A	US\$ 1,345	
	Hbos Plc Medium Term Sr Nts	-	"	-	US\$ 3,205	N/A	US\$ 3,205	
	Hbos Plc Medium Term Sr Nts	-	"	-	US\$ 2,952	N/A	US\$ 2,952	
	Heller Finl Inc.	-	"	-	US\$ 1,929	N/A	US\$ 1,929	
	Hershey Foods Corp.	-	"	-	US\$ 1,504	N/A	US\$ 1,504	
	Household Fin Corp.	-	"	-	US\$ 2,903	N/A	US\$ 2,903	
	Household Fin Corp.	-	"	-	US\$ 501	N/A	US\$ 501	
	Household Intl Inc.	-	"	-	US\$ 2,851	N/A	US\$ 2,851	
	Hsbc Fin Corp.	-	"	-	US\$ 3,028	N/A	US\$ 3,028	
	Hsbc Fin Corp. Mtn	-	"	-	US\$ 5,096	N/A	US\$ 5,096	
	Huntington National Bank	-	"	-	US\$ 1,886	N/A	US\$ 1,886	
	Ing Sec Life Instl Fdg	-	"	-	US\$ 2,483	N/A	US\$ 2,483	
	International Business Machs	-	"	-	US\$ 2,217	N/A	US\$ 2,217	
	Intl Lease Fin Corp. Mtn	-	"	-	US\$ 2,939	N/A	US\$ 2,939	
	Intl Lease Fin Corp. Mtn	-	"	-	US\$ 4,138	N/A	US\$ 4,138	
	J P Morgan Chase + Co.	-	"	-	US\$ 3,298	N/A	US\$ 3,298	
	Jackson Natl Life Global Fdg	-	"	-	US\$ 1,000	N/A	US\$ 1,000	
	Key Bk Na Med Term Nts Bk Entr	-	"	-	US\$ 4,401	N/A	US\$ 4,401	
	KeyCorp. Mtn Book Entry	-	"	-	US\$ 3,010	N/A	US\$ 3,010	
	Kraft Foods Inc.	-	"	-	US\$ 1,000	N/A	US\$ 1,000	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Lehman Brothers Hldgs Inc.	-	Available-for-sale financial assets	-	US\$ 1,626	N/A	US\$ 1,626	
	Lehman Brothers Hldgs Inc.	-	"	-	US\$ 487	N/A	US\$ 487	
	Lehman Brothers Hldgs Inc.	-	"	-	US\$ 989	N/A	US\$ 989	
	Lehman Brothers Hldgs Inc.	-	"	-	US\$ 3,150	N/A	US\$ 3,150	
	Lehman Brothers Hldgs Inc.	-	"	-	US\$ 1,077	N/A	US\$ 1,077	
	Lincoln Natl Corp. In	-	"	-	US\$ 500	N/A	US\$ 500	
	Marshall + Ilsley Corp.	-	"	-	US\$ 8,420	N/A	US\$ 8,420	
	Mbna America Bank Na Y	-	"	-	US\$ 6,403	N/A	US\$ 6,403	
	Merita Bk Ltd. Ny Brh	-	"	-	US\$ 501	N/A	US\$ 501	
	Merrill Lynch + Co. Inc.	-	"	-	US\$ 3,453	N/A	US\$ 3,453	
	Merrill Lynch + Co. Inc.	-	"	-	US\$ 1,985	N/A	US\$ 1,985	
	Merrill Lynch + Co. Inc.	-	"	-	US\$ 4,865	N/A	US\$ 4,865	
	Metropolitan Life Global Mtn	-	"	-	US\$ 3,369	N/A	US\$ 3,369	
	Mgic Invt Corp.	-	"	-	US\$ 1,204	N/A	US\$ 1,204	
	Monumental Global Fdg Ii	-	"	-	US\$ 1,468	N/A	US\$ 1,468	
	Monumental Global Fdg Ii 2002a	-	"	-	US\$ 1,000	N/A	US\$ 1,000	
	Monunmetal Global Fdg Ii	-	"	-	US\$ 1,961	N/A	US\$ 1,961	
	Mony Group Inc.	-	"	-	US\$ 2,175	N/A	US\$ 2,175	
	Morgan Stanley	-	"	-	US\$ 1,926	N/A	US\$ 1,926	
	Morgan Stanley	-	"	-	US\$ 2,126	N/A	US\$ 2,126	
	National City Corp.	-	"	-	US\$ 3,410	N/A	US\$ 3,410	
	National Westminster Bk Plc	-	"	-	US\$ 1,323	N/A	US\$ 1,323	
	Nationwide Bldg Soc	-	"	-	US\$ 3,537	N/A	US\$ 3,537	
	Nationwide Life Global Fdg I	-	"	-	US\$ 3,501	N/A	US\$ 3,501	
	Nationwide Life Global Mtn	-	"	-	US\$ 1,485	N/A	US\$ 1,485	
	Nucor Corp.	-	"	-	US\$ 3,797	N/A	US\$ 3,797	
	Oracle Corp. / Ozark Hldg Inc.	-	"	-	US\$ 1,973	N/A	US\$ 1,973	
	Pepsico Inc. Mtn Book Entry	-	"	-	US\$ 3,619	N/A	US\$ 3,619	
	Pnc Fdg Corp.	-	"	-	US\$ 1,007	N/A	US\$ 1,007	
	Popular North Amer Inc.	-	"	-	US\$ 2,910	N/A	US\$ 2,910	
	Praxair Inc.	-	"	-	US\$ 3,138	N/A	US\$ 3,138	
	Premark Intl Inc.	-	"	-	US\$ 2,729	N/A	US\$ 2,729	
	Pricoa Global Fdg I Mtn	-	"	-	US\$ 3,401	N/A	US\$ 3,401	
	Principal Finl Group Australia	-	"	-	US\$ 1,013	N/A	US\$ 1,013	
	Principal Life Global Fdg I Gl	-	"	-	US\$ 1,165	N/A	US\$ 1,165	
	Protective Life Secd Trs	-	"	-	US\$ 2,913	N/A	US\$ 2,913	
	Protective Life Secd Trs Mtn	-	"	-	US\$ 3,390	N/A	US\$ 3,390	
	Prudential Ins Co. Amer	-	"	-	US\$ 2,629	N/A	US\$ 2,629	
	Public Svc Elec Gas Co.	-	"	-	US\$ 3,682	N/A	US\$ 3,682	
	Regions Finl Corp. New	-	"	-	US\$ 2,371	N/A	US\$ 2,371	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Safeco Corp.	-	Available-for-sale financial assets	-	US\$ 715	N/A	US\$ 715	
	Sbc Communications Inc.	-	"	-	US\$ 1,041	N/A	US\$ 1,041	
	Sbc Communications Inc.	-	"	-	US\$ 697	N/A	US\$ 697	
	Simon Pty Group Lp	-	"	-	US\$ 1,009	N/A	US\$ 1,009	
	Slm Corp. Medium Term Nts	-	"	-	US\$ 8,998	N/A	US\$ 8,998	
	Sp Powerasests Ltd. Global	-	"	-	US\$ 969	N/A	US\$ 969	
	St Paul Cos Inc. Mtn Bk Ent	-	"	-	US\$ 2,550	N/A	US\$ 2,550	
	Suntrust Bk Atlanta Ga Medium	-	"	-	US\$ 3,442	N/A	US\$ 3,442	
	Tiaa Global Mkts Inc.	-	"	-	US\$ 500	N/A	US\$ 500	
	Unitedhealth Group Inc.	-	"	-	US\$ 3,000	N/A	US\$ 3,000	
	Us Bk Natl Assn Cincinnati Oh	-	"	-	US\$ 2,915	N/A	US\$ 2,915	
	Vodafone Airtouch Plc	-	"	-	US\$ 4,449	N/A	US\$ 4,449	
	Wachovia Corp. New	-	"	-	US\$ 2,040	N/A	US\$ 2,040	
	Washington Mut Bk Fa	-	"	-	US\$ 3,997	N/A	US\$ 3,997	
	Washington Mut Inc.	-	"	-	US\$ 1,692	N/A	US\$ 1,692	
	Washington Mut Inc.	-	"	-	US\$ 1,000	N/A	US\$ 1,000	
	Washington Post Co.	-	"	-	US\$ 3,001	N/A	US\$ 3,001	
	Wells Fargo + Co. New	-	"	-	US\$ 2,943	N/A	US\$ 2,943	
	Wells Fargo + Co. New Med Trm	-	"	-	US\$ 4,311	N/A	US\$ 4,311	
	Westfield Cap Corp. Ltd.	-	"	-	US\$ 2,005	N/A	US\$ 2,005	
	Wps Resources Corp.	-	"	-	US\$ 1,047	N/A	US\$ 1,047	
	<u>Corporate issued asset - backed securities</u>							
	American Home Mtg Invt Tr	-	Available-for-sale financial assets	-	US\$ 116	N/A	US\$ 116	
	Americredit Auto Rec Tr	-	"	-	US\$ 1,004	N/A	US\$ 1,004	
	Americredit Automobile Rec Tr	-	"	-	US\$ 1,116	N/A	US\$ 1,116	
	Americredit Automobile Rec Tr	-	"	-	US\$ 2,598	N/A	US\$ 2,598	
	Americredit Automobile Rec Tr	-	"	-	US\$ 3,269	N/A	US\$ 3,269	
	Americredit Automobile Receiva	-	"	-	US\$ 4,609	N/A	US\$ 4,609	
	Americredit Automobile Receivb	-	"	-	US\$ 2,891	N/A	US\$ 2,891	
	Atlantic City Elc Trms Fdglc	-	"	-	US\$ 420	N/A	US\$ 420	
	Ba Cr Card Tr	-	"	-	US\$ 4,300	N/A	US\$ 4,300	
	Banc Amer Coml Mtg Inc.	-	"	-	US\$ 2,869	N/A	US\$ 2,869	
	Banc Amer Fdg 2006 I Tr	-	"	-	US\$ 4,332	N/A	US\$ 4,332	
	Bank Of Amer Lease Equip Tr	-	"	-	US\$ 1,057	N/A	US\$ 1,057	
	Bear Stearns Alt A Tr	-	"	-	US\$ 628	N/A	US\$ 628	
	Bear Stearns Arm Tr	-	"	-	US\$ 3,480	N/A	US\$ 3,480	
	Bear Stearns Arm Tr	-	"	-	US\$ 1,951	N/A	US\$ 1,951	
	Bear Stearns Coml Mtg Secs Inc.	-	"	-	US\$ 6,358	N/A	US\$ 6,358	
	Bear Stearns Coml Mtg Secs Inc.	-	"	-	US\$ 3,541	N/A	US\$ 3,541	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Capital Auto Receivables Asset	-	Available-for-sale financial assets	-	US\$ 3,243	N/A	US\$ 3,243	
	Capital One Auto Fin Tr	-	"	-	US\$ 2,618	N/A	US\$ 2,618	
	Capital One Auto Fin Tr	-	"	-	US\$ 2,986	N/A	US\$ 2,986	
	Capital One Auto Fin Tr	-	"	-	US\$ 4,998	N/A	US\$ 4,998	
	Capital One Multi Asset Execut	-	"	-	US\$ 3,941	N/A	US\$ 3,941	
	Capital One Multi Asset Execut	-	"	-	US\$ 2,963	N/A	US\$ 2,963	
	Capital One Prime Auto Rec	-	"	-	US\$ 3,981	N/A	US\$ 3,981	
	Capital One Prime Auto Receiv	-	"	-	US\$ 2,507	N/A	US\$ 2,507	
	Caterpillar Finl Asset Tr	-	"	-	US\$ 1,525	N/A	US\$ 1,525	
	Caterpillar Finl Asset Tr	-	"	-	US\$ 8,142	N/A	US\$ 8,142	
	Cbass Tr	-	"	-	US\$ 4,262	N/A	US\$ 4,262	
	Cendant Rent Car Fdg Aesop Llc	-	"	-	US\$ 9,297	N/A	US\$ 9,297	
	Cit Equip Coll Tr	-	"	-	US\$ 1,899	N/A	US\$ 1,899	
	Cit Equip Coll Tr	-	"	-	US\$ 3,985	N/A	US\$ 3,985	
	Citibank Cr Card Issuance Tr	-	"	-	US\$ 9,864	N/A	US\$ 9,864	
	Citibank Cr Card Issuance Tr	-	"	-	US\$ 2,688	N/A	US\$ 2,688	
	CitiCorp. Mtg Secs	-	"	-	US\$ 582	N/A	US\$ 582	
	Cnh Equip Tr	-	"	-	US\$ 1,984	N/A	US\$ 1,984	
	Credit Suisse First Boston Mtg	-	"	-	US\$ 3,740	N/A	US\$ 3,740	
	Credit Suisse First Boston Mtg	-	"	-	US\$ 3,576	N/A	US\$ 3,576	
	Credit Suisse First Boston Mtg	-	"	-	US\$ 444	N/A	US\$ 444	
	Cwabs	-	"	-	US\$ 4,261	N/A	US\$ 4,261	
	Cwabs Inc.	-	"	-	US\$ 224	N/A	US\$ 224	
	Cwabs Inc.	-	"	-	US\$ 893	N/A	US\$ 893	
	Daimlerchrysler Auto Tr	-	"	-	US\$ 4,315	N/A	US\$ 4,315	
	Daimlerchrysler Auto Tr	-	"	-	US\$ 1,695	N/A	US\$ 1,695	
	Deere John Owner Tr	-	"	-	US\$ 2,452	N/A	US\$ 2,452	
	Drive Auto Receivables Tr	-	"	-	US\$ 3,191	N/A	US\$ 3,191	
	Fifth Third Auto Tr	-	"	-	US\$ 12	N/A	US\$ 12	
	First Franklin Mtg Ln Tr	-	"	-	US\$ 4,290	N/A	US\$ 4,290	
	First Horizon Abs Tr	-	"	-	US\$ 528	N/A	US\$ 528	
	First Union Lehman Bros Mtg Tr	-	"	-	US\$ 1,715	N/A	US\$ 1,715	
	Ford Credit Auto Owner Trust	-	"	-	US\$ 4,324	N/A	US\$ 4,324	
	Ge Cap Cr Card Master Nt Tr	-	"	-	US\$ 2,846	N/A	US\$ 2,846	
	Granite Mtgs Plc	-	"	-	US\$ 564	N/A	US\$ 564	
	Gs Mtg Secs Corp.	-	"	-	US\$ 4,145	N/A	US\$ 4,145	
	Gsamp Tr	-	"	-	US\$ 4,251	N/A	US\$ 4,251	
	Harley Davidson Motorcycle Tr	-	"	-	US\$ 150	N/A	US\$ 150	
	Harley Davidson Motorcycle Tr	-	"	-	US\$ 5,825	N/A	US\$ 5,825	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Hertz Veh Fing Llc	-	Available-for-sale financial assets	-	US\$ 5,319	N/A	US\$ 5,319	
	Holmes Fing No 8 Plc	-	"	-	US\$ 5,000	N/A	US\$ 5,000	
	Home Equity Mtg Tr 2006 4	-	"	-	US\$ 4,222	N/A	US\$ 4,222	
	Hsbc Automotive Tr	-	"	-	US\$ 2,980	N/A	US\$ 2,980	
	Hyundai Auto Receivables Tr	-	"	-	US\$ 5,537	N/A	US\$ 5,537	
	Hyundai Auto Receivables Tr	-	"	-	US\$ 3,212	N/A	US\$ 3,212	
	Hyundai Auto Receivables Tr	-	"	-	US\$ 3,928	N/A	US\$ 3,928	
	Impac Cmb Tr	-	"	-	US\$ 308	N/A	US\$ 308	
	Impac Cmb Tr	-	"	-	US\$ 238	N/A	US\$ 238	
	Lb Ubs Coml Mtg Tr	-	"	-	US\$ 3,493	N/A	US\$ 3,493	
	Long Beach Mtg Ln Tr	-	"	-	US\$ 3,203	N/A	US\$ 3,203	
	Mastr Asset Backed	-	"	-	US\$ 4,224	N/A	US\$ 4,224	
	Mbna Master Cr Card Tr Ii	-	"	-	US\$ 7,605	N/A	US\$ 7,605	
	Merrill Lynch Mtg Invs Inc.	-	"	-	US\$ 5,887	N/A	US\$ 5,887	
	Morgan Stanley Ixis Estate Tr	-	"	-	US\$ 4,110	N/A	US\$ 4,110	
	National City Auto Receivables	-	"	-	US\$ 41	N/A	US\$ 41	
	Navistar Finl 2003 A Owner Tr	-	"	-	US\$ 2,956	N/A	US\$ 2,956	
	Nissan Auto Receivables	-	"	-	US\$ 72	N/A	US\$ 72	
	Nissan Auto Receivables	-	"	-	US\$ 3,928	N/A	US\$ 3,928	
	Nomura Asset Accep Corp.	-	"	-	US\$ 4,150	N/A	US\$ 4,150	
	Onyx Accep Owner Tr	-	"	-	US\$ 3,774	N/A	US\$ 3,774	
	Pg+E Energy Recovery Fdg Llc	-	"	-	US\$ 3,997	N/A	US\$ 3,997	
	Providian Gateway Owner Tr	-	"	-	US\$ 3,942	N/A	US\$ 3,942	
	Reliant Energy Transition Bd	-	"	-	US\$ 2,486	N/A	US\$ 2,486	
	Residential Asset Mtg Prods	-	"	-	US\$ 2,484	N/A	US\$ 2,484	
	Residential Asset Sec Mtg Pass	-	"	-	US\$ 1,865	N/A	US\$ 1,865	
	Residential Asset Sec Mtg Pass	-	"	-	US\$ 2,711	N/A	US\$ 2,711	
	Residential Fdg Mtg Secs I Inc.	-	"	-	US\$ 2,014	N/A	US\$ 2,014	
	Residential Fdg Mtg Secs I Inc.	-	"	-	US\$ 4,058	N/A	US\$ 4,058	
	Sequoia Mtg Tr	-	"	-	US\$ 548	N/A	US\$ 548	
	Sequoia Mtg Tr	-	"	-	US\$ 496	N/A	US\$ 496	
	Sequoia Mtg Tr	-	"	-	US\$ 737	N/A	US\$ 737	
	Structured Adj Rate Mtg Ln Tr	-	"	-	US\$ 1,389	N/A	US\$ 1,389	
	Structured Adj Rate Mtg Ln Tr	-	"	-	US\$ 472	N/A	US\$ 472	
	Terwin Mtg Tr	-	"	-	US\$ 4,065	N/A	US\$ 4,065	
	Tw Hotel Fdg 2005 Llc	-	"	-	US\$ 4,103	N/A	US\$ 4,103	
	Txu Elec Delivery Transition	-	"	-	US\$ 2,219	N/A	US\$ 2,219	
	Usaa Auto Owner Tr	-	"	-	US\$ 4,238	N/A	US\$ 4,238	
	Wamu Mtg Pass Thru Ctfs	-	"	-	US\$ 1,002	N/A	US\$ 1,002	
	Wamu Tr	-	"	-	US\$ 975	N/A	US\$ 975	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Washington Mut Mtg Pass	-	Available-for-sale financial assets	-	US\$ 1,759	N/A	US\$ 1,759	
	Washington Mut Mtg Secs Corp.	-	"	-	US\$ 2,984	N/A	US\$ 2,984	
	Wells Fargo Finl Auto Owner Tr	-	"	-	US\$ 4,986	N/A	US\$ 4,986	
	Wells Fargo Finl Auto Owner Tr	-	"	-	US\$ 4,926	N/A	US\$ 4,926	
	Wells Fargo Mtg Backed Secs	-	"	-	US\$ 4,367	N/A	US\$ 4,367	
	Wells Fargo Mtg Bkd Secs	-	"	-	US\$ 2,856	N/A	US\$ 2,856	
	Wells Fargo Mtg Bkd Secs	-	"	-	US\$ 3,399	N/A	US\$ 3,399	
	Wells Fargo Mtg Bkd Secs Tr	-	"	-	US\$ 2,748	N/A	US\$ 2,748	
	Wfs Finl	-	"	-	US\$ 620	N/A	US\$ 620	
	Wfs Finl 2004 4 Owner Tr	-	"	-	US\$ 932	N/A	US\$ 932	
	Wfs Finl 2005 2 Oner Tr	-	"	-	US\$ 2,220	N/A	US\$ 2,220	
	Whole Auto Ln Tr	-	"	-	US\$ 1,219	N/A	US\$ 1,219	
	Whole Auto Ln Tr	-	"	-	US\$ 2,955	N/A	US\$ 2,955	
	<u>Agency bond</u>							
	Federal Home Ln Bks	-	Available-for-sale financial assets	-	US\$ 8,768	N/A	US\$ 8,768	
	Federal Home Ln Bks	-	"	-	US\$ 4,920	N/A	US\$ 4,920	
	Federal Home Ln Bks	-	"	-	US\$ 8,743	N/A	US\$ 8,743	
	Federal Home Ln Bks	-	"	-	US\$ 4,856	N/A	US\$ 4,856	
	Federal Home Ln Bks	-	"	-	US\$ 5,851	N/A	US\$ 5,851	
	Federal Home Ln Bks	-	"	-	US\$ 7,952	N/A	US\$ 7,952	
	Federal Home Ln Bks	-	"	-	US\$ 4,885	N/A	US\$ 4,885	
	Federal Home Ln Bks	-	"	-	US\$ 2,991	N/A	US\$ 2,991	
	Federal Home Ln Bks	-	"	-	US\$ 6,099	N/A	US\$ 6,099	
	Federal Home Ln Bks	-	"	-	US\$ 12,279	N/A	US\$ 12,279	
	Federal Home Ln Bks	-	"	-	US\$ 6,905	N/A	US\$ 6,905	
	Federal Home Ln Bks	-	"	-	US\$ 5,898	N/A	US\$ 5,898	
	Federal Home Ln Bks	-	"	-	US\$ 7,506	N/A	US\$ 7,506	
	Federal Home Ln Bks	-	"	-	US\$ 2,386	N/A	US\$ 2,386	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 1,976	N/A	US\$ 1,976	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 5,948	N/A	US\$ 5,948	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 6,440	N/A	US\$ 6,440	
	Federal Home Loan Banks	-	"	-	US\$ 8,049	N/A	US\$ 8,049	
	Federal Natl Mtg Assn	-	"	-	US\$ 4,365	N/A	US\$ 4,365	
	Federal Natl Mtg Assn	-	"	-	US\$ 5,915	N/A	US\$ 5,915	
	Federal Natl Mtg Assn	-	"	-	US\$ 3,943	N/A	US\$ 3,943	
	Federal Natl Mtg Assn	-	"	-	US\$ 7,868	N/A	US\$ 7,868	
	Federal Natl Mtg Assn	-	"	-	US\$ 19,766	N/A	US\$ 19,766	
	Federal Natl Mtg Assn	-	"	-	US\$ 14,973	N/A	US\$ 14,973	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Federal Natl Mtg Assn	-	Available-for-sale financial assets	-	US\$ 10,467	N/A	US\$ 10,467	
	Federal Natl Mtg Assn	-	"	-	US\$ 6,511	N/A	US\$ 6,511	
	Federal Natl Mtg Assn	-	"	-	US\$ 3,000	N/A	US\$ 3,000	
	Federal Natl Mtg Assn Medium	-	"	-	US\$ 3,415	N/A	US\$ 3,415	
	Federal Natl Mtg Assn Mtn	-	"	-	US\$ 2,914	N/A	US\$ 2,914	
	Federal Natl Mtg Assn Mtn	-	"	-	US\$ 2,900	N/A	US\$ 2,900	
	Federal Natl Mtg Assn Mtn	-	"	-	US\$ 5,318	N/A	US\$ 5,318	
	Tennessee Valley Auth	-	"	-	US\$ 6,024	N/A	US\$ 6,024	
	Fed Hm Ln Pc Pool 1H2520	-	"	-	US\$ 3,100	N/A	US\$ 3,100	
	Fed Hm Ln Pc Pool 1H2524	-	"	-	US\$ 2,354	N/A	US\$ 2,354	
	Fed Hm Ln Pc Pool 781959	-	"	-	US\$ 6,040	N/A	US\$ 6,040	
	Fed Hm Ln Pc Pool 847628	-	"	-	US\$ 3,796	N/A	US\$ 3,796	
	Fed Hm Ln Pc Pool B19205	-	"	-	US\$ 8,560	N/A	US\$ 8,560	
	Fed Hm Ln Pc Pool E89857	-	"	-	US\$ 1,595	N/A	US\$ 1,595	
	Fed Hm Ln Pc Pool G11295	-	"	-	US\$ 1,371	N/A	US\$ 1,371	
	Fed Hm Ln Pc Pool M80855	-	"	-	US\$ 3,287	N/A	US\$ 3,287	
	Federal Home Ln Mtg	-	"	-	US\$ 3,019	N/A	US\$ 3,019	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 2,208	N/A	US\$ 2,208	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,917	N/A	US\$ 3,917	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,626	N/A	US\$ 3,626	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,076	N/A	US\$ 3,076	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 4,464	N/A	US\$ 4,464	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 1,389	N/A	US\$ 1,389	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,176	N/A	US\$ 3,176	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,738	N/A	US\$ 3,738	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,216	N/A	US\$ 3,216	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 1,356	N/A	US\$ 1,356	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 8,535	N/A	US\$ 8,535	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,409	N/A	US\$ 3,409	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 2,976	N/A	US\$ 2,976	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 4,502	N/A	US\$ 4,502	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 2,965	N/A	US\$ 2,965	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 3,743	N/A	US\$ 3,743	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 4,381	N/A	US\$ 4,381	
	Federal Home Ln Mtg Corp.	-	"	-	US\$ 4,223	N/A	US\$ 4,223	
	Federal Natl Mtg Assn	-	"	-	US\$ 2,807	N/A	US\$ 2,807	
	Federal Natl Mtg Assn	-	"	-	US\$ 259	N/A	US\$ 259	
	Federal Natl Mtg Assn	-	"	-	US\$ 3,158	N/A	US\$ 3,158	
	Federal Natl Mtg Assn	-	"	-	US\$ 2,465	N/A	US\$ 2,465	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2006				Note
				Shares/Units (in Thousands)	Carrying Value (US\$ in Thousands)	Percentage of Ownership	Market Value or Net Asset Value (US\$ in Thousands)	
	Federal Natl Mtg Assn	-	Available-for-sale financial assets	-	US\$ 4,290	N/A	US\$ 4,290	
	Federal Natl Mtg Assn	-	"	-	US\$ 1,994	N/A	US\$ 1,994	
	Federal Natl Mtg Assn	-	"	-	US\$ 4,339	N/A	US\$ 4,339	
	Federal Natl Mtg Assn	-	"	-	US\$ 632	N/A	US\$ 632	
	Federal Natl Mtg Assn Gtd	-	"	-	US\$ 2,215	N/A	US\$ 2,215	
	Federal Natl Mtg Assn Gtd	-	"	-	US\$ 2,239	N/A	US\$ 2,239	
	Fnma Pool 254507	-	"	-	US\$ 1,616	N/A	US\$ 1,616	
	Fnma Pool 254834	-	"	-	US\$ 1,417	N/A	US\$ 1,417	
	Fnma Pool 255883	-	"	-	US\$ 3,490	N/A	US\$ 3,490	
	Fnma Pool 555549	-	"	-	US\$ 1,616	N/A	US\$ 1,616	
	Fnma Pool 632399	-	"	-	US\$ 434	N/A	US\$ 434	
	Fnma Pool 662401	-	"	-	US\$ 659	N/A	US\$ 659	
	Fnma Pool 667766	-	"	-	US\$ 1,574	N/A	US\$ 1,574	
	Fnma Pool 680932	-	"	-	US\$ 1,307	N/A	US\$ 1,307	
	Fnma Pool 681393	-	"	-	US\$ 2,749	N/A	US\$ 2,749	
	Fnma Pool 685116	-	"	-	US\$ 629	N/A	US\$ 629	
	Fnma Pool 687863	-	"	-	US\$ 2,647	N/A	US\$ 2,647	
	Fnma Pool 696485	-	"	-	US\$ 3,194	N/A	US\$ 3,194	
	Fnma Pool 703711	-	"	-	US\$ 538	N/A	US\$ 538	
	Fnma Pool 725095	-	"	-	US\$ 1,204	N/A	US\$ 1,204	
	Fnma Pool 730033	-	"	-	US\$ 1,470	N/A	US\$ 1,470	
	Fnma Pool 740934	-	"	-	US\$ 1,415	N/A	US\$ 1,415	
	Fnma Pool 790828	-	"	-	US\$ 2,559	N/A	US\$ 2,559	
	Fnma Pool 793025	-	"	-	US\$ 2,466	N/A	US\$ 2,466	
	Fnma Pool 793932	-	"	-	US\$ 631	N/A	US\$ 631	
	Fnma Pool 794040	-	"	-	US\$ 825	N/A	US\$ 825	
	Fnma Pool 795548	-	"	-	US\$ 411	N/A	US\$ 411	
	Fnma Pool 806642	-	"	-	US\$ 1,235	N/A	US\$ 1,235	
	Fnma Pool 813641	-	"	-	US\$ 3,720	N/A	US\$ 3,720	
	Fnma Pool 815626	-	"	-	US\$ 2,945	N/A	US\$ 2,945	
	Fnma Pool 816594	-	"	-	US\$ 2,067	N/A	US\$ 2,067	
	Fnma Pool 825395	-	"	-	US\$ 2,818	N/A	US\$ 2,818	
	Fnma Pool 825398	-	"	-	US\$ 4,224	N/A	US\$ 4,224	
	Fnma Pool 841069	-	"	-	US\$ 2,882	N/A	US\$ 2,882	
	Fnma Pool 879906	-	"	-	US\$ 1,636	N/A	US\$ 1,636	
	Gnma Ii Pool 081150	-	"	-	US\$ 613	N/A	US\$ 613	
	Gnma Ii Pool 081153	-	"	-	US\$ 2,119	N/A	US\$ 2,119	
	<u>Money market funds</u>							
	SSGA Cash Mgmt Global Offshore	-	Available-for-sale financial assets	-	US\$ 20,488	N/A	US\$ 20,488	

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Investees

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance		
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)	
The Company	<u>Government bond</u>														
	Kreditanaalt Fur Wiederaufbau	Available-for-sale financial assets	-	-	-	US\$ 6,881	-	US\$ -	-	US\$ 6,866	US\$ 6,881	US\$ (15)	-	US\$ -	
	United States Treas NTS	"	-	-	-	US\$ 46,173	-	US\$ 268,521	-	US\$ 310,469	US\$ 311,106	US\$ (638)	-	-	
	2004Government Bond Series B	"	KGI Securities Co., Ltd. and several financial institutions	-	-	\$ -	-	\$ 1,005,115	-	\$ -	\$ -	\$ -	-	\$ 999,779	
	2003Government Bond Series B	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	998,324	-	-	-	-	-	998,288	
	2006Government Bond Series D	Held-to-maturity financial assets	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	3,658,659	-	-	-	-	-	3,657,320	
	2005Government Bond Series A	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	2,548,977	-	499,084	-	-	-	-	3,049,919	
	2003Government Bond Series B	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	1,647,823	-	-	-	-	-	1,647,851	
	2003 Asian Development Bank Govt. Bond Series	"	JP Morgan Chase Bank	-	-	-	-	827,820	-	-	-	-	-	835,840	
	2003Government Bond Series F	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	149,441	-	647,445	-	-	-	-	797,299	
	2003 Government Bond Series H	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	401,728	-	-	-	-	-	401,568	
	European Investment Bank Bonds	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	367,600	-	-	-	-	-	372,265	
	2004 Kachsiung Municipal Series B	"	KGI Securities Co., Ltd. and several financial institutions	-	-	-	-	249,998	-	-	-	-	-	249,998	
	2003 European Bank for Reconstruction and Development Govt Bond Series A	"	JP Morgan Chase Bank	-	-	-	-	87,461	-	-	-	-	-	88,198	
	<u>Open-end mutual funds</u>														
	NITC Bond Fund	Available-for-sale financial assets	National Investment Trust Co., Ltd.	-	-	3,764	610,864	18,455	3,000,000	-	-	-	-	22,219	3,655,939
	ABN AMRO Bond Fund	"	ABN-AMRO Securities Investment Trust (Taiwan) Ltd.	-	-	134,906	2,004,862	40,250	600,000	-	-	-	-	175,156	2,639,459
	Fuh Hwa Bond	"	Fuh Hwa Investment Trust Co.	-	-	-	-	125,122	1,655,781	-	-	-	-	125,122	1,667,908
	Mega Diamond Bond Fund	"	Mega Investment Trust Corporation	-	-	-	-	139,333	1,600,000	-	-	-	-	139,333	1,602,947
	Prudential Financial Bond Fund	"	Cathay Securities Investment Trust Co., Ltd.	-	-	-	-	103,751	1,500,000	-	-	-	-	103,751	1,516,294
	NITC Taiwan Bond	"	Allianz Dresdner Securities Investment Consulting Co.,Ltd.	-	-	-	-	93,312	1,300,000	-	-	-	-	93,312	1,314,669
	JF Taiwan Bond Fund	"	JF Asset Management (Taiwan) Ltd.	-	-	62,009	933,430	23,136	350,000	-	-	-	-	85,145	1,299,088
	Cathay Bond	"	National Investment Trust Co., Ltd.	-	-	-	-	122,762	1,400,000	13,042	150,000	148,736	1,264	109,720	1,265,092
JIH SUN Bond Fund	"	JIH SUN Investment Trust (Taiwan) Ltd.	-	-	-	-	88,165	1,200,000	-	-	-	-	88,165	1,202,901	
Dresdner Bond DAM Fund	"	JF Asset Management (Taiwan) Ltd.	-	-	69,303	792,068	34,914	400,000	8,664	100,000	99,103	897	95,553	1,107,206	
ABN AMRO Income	"	Fuh Hwa Investment Trust Co.	-	-	-	-	63,947	1,000,000	-	-	-	-	63,947	1,012,377	
President James Bond	"	HSBC Investment (Taiwan) Ltd.	-	-	-	-	72,002	1,100,000	6,506	100,000	99,401	599	65,496	1,010,426	
AGI Taiwan Bond Fund	"	AGI Securities Investment Trust (Taiwan) Ltd.	-	-	-	-	78,629	1,000,000	-	-	-	-	78,629	1,002,595	
JF Taiwan First Bond Fund	"	ABN-AMRO Securities Investment Trust (Taiwan) Ltd.	-	-	63,131	875,416	14,399	200,000	10,704	150,000	148,472	1,528	66,826	939,082	
Shinkong Chi Shin Bond Fund	"	Fuh Hwa Investment Trust Co.	-	-	55,063	778,482	17,617	250,000	10,497	150,000	148,542	1,458	62,183	890,660	
ABN AMRO Select Bond Fund	"	ABN-AMRO Securities Investment Trust (Taiwan) Ltd.	-	-	18,235	203,860	93,738	1,050,000	35,380	400,000	396,179	3,821	76,593	868,076	

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance		
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)	
	Taishin Lucky Fund	Available-for-sale financial assets	Uni-President Assets Management Corp.	-	-	\$ -	78,624	\$ 800,000	-	\$ -	\$ -	\$ -	-	78,624	\$ 806,386
	Polaris De-Bao Fund	"	Polaris International Securities Investment Trust Co., Ltd.	-	-	-	63,273	700,000	-	-	-	-	-	63,273	701,069
	TIIM High Yield	"	Shinkong Securities Investment Trust (Taiwan) Ltd.	-	-	-	56,812	700,000	12,127	150,000	149,276	724	44,685	554,863	
	HSBC Taiwan Money Management	"	Taiwan International Securities Corp.	-	-	-	47,667	700,000	13,574	200,007	199,327	680	34,093	506,250	
	Invesco R.O.C. Bond Rund	"	Taishin Securities Investment Trust (Taiwan) Ltd.	-	-	-	27,176	403,727	-	-	-	-	-	27,176	403,774
	Fuhwa Albatross Fund	"	Invesco Asset management Taiwan	-	-	-	89,510	1,000,000	89,510	1,005,781	1,000,000	5,781	-	-	
	Invesco Income Fund	"	Taishin Securities Investment Trust (Taiwan) Ltd.	-	-	-	44,180	500,000	44,180	503,727	500,000	3,727	-	-	
	<u>Stock</u> SSMC	Investment accounted for using equity method	-	Equity method investee	382	4,215,200	81	2,432,705	-	-	-	-	-	463	7,960,869
	<u>Capital</u> VTAF II	Investment accounted for using equity method	-	Subsidiary	-	642,479	-	130,956	-	-	-	-	-	-	733,130
	VTAF III	"	-	"	-	-	-	243,545	-	-	-	-	-	-	228,005
	<u>Corporate bond</u> Taiwan Power Company	Held-to-maturity financial assets	KGI Securities Co., Ltd.	-	-	3,263,349	-	1,690,567	-	-	-	-	-	-	4,080,391
	Formosa Petrochemical Corporation	"	KGI Securities Co., Ltd.	-	-	1,093,283	-	2,769,533	-	-	-	-	-	-	3,566,946
	Nan Ya Plastics Corporation	"	KGI Securities Co., Ltd.	-	-	2,150,842	-	1,097,943	-	-	-	-	-	-	2,773,810
	Chinese Petroleum Corporation	"	KGI Securities Co., Ltd. and several financial institutions	-	-	705,436	-	1,000,441	-	-	-	-	-	-	1,451,378
	China Steel Corporation	"	KGI Securities Co., Ltd.	-	-	1,010,532	-	1,000,000	-	-	-	-	-	-	1,000,000
	Formosa Plastic Corporation	"	KGI Securities Co., Ltd. and several financial institutions	-	-	268,855	-	379,809	-	-	-	-	-	-	516,663
	Shanghai commercial & Saving Bank	"	KGI Securities Co., Ltd.	-	-	-	-	283,996	-	-	-	-	-	-	286,497
	Hua Nan Bank	Available-for-sale financial assets	HSBC	-	-	-	-	1,526,049	-	-	-	-	-	-	1,545,864
	Cathay Bank	"	HSBC	-	-	-	-	1,144,877	-	-	-	-	-	-	1,159,576
	Taiwan Power Company	"	KGI Securities Co., Ltd.	-	-	-	-	1,046,302	-	-	-	-	-	-	1,046,799
	Formosa Petrochemical Corporation	"	KGI Securities Co., Ltd.	-	-	-	-	397,076	-	-	-	-	-	-	397,963
	American Express Co.	"	-	-	-	US\$ 3,550	-	-	-	US\$ 3,432	US\$ 3,550	US\$ (118)	-	-	
	American Gen Fin Corp. Mtn	"	-	-	-	-	-	US\$ 3,415	-	US\$ 3,446	US\$ 3,415	US\$ 31	-	-	
	American Honda Fin Corp. Mtn	"	-	-	-	-	-	US\$ 3,087	-	US\$ 3,095	US\$ 3,087	US\$ 8	-	-	
	American Honda Fin Corp. Mtn	"	-	-	-	US\$ 3,800	-	-	-	US\$ 3,805	US\$ 3,800	US\$ 5	-	-	
	Bank One Corp.	"	-	-	-	-	-	US\$ 3,326	-	US\$ 3,325	US\$ 3,326	US\$ (1)	-	-	
	Bear Stearns Cos Inc.	"	-	-	-	US\$ 3,329	-	-	-	US\$ 3,340	US\$ 3,329	US\$ 11	-	-	
	Bear Stearns Cos Inc.	"	-	-	-	US\$ 3,757	-	-	-	US\$ 3,575	US\$ 3,757	US\$ (182)	-	-	
	Cargill Inc.	"	-	-	-	-	-	US\$ 3,337	-	US\$ 3,370	US\$ 3,337	US\$ 33	-	-	
	Caterpillar Finl Svcs Mtn	"	-	-	-	US\$ 5,721	-	-	-	US\$ 5,761	US\$ 5,721	US\$ 40	-	-	
	Chase Manhattan Corp. New	"	-	-	-	US\$ 1,628	-	US\$ 3,540	-	US\$ 5,091	US\$ 5,168	US\$ (77)	-	-	
	Cit Group Hldgs Inc.	"	-	-	-	US\$ 3,203	-	-	-	US\$ 3,036	US\$ 3,203	US\$ (167)	-	-	
	Cogentrix Energy Inc.	"	-	-	-	US\$ 2,885	-	US\$ 1,132	-	US\$ 3,777	US\$ 4,017	US\$ (239)	-	-	
	Countrywide Home Lns Inc.	"	-	-	-	US\$ 5,210	-	-	-	US\$ 5,001	US\$ 5,210	US\$ (209)	-	-	
	Credit Suisse Fb Usa Inc.	"	-	-	-	US\$ 4,141	-	-	-	US\$ 4,003	US\$ 4,141	US\$ (138)	-	-	
	Deere John Cap Corp.	"	-	-	-	-	-	US\$ 4,911	-	US\$ 4,899	US\$ 4,911	US\$ (12)	-	-	
	Deere John Cap Corp.	"	-	-	-	US\$ 5,079	-	-	-	US\$ 5,013	US\$ 5,079	US\$ (66)	-	-	
	Diageo Plc	"	-	-	-	US\$ 3,459	-	-	-	US\$ 3,436	US\$ 3,459	US\$ (23)	-	-	
	European Inv Bk	"	-	-	-	US\$ 8,315	-	-	-	US\$ 8,002	US\$ 8,315	US\$ (313)	-	-	
	European Inv Bk	"	-	-	-	US\$ 3,918	-	-	-	US\$ 3,930	US\$ 3,918	US\$ 12	-	-	
	European Inv Bk	"	-	-	-	-	-	US\$ 5,995	-	US\$ 5,994	US\$ 5,995	US\$ (1)	-	-	
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,937	-	US\$ 7,937	US\$ 7,937	-	-	-	
	General Elec Cap Corp. Mtn	"	-	-	-	-	-	US\$ 3,351	-	US\$ 3,399	US\$ 3,351	US\$ 48	-	-	

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	General Elec Cap Corp. Mtn	Available-for-sale financial assets	-	-	-	US\$ 3,989	-	US\$ -	-	US\$ 3,893	US\$ 3,989	US\$ (96)	-	US\$ -
	General Elec Cap Corp. Mtn	"	-	-	-	US\$ 8,862	-	-	-	US\$ 8,716	US\$ 8,862	US\$ (146)	-	-
	General Re Corp.	"	-	-	-	US\$ 3,500	-	-	-	US\$ 3,319	US\$ 3,500	US\$ (181)	-	-
	Genworth Finl Inc.	"	-	-	-	US\$ 3,412	-	-	-	US\$ 3,415	US\$ 3,412	US\$ 3	-	-
	Goldman Sachs Group Inc.	"	-	-	-	US\$ 4,981	-	-	-	US\$ 4,941	US\$ 4,981	US\$ (40)	-	-
	Goldman Sachs Group Inc.	"	-	-	-	US\$ 3,477	-	-	-	US\$ 3,453	US\$ 3,477	US\$ (24)	-	-
	Hancock John Global Fdg Ii Mtn	"	-	-	-	US\$ 3,566	-	-	-	US\$ 3,486	US\$ 3,566	US\$ (80)	-	-
	Hancock John Global Fdg Ii Mtn	"	-	-	-	-	-	US\$ 3,808	-	US\$ 3,808	US\$ 3,808	-	-	-
	Hartford Finl Svcs Group Inc.	"	-	-	-	-	-	US\$ 5,016	-	US\$ 5,048	US\$ 5,016	US\$ 32	-	-
	Hbos Plc Medium Term Sr Nts	"	-	-	-	US\$ 3,201	-	-	-	US\$ 3,182	US\$ 3,201	US\$ (19)	-	-
	Hewlett Packard Co.	"	-	-	-	US\$ 3,373	-	-	-	US\$ 3,177	US\$ 3,373	US\$ (196)	-	-
	Honeywell Inc.	"	-	-	-	US\$ 3,284	-	-	-	US\$ 3,017	US\$ 3,284	US\$ (267)	-	-
	Hsbc Fin Corp. Mtn	"	-	-	-	US\$ 5,097	-	-	-	US\$ 5,066	US\$ 5,097	US\$ (31)	-	-
	Intl Lease Fin Corp. Mtn	"	-	-	-	US\$ 2,471	-	US\$ 4,100	-	US\$ 6,578	US\$ 6,571	US\$ 7	-	-
	Jp Morgan Chase + Co.	"	-	-	-	US\$ 3,406	-	-	-	US\$ 3,310	US\$ 3,406	US\$ (96)	-	-
	Jp Morgan Chase + Co.	"	-	-	-	US\$ 3,663	-	-	-	US\$ 3,519	US\$ 3,663	US\$ (143)	-	-
	Key Bk Na Med Term Nts Bk Entr	"	-	-	-	US\$ 4,450	-	-	-	US\$ 4,393	US\$ 4,450	US\$ (57)	-	-
	Keycorp Mtn Book Entry	"	-	-	-	US\$ 3,500	-	-	-	US\$ 3,508	US\$ 3,500	US\$ 8	-	-
	Keycorp Mtn Book Entry	"	-	-	-	-	-	US\$ 3,006	-	US\$ 3,016	US\$ 3,006	US\$ 10	-	-
	Merrill Lynch + Co. Inc.	"	-	-	-	US\$ 3,486	-	-	-	US\$ 3,426	US\$ 3,486	US\$ (60)	-	-
	Merrill Lynch + Co. Inc.	"	-	-	-	US\$ 4,900	-	-	-	US\$ 4,842	US\$ 4,900	US\$ (58)	-	-
	Metropolitan Life Global Mtn	"	-	-	-	US\$ 1,907	-	US\$ 1,419	-	US\$ 3,361	US\$ 3,326	US\$ 35	-	-
	Monumental Global Fdg Ii 2	"	-	-	-	-	-	US\$ 3,348	-	US\$ 3,382	US\$ 3,348	US\$ 34	-	-
	Morgan Stanley Group Inc.	"	-	-	-	US\$ 4,507	-	-	-	US\$ 4,386	US\$ 4,507	US\$ (121)	-	-
	National City Corp.	"	-	-	-	US\$ 3,426	-	-	-	US\$ 3,402	US\$ 3,426	US\$ (24)	-	-
	Nationwide Bldg Soc	"	-	-	-	US\$ 3,457	-	-	-	US\$ 3,495	US\$ 3,457	US\$ 38	-	-
	Nationwide Bldg Soc Mtn	"	-	-	-	US\$ 3,000	-	-	-	US\$ 3,004	US\$ 3,000	US\$ 4	-	-
	Nationwide Life Global Fdg I	"	-	-	-	-	-	US\$ 3,491	-	US\$ 3,520	US\$ 3,491	US\$ 29	-	-
	Nucor Corp.	"	-	-	-	-	-	US\$ 3,828	-	US\$ 3,811	US\$ 3,828	US\$ (17)	-	-
	Pepsico Inc. Mtn Book Entry	"	-	-	-	US\$ 3,818	-	-	-	US\$ 3,624	US\$ 3,818	US\$ (194)	-	-
	Praxair Inc.	"	-	-	-	-	-	US\$ 3,180	-	US\$ 3,147	US\$ 3,180	US\$ (33)	-	-
	Pricoa Global Fdg I Mtn	"	-	-	-	US\$ 3,500	-	-	-	US\$ 3,504	US\$ 3,500	US\$ 4	-	-
	Pricoa Global Fdg I Mtn	"	-	-	-	-	-	US\$ 3,394	-	US\$ 3,403	US\$ 3,394	US\$ 9	-	-
	Public Svc Elec Gas Co.	"	-	-	-	US\$ 3,225	-	US\$ 483	-	US\$ 3,684	US\$ 3,708	US\$ (24)	-	-
	Santander Us Debt S A Uniperso	"	-	-	-	US\$ 4,998	-	-	-	US\$ 4,957	US\$ 4,998	US\$ (41)	-	-
	Slm Corp. Medium Term Nts	"	-	-	-	US\$ 2,950	-	US\$ 6,012	-	US\$ 8,949	US\$ 8,962	US\$ (13)	-	-
	Suntrust Bk Atlanta Ga Medium	"	-	-	-	-	-	US\$ 3,409	-	US\$ 3,448	US\$ 3,409	US\$ 39	-	-
	Washington Mut Inc.	"	-	-	-	US\$ 4,735	-	-	-	US\$ 4,505	US\$ 4,735	US\$ (230)	-	-
	Washington Post Co.	"	-	-	-	US\$ 3,182	-	-	-	US\$ 3,007	US\$ 3,182	US\$ (175)	-	-
	Wells Fargo + Co. New	"	-	-	-	US\$ 3,697	-	-	-	US\$ 3,512	US\$ 3,697	US\$ (185)	-	-
	Wells Fargo + Co. New	"	-	-	-	-	-	US\$ 6,076	-	US\$ 6,073	US\$ 6,076	US\$ (3)	-	-
	Corporate issued asset-backed securities													
	Americredit Automobile Rec Tr	Available-for-sale financial assets	-	-	-	-	-	US\$ 3,249	-	US\$ 3,261	US\$ 3,249	US\$ 12	-	-
	Americredit Automobile Receiva	"	-	-	-	US\$ 5,000	-	-	-	US\$ 4,959	US\$ 5,000	US\$ (41)	-	-
	Americredit Automobile Receivb	"	-	-	-	US\$ 4,949	-	-	-	US\$ 3,826	US\$ 3,856	US\$ (30)	-	-
	Banc Amer Coml Mtg Inc.	"	-	-	-	US\$ 4,462	-	-	-	US\$ 3,254	US\$ 3,325	US\$ (71)	-	-
	Bear Stearns Arm Tr	"	-	-	-	-	-	US\$ 3,826	-	US\$ 3,597	US\$ 3,609	US\$ (12)	-	-
	Bear Stearns Coml Mtg Secs Inc.	"	-	-	-	US\$ 6,350	-	-	-	US\$ 6,362	US\$ 6,350	US\$ 12	-	-
	Capital Auto Receivables Asset	"	-	-	-	-	-	US\$ 3,250	-	US\$ 3,232	US\$ 3,250	US\$ (18)	-	-
	Capital One Auto Fin Tr	"	-	-	-	-	-	US\$ 5,000	-	US\$ 5,008	US\$ 5,000	US\$ 8	-	-
	Capital One Multi Asset Execut	"	-	-	-	US\$ 4,957	-	-	-	US\$ 4,879	US\$ 4,957	US\$ (78)	-	-
	Capital One Multi Asset Execut	"	-	-	-	US\$ 3,974	-	-	-	US\$ 3,932	US\$ 3,974	US\$ (42)	-	-
	Caterpillar Finl Asset Tr	"	-	-	-	US\$ 8,219	-	-	-	US\$ 8,121	US\$ 8,219	US\$ (98)	-	-
	Cendant Rent Car Fdg Aesop Lic	"	-	-	-	US\$ 11,626	-	-	-	US\$ 11,412	US\$ 11,626	US\$ (214)	-	-
	Cit Equip Coll Tr	"	-	-	-	-	-	US\$ 3,975	-	US\$ 3,996	US\$ 3,975	US\$ 21	-	-

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Citibank Cr Card Issuance Tr	Available-for-sale financial assets	-	-	-	US\$ 9,782	-	US\$ -	-	US\$ 9,797	US\$ 9,782	US\$ 15	-	US\$ -
	Cnh Equip Tr	"	-	-	-	US\$ 5,000	-	-	-	US\$ 3,457	US\$ 3,500	US\$ (43)	-	-
	Credit Suisse First Boston Mtg	"	-	-	-	-	-	US\$ 4,773	-	US\$ 4,834	US\$ 4,773	US\$ 61	-	-
	Credit Suisse First Boston Mtg	"	-	-	-	-	-	US\$ 3,750	-	US\$ 3,728	US\$ 3,750	US\$ (22)	-	-
	Credit Suisse First Boston Mtg	"	-	-	-	-	-	US\$ 3,572	-	US\$ 3,566	US\$ 3,572	US\$ (6)	-	-
	Drive Auto Receivables Tr	"	-	-	-	US\$ 3,200	-	-	-	US\$ 3,183	US\$ 3,200	US\$ (17)	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 4,828	-	US\$ 4,577	US\$ 4,561	US\$ 16	-	-
	Ford Cr Auto Owner Tr	"	-	-	-	US\$ 10,908	-	-	-	US\$ 5,782	US\$ 5,836	US\$ (54)	-	-
	Gs Mtg Secs Corp.	"	-	-	-	-	-	US\$ 4,150	-	US\$ 4,134	US\$ 4,150	US\$ (16)	-	-
	Gsamp Tr	"	-	-	-	-	-	US\$ 4,250	-	US\$ 4,241	US\$ 4,250	US\$ (9)	-	-
	Harley Davidson Motorcycle Tr	"	-	-	-	US\$ 5,999	-	-	-	US\$ 5,793	US\$ 5,999	US\$ (206)	-	-
	Hertz Veh Fing Llc	"	-	-	-	US\$ 5,350	-	-	-	US\$ 5,284	US\$ 5,350	US\$ (66)	-	-
	Holmes Fing No 8 Plc	"	-	-	-	US\$ 5,001	-	-	-	US\$ 5,000	US\$ 5,001	-	-	-
	Home Equity Mtg Tr 2006 4	"	-	-	-	-	-	US\$ 4,200	-	US\$ 4,200	US\$ 4,200	-	-	-
	Hyundai Auto Receivables Tr	"	-	-	-	US\$ 6,442	-	-	-	US\$ 6,202	US\$ 6,279	US\$ (77)	-	-
	Hyundai Auto Receivables Tr	"	-	-	-	US\$ 3,250	-	-	-	US\$ 3,208	US\$ 3,250	US\$ (42)	-	-
	Hyundai Auto Receivables Tr	"	-	-	-	US\$ 3,999	-	-	-	US\$ 3,904	US\$ 3,999	US\$ (95)	-	-
	Lb Ubs Coml Mtg Tr	"	-	-	-	US\$ 4,001	-	-	-	US\$ 3,733	US\$ 3,779	US\$ (46)	-	-
	Long Beach Mtg Ln Tr	"	-	-	-	-	-	US\$ 3,200	-	US\$ 3,195	US\$ 3,200	US\$ (5)	-	-
	Massachusetts Rrb Spl Purp Tr	"	-	-	-	US\$ 3,900	-	-	-	US\$ 3,830	US\$ 3,900	US\$ (70)	-	-
	Mastr Asset Backed Secs Tr	"	-	-	-	US\$ 3,499	-	-	-	US\$ 3,083	US\$ 3,079	US\$ 4	-	-
	Mbna Master Cr Card Tr Ii	"	-	-	-	US\$ 8,108	-	-	-	US\$ 7,653	US\$ 8,108	US\$ (455)	-	-
	Merrill Lynch Mtg Invs Inc.	"	-	-	-	-	-	US\$ 6,665	-	US\$ 6,561	US\$ 6,558	US\$ 3	-	-
	Navistar Finl 2003 A Owner Tr	"	-	-	-	US\$ 4,928	-	-	-	US\$ 3,994	US\$ 4,035	US\$ (41)	-	-
	Nissan Auto Receivables	"	-	-	-	US\$ 7,000	-	-	-	US\$ 6,132	US\$ 6,194	US\$ (62)	-	-
	Nomura Asset Accep Corp.	"	-	-	-	-	-	US\$ 4,150	-	US\$ 4,144	US\$ 4,150	US\$ (6)	-	-
	Onyx Accep Owner Tr	"	-	-	-	US\$ 4,913	-	-	-	US\$ 4,885	US\$ 4,913	US\$ (28)	-	-
	Pg+E Energy Recovery Fdg Llc	"	-	-	-	US\$ 4,749	-	-	-	US\$ 4,646	US\$ 4,749	US\$ (103)	-	-
	Providian Gateway Owner Tr	"	-	-	-	US\$ 3,992	-	-	-	US\$ 3,911	US\$ 3,992	US\$ (81)	-	-
	Reliant Energy Transition Bd	"	-	-	-	US\$ 4,973	-	-	-	US\$ 3,994	US\$ 4,162	US\$ (168)	-	-
	Residential Asset Sec Mtg Pass	"	-	-	-	US\$ 3,780	-	-	-	US\$ 3,052	US\$ 3,100	US\$ (48)	-	-
	Residential Fdg Mtg Secs I Inc.	"	-	-	-	US\$ 4,817	-	-	-	US\$ 4,224	US\$ 4,309	US\$ (85)	-	-
	Terwin Mtg Tr	"	-	-	-	-	-	US\$ 4,050	-	US\$ 4,033	US\$ 4,050	US\$ (17)	-	-
	Toyota Auto Receivables 2003 B	"	-	-	-	US\$ 4,970	-	-	-	US\$ 4,963	US\$ 4,970	US\$ (7)	-	-
	Tw Hotel Fdg 2005 Llc	"	-	-	-	US\$ 8,197	-	US\$ (4,100)	-	US\$ 4,116	US\$ 4,097	US\$ 19	-	-
	Usaa Auto Owner Tr	"	-	-	-	US\$ 3,718	-	-	-	US\$ 3,696	US\$ 3,718	US\$ (22)	-	-
	Washington Mut Mtg Secs Corp.	"	-	-	-	US\$ 4,067	-	-	-	US\$ 3,261	US\$ 3,302	US\$ (41)	-	-
	Wells Fargo Finl Auto Owner Tr	"	-	-	-	US\$ 5,299	-	-	-	US\$ 5,235	US\$ 5,299	US\$ (64)	-	-
	Wells Fargo Finl Auto Owner Tr	"	-	-	-	-	-	US\$ 4,893	-	US\$ 4,932	US\$ 4,893	US\$ 39	-	-
	Wells Fargo Mtg Bkd Secs	"	-	-	-	US\$ 3,661	-	-	-	US\$ 3,020	US\$ 3,054	US\$ (34)	-	-
	Wells Fargo Mtg Bkd Secs	"	-	-	-	-	-	US\$ 3,772	-	US\$ 3,488	US\$ 3,500	US\$ (12)	-	-
	Wfs Finl 2004 2 Owner Tr	"	-	-	-	US\$ 4,994	-	-	-	US\$ 4,913	US\$ 4,994	US\$ (81)	-	-
	Wfs Finl 2004 4 Owner Tr	"	-	-	-	US\$ 5,399	-	-	-	US\$ 4,883	US\$ 4,955	US\$ (72)	-	-
	World Omni Auto Receivables Tr	"	-	-	-	US\$ 5,963	-	-	-	US\$ 5,869	US\$ 5,963	US\$ (94)	-	-
	<u>Agency bond</u>													
	Fed Hm Ln Pc Pool 1h2520	Available-for-sale financial assets	-	-	-	US\$ 3,753	-	-	-	US\$ 3,329	US\$ 3,345	US\$ (16)	-	-
	Fed Hm Ln Pc Pool 781959	"	-	-	-	US\$ 7,112	-	-	-	US\$ 6,577	US\$ 6,553	US\$ 24	-	-
	Fed Hm Ln Pc Pool M80855	"	-	-	-	-	-	US\$ 3,882	-	US\$ 3,381	US\$ 3,462	US\$ (81)	-	-
	Federal Home Ln Mtg	"	-	-	-	US\$ 3,848	-	-	-	US\$ 3,308	US\$ 3,336	US\$ (28)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,898	-	US\$ 3,919	US\$ 3,898	US\$ 21	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 3,954	-	-	-	US\$ 3,909	US\$ 3,920	US\$ (11)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 6,096	-	-	-	US\$ 4,316	US\$ 4,424	US\$ (108)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,962	-	US\$ 4,665	US\$ 4,683	US\$ (18)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,351	-	US\$ 3,299	US\$ 3,294	US\$ 5	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,317	-	US\$ 3,893	US\$ 3,883	US\$ 10	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 4,098	-	-	-	US\$ 3,388	US\$ 3,402	US\$ (14)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 9,905	-	-	-	US\$ 8,812	US\$ 8,851	US\$ (39)	-	-

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Federal Home Ln Mtg Corp.	Available-for-sale financial assets	-	-	-	US\$ 4,902	-	US\$ -	-	US\$ 4,069	US\$ 4,159	US\$ (90)	-	US\$ -
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 3,755	-	-	-	US\$ 3,308	US\$ 3,362	US\$ (54)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,481	-	US\$ 4,476	US\$ 4,481	US\$ (5)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,349	-	US\$ 3,114	US\$ 3,089	US\$ 25	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,857	-	US\$ 3,789	US\$ 3,776	US\$ 13	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 5,380	-	US\$ 4,574	US\$ 4,565	US\$ 9	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,631	-	US\$ 4,450	US\$ 4,435	US\$ 15	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,488	-	US\$ 4,444	US\$ 4,406	US\$ 38	-	-
	Federal Home Loan Mtg	"	-	-	-	-	-	US\$ 5,009	-	US\$ 4,937	US\$ 4,889	US\$ 48	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 4,030	-	-	-	US\$ 3,515	US\$ 3,568	US\$ (53)	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 4,051	-	-	-	US\$ 3,131	US\$ 3,196	US\$ (65)	-	-
	Fnma Pool 255883	"	-	-	-	US\$ 3,771	-	-	-	US\$ 3,559	US\$ 3,581	US\$ (22)	-	-
	Fnma Pool 696485	"	-	-	-	US\$ 4,175	-	-	-	US\$ 3,393	US\$ 3,403	US\$ (10)	-	-
	Fnma Pool 813641	"	-	-	-	-	-	US\$ 3,906	-	US\$ 3,916	US\$ 3,906	US\$ 10	-	-
	Fnma Pool 815626	"	-	-	-	US\$ 3,622	-	-	-	US\$ 3,189	US\$ 3,203	US\$ (14)	-	-
	Fnma Pool 825398	"	-	-	-	US\$ 4,949	-	-	-	US\$ 4,562	US\$ 4,672	US\$ (110)	-	-
	Fnma Pool 841069	"	-	-	-	US\$ 3,673	-	-	-	US\$ 3,134	US\$ 3,156	US\$ (22)	-	-
	Federal Farm Cr Bks	"	-	-	-	US\$ 3,985	-	-	-	US\$ 3,940	US\$ 3,985	US\$ (45)	-	-
	Federal Home Ln Bank	"	-	-	-	US\$ 3,962	-	-	-	US\$ 3,955	US\$ 3,962	US\$ (7)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 3,976	-	-	-	US\$ 3,964	US\$ 3,976	US\$ (12)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 8,594	-	-	-	US\$ 8,519	US\$ 8,594	US\$ (75)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 3,932	-	-	-	US\$ 3,980	US\$ 3,932	US\$ 47	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 4,927	-	-	-	US\$ 4,930	US\$ 4,927	US\$ 3	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 8,628	-	US\$ 8,716	US\$ 8,628	US\$ 88	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 4,136	-	-	-	US\$ 4,140	US\$ 4,136	US\$ 4	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 4,939	-	-	-	US\$ 4,872	US\$ 4,939	US\$ (67)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 8,672	-	-	-	US\$ 8,735	US\$ 8,672	US\$ 63	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 4,965	-	-	-	US\$ 4,944	US\$ 4,965	US\$ (21)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 4,808	-	-	-	US\$ 4,850	US\$ 4,808	US\$ 42	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 5,740	-	US\$ 5,825	US\$ 5,740	US\$ 85	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 7,558	-	-	-	US\$ 7,515	US\$ 7,558	US\$ (43)	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,823	-	US\$ 4,882	US\$ 4,823	US\$ 59	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 7,886	-	-	-	US\$ 7,960	US\$ 7,886	US\$ 74	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 6,110	-	-	-	US\$ 6,061	US\$ 6,110	US\$ (49)	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 12,227	-	US\$ 12,233	US\$ 12,227	US\$ 6	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 3,972	-	-	-	US\$ 3,951	US\$ 3,972	US\$ (21)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 7,887	-	-	-	US\$ 7,758	US\$ 7,887	US\$ (129)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 19,846	-	-	-	US\$ 19,800	US\$ 19,846	US\$ (46)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 6,908	-	-	-	US\$ 6,881	US\$ 6,908	US\$ (27)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 6,098	-	-	-	US\$ 5,907	US\$ 6,098	US\$ (191)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 9,134	-	-	-	US\$ 8,968	US\$ 9,134	US\$ (166)	-	-
	Federal Home Ln Bks	"	-	-	-	US\$ 3,379	-	-	-	US\$ 3,296	US\$ 3,379	US\$ (83)	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,490	-	US\$ 7,490	US\$ 7,490	-	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 3,388	-	-	-	US\$ 3,481	US\$ 3,388	US\$ 93	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 9,997	-	-	-	US\$ 9,788	US\$ 9,997	US\$ (209)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 6,980	-	-	-	US\$ 6,941	US\$ 6,980	US\$ (39)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	US\$ 5,929	-	-	-	US\$ 5,930	US\$ 5,929	US\$ 1	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 6,415	-	US\$ 6,410	US\$ 6,415	US\$ (5)	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 14,175	-	US\$ 14,269	US\$ 14,175	US\$ 94	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 9,974	-	US\$ 9,929	US\$ 9,974	US\$ (45)	-	-
	Federal Home Ln Mtg Corp. Mtn	"	-	-	-	US\$ 4,930	-	-	-	US\$ 4,912	US\$ 4,930	US\$ (18)	-	-
	Federal Home Loan Bank	"	-	-	-	US\$ 3,475	-	-	-	US\$ 3,459	US\$ 3,475	US\$ (16)	-	-
	Federal Home Loan Mtg Assn	"	-	-	-	US\$ 4,847	-	-	-	US\$ 4,901	US\$ 4,847	US\$ 54	-	-
	Federal Home Loan Mtg Corp.	"	-	-	-	US\$ 4,903	-	-	-	US\$ 4,927	US\$ 4,903	US\$ 24	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 4,943	-	-	-	US\$ 4,944	US\$ 4,943	US\$ 1	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 8,971	-	-	-	US\$ 8,940	US\$ 8,971	US\$ (31)	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 4,921	-	-	-	US\$ 4,916	US\$ 4,921	US\$ (5)	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 7,892	-	-	-	US\$ 7,908	US\$ 7,892	US\$ 16	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 4,430	-	-	-	US\$ 4,364	US\$ 4,430	US\$ (66)	-	-

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Federal Natl Mtg Assn	Available-for-sale financial assets	-	-	-	US\$ 17,888	-	US\$ -	-	US\$ 17,782	US\$ 17,888	US\$ (106)	-	US\$ -
	Federal Natl Mtg Assn	"	-	-	-	US\$ 5,928	-	US\$ -	-	US\$ 5,885	US\$ 5,928	US\$ (43)	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 7,800	-	US\$ 7,832	US\$ 7,800	US\$ 32	-	-
	Federal Natl Mtg Assn	"	-	-	-	US\$ 7,926	-	US\$ -	-	US\$ 7,834	US\$ 7,926	US\$ (92)	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 19,539	-	US\$ 19,702	US\$ 19,539	US\$ 163	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 14,901	-	US\$ 14,931	US\$ 14,901	US\$ 30	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 10,430	-	US\$ 10,459	US\$ 10,430	US\$ 29	-	-
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 7,966	-	US\$ 7,979	US\$ 7,966	US\$ 13	-	-
	Federal Natl Mtg Assn Medium	"	-	-	-	-	-	US\$ 3,353	-	US\$ 3,417	US\$ 3,353	US\$ 64	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	US\$ 15,787	-	US\$ -	-	US\$ 15,851	US\$ 15,787	US\$ 64	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	US\$ 9,758	-	US\$ -	-	US\$ 9,781	US\$ 9,758	US\$ 23	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	US\$ 7,000	-	US\$ -	-	US\$ 6,925	US\$ 7,000	US\$ (75)	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	-	-	US\$ 5,255	-	US\$ 5,292	US\$ 5,255	US\$ 37	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	US\$ 5,740	-	US\$ -	-	US\$ 5,562	US\$ 5,740	US\$ (178)	-	-
	Freddie Mac	"	-	-	-	-	-	US\$ 9,391	-	US\$ 9,314	US\$ 9,391	US\$ (77)	-	-
	Tennessee Valley Auth	"	-	-	-	-	-	US\$ 6,039	-	US\$ 6,038	US\$ 6,039	US\$ (1)	-	-
Chi Cheng	Stock VIS	Investment accounted for using equity method	-	Equity method investee	-	\$ -	5,032	\$ 100,116	-	\$ -	\$ -	\$ -	5,032	\$ 107,224
TSMC GLOBAL	Government bond United States Treas Nts	Available-for-sale financial assets	-	-	-	-	-	US\$ 501,897	-	US\$ 351,917	US\$ 351,594	US\$ 323	-	US\$ 151,045
	Corporate bond American Express Co.	Available-for-sale financial assets	-	-	-	-	-	US\$ 3,432	-	-	-	-	-	US\$ 3,452
	American Gen Fin Corp. Mtn	"	-	-	-	-	-	US\$ 3,446	-	-	-	-	-	US\$ 3,448
	American Honda Fin Corp. Mtn	"	-	-	-	-	-	US\$ 3,095	-	-	-	-	-	US\$ 3,092
	Bank One Corp.	"	-	-	-	-	-	US\$ 3,325	-	-	-	-	-	US\$ 3,365
	Bear Stearns Cos Inc.	"	-	-	-	-	-	US\$ 3,340	-	-	-	-	-	US\$ 3,379
	Cit Group Hldgs Inc.	"	-	-	-	-	-	US\$ 3,036	-	-	-	-	-	US\$ 3,027
	Chase Manhattan Corp. New	"	-	-	-	-	-	US\$ 5,091	-	-	-	-	-	US\$ 5,077
	Cogentrix Energy Inc.	"	-	-	-	-	-	US\$ 3,777	-	-	-	-	-	US\$ 3,751
	Counrywide Finl Corp.	"	-	-	-	-	-	US\$ 5,005	-	US\$ 5,005	US\$ 5,005	-	-	-
	Deere John Cap Corp.	"	-	-	-	-	-	US\$ 4,899	-	-	-	-	-	US\$ 4,928
	Diageo Plc	"	-	-	-	-	-	US\$ 3,436	-	-	-	-	-	US\$ 3,444
	Emerson Elec Co.	"	-	-	-	-	-	US\$ 3,222	-	-	-	-	-	US\$ 3,215
	European Invt Bk	"	-	-	-	-	-	US\$ 3,930	-	-	-	-	-	US\$ 3,970
	European Invt Bk	"	-	-	-	-	-	US\$ 5,994	-	-	-	-	-	US\$ 6,057
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,937	-	-	-	-	-	US\$ 7,937
	General Elec Cap Corp. Mtn	"	-	-	-	-	-	US\$ 8,716	-	-	-	-	-	US\$ 8,759
	General Elec Cap Corp. Mtn	"	-	-	-	-	-	US\$ 3,893	-	-	-	-	-	US\$ 3,888
	General Elec Cap Corp. Mtn	"	-	-	-	-	-	US\$ 8,268	-	-	-	-	-	US\$ 8,282
	General Re Corp.	"	-	-	-	-	-	US\$ 3,319	-	-	-	-	-	US\$ 3,292
	Goldman Sachs Group Inc.	"	-	-	-	-	-	US\$ 3,453	-	-	-	-	-	US\$ 3,456
	Goldman Sachs Group Inc.	"	-	-	-	-	-	US\$ 4,941	-	-	-	-	-	US\$ 4,989
	Hbsc Plc Medium Term Sr Nts	"	-	-	-	-	-	US\$ 3,182	-	-	-	-	-	US\$ 3,205
	Hsbc Fin Corp. Mtn	"	-	-	-	-	-	US\$ 5,066	-	-	-	-	-	US\$ 5,096
	Hsbc Fin Corp.	"	-	-	-	-	-	US\$ 3,028	-	-	-	-	-	US\$ 3,028
	Hancock John Global Fdg Ii Mtn	"	-	-	-	-	-	US\$ 5,170	-	-	-	-	-	US\$ 5,132
	Hartford Finl Svcs Group Inc.	"	-	-	-	-	-	US\$ 5,048	-	-	-	-	-	US\$ 5,037
	Intl Lease Fin Corp. Mtn	"	-	-	-	-	-	US\$ 4,118	-	-	-	-	-	US\$ 4,138
	J P Morgan Chase + Co.	"	-	-	-	-	-	US\$ 3,310	-	-	-	-	-	US\$ 3,298
	Key Bk Na Med Term Nts Bk Entr	"	-	-	-	-	-	US\$ 4,393	-	-	-	-	-	US\$ 4,401
	Keycorp Mtn Book Entry	"	-	-	-	-	-	US\$ 3,016	-	-	-	-	-	US\$ 3,010
	Lehman Brothers Hldgs Inc.	"	-	-	-	-	-	US\$ 3,150	-	-	-	-	-	US\$ 3,150

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)			Ending Balance		
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Mbna America Bank Na Y	Available-for-sale financial assets	-	-	-	US\$ -	-	US\$ 6,437	-	US\$ -	US\$ -	US\$ -	-	US\$ 6,403
	Marshall + Ilsley Corp.	"	-	-	-	-	-	US\$ 8,453	-	-	-	-	-	US\$ 8,420
	Merrill Lynch + Co. Inc.	"	-	-	-	-	-	US\$ 3,426	-	-	-	-	-	US\$ 3,453
	Merrill Lynch + Co. Inc.	"	-	-	-	-	-	US\$ 4,842	-	-	-	-	-	US\$ 4,865
	Metropolitan Life Global Mtn	"	-	-	-	-	-	US\$ 3,361	-	-	-	-	-	US\$ 3,369
	Morgan Stanley Group Inc.	"	-	-	-	-	-	US\$ 4,386	US\$ 4,384	US\$ 4,386	US\$ (2)	-	-	
	National City Corp.	"	-	-	-	-	-	US\$ 3,402	-	-	-	-	-	US\$ 3,410
	Nationwide Bldg Soc	"	-	-	-	-	-	US\$ 3,495	-	-	-	-	-	US\$ 3,537
	Nationwide Life Global Fdg I	"	-	-	-	-	-	US\$ 3,520	-	-	-	-	-	US\$ 3,501
	Nucor Corp.	"	-	-	-	-	-	US\$ 3,811	-	-	-	-	-	US\$ 3,797
	Pepsico Inc. Mtn Book Entry	"	-	-	-	-	-	US\$ 3,624	-	-	-	-	-	US\$ 3,619
	Praxair Inc.	"	-	-	-	-	-	US\$ 3,147	-	-	-	-	-	US\$ 3,138
	Pricoa Global Fdg I Mtn	"	-	-	-	-	-	US\$ 3,403	-	-	-	-	-	US\$ 3,401
	Protective Life Secd Trs Mtn	"	-	-	-	-	-	US\$ 3,396	-	-	-	-	-	US\$ 3,390
	Public Svc Elec Gas Co.	"	-	-	-	-	-	US\$ 3,684	-	-	-	-	-	US\$ 3,682
	Slm Corp. Medium Term Nts	"	-	-	-	-	-	US\$ 8,949	-	-	-	-	-	US\$ 8,998
	Suntrust Bk Atlanta Ga Medium	"	-	-	-	-	-	US\$ 3,448	-	-	-	-	-	US\$ 3,442
	Vodafone Airtouch Plc	"	-	-	-	-	-	US\$ 4,477	-	-	-	-	-	US\$ 4,449
	Washington Mut Inc.	"	-	-	-	-	-	US\$ 4,505	US\$ 3,500	US\$ 3,504	US\$ (4)	-	-	US\$ 1,000
	Washington Mut Bk Fa	"	-	-	-	-	-	US\$ 5,000	US\$ 1,000	US\$ 1,000	-	-	-	US\$ 3,997
	Washington Post Co.	"	-	-	-	-	-	US\$ 3,007	-	-	-	-	-	US\$ 3,001
	Wells Fargo + Co. New	"	-	-	-	-	-	US\$ 6,073	US\$ 3,167	US\$ 3,148	US\$ 19	-	-	US\$ 2,943
	Wells Fargo + Co. New Med Trm	"	-	-	-	-	-	US\$ 4,282	-	-	-	-	-	US\$ 4,311
	Corporate issued asset-backed securities													
	Americredit Automobile Rec Tr	Available-for-sale financial assets	-	-	-	-	-	US\$ 3,261	-	-	-	-	-	US\$ 3,269
	Americredit Automobile Receivb	"	-	-	-	-	-	US\$ 3,826	-	-	-	-	-	US\$ 2,891
	Americredit Automobile Receiva	"	-	-	-	-	-	US\$ 4,959	-	-	-	-	-	US\$ 4,609
	Ba Cr Card Tr	"	-	-	-	-	-	US\$ 4,350	-	-	-	-	-	US\$ 4,300
	Banc Amer Coml Mtg Inc.	"	-	-	-	-	-	US\$ 3,254	-	-	-	-	-	US\$ 2,869
	Banc Amer Fdg 2006 I Tr	"	-	-	-	-	-	US\$ 4,336	-	-	-	-	-	US\$ 4,332
	Bear Stearns Coml Mtg Secs Inc.	"	-	-	-	-	-	US\$ 3,551	-	-	-	-	-	US\$ 3,541
	Bear Stearns Arm Tr	"	-	-	-	-	-	US\$ 3,597	-	-	-	-	-	US\$ 3,480
	Bear Stearns Coml Mtg Secs Inc.	"	-	-	-	-	-	US\$ 6,362	-	-	-	-	-	US\$ 6,358
	Cit Equip Coll Tr	"	-	-	-	-	-	US\$ 3,996	-	-	-	-	-	US\$ 3,985
	Cnh Equip Tr	"	-	-	-	-	-	US\$ 3,457	-	-	-	-	-	US\$ 1,984
	Cwabs	"	-	-	-	-	-	US\$ 4,300	-	-	-	-	-	US\$ 4,261
	Capital Auto Receivables Asset	"	-	-	-	-	-	US\$ 3,232	-	-	-	-	-	US\$ 3,243
	Capital One Auto Fin Tr	"	-	-	-	-	-	US\$ 5,008	-	-	-	-	-	US\$ 4,998
	Capital One Multi Asset Execut	"	-	-	-	-	-	US\$ 4,879	US\$ 4,883	US\$ 4,879	US\$ 4	-	-	
	Capital One Multi Asset Execut	"	-	-	-	-	-	US\$ 3,932	-	-	-	-	-	US\$ 3,941
	Capital One Prime Auto Rec	"	-	-	-	-	-	US\$ 3,999	-	-	-	-	-	US\$ 3,981
	Caterpillar Finl Asset Tr	"	-	-	-	-	-	US\$ 8,121	-	-	-	-	-	US\$ 8,142
	Cbass Tr	"	-	-	-	-	-	US\$ 4,260	-	-	-	-	-	US\$ 4,262
	Cendant Rent Car Fdg Aesop Llc	"	-	-	-	-	-	US\$ 9,249	-	-	-	-	-	US\$ 9,297
	Citibank Cr Card Issuance Tr	"	-	-	-	-	-	US\$ 9,797	-	-	-	-	-	US\$ 9,864
	Credit Suisse First Boston Mtg	"	-	-	-	-	-	US\$ 3,566	-	-	-	-	-	US\$ 3,576
	Credit Suisse First Boston Mtg	"	-	-	-	-	-	US\$ 3,728	-	-	-	-	-	US\$ 3,740
	Daimlerchrysler Auto Tr	"	-	-	-	-	-	US\$ 4,334	-	-	-	-	-	US\$ 4,315
	Drive Auto Receivables Tr	"	-	-	-	-	-	US\$ 3,183	-	-	-	-	-	US\$ 3,191
	First Franklin Mtg Ln Tr	"	-	-	-	-	-	US\$ 4,301	-	-	-	-	-	US\$ 4,290
	Ford Credit Auto Owner Trust	"	-	-	-	-	-	US\$ 4,310	-	-	-	-	-	US\$ 4,324
	Gs Mtg Secs Corp.	"	-	-	-	-	-	US\$ 4,134	-	-	-	-	-	US\$ 4,145
	Gsamp Tr	"	-	-	-	-	-	US\$ 4,241	-	-	-	-	-	US\$ 4,251
	Harley Davidson Motorcycle Tr	"	-	-	-	-	-	US\$ 5,793	-	-	-	-	-	US\$ 5,825
	Hertz Veh Fing Llc	"	-	-	-	-	-	US\$ 5,284	-	-	-	-	-	US\$ 5,319
	Holmes Fing No 8 Plc	"	-	-	-	-	-	US\$ 5,000	-	-	-	-	-	US\$ 5,000

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Home Equity Mtg Tr 2006 4	Available-for-sale financial assets	-	-	-	US\$ -	-	US\$ 4,200	-	US\$ -	US\$ -	US\$ -	-	US\$ 4,222
	Hyundai Auto Receivables Tr	"	-	-	-	-	-	US\$ 6,202	-	-	-	-	-	US\$ 5,537
	Hyundai Auto Receivables Tr	"	-	-	-	-	-	US\$ 3,208	-	-	-	-	-	US\$ 3,212
	Hyundai Auto Receivables Tr	"	-	-	-	-	-	US\$ 3,904	-	-	-	-	-	US\$ 3,928
	Lb Ubs Coml Mtg Tr	"	-	-	-	-	-	US\$ 3,733	-	-	-	-	-	US\$ 3,493
	Long Beach Mtg Ln Tr	"	-	-	-	-	-	US\$ 3,195	-	-	-	-	-	US\$ 3,203
	Mbna Master Cr Card Tr Ii	"	-	-	-	-	-	US\$ 7,653	-	-	-	-	-	US\$ 7,605
	Massachusetts Rrb Spl Purp Tr	"	-	-	-	-	-	US\$ 3,830	US\$ 3,416	US\$ 3,396	US\$ 20	-	-	
	Mastr Asset Backed Secs Tr	"	-	-	-	-	-	US\$ 3,083	US\$ 3,082	US\$ 3,083	US\$ (1)	-	-	
	Mastr Asset Backed	"	-	-	-	-	-	US\$ 4,300	-	-	-	-	US\$ 4,224	
	Merrill Lynch Mtg Invs Inc.	"	-	-	-	-	-	US\$ 6,561	-	-	-	-	US\$ 5,887	
	Morgan Stanley Ixis Estate Tr	"	-	-	-	-	-	US\$ 4,300	-	-	-	-	US\$ 4,110	
	Navistar Finl 2003 A Owner Tr	"	-	-	-	-	-	US\$ 3,994	-	-	-	-	US\$ 2,956	
	Nissan Auto Receivables	"	-	-	-	-	-	US\$ 3,943	-	-	-	-	US\$ 3,928	
	Nomura Asset Accep Corp.	"	-	-	-	-	-	US\$ 4,144	-	-	-	-	US\$ 4,150	
	Onyx Accep Owner Tr	"	-	-	-	-	-	US\$ 4,885	-	-	-	-	US\$ 3,774	
	Pg+E Energy Recovery Fdg Llc	"	-	-	-	-	-	US\$ 4,646	-	-	-	-	US\$ 3,997	
	Providian Gateway Owner Tr	"	-	-	-	-	-	US\$ 3,911	-	-	-	-	US\$ 3,942	
	Reliant Energy Transition Bd	"	-	-	-	-	-	US\$ 3,994	-	-	-	-	US\$ 2,486	
	Residential Asset Sec Mtg Pass	"	-	-	-	-	-	US\$ 3,052	-	-	-	-	US\$ 2,711	
	Residential Fdg Mtg Secs I Inc.	"	-	-	-	-	-	US\$ 4,224	-	-	-	-	US\$ 4,058	
	Tw Hotel Fdg 2005 Llc	"	-	-	-	-	-	US\$ 4,116	-	-	-	-	US\$ 4,103	
	Terwin Mtg Tr	"	-	-	-	-	-	US\$ 4,033	-	-	-	-	US\$ 4,065	
	Usaa Auto Owner Tr	"	-	-	-	-	-	US\$ 4,246	-	-	-	-	US\$ 4,238	
	Washington Mut Mtg Secs Corp.	"	-	-	-	-	-	US\$ 3,261	-	-	-	-	US\$ 2,984	
	Wells Fargo Mtg Backed Secs	"	-	-	-	-	-	US\$ 4,426	-	-	-	-	US\$ 4,367	
	Wells Fargo Finl Auto Owner Tr	"	-	-	-	-	-	US\$ 5,235	-	-	-	-	US\$ 4,986	
	Wells Fargo Finl Auto Owner Tr	"	-	-	-	-	-	US\$ 4,932	-	-	-	-	US\$ 4,926	
	Wells Fargo Mtg Bkd Secs	"	-	-	-	-	-	US\$ 3,020	-	-	-	-	US\$ 2,856	
	Wells Fargo Mtg Bkd Secs	"	-	-	-	-	-	US\$ 3,488	-	-	-	-	US\$ 3,399	
	<u>Agency Bonds</u>													
	Fed Hm Ln Pc Pool M80855	Available-for-sale financial assets	-	-	-	-	-	US\$ 3,381	-	-	-	-	-	US\$ 3,287
	Fed Hm Ln Pc Pool 847628	"	-	-	-	-	-	US\$ 3,884	-	-	-	-	-	US\$ 3,796
	Fed Hm Ln Pc Pool 1h2520	"	-	-	-	-	-	US\$ 3,286	-	-	-	-	-	US\$ 3,100
	Fed Hm Ln Pc Pool B19205	"	-	-	-	-	-	US\$ 8,626	-	-	-	-	-	US\$ 8,560
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,574	-	-	-	-	-	US\$ 4,381
	Fed Hm Ln Pc Pool 781959	"	-	-	-	-	-	US\$ 6,472	-	-	-	-	-	US\$ 6,040
	Fnma Pool 255883	"	-	-	-	-	-	US\$ 3,559	-	-	-	-	-	US\$ 3,490
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 4,375	-	-	-	-	-	US\$ 4,338
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 4,577	-	-	-	-	-	US\$ 4,290
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,919	-	-	-	-	-	US\$ 3,917
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,316	-	-	-	-	-	US\$ 3,076
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 3,515	-	-	-	-	-	US\$ 3,158
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 3,131	-	-	-	-	-	US\$ 2,465
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,909	-	-	-	-	-	US\$ 3,626
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,789	-	-	-	-	-	US\$ 3,743
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,388	-	-	-	-	-	US\$ 3,216
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,450	-	-	-	-	-	US\$ 4,223
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,069	-	-	-	-	-	US\$ 3,409
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,893	-	-	-	-	-	US\$ 3,738
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,114	-	-	-	-	-	US\$ 2,965
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,299	-	-	-	-	-	US\$ 3,176
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 4,665	-	-	-	-	-	US\$ 4,464
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,308	-	-	-	-	-	US\$ 2,976
	Federal Home Ln Mtg	"	-	-	-	-	-	US\$ 3,308	-	-	-	-	-	US\$ 3,019
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 8,812	-	-	-	-	-	US\$ 8,535
	Federal Home Loan Mtg	"	-	-	-	-	-	US\$ 4,937	US\$ 4,868	US\$ 4,858	US\$ 10	-	-	

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal (Note 1)				Ending Balance	
					Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands)	Carrying Value (US\$ in Thousands)	Gain (Loss) on Disposal (US\$ in Thousands)	Shares/Units (in Thousands)	Amount (US\$ in Thousands) (Note 2)
	Federal Home Ln Mtg Corp.	Available-for-sale financial assets	-	-	-	US\$ -	-	US\$ 4,476	-	US\$ -	US\$ -	US\$ -	-	US\$ 4,502
	Fnma Pool 696485	"	-	-	-	-	-	US\$ 3,393	-	-	-	-	-	US\$ 3,194
	Fnma Pool 813641	"	-	-	-	-	-	US\$ 3,916	-	-	-	-	-	US\$ 3,720
	Fnma Pool 815626	"	-	-	-	-	-	US\$ 3,189	-	-	-	-	-	US\$ 2,945
	Fnma Pool 825398	"	-	-	-	-	-	US\$ 4,562	-	-	-	-	-	US\$ 4,224
	Fnma Pool 841069	"	-	-	-	-	-	US\$ 3,134	-	-	-	-	-	US\$ 2,882
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 3,481	-	-	-	-	-	-
	Federal Home Ln Mtg Corp. Mtn	"	-	-	-	-	-	US\$ 4,912	-	US\$ 4,953	US\$ 4,912	US\$ 41	-	-
	Federal Home Loan Mtg Assn	"	-	-	-	-	-	US\$ 4,901	-	US\$ 4,951	US\$ 4,901	US\$ 50	-	-
	Federal Home Loan Mtg Corp.	"	-	-	-	-	-	US\$ 4,927	-	US\$ 4,968	US\$ 4,927	US\$ 41	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 9,789	-	US\$ 7,906	US\$ 7,831	US\$ 75	-	US\$ 1,976
	Freddie Mac	"	-	-	-	-	-	US\$ 9,314	-	US\$ 9,378	US\$ 9,314	US\$ 64	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 6,410	-	-	-	-	-	US\$ 6,440
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 5,930	-	-	-	-	-	US\$ 5,948
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 9,929	-	US\$ 10,000	US\$ 9,929	US\$ 71	-	-
	Federal Home Ln Mtg Corp.	"	-	-	-	-	-	US\$ 14,269	-	US\$ 14,304	US\$ 14,269	US\$ 35	-	-
	Federal Farm Cr Bks	"	-	-	-	-	-	US\$ 3,940	-	US\$ 3,946	US\$ 3,940	US\$ 6	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,851	-	-	-	-	-	US\$ 4,856
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 3,296	-	US\$ 3,297	US\$ 3,296	US\$ 1	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,930	-	US\$ 4,971	US\$ 4,930	US\$ 41	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,882	-	-	-	-	-	US\$ 4,885
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 8,735	-	-	-	-	-	US\$ 8,743
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 8,716	-	-	-	-	-	US\$ 8,768
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 5,825	-	-	-	-	-	US\$ 5,851
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 5,907	-	-	-	-	-	US\$ 5,898
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,960	-	-	-	-	-	US\$ 7,952
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,872	-	-	-	-	-	US\$ 4,920
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 6,061	-	-	-	-	-	US\$ 6,099
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 4,140	-	US\$ 4,141	US\$ 4,140	US\$ 1	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 12,233	-	-	-	-	-	US\$ 12,279
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,515	-	US\$ 7,520	US\$ 7,515	US\$ 5	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 6,881	-	-	-	-	-	US\$ 6,905
	Federal Home Loan Bank	"	-	-	-	-	-	US\$ 3,459	-	US\$ 3,463	US\$ 3,459	US\$ 4	-	-
	Federal Home Ln Bank	"	-	-	-	-	-	US\$ 3,955	-	US\$ 3,967	US\$ 3,955	US\$ 12	-	-
	Federal Home Ln Bks	"	-	-	-	-	-	US\$ 7,490	-	-	-	-	-	US\$ 7,506
	Federal Home Loan Banks	"	-	-	-	-	-	US\$ 8,081	-	-	-	-	-	US\$ 8,049
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 14,931	-	-	-	-	-	US\$ 14,973
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 7,979	-	US\$ 5,001	US\$ 4,987	US\$ 14	-	US\$ 3,000
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 4,364	-	-	-	-	-	US\$ 4,365
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 6,516	-	-	-	-	-	US\$ 6,511
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 5,885	-	-	-	-	-	US\$ 5,915
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 7,834	-	-	-	-	-	US\$ 7,868
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 3,950	-	-	-	-	-	US\$ 3,943
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 19,702	-	-	-	-	-	US\$ 19,766
	Federal Natl Mtg Assn	"	-	-	-	-	-	US\$ 10,459	-	-	-	-	-	US\$ 10,467
	Federal Natl Mtg Assn Mtn	"	-	-	-	-	-	US\$ 5,562	-	US\$ 5,560	US\$ 5,562	US\$ (2)	-	-
	Federal Natl Mtg Assn Mtn	"	-	-	-	-	-	US\$ 5,292	-	-	-	-	-	US\$ 5,318
	Federal Natl Mtg Assn Medium	"	-	-	-	-	-	US\$ 3,417	-	-	-	-	-	US\$ 3,415
	Tennessee Valley Auth	"	-	-	-	-	-	US\$ 6,038	-	-	-	-	-	US\$ 6,024

Note 1: The proceeds of bond investments matured are excluded.

Note 2: The ending balance included the amortization of premium or discount on bonds investments and unrealized valuation gains or losses on financial assets.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited

ACQUISITION OF INDIVIDUAL REAL ESTATES AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
The Company	Fab. 14	January 6, 2006	\$ 854,000	By the construction progress	M+W Zander Facility Engineering Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 12	March 30, 2006	US\$ 3,340	By the construction progress	M+W Zander Facility Engineering Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 12	June 1, 2006	\$ 487,000	By the construction progress	United Integrated Services Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 12	June 1, 2006	US\$ 3,770	By the construction progress	Celerity, Inc.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	June 2, 2006	\$ 197,500	By the construction progress	China Steel Structure Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 12	June 6, 2006	192,000	By the construction progress	Marketech International Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 12	June 9, 2006	142,000	By the construction progress	Uangyih-tech Industrial Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	June 26, 2006	EUR 2,733	By the construction progress	Siemens Limited	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	June 30, 2006	\$ 517,500	By the construction progress	United Steel Engineering & Construction Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	August 7, 2006	453,000	By the construction progress	China Steel Structure Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	August 25, 2006	1,365,000	By the construction progress	Fu Tsu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	September 28, 2006	JPY 1,080,000	By the construction progress	Organo Corporation	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	September 28, 2006	\$ 407,000	By the construction progress	Organo Technology Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	September 29, 2006	US\$ 4,250	By the construction progress	York Internation Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	October 12, 2006	\$ 278,950	By the construction progress	Shihlin Electric & Engineering Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 20, 2006	US\$ 9,150	By the construction progress	Mega Union Technology Inc.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 23, 2006	\$ 179,573	By the construction progress	United Integrated Services Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 24, 2006	US\$ 9,890	By the construction progress	Marketech International Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 28, 2006	US\$ 29,750	By the construction progress	United Integrated Services Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 29, 2006	US\$ 15,000	By the construction progress	M+W Zander Facility Engineering Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
	Fab. 14	November 29, 2006	\$ 847,365	By the construction progress	M+W Zander Facility Engineering Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	November 29, 2006	123,000	By the construction progress	Desiccant Technology Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	December 7, 2006	177,200	By the construction progress	Uangyih-tech Industrial Co., Ltd.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	December 8, 2006	US\$ 12,900	By the construction progress	Marketch International Corp.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None
	Fab. 14	December 28, 2006	US\$ 9,100	By the construction progress	Celerity, Inc.	-	N/A	N/A	N/A	N/A	Public bidding	Manufacturing purpose	None

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Investees

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price (Note)	Payment Terms (Note)	Ending Balance	% to Total	
The Company	TSMC-North America Philips	Subsidiary Major shareholder	Sales	\$ 190,459,073	60	Net 30 days after invoice date	-	-	\$ 16,461,956	50	
			Sales	4,024,990	1	Net 30 days/Net 45 days (since 12/27/2006) after monthly closing	-	-	250,919	1	
	GUC	Investee over which the Company had a controlling interest	Sales	755,710	-	Net 30 days after monthly closing	-	-	155,216	-	
	WaferTech SSMC	Indirect subsidiary Investee accounted for using equity method	Purchases	12,530,552	27	Net 30 days after monthly closing	-	-	(864,733)	9	
			Purchases	6,820,632	15	Net 30 days after monthly closing	-	-	(459,305)	5	
	TSMC-Shanghai VIS	Subsidiary Investee accounted for using equity method	Purchases	4,405,843	10	Net 30 days after monthly closing	-	-	(478,714)	5	
			Purchases	3,911,838	8	Net 30 days after monthly closing	-	-	(717,562)	8	
GUC	TSMC-North America	The same parent	Purchases	920,045	60	Net 30 days after invoice date	-	-	(301,507)	40	

Note: The terms of sales to related parties are not significantly different from those to third parties. For purchase transactions, prices are determined in accordance with the related contractual agreements and no other similar transaction could be compared with.

Taiwan Semiconductor Manufacturing Company Limited

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2006
(Amounts in Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
The Company	TSMC-North America	Subsidiary	\$ 16,521,503	36 days	\$ 4,721,288	-	\$ 5,883,939	\$ -
	Philips	Major shareholder	257,313	38 days	11,304	-	18,648	-
	GUC	Investee over which the Company had a controlling interest	155,216	49 days	117	-	38,062	-
	TSMC-Shanghai	Subsidiary	123,853	Note	21,089	Accelerate demand on account receivables	-	-
	VIS	Investee accounted for using equity method	121,911	Note	3,064	-	3,064	-

Note: The ending balance primarily consisted of other receivables, it is not applicable for the calculation of the turnover rate.

Taiwan Semiconductor Manufacturing Company Limited

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2006

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2006			Net Income (Losses) of the Investee	Equity in the Earnings (Losses)	Note
				December 31, 2006	December 31, 2005	Shares (in Thousands)	Percentage of Ownership	Carrying Value (Note)			
The Company	TSMC Global	Tortola, British Virgin Islands	Investment activities	\$ 42,327,245	\$ -	1	100	\$ 42,496,592	\$ 616,171	\$ 616,171	Subsidiary
	TSMC International	Tortola, British Virgin Islands	Providing investment in companies involved in the design, manufacture, and other related business in the semiconductor industry	31,445,780	31,445,780	987,968	100	26,593,749	2,802,637	2,802,637	Subsidiary
	TSMC-Shanghai	Shanghai, China	Manufacturing and sales of integrated circuits at the order of and pursuant to product design specifications provided by customers	12,180,367	12,180,367	-	100	9,027,984	(637,220)	(637,220)	Subsidiary
	SSMC	Singapore	Fabrication and supply of integrated circuits	8,840,895	6,408,190	463	39	7,960,869	4,437,059	1,394,921	Investee accounted for using equity method
	VIS	Hsin-Chu, Taiwan	Research, design, development, manufacture, packaging, testing and sale of memory integrated circuits, LSI, VLSI and related parts	8,119,816	8,119,816	442,262	27	5,741,870	3,018,694	748,006	Investee accounted for using equity method
	TSMC Partners	Tortola, British Virgin Islands	Investment activities	10,350	10,350	300	100	4,433,819	308,009	308,009	Subsidiary
	TSMC-North America	San Jose, California, U.S.A.	Sales and marketing of integrated circuits and semiconductor devices	333,718	333,718	11,000	100	2,014,990	238,111	238,111	Subsidiary
	Emerging Alliance	Cayman Islands	Investing in new start-up technology companies	1,418,717	1,526,074	-	99	793,585	(2,644)	(2,631)	Subsidiary
	VTAF II	Cayman Islands	Investing in new start-up technology companies	785,465	654,509	-	98	733,130	(37,339)	(36,592)	Subsidiary
	GUC	Hsin-Chu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	409,920	41,263	38	629,755	237,295	100,396	Investee over which the Company has a controlling interest
	VTAF III	Cayman Islands	Investing in new start-up technology companies	243,545	-	-	98	228,005	(20,794)	(20,378)	Subsidiary
	Chi Cherng	Taipei, Taiwan	Investment activities	300,000	300,000	-	36	115,507	99,647	(5,533)	Subsidiary
	Hsin Ruey	Taipei, Taiwan	Investment activities	300,000	300,000	-	36	114,297	98,605	(5,982)	Subsidiary
	TSMC-Japan	Yokohama, Japan	Marketing activities	83,760	83,760	6	100	95,757	2,963	2,963	Subsidiary
TSMC-Europe	Amsterdam, the Netherlands	Marketing activities	15,749	15,749	-	100	49,741	23,164	23,164	Subsidiary	
TSMC-Korea	Seoul, Korea	Marketing activities	13,656	-	80	100	14,706	685	685	Subsidiary	

Note: The treasury stock is deducted from the carrying value.

Taiwan Semiconductor Manufacturing Company Limited

**INFORMATION OF INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousand)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2006 (US\$ in Thousand)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2006 (US\$ in Thousand)	Percentage of Ownership	Equity in the Earnings (Losses) (Note 2)	Carrying Value as of December 31, 2006	Accumulated Inward Remittance of Earnings as of December 31, 2006
					Outflow (US\$ in Thousand)	Inflow					
TSMC (Shanghai) Company Limited	Manufacturing and sales of integrated circuits at the order of and pursuant to product design specifications provided by customers	\$12,180,367 (RMB3,070,623)	(Note 1)	\$12,180,367 (US\$371,000)	\$ -	\$ -	\$12,180,367 (US\$371,000)	100%	\$(637,220)	\$9,027,984	\$ -

Accumulated Investment in Mainland China as of December 31, 2006 (US\$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousand)	Upper Limit on Investment (US\$ in Thousand)
\$12,180,367 (US\$371,000)	\$12,180,367 (US\$371,000)	\$12,180,367 (US\$371,000)

Note 1: Direct investments US\$371,000 thousand in TSMC-Shanghai.

Note 2: Amount was recognized based on the audited financial statements.