



2007 Annual Report

The Export-Import Bank of the Republic of China



Professional

Enthusiastic

Efficient

A website is maintained by the Bank
to introduce Taiwan's small and medium-sized exporters.

The website is: <http://www.taiwanexport.com.tw>



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Highlights

NT\$ Millions

Year	FY2007	FY2006	FY2005
Total Operating Revenue	3,504	3,237	3,053
Total Operating Expenses	2,973	2,750	2,543
Net Income Before Tax	531	487	510
Profit per Employee (Before Tax)	2.61	2.40	2.50
Loans Outstanding (Average)	64,509	64,623	76,506
Guarantees Undertaken	4,961	5,634	4,663
Export Credit Insurance Undertaken	37,131	34,420	29,549
Total Assets	77,441	72,762	78,834
Net Worth	18,080	17,889	17,704
BIS Ratio (%)	38.67%	40.83%	46.97%

* The final accounts of FY2007 are still subject to audit.

** Eximbank's fiscal year is from January 1 to December 31.

II

Business Report

1. Mission

The Export-Import Bank of the Republic of China (Eximbank) was established in January 1979, in accordance with the Export-Import Bank of the Republic of China Act and specializes in export and import credit. It aims to operate in coordination with government trade, economic and financial policies by providing financial and export insurance services to assist manufacturers to expand their export markets. It is envisioned that the promotion of international economic cooperation creates new employment opportunities and continues to spur Taiwan's economic growth. Its major businesses include the provision of various types of medium- and long-term financing and guarantees to assist companies to expand exports of capital goods, undertake overseas engineering projects, import precision equipment and raw materials, and introduce technologies into Taiwan. It also encourages domestic manufacturers to actively develop foreign trade and investment by providing a variety of export credit insurance services to protect businesses against political and credit risks overseas.



Mr. Sheng-Yann Lii, Chairman of the Board of Directors

2. Strategies

(1) Aiming at the full implementation of the government's trade and economic policies and thus assisting manufacturers to expand markets in the prioritized countries so as to enhance Taiwan's competitiveness in foreign trade.

Taking an insight into the international economy, the bank finds that the huge populations and rapid economic developments in emerging markets promise great potentials. Emerging markets are still unfamiliar to people universally, accompanied with immense business opportunities and trading risks. Eximbank is abundant with years of experiences in hedging risks and trade finance in emerging markets. Eximbank spares no efforts to help manufacturers to open up new business doors all the time. In addition to continuing our efforts to assist manufacturers to develop business opportunities in four BRIC (Brazil, Russia, India and China) countries, Eximbank follows the government policies by prioritizing the 10 countries with great market potentials, including Japan, Korea, India, Vietnam, Russia, Malaysia, Turkey, Spain, Brazil and Indonesia. Eximbank adjusts its financing and insurance strategies with a timely manner not only to ride on the new tendency of the government's policies and trade developments but also to facilitate the new business opportunities and diversify export markets for manufacturers and hence boost the Taiwan's export competitiveness.

(2) Expanding business niches and enhancing international financial cooperation so as to promote Eximbank's international visibility.

Eximbank is actively seeking to enter the international financial market and participate in international syndicated loans, so as to enhance Eximbank's international involvement and visibility and in turn, expand Eximbank's businesses in the international market. This strategy enables Eximbank to establish business ties with major lending institutions in emerging markets and develop cooperative opportunities in other businesses (such as Eximbank's relending and medium- and long-term export credits). Furthermore, that will assist Taiwanese manufacturers to develop new markets. In addition, the leading banks in the international syndicated loans Eximbank participates in are mostly world-renowned multi-largest banks. Such business ties do not only equip Eximbank with the newest skills in international financing, but also help Eximbank to expand its business niche. Eximbank is actively seeking to participate in international syndicated loan markets so as to take advantage of the price differences due to varying developments of different markets. This is highly beneficial for Eximbank at this time when spreads for banks are wafer thin.

(3) Leading manufacturers to develop export markets by establishing a widespread global network of relending service.

In order to assist manufacturers to develop overseas markets, particularly in emerging markets, Eximbank finances foreign banks so that they can relend their customers in the procurement of the products made in Taiwan. Eximbank is flexible in contract terms, relending rates and documentation requirements so as to adapt to the varying legal conditions and market characteristics of different regions as long as such flexibility does not come at the expense of Eximbank's own rights. This flexible approach ensures financing as an effective tool to boost exports of manufacturers.

During FY2007, Eximbank provided relending facilities to 37 financial institutions in Brazil, Nicaragua, Belarus, Kazakhstan, Russia, Turkey, Ukraine, Egypt, South Africa, Indonesia, Mongolia, the Philippines, Thailand, Honduras, Dominican, Kyrgyz, and Nigeria so that these financial institutions can relend their local importers to purchase products from Taiwan.

(4) Bringing export credit insurance into full play in order to support manufacturers to win orders and hedge trading risks.

Eximbank has been stepping up the promotion of GlobalSure Credit Insurance by recommending manufacturers to purchase the whole-turnover insurance for preferential rates. This is to reduce

the situation where manufacturers make adverse selections in their choice of insurance packages so that Eximbank can effectively expand its business in export insurance. Finally, Eximbank provides comprehensive export insurance services. No matter manufacturers export in D/P, D/A, O/A or L/C, they can access the large variety of Eximbank's export insurance services in order to win businesses and reduce the potential loss of default.

(5) Continuing to utilize the cooperation with reinsurance companies and international counterparts to enhance Eximbank's overall underwriting capacity.

With a view on the need to expand the underwriting capacity and augment the foundation in export insurance services, Eximbank has renewed reinsurance contracts with Munich Re Group and Central Reinsurance Corporation. In addition, Eximbank has improved the terms and conditions in reinsurance claim ratios so as to appropriately transfer some risks to reinsurance companies and boost the growth in export insurance businesses. The result was a very significant impressive achievement this year.

(6) Participating in domestic trading and economic groups and institutions in export business development activities to facilitate the worldwide distribution footprints for domestic manufacturers.

Eximbank helps manufacturers in the development of their worldwide distribution footprints

with efforts in creating business opportunities in emerging markets and diversifying overseas markets for their exported products and services. The visits by domestic trading and economic groups along with Eximbank to financial institutions and trading and economic institutions in emerging markets can effectively facilitate the exports of Taiwan's machinery and other capital goods. Eximbank has sent staff for business investigations in Bangladesh, Indonesia, Malaysia, Vietnam, South Korea, South Africa, Nigeria, Ivory Coast, Czech Republic, Bulgaria, Turkey and Romania, in order to establish an understanding of the situations and seek business opportunities in these countries. It is hoped to promote the development of relevant industries and create job opportunities in Taiwan.


Eximbank will continue to promote its businesses in Taiwan by cooperating with trade and economic

organizations to organize seminars and workshops. In addition to the provision of the information regarding country situations, trades and economies of emerging markets, Eximbank also introduces a variety of export credits and exporting hedging tools at competitive rates and invites the manufacturers who are familiar with these emerging markets and experienced in business developments to share their thoughts and successful experience, so as to assist Taiwanese manufacturers to set roots in Taiwan and expand way beyond.

(7) Strengthening the business tentacle functions of overseas representative offices to assist exporters to win new orders.

To help Taiwanese manufacturers enter into the emerging markets and diversify export markets, as



 Konno Hidehiro (right), Chairman of Nippon Export and Investment Insurance visits Eximbank (Chairman Sheng-Yann Lii on the left)

well as to upgrade the international competitiveness of Taiwanese products, Eximbank has set up overseas representative offices in Jakarta in Indonesia, Warsaw in Poland, and Sao Paulo in Brazil. These representative offices keep close contacts with local manufacturers, trade and economic institutions so as to actively expand Eximbank's businesses. They also keep close talks with manufacturers and facilitate the sales of Taiwanese products to Indonesia, Brazil, Belarus, Ukraine and Russia and by using Eximbank's export credit facilities.

In addition, these overseas representative offices take part in the itineraries of the Taiwanese trade and economic institutions visiting overseas. Eximbank introduces its offerings during their visits and provides timely financial consulting, insurance and financing services. Also, Eximbank actively gathers intelligence regarding the investment environment and trading opportunities of the countries and regions where its overseas representative offices are located, so as to provide a reference to Taiwanese manufacturers.

(8) Creating product synergies and generating business development opportunities.

Facing fierce competition in the financial environment, Eximbank endeavours to integrate closely all its offerings in export financing, export insurance and overseas relending so as to provide total solution services to manufacturers. Eximbank reviews and modifies its business policies in response to the trends in financial environment and the structural development of Taiwanese industries. Eximbank has

been actively developing new type of businesses in order to enhance the synergies of its credit and export insurance services. The efforts to integrate every kind of business and pursue multi-oriented developments leading to business growth space have paid off.

(9) Linking with the networks of the cooperative banks to expand services.

The simplification of the lending procedures enables manufacturers to have early access to capital and as a result, Eximbank sees growth in export financing businesses. Eximbank renewed its cooperative ties this year with domestic foreign exchange designated banks experienced in foreign exchange businesses by entering into "Agreement in Joint Promotions of Foreign Exchange Businesses." It has been extremely effective in Eximbank's promotion of its export credit facilities.

(10) Establishing a risk management system to strengthen the physical operation.

In order to improve risk management and follow the relevant regulations of Basel II, Eximbank has established three risk management mechanisms to control credit risks, market risks and operation risks. The bank not only follows regulations of BIS, monitors and evaluates country, financial, industry risks and its significant relevance information, but also implements overall risk inspection and credit line control. This has made Eximbank's risk management system even more perfect.



Bank Profile

1. Profile

The Export-Import Bank of the Republic of China was founded on January 11, 1979 according to the Export-Import Bank of the Republic of China Act, as a state-owned specialized bank for export and import credits. It is supervised by the Ministry of Finance and its mission is to "promote export trade and develop the economy." Eximbank offers a variety of medium- and long-term export and import loans, guarantees, and export credit insurance offerings. Eximbank's main objective is to work in coordination with government

economic and trade policies to provide banking services to manufacturers, so as to assist them to expand their export markets and overseas investments and encourage international cooperation to ensure the steady and continuous development of Taiwan's economy.

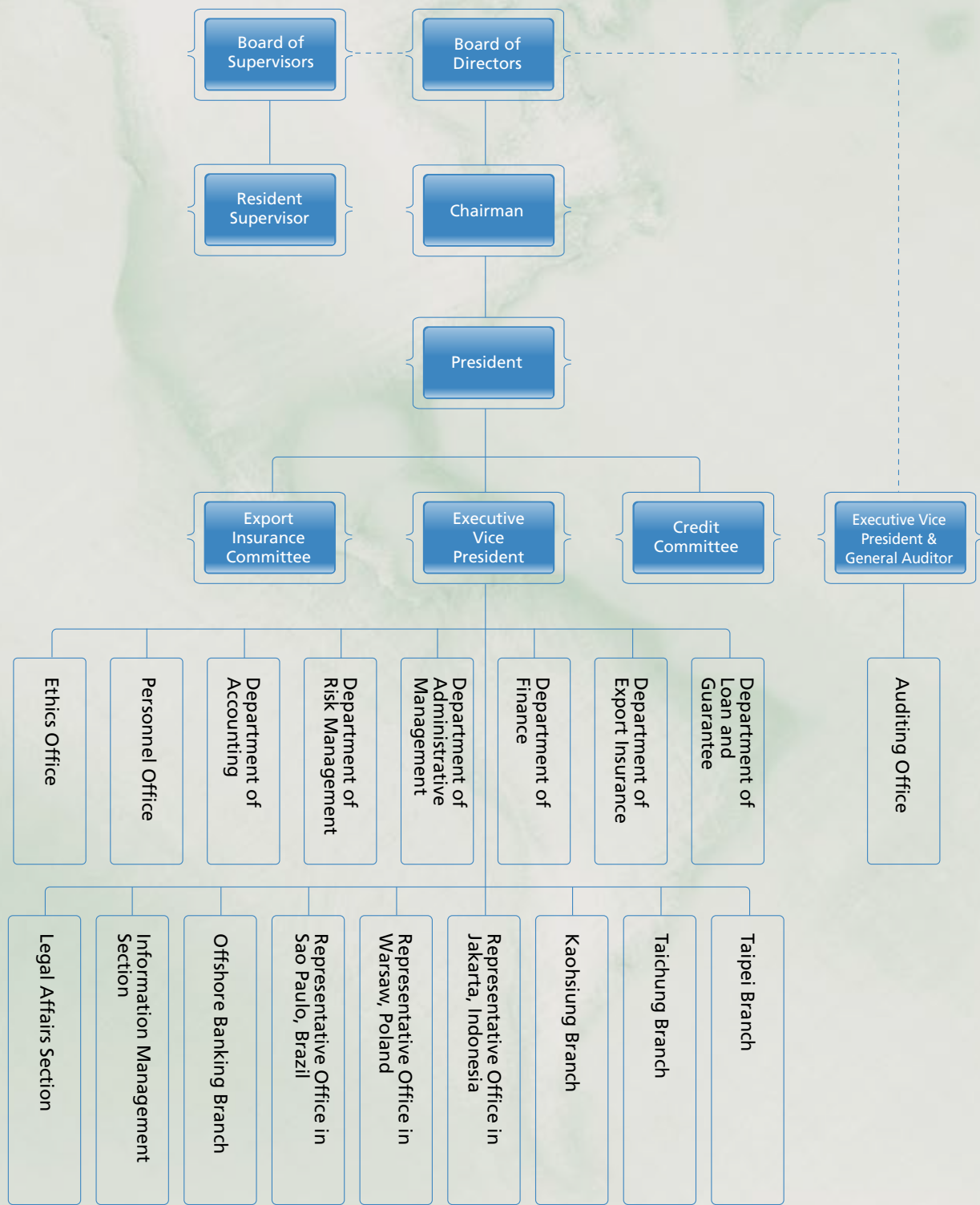
To better serve businesses, Eximbank has established branch offices in Kaohsiung, Taichung, and Taipei as well as overseas representative offices in Jakarta in Indonesia, Warsaw in Poland, and Sao Paulo in Brazil.



Director of Japan Bank for International Cooperation, Wataru Yoshida (middle left) visits Chairman Sheng-Yann Lii (middle right).

2. Organization

(1) Organizational Chart



BOARD



Sheng-Yann Lii

Chairman & Managing Director



Ming-Jen Chen

Managing Director



Hau-Min Chu

Managing Director



Chih-Peng Huang

Director



Jin-Sheng Duann

Director



Zion Kao

Director



Andy H. M. Chen

Director



Chang-Nan Lo

Resident Supervisor



Hai-Mei Chen

Supervisor

(2) Directors and Supervisors

Board of Directors		Board of Supervisors	
Sheng-Yann Lii	Chairman & Managing Director	Chang-Nan Lo	Resident Supervisor
Ming-Jen Chen	Managing Director	Hai-Mei Chen	Supervisor
Hau-Min Chu	Managing Director		
Chih-Peng Huang	Director		
Jin-Sheng Duann	Director		
Zion Kao	Director		
Andy H. M. Chen	Director		

Note: 1. Former Chairman, Ms. Pauline Fu, retired on July 1, 2007. President Mr. Sheng-Yang Lii, took over the position as Chairman and Mr. Ming-Jen Chen took over the position as President.

2. After Mr. Ming-Jen Chen resigned on January 2, 2008, from the position as President, Chairman Mr. Sheng-Yang Lii also serves as President.

(3) Principal Managers and General Auditor

Name	Title
Ming-Jen Chen	President
Charles C.C. Wang	Executive Vice President
Robert R.F. Chu	Executive Vice President
Kuo-Dah Lih	Executive Vice President & General Auditor
Shui-Yung Lin	Senior Vice President & General Manager Department of Loan & Guarantee
Mark P.S. Tai	Senior Vice President & General Manager Department of Export Insurance
C. F. Chien	Senior Vice President & General Manager Department of Finance & Offshore Banking Branch
Chi-San Lin	Senior Vice President & General Manager Department of Risk Management
Yu-Huai Wang	Senior Vice President & General Manager Department of Accounting
Robert C.F. Young	Senior Vice President & General Manager Department of Administrative Management
Tung-Meng Lin	Senior Vice President & General Manager Personnel Office
Yun-Hsu Lee	Senior Vice President & General Manager Ethics Office

Note: After Mr. Ming-Jen Chen resigned on January 2, 2008, from the position as President, Chairman Mr. Sheng-Yang Lii also serves as President.



Status of Operations

1. Scope of Business

Snapshot of operations in 2007

NT\$ Millions

Item	Amount	Growth Rate
Loans	64,509	-0.18%
Guarantees	4,961	-11.94%
Export Credit Insurance	37,131	7.87%

(1) Loans

Loans offered by Eximbank include Medium- and Long-term Export Credits, Short-term Export Credits, Medium- and Long-term Import Credits, Overseas Investment Credits, Overseas Construction Credits, Shipbuilding Credits, International Syndicated loans, Relending Facilities and Major Public Construction Credits.

In 2007, the loans granted by Eximbank totaled NT\$64.51 billion (avg. balance), 0.18% down from the previous year.

In 2007, Eximbank's loan structure consisted of mainly medium- and long-term loans, which totaled NT\$57.10 billion (avg. balance), accounting for 88.51% of the total.

(2) Guarantees

Guarantee services include Overseas Construction Guarantees, Import Guarantees, Export Guarantees and Major Public Construction Guarantees.

Guarantees for 2007 totaled NT\$4.96 billion, 11.94% down from the previous year.

(3) Export Credit Insurance

The export credit insurance offered by Eximbank includes Comprehensive Export Credit Insurance for document against payment (D/P) and document against acceptance (D/A) transactions, Comprehensive Export Credit Insurance for open account (O/A) transactions, Export Credit Insurance for Small and Medium Enterprises, Export Credit Insurance for letter of credit (L/C) transactions, Medium- and Long-term Deferred Payment Insurance, Overseas Investment Insurance, Export Credit Insurance for Offshore Account Receivable and GlobalSure Credit Insurance.

Export Credit Insurance for 2007 totaled NT\$37.13 billion, an increase of 7.87% over the previous year.

2. Market Conditions

(1) Domestic and Global Conditions

Amid the interest hikes around the world, the sudden explosion of the sub-prime mortgage market in the USA in August 2007 caused turbulence in the global financial markets. In order to mitigate the damages brought about by the sub-prime mortgage, the Fed has been reducing interest rates. However, the Central Bank of the R.O.C. continued to raise interest rates in September 2007 in view of limited impact from the sub-prime mortgage market in the USA on Taiwan and as a curb against capital outflows from Taiwan.

However, due to the fierce market competition, such interest rate hikes could not effectively expand the spread for the banking industry in Taiwan. Fortunately, the steady growth in economies in Taiwan and outside Taiwan has benefited the development of industries and prompted the rapid development of the wealth management industry. The Taiwanese banking industry has maintained stable operations.

Domestic banks have tightened up their businesses in consumer finance under the impact of the credit-card and cash-card crisis a few years ago. Corporate banking has moved back to the forefront. Although banks are not seeing a widening spread, they remain active in riding on the trend and hopeful of good performances in the corporate lending market. As it is easy to copy products from competitors, the profit margin in the industry is squeezed. Eximbank focuses on corporate banking. Given the growing competition, it is increasingly difficult to expand businesses.

(2) Taiwan's Credit Market

In 2007, the continuing rise of international oil prices, the slow-down of the US economy and the sub-prime mortgage crisis triggered higher volatility in the world financial markets. The continued decline of the real estate market and the drastic rise of the commodity prices put a drag on the global economy. The economy in Taiwan remained unbalanced as it was "hot outside but cold inside". There has been insufficient willingness in consumption and investment. Savings are excessive and the capital has been flowing out. The economic growth in Taiwan was approximately 5.46%, solely propped up by strong exports.

Continued investment by foreign investors kept the New Taiwan Dollar at a high level. Businesses have access to a variety of funding vehicles. Banks competed fiercely in the lending businesses by offering rates lower than funding cost. Some of Eximbank's medium and long-term clients do not increase their borrowing after they make early repayments. The market competition was further intensified due to a slow-down in corporate investments. As a specialized bank offering import and export credit services, Eximbank can only be engaged in trade-related corporate banking. It suffered from a squeeze in business and difficulties in business development. It was difficult to pursue growth in loan businesses or expansion in spreads.

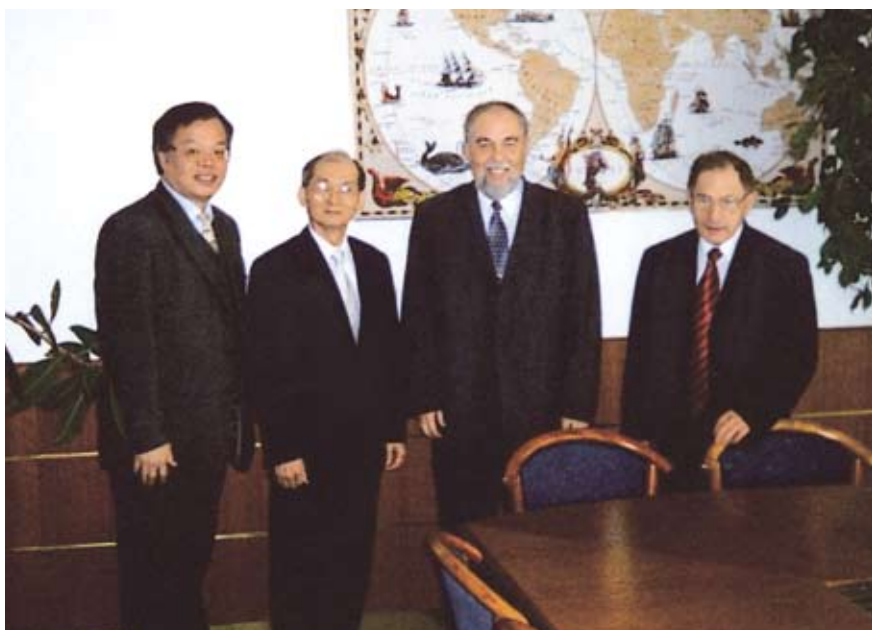
In order to expand businesses and enlarge the customer base, Eximbank has not only modified its business scope in a timely manner but has also been actively developing new businesses by assisting manufacturers to develop the emerging markets overseas. This is to adapt to the rapid changes in the macro environment.

(3) Export Credit Insurance Market

The disruption of the world financial market and credit crunch resulting from the sub-prime mortgage problems in the USA in 2007, the continued rise of international oil prices and commodity prices have all impacted the global economy. However, Taiwan continued to enjoy a booming external trade since 2006, with the trade volume, exports, imports and trade surplus all reached record highs in 2007. The total value of external trade reached US\$466.07 billion, exports US\$246.72 billion (up by 10.1%), imports US\$219.35 billion (up by 8.2%), trade surplus US\$27.37 billion (up 28.4%). Taiwan interacts closely with its important trading partners, mainly the USA, China (including Hong Kong), European Union, Japan, South Korea and ASEAN (Association of Southeast Asian Nations). These six major trading partners account for over 80% of the imports and exports of Taiwan.

The largest and second largest regions for Eximbank's export insurance in 2007 were Europe and Asia. Asia showed the largest growth of 46.32%. The figures indicate that the growth of export credit insurance was in line with economic and trade development trends because export credit insurance allows manufacturers to mitigate trade credit risks. All the statistics demonstrated Eximbank's timely assistance to Taiwanese manufacturers in developing emerging markets, to achieve the strategic goal of promoting globalization in Taiwan and promoting exports to various markets.

Eximbank will continue to operate in coordination with the government's trade and economic policies by providing export credit insurance services that meet the needs of manufacturers. Meanwhile, it will strive to simplify procedures required to take out insurance policies and reduce costs to manufacturers to help them gain a competitive edge on the international market.



Chairman Sheng-Yann Lii (second from the left) visits EGAP in Czech.



Financial Statements

Balance Sheets

NT\$ Thousands

Item	Notes	December 31, 2007	December 31, 2006	Percentage of Change (%)
		Amount	Amount	
ASSETS		77,440,921	72,762,170	6.43
Cash and Cash Equivalents	Note 4 (1)	3,005,376	1,972,450	52.37
Due from the Central Bank		745	547	36.20
Financial Assets at Fair Value through Profit or Loss	Note 4 (2)	1,222,168	8,064,811	-84.85
Receivables- Net	Note 4 (3)	714,223	764,615	-6.59
Loans and Discounts- Net	Note 4 (4)	70,809,058	61,280,920	15.55
Held-to-maturity Financial Assets- Net		1,000,000		
Other Financial Assets- Net	Note 4 (5)	102,825	109,236	-5.87
Fixed Assets- Net	Note 4 (6)	487,159	493,422	-1.27
Intangible Assets- Net		28,265	29,400	-3.86
Other Assets- Net	Note 4 (7)	71,102	46,769	52.03
TOTAL ASSETS		77,440,921	72,762,170	6.43
LIABILITIES		59,361,326	54,872,915	8.18
Due to Banks		23,018,604	18,660,783	23.35
Borrowed from the Central Bank and Other Banks	Note 4 (8)	24,378,265	25,662,484	-5.00
Financial Liabilities at Fair Value through Profit or Loss	Note 4 (9)	7,744,556	6,954,473	11.36
Payables	Note 4 (10)	378,624	287,706	31.60
Financial Debentures Payable		750,000	500,000	50.00
Accrued Pension Liabilities		32,559	28,172	15.57
Other Financial Liabilities		1,395,794	1,085,257	28.61
Other Liabilities	Note 4 (11)	1,662,924	1,694,040	-1.84
TOTAL LIABILITIES		59,361,326	54,872,915	8.18
EQUITY		18,079,595	17,889,255	1.06
Capital		12,000,000	12,000,000	
Retained Earnings		5,280,131	5,085,225	3.83
Legal Reserve		5,280,131	5,085,225	3.83
Other Equity		799,464	804,030	-0.57
Unrealized Revaluation Increments		118,819	118,819	
Cumulative Translation Adjustments		680,645	685,211	-0.67
TOTAL EQUITY		18,079,595	17,889,255	1.06
TOTAL LIABILITIES AND EQUITY		77,440,921	72,762,170	6.43

Notes: 1. The disclosure of major contingencies or commitments:

(1) Loan commitments that customers have yet to draw upon totaled NT\$7,526,279 thousands.

(2) Various guaranteed payments totaled NT\$4,725,113 thousands.

2. The 2006 account has been recognized by the Ministry of Audit, the R.O.C. The final accounts of 2007 are still subject to audit.

3. December 31, 2007 — US\$1 = NT\$32.484.

December 31, 2006 — US\$1 = NT\$32.65.

Statements of Income

NT\$ Thousands

Item	Notes	January 1, 2007 – December 31, 2007		January 1, 2006 – December 31, 2006		Percentage of Change (%)
		Subtotal	Total	Subtotal	Total	
Interest Revenue		3,212,884		3,052,470		5.26
Minus: Interest Expenses		2,126,260		2,029,411		4.77
Net Interest Income			1,086,624		1,023,059	6.21
Non-Interest Income			69,471		37,853	83.53
Net Fees and Commissions	Note 4 (12)	37,353		41,049		-9.00
Losses on Financial Assets and Liabilities at Fair Value through Profit or Loss	Note 4 (13)	-32,630		-22,925		42.33
Foreign Exchange Gains		26,763		3,638		635.65
Others	Note 4 (14)	37,985		16,091		136.06
Net Operating Income			1,156,095		1,060,912	8.97
Bad Debt Expenses	Note 4 (15)		128,375		64,932	97.71
Operating Expenses			497,017		509,448	-2.44
Personnel Expenses		366,575		364,266		0.63
Depreciation and Amortization		24,351		51,389		-52.61
Other General and Administrative Expenses		106,091		93,793		13.11
Net Income before Tax			530,703		486,532	9.08
Income Tax			-43,439		-63,804	-31.92
Net Income after Tax			487,264		422,728	15.27
Cumulative Effect of Changes in Accounting Principles					50,707	-100.00
Net Income			487,264		473,435	2.92

Note: The 2006 account has been recognized by the Ministry of Audit, the R.O.C. The final accounts of 2007 are still subject to audit.



Eximbank sends a delegate to visit Karnaphulai Export Processing Zone in Bangladesh.

Statements of Cash Flows

NT\$ Thousands

Item	January 1, 2007 –December 31, 2007		January 1, 2006 –December 31, 2006	
	Subtotal	Total	Subtotal	Total
Cash Flows from Operating Activities:		889,911		400,436
Net Income		487,264		473,435
Adjustments:		402,647		-72,999
Gains, Losses and Other Adjustments that Did Not Impact Cash Flow		154,192		50,506
Depreciation and Amortization	24,567		51,389	
Bad Debt Expenses	128,783		64,932	
Losses (Gains) on Disposal of Assets	1,817		8,188	
Other Adjustments	-975		-74,003	
Decrease (Increase) in Operating Assets		129,528		-98,199
Decrease (Increase) in Receivables	51,242		3,151	
Decrease (Increase) in Deferred Income Tax Assets	-22,678		26,480	
Decrease (Increase) in Financial Assets at Fair Value through Profit or Loss	92,643		-123,143	
Decrease (Increase) in Other Financial Assets	6,411		-1,190	
Decrease (Increase) in Other Assets	1,910		-3,497	
Increase (Decrease) in Operating Liabilities		118,927		-25,306
Increase (Decrease) in Payables	87,702		-80,021	
Increase (Decrease) in Financial Liabilities at Fair Value through Profit or Loss	40,083		42,114	
Increase (Decrease) in Deferred Income Tax Liabilities	-9,160		12,212	
Increase (Decrease) in Other Liabilities	302		389	
Net Cash Provided by (used in) Operating Activities		889,911		400,436
Cash Flows from Investing Activities:		-10,876,177		7,590,127
Decrease (Increase) in Loans and Discounts	-9,654,010		7,336,844	
Decrease (Increase) in Other Financial Assets	-1,200,000		271,601	
Decrease (Increase) in Other Assets	-22,167		-18,318	
Net Cash Provided by (used in) Investing Activities		-10,876,177		7,590,127
Cash Flows from Financing Activities:		4,051,338		-6,436,448
Increase (Decrease) in Due to Banks	4,357,822		9,584,113	
Increase (Decrease) in Borrowed from Banks	-1,284,218		-15,339,263	
Increase (Decrease) in Financial Debentures Payable	250,000			
Increase (Decrease) in Long-term Liabilities	-571		-913	
Increase (Decrease) in Other Financial Liabilities	1,060,536		-450,122	
Increase (Decrease) in Other Liabilities	-43,088		37,038	
Cash Dividends	-289,143		-267,301	
Net Cash Provided by (used in) Financing Activities		4,051,338		-6,436,448
Effects of Exchange Rate Changes		18,052		8,180
Increase (Decrease) in Cash and Cash Equivalents		-5,916,876		1,562,295
Cash and Cash Equivalents at the Beginning of the Period		9,922,997		8,360,702
Cash and Cash Equivalents at the End of the Period		4,006,121		9,922,997

Statements of Changes in Equity January 1-December 31, 2006 and 2007

NT\$ Thousands

Item	Capital	Retained Earnings		Equity Adjustments		Total
		Legal Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Unrealized Revaluation Increments	
Balance, January 1, 2006	12,000,000	4,895,851		689,225	118,819	17,703,895
Provision for Legal Reserve		189,374	-189,374			
Cash Dividends Appropriated			-284,061			-284,061
Net Income for FY2006			473,435			473,435
Changes in Cumulative Translation Adjustments				-4,014		-4,014
Balance, December 31, 2006	12,000,000	5,085,225		685,211	118,819	17,889,255
Provision for Legal Reserve		194,906	-194,906			
Cash Dividends Appropriated			-292,358			-292,358
Net Income for FY2007			487,264			487,264
Changes in Cumulative Translation Adjustments				-4,566		-4,566
Balance, December 31, 2007	12,000,000	5,280,131		680,645	118,819	18,079,595



Eximbank sends a delegation to Hong Kong for experience sharing with Hong Kong Export Credit Insurance Corporation.

Financial Analysis

NT\$ Thousands; %

Item		2007	2006
Operating Ability	Non-Performing Loan Ratio	0.49%	0.24%
	Ratio of Interest Income to Annual Average Loans	4.98%	4.72%
	Total Asset Turnover (times)	1.49	1.46
	Average Operating Income per Employee	5,639	5,201
	Average Profit per Employee	2,377	2,321
Profitability	Return on Tier 1 Capital	2.98%	2.76%
	Return on Assets	0.65%	0.62%
	Return on Equity	2.71%	2.66%
	Net Profit Margin	42.15%	44.63%
	Earnings per Share (NT\$ dollars)	0.41	0.39
Financial Structure	Ratio of Liabilities to Assets	76.65%	75.41%
	Ratio of Fixed Assets to Equity	2.69%	2.76%
Growth Rate	Asset Growth Rate	6.43%	-7.70%
	Profit Growth Rate	9.08%	-4.65%
Cash Flows	Cash Flow Ratio	2.86%	1.55%
	Cash Flow Adequacy Ratio	178.78%	193.17%
	Cash Flows from Operating Activities/Cash Flows from Investing Activities	-8.18%	5.28%
Liquid Reserve Ratio		29.01%	89.97%
Operating Scale	Market Share of Assets	0.28%	0.26%
	Market Share of Net Worth	1.01%	1.04%
	Market Share of Loans	0.40%	0.37%

1. The 2007 NPL Ratio went up from that of 2006, mainly due to an increase of non-performing loans.
2. The 2007 Asset Growth Rate was higher than that of 2006, mainly due to an increase of loans outstanding in 2007.
3. The 2007 Profit Growth Rate was higher than that of 2006, mainly due to an increase of pretax earnings in 2007.
4. The 2007 Cash Flow Ratio was higher than that of 2006, mainly due to an increase of cash inflows from operating activities.
5. The 2007 Cash Flows from Operating Activities/Cash Flows from Investing Activities was lower than that of 2006, mainly due to an increase in loans outstanding.
6. The 2007 Liquid Reserve Ratio was lower than that of 2006, mainly due to a reduction in the liquid assets required by the Central Bank of China.

Note: The 2006 account has been recognized by the Ministry of Audit, the R.O.C. The final accounts of 2007 are still subject to audit.

Financial Formulae

1. Operating Ability

- (1) Non-Performing Loan Ratio = Non-Performing Loans / Total Loans Outstanding
- (2) Ratio of Interest Income to Annual Average Loans = Total Interest Income / Annual Average Loans
- (3) Total Assets Turnover = Net Operating Income / Total Assets
- (4) Average Operating Income per Employee (Note 3) = Net Operating Income / Number of Employees
- (5) Average Profit per Employee = Net Income / Number of Employees

2. Profitability

- (1) Return on Tier 1 Capital = Net Income before Tax / Average Total Tier 1 Capital
- (2) Return on Assets = Net Income / Average Total Assets
- (3) Return on Equity = Net Income / Average Net Equity
- (4) Net Income Margin = Net Income / Net Operating Income
- (5) Earnings per Share = (Net Income – Dividends from Preferred Stocks) / Weighted Average Outstanding Shares (Note 2)

3. Financial Structure

- (1) Ratio of Liabilities to Assets = Total Liabilities / Total Assets
- (2) Ratio of Fixed Assets to Equity = Net Fixed Assets / Net Equity

4. Growth Rate

- (1) Asset Growth Rate = (Total Assets for Current Year – Total Assets for Previous Year) / Total Assets for Previous Year
- (2) Profit Growth Rate = (Net Income before Tax for Current Year – Net Income before Tax for Previous Year) / Net Income before Tax for Previous Year

5. Cash Flows (Note 4)

- (1) Cash Flow Ratio = Net Cash Flows from Operating Activities / (Due to Banks + Commercial Papers Payable + Financial Liabilities at Fair Value through Profit or Loss + Securities Sold under Agreements to Repurchase + Payables within One Year)
- (2) Cash Flow Adequacy Ratio = Net Cash Flows from Operating Activities for the past Five Years / (Capital Expenditures + Cash Dividends) for the past Five Years
- (3) Cash Flows from Operating Activities / Cash Flows from Investing Activities = Net Cash Flows from Operating Activities / Net Cash Flows from Investing Activities

6. Liquid Reserve Ratio = Liquid Assets required by the Central Bank / Various Liabilities requiring liquid reserves

7. Operating Scale

- (1) Market Share of Assets = Total Assets / Total Assets of All Financial Institutions Available for Deposits and Loans
- (2) Market Share of Net Worth = Net Worth / Total Net Worth of All Financial Institutions Available for Deposits and Loans
- (3) Market Share of Loans = Total Loans / Total Loans of All Financial Institutions Available for Deposits and Loans

Notes

- 1. Liabilities exclude reserve for losses on guarantee, reserve on trading securities, reserve for default losses, and reserve for accident losses.
- 2. Eximbank is not a company organization. Eximbank's shares are denominated as NT\$10 per share on a pro forma basis.
- 3. Net Operating Income refers to the summation of interest Income and non-interest Income.
- 4. Remarks on cash flow analysis:
 - (1). Net Cash Flows from Operating Activities refer to the same item in statements of cash flows.
 - (2). Capital Expenditures refer to the cash outflows required to make capital investments each year.
 - (3). Cash Dividends include cash dividends for common stock and preferred stock.

Capital Adequacy

NT\$ Thousands; %

Item			2007	2006
Self-Owned Capital	Tier 1 Capital	Common Equity	12,000,000	12,000,000
		Non-Cumulative Perpetual Preferred Stock		
		Cumulative Perpetual Hybrid Subordinated Debt		
		Capital Collected in Advance		
		Capital Reserve (Excluding Reserves Arising from Fixed Assets Revaluation)		
		Legal Reserve	5,280,131	5,086,187
		Special Reserve		
		Accumulated Gains or Losses		
		Minority Interest		
		Equity Adjustments	680,645	685,212
		Less: Goodwill		
		Less: Unamortized Losses on Sale of Non-Performing Loans		
		Less: Capital Deductions	51,250	51,250
		Total Tier 1 Capital	17,909,526	17,720,149
	Tier 2 Capital	Cumulative Perpetual Preferred Stock		
		Cumulative Perpetual Hybrid Subordinated Debt		
		Reserves Arising from Fixed Assets Revaluation	118,819	118,819
		45% of Unrealized Gains on Available-for-Sale Equities		
		Convertible Bond		
		General Provisions / General Loan-Loss Reserves	600,510	467,247
		Long-term Subordinated Debt		
		Non-Perpetual Preferred Stock		
		Total of Non-Cumulative Perpetual Preferred Stock and Non-Cumulative Perpetual Subordinated Debt Exceeding Tier 1 Capital by 15%		
		Less: Capital Deductions	51,250	51,250
		Total Tier 2 Capital	668,079	534,816
	Tier 3 Capital	Short-term Subordinated Debt		
		Non-Perpetual Preferred Stock		
		Total Tier 3 Capital		
	Self-Owned Capital		18,577,605	18,254,965

Item			2007	2006
Total Risk-Weighted Assets	Credit Risk	Standardised Approach	45,528,342	37,379,795
		Internal-Ratings Based Approach		
		Assets Securitization		
	Operation Risk	Basic Indicator Approach	1,932,725	
		Standardised Approach/Alternative Standardised Approach		
		Advanced Measurement Approach		
	Market Risk	Standardised Approach	579,740	7,328,300
		Internal Models Approach		
	Total Risk-Weighted Assets		48,040,807	44,708,095
Capital Adequacy Ratio			38.67%	40.83%
Tier 1 Risk-Based Capital Ratio			37.28%	39.63%
Tier 2 Risk-Based Capital Ratio			1.39%	1.20%
Tier 3 Risk-Based Capital Ratio				
Common Equity to Total Assets			15.50%	16.49%

Note: Self-Owned Capital and Total Risk-Weighted Assets have been filled in this form in accordance with the regulations stipulated in Capital Adequacy Standards for Banks and the Instructions and Form for Bank Capital and Risk Asset Calculation Method.

Financial Formulas:

1. Self-Owned Capital = Tier 1 Capital + Tier 2 Capital + Tier 3 Capital
2. Total Risk-Weighted Assets = Credit Risk-Weighted Assets + (Operation Risk + Market Risk) Capital Requirement × 12.5
3. Capital Adequacy Ratio = Self-Owned Capital / Total Risk-Weighted Assets
4. Tier 1 Risk-Based Capital Ratio = Tier 1 Capital / Total Risk-Weighted Assets
5. Tier 2 Risk-Based Capital Ratio = Tier 2 Capital / Total Risk-Weighted Assets
6. Tier 3 Risk-Based Capital Ratio = Tier 3 Capital / Total Risk-Weighted Assets
7. Common Equity to Total Assets Ratio = Common Equity / Total Assets

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

(1) Foreign Exchange Administration Policies and Foreign Exchange Conversion Methods Used in Financial Statements

1. Foreign exchange gains or losses on Eximbank's assets or liabilities denominated in foreign currencies are translated into New Taiwan Dollars at the closing rates on the balance sheet date. With regard to foreign currency advance to offshore branches as long-term investments for which gains/losses will not be exchanged or realized in the foreseeable future, such exchange gains or losses are recorded in "Cumulative Translation Adjustment" account and treated as an adjustment of owner's equity.
2. Conversion of foreign currencies into the reporting currency of New Taiwan Dollars used in the financial statements is based on the rate stipulated in the foreign exchange schedule released by the Central Bank of China.
3. The US\$/NT\$ exchange rate in the financial statements is based on the domestic inter-bank spot rate as of 10:00 a.m. on the balance sheet date (December 31, 2007). The exchange rates for the Japanese yen, the Euro, the Swiss franc, the UK pound sterling, the Australian Dollar and the Indonesia

Rupee are based on the US Dollar buying rate of the respective currencies in the international market at 10:00 a.m. on the same day.

4. The conversion rates for Polish zloty and the Brazilian real are based on the most recent exchange rates in the international market as quoted in Bloomberg. The Polish zloty and the Brazilian real are converted using the US\$-NT\$ exchange rate.

(2) Taxes:

1. Eximbank's income from export insurance business is exempt from corporate income tax, gross business revenue tax and stamp tax in accordance with the stipulations of the Ministry of Finance as per correspondence No. 68 (Tai-Tsai-Shui 37537).
2. The alternative minimum tax system is applicable to the corporate income tax beginning in the 2006 financial year. The tax-exempt income of Eximbank's offshore banking branch is calculated as part of basic income under taxation.

(3) Financial Products:

According to regulations governing The Export-Import Bank of the Republic of China Financial Product Accounting Policies, passed by Eximbank's Board of Directors, accounting for spot exchange and derivatives trading is to be performed with trade day accounting; whereas accounting for all other trading of financial products is to be performed with settlement day accounting.

Eximbank's financial products are divided into following main categories:

1. Bonds and Short-term Bills Investments for Trading Purpose

Book value as of closing date was NT\$1,211,162,487.

To improve the returns on funds utilization, Eximbank invested in money market tools such as short-term bills.

These are listed as financial assets with changes in the fair value of listed instruments recognized as gains or losses. The fair value will be determined by Eximbank using a discounted cash flow model. The change in fair value is recognized as a profit or a loss for the period.

2. Investments in Bills Held To Maturity:

Book value as of closing date was NT\$1,000,000,000.

To maintain the requirement for lien stipulated by Electronic Interbank Funds Transfer and Settlement operated by the Central Bank of China, Eximbank purchased the negotiable certificate of deposits issued by the Central Bank of China and will hold them to maturity. These certificates are booked at cost and interests incurred are calculated on a monthly basis.

3. Long-term Equity Investments:

Eximbank invested NT\$7 million in the Taipei Forex Incorporation, NT\$45.5 million in the Financial Information Service Co., Ltd, NT\$50 million in Taiwan Asset Management Company. Eximbank



Eximbank organizes a seminar for business opportunities in Venezuela, Ecuador, Peru and Bolivia.

controls less than 20% of all outstanding shares in each of these companies and as such, has limited influence in them. None of these companies is listed, and there are no open market prices to refer to for fair value. Therefore, these investments are accounted for as financial assets at cost. Subsequent valuations and accounting treatments are based on the cost method.

4. Trading of Financial Derivatives:

Eximbank's trade in financial derivatives is carried out to manage relevant assets and liabilities to raise long-term capital, reduce capital cost and control risks. The subsequent valuations of financial derivatives are based on a valuation model established by Eximbank. The model adopts methods widely used by market investors such as discounted cash flow and options pricing models to

determine fair values. The positive fair value as of the closing day for accounts was NT\$11,005,578 and it was recognized as a financial asset. The negative fair value was minus NT\$63,283,028 and it was recognized as a financial liability. The change in fair value is recognized as a profit or loss for the period.

Details of derivatives that had not matured as of the accounting day are as follows:

a. Interest rates related contracts

Trading Item: Interest rate swaps

Trading Objective: Financial debentures are issued and interest rate swaps are traded to raise long-term funds at floating rates in order to meet the market demand for NTD-denominated loans offered by Eximbank.



Eximbank organizes a seminar on how to market throughout the world with export insurance.

Notional principal: NT\$7.25 billion.

Credit Risk: Eximbank trades with financial institutions with good international credit, so no credit risk is expected.

Market Risk: This is for hedging purposes. The funding cost for financial debentures can be switched to interest rates more favorable to Eximbank. The actual exposure for certain financial debentures issued at fixed interest rates can be switched to floating rates in order to reduce interest rate risk.

b. Exchange Rate Related Contracts

Trading Item: Cross currency swaps.

Trading Objective: Exchange rate contracts are traded in order to meet the requirements of the loan business and to keep abreast of market dynamics for different currencies. Cross currency swaps are aimed at reducing funding costs.

Notional principal: The issue of NT\$0.5 billion in financial debentures and the subsequent conversion into US\$14,663,000 were aimed at meeting the funding requirements of the loan business.

Credit Risk: Eximbank trades with financial institutions with good international credit, so no credit risk is expected.

Market Risk: Natural hedging is achieved when exchange rate contracts are managed together with USD-denominated loans offered by Eximbank.

5. Financial Liabilities Designated at Fair Value through Profit or Loss:

Although the derivatives traded by Eximbank serve as a hedge in the economical sense, they hardly meet with the strict definition of hedging instruments. Therefore, they are regarded as "non-hedging transactions". They are estimated at fair value, and any change in fair value is recognized as a profit or a loss for the period. In order to reduce inconsistencies in accounting estimates and recognitions, the corresponding financial debentures worth NT\$7.75 billion are recognized as financial liabilities and the changes in fair value shall also be stated in the income statement. Their subsequent valuation is based on a model established by Eximbank. The model adopts methods widely used by market investors such as discounted cash flow and the options pricing models to determine fair value. (The book value on the day of accounting was NT\$7,681,273,000.) The change in fair value is recognized as a profit or a loss for the period.

(4) Valuation and Depreciation of Fixed Assets:

Eximbank's fixed assets include land, buildings, machinery and equipment, transportation vehicles, miscellaneous equipment, and leasehold improvements.

Eximbank's land is all carried on the accounts at cost, except for land belonging to the head office, which was revalued in October 2001 and July 2005. All other fixed assets are carried at their original purchase cost less accumulated depreciation with depreciation being calculated with the averaging method.

(5) Valuation and Amortization of Intangible Assets

Eximbank's intangible assets are mainly computer software, which is amortized over its useful life based on the straight-line method.

(6) Employee Pension Plan and Retirement Fund Cost

The financial industry in Taiwan was brought under the scope of the Labor Standards Law in May 1997. Eximbank's head office and domestic branches allocated Contributions pursuant to the "Regulations Governing the Allocation and Management of Labor Pension Fund". The calculation of the annual net retirement fund cost is based on Statement of Financial Accounting Standards No. 18, under the items "Pension and Redundancy Packages for Employee" and "Pension Liabilities".

The allocation is made on the basis of the total annual salaries (The allocation for Eximbank's expatriates is based on domestic pay scales.) at the rate 12.7% for employees and 15% for non-staff employees.

Contributions to staff are administered by Eximbank's "Retirement Fund Supervisory Committee". Contributions to non-staff employees and security guards are deposited into an account with the Bank of Taiwan in the name of "Eximbank Labors' Pension Monitoring Committee".

For those non-staff employees selecting new pension option, Eximbank contributes an amount equal to 6% of salaries, which are deposited into the employees' personal pension accounts with Bureau of Labor Insurance.

The contributions of local employees hired by ROC overseas representative offices are to be incorporated into Eximbank's accrued pension liabilities in accordance with local regulations.

(7) Income Recognitions

Except financial products stated in (3), all recognitions of Eximbank's income are on the accrual basis.

(8) Differentiation of Capital Expenditures and Expenses

Expenditures which exceed NT\$10,000 and have a 2-year (or longer) economic life are recognized as assets. Other expenditures are entered as expenses.

(9) Disposal of Fixed Assets

Losses from the disposal of fixed asset arise from assets retirement, which are treated as non-operating expenses.

(10) Allowances for Non-Performing Loans:

Credit assets are rated and classified into five categories in accordance with the borrower's creditworthiness, loan collateral status, and collection probability. (The 1st category are the loans with no credit risk; the 2nd category are the loans that ought to be watched carefully; the 3rd category are the loans which may be fully collected; the 4th category are the loans with collection difficulty; the 5th category are the loans with no hope of collection.) The allowances ratio for non-performing loans is calculated based on the collateral status for various loan categories and the probability of collection. (The provision for non-performing loans is 2% for the 2nd category, 10% for the 3rd category, 50% for the 4th category, and 100% for the 5th category.)

(11) Reserves for Operating and Contingent Liabilities

1. The provision for all guarantees provided to state-owned enterprises in the R.O.C. is set at 0.4% of the outstanding balance. The provision for all other guarantees is set at 0.8% of the outstanding balance.
2. Allowances for "Pending Claims Reserve," "Special Claims Reserve," "Unearned Premium Reserve," and "Export Insurance Reserve" are determined based on relevant regulations. The "Export

Insurance Reserve" includes allocations from the Ministry of Finance and the Bureau of Foreign Trade of the Ministry of Economic Affairs in this fiscal year.

Note 2. Important Commitments and Contingent Liabilities

- (1) Assets under trust, agency, and guarantee (liabilities) totaling NT\$6,905,535,237.99, including NT\$4,725,112,937.03 in receivables under guarantee, NT\$623,618,656.96 in custodial collections receivable and NT\$1,556,180,544.00 in joint loans receivable (memo accounts), and NT\$623,100 as guarantees are not listed in the balance sheet. Separate notes are provided.
- (2) No short-term payable (receivable) bills.
- (3) Non-disbursed loan commitments totaled NT\$7,526,278,838.05.

Note 3. Financial Information by Department

In accordance with regulations as stipulated in Statement of Financial Accounting Standards No. 20, Eximbank is not a public company and as such, is not required to disclose financial information by department. Statement of Financial Accounting Standards No. 20 is only applicable to public companies who issue shares to the public.

Note 4: Details of Significant Accounts (NT\$Thousands)

1. Cash and Cash Equivalents

Item	Date	Dec 31, 2007	Dec 31, 2006
Cash on Hand		9	11
Petty Cash & Revolving Funds		302	278
Checks for Clearance		282	573
Due from Banks		3,004,783	1,971,588
Total		3,005,376	1,972,450

2. Financial Assets at Fair Value through Profit or Loss

Item	Date	Dec 31, 2007	Dec 31, 2006
Financial Assets Held for Trading		1,200,000	7,950,000
Financial Assets Held for Trading- Adjustment Valuation		22,168	114,811
Total		1,222,168	8,064,811

3. Receivables- Net

Item	Date	Dec 31, 2007	Dec 31, 2006
Accounts Receivable		25	134
Earned Revenue Receivable		934	2,044
Interest Receivable		718,863	753,038
Premium Receivable		32	13
Claims Recoverable from Reinsurers			390
Other Receivable			36
Income Tax Refund Receivable			15,442
Total		719,854	771,097
Allowance for Doubtful Accounts		-5,631	-6,482
Net Amount		714,223	764,615

4. Loans and Discounts- Net

Item	Date	Dec 31, 2007	Dec 31 2006
Short-term Loans		7,385,084	7,537,709
Medium-term Loans		28,040,620	18,457,681
Medium-term Secured Loans		5,147,602	4,542,521
Long-term Loans		1,451,194	927,179
Long-term Secured Loans		28,999,995	30,247,340
Overdue Loans		347,672	72,190
Total		71,372,167	61,784,620
Allowance for Doubtful Accounts		-563,109	-503,700
Net Amount		70,809,058	61,280,920

5. Other Financial Assets- Net

Item	Date	Dec 31, 2007	Dec 31 2006
Financial Assets Carried at Cost		102,500	102,500
Short-term Advances		325	6,736
Overdue Non-Loans		8,308	
Total		111,133	109,236
Allowance for Doubtful Accounts		-8,308	
Net Amount		102,825	109,236



Eximbank exchanges views and ideas with manufacturers interested in exporting products to Iran.

6. Fixed Assets- Net

Item	Date	Dec 31, 2007	Dec 31 2006
Land		80,203	80,203
Revaluation Increments- Land		150,171	150,171
Buildings		350,983	350,926
Accumulated Depreciation- Buildings		-126,881	-120,913
Machinery and Equipment		68,277	68,564
Accumulated Depreciation- Machinery and Equipment		-46,404	-46,828
Transportation Equipment		12,053	12,011
Accumulated Depreciation- Transportation Equipment		-7,841	-8,477
Miscellaneous Equipment		25,954	26,301
Accumulated Depreciation- Miscellaneous Equipment		-19,356	-18,536
Leasehold Improvements		1,806	1,698
Accumulated Depreciation- Leasehold Improvements		-1,806	-1,698
Net Amount		487,159	493,422

7. Other Assets- Net

Item	Date	Dec 31, 2007	Dec 31 2006
Inventory of Supplies		155	105
Prepaid Expenses		6,914	8,938
Other Prepayments		127	62
Refundable Deposits		1,580	1,500
Temporary Payments and Suspense Accounts		4,885	1,317
Deferred Income Tax Assets		57,134	34,457
Other Deferred Assets		307	390
Total		71,102	46,769

8. Borrowed from the Central Bank and other Banks

Item	Date	Dec 31, 2007	Dec 31 2006
Due to the Central Bank		23,957,327	25,369,505
Due to other banks		420,938	292,979
Total		24,378,265	25,662,484

9. Financial Liabilities at Fair Value through Profit or Loss

Item	Date	Dec 31, 2007	Dec 31 2006
Financial Liabilities Held for Trading- Adjustment Valuation		63,283	42,114
Financial Liabilities Designated at Fair Value through Profit or Loss		7,750,000	7,000,000
Financial Liabilities Designated at Fair Value through Profit or Loss- Adjustment Valuation		-68,727	-87,641
Total		7,744,556	6,954,473

10. Payables

Item	Date	Dec 31, 2007	Dec 31 2006
Notes Payable			1,359
Accrued Expenses		98,165	96,944
Accrued Interest		173,252	104,100
Tax Payable		50,097	34,214
Dividends (official) and Bonuses Payable		32,228	29,013
Collections for Others		1,814	1,273
Commissions Payable		356	31
Reinsurance Benefits Payable		12,999	4,730
Other Payable		9,713	16,042
Total		378,624	287,706

11. Other Liabilities

Item	Date	Dec 31, 2007	Dec 31 2006
Unearned Premiums		1,087	699
Unearned Revenues		1,413	1,499
Estimated Land Value-Added Tax Payable		31,352	31,352
Guarantee Liability Reserve		18,957	20,783
Unearned Premium Reserve		10,810	10,420
Pending Claim Reserve		64,225	16,439
Export Insurance Reserve		1,477,656	1,510,514
Special Claim Reserve		38,694	34,502
Refundable Deposits		2,179	2,474
Custody Deposits		2,018	2,068
Temporary Receipts and Suspense Accounts		11,481	51,078
Deferred Income Tax Liabilities		3,052	12,212
Total		1,662,924	1,694,040

12. Net Fees and Commissions

Item	Date	Jan 1~ Dec 31, 2007	Jan 1~ Dec 31, 2006
Revenue from Fees and Commissions		44,859	47,786
Expenses from Fees and Commissions		7,506	6,737
Net Amount		37,353	41,049

13. Gains or Losses on Financial Assets and Liabilities at Fair Value through Profit or Loss

Item	Date	Jan 1~ Dec 31, 2007	Jan 1~ Dec 31, 2006
Gain on Disposal of Financial Assets		12,400	2,303
Loss on Valuation of Financial Assets (-)		-4,949	-721
Loss on Valuation on Financial Liabilities (-)		-40,081	-24,507
Net Amount		-32,630	-22,925

14. Other Non-Interest Income

Item	Date	Jan 1~ Dec 31, 2007	Jan 1~ Dec 31, 2006
Other Profits from Sources Other Than Interest		206,799	130,334
Insurance Premium		98,429	84,700
Reinsurance Commissions		7,847	7,051
Claims Recovered from Reinsurers		4,152	1,767
Insurance Premium Reserve Released		10,419	7,091
Pending Claim Reserve Released		16,439	12,047
Export Insurance Reserve Released		29,712	
Gains from Financial Assets carried at Cost		14,620	14,831
Other Miscellaneous Income		25,181	2,847
Other Losses from Sources Other Than Interest		168,814	114,243
Reinsurance Premium		60,867	49,356
Brokerage Expenses		327	136
Insurance Claims and Payments		26,577	3,731
Provision for Insurance Premium Reserve		10,810	10,420
Provision for Special Claim Reserve		4,192	5,659
Provision for Pending Claim Reserve		64,225	16,439
Provision for Export Insurance Reserve			26,915
Loss from Asset Disposals		1,816	1,587
Net Amount		37,985	16,091

15. Bad Debt Expenses

Item	Date	Jan 1~ Dec 31, 2007	Jan 1~ Dec 31, 2006
Bad Debt Expenses for Loans		122,727	76,758
Bad Debt Expenses for Guarantee Receivables		-1,826	-14,261
Bad Debt Expenses for Receivables		7,474	2,435
Total		128,375	64,932



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GPN:2009401618 ISSN:1817-2849