



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Balance Sheets**

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) <sup>(1)</sup>

ASSETS	December 31, 2019 (Audited)			September 30, 2019 (Unaudited)		December 31, 2018 (Audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 15,186	\$ 455,399	20.1	\$ 452,430	21.2	\$ 577,815	27.6	\$ 2,969	0.7	\$ (122,416)	(21.2)
Investments in Marketable Financial Instruments	4,270	128,049	5.6	132,492	6.2	117,367	5.6	(4,443)	(3.4)	10,682	9.1
Accounts Receivable	4,661	139,771	6.2	145,422	6.8	129,198	6.2	(5,651)	(3.9)	10,573	8.2
Inventories	2,767	82,981	3.7	96,686	4.5	103,231	4.9	(13,705)	(14.2)	(20,250)	(19.6)
Other Current Assets	548	16,414	0.7	22,397	1.1	24,069	1.2	(5,983)	(26.7)	(7,655)	(31.8)
<b>Total Current Assets</b>	<b>27,432</b>	<b>822,614</b>	<b>36.3</b>	<b>849,427</b>	<b>39.8</b>	<b>951,680</b>	<b>45.5</b>	<b>(26,813)</b>	<b>(3.2)</b>	<b>(129,066)</b>	<b>(13.6)</b>
<b>Non-current Assets</b>											
Long-term Investments	1,006	30,172	1.3	30,135	1.4	29,305	1.4	37	0.1	867	3.0
Property, Plant and Equipment	45,097	1,352,377	59.7	1,197,955	56.1	1,072,050	51.3	154,422	12.9	280,327	26.1
Right-of-use, Intangible and Other Non-current Assets	1,989	59,642	2.7	56,717	2.7	37,093	1.8	2,925	5.2	22,549	60.8
<b>Total Non-current Assets</b>	<b>48,092</b>	<b>1,442,191</b>	<b>63.7</b>	<b>1,284,807</b>	<b>60.2</b>	<b>1,138,448</b>	<b>54.5</b>	<b>157,384</b>	<b>12.2</b>	<b>303,743</b>	<b>26.7</b>
<b>Total Assets</b>	<b>\$ 75,524</b>	<b>\$ 2,264,805</b>	<b>100.0</b>	<b>\$ 2,134,234</b>	<b>100.0</b>	<b>\$ 2,090,128</b>	<b>100.0</b>	<b>\$ 130,571</b>	<b>6.1</b>	<b>\$ 174,677</b>	<b>8.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-term Loans	\$ 3,952	\$ 118,522	5.3	\$ 85,573	4.0	\$ 88,755	4.2	\$ 32,949	38.5	\$ 29,767	33.5
Accounts Payable	1,341	40,206	1.8	36,958	1.7	34,357	1.6	3,248	8.8	5,849	17.0
Payables to Contractors and Equipment Suppliers	4,696	140,811	6.2	93,442	4.4	43,134	2.1	47,369	50.7	97,677	226.5
Cash Dividends Payable	4,323	129,652	5.7	116,687	5.5	-	-	12,965	11.1	129,652	-
Accrued Expenses and Other Current Liabilities	4,327	129,745	5.7	130,321	6.1	139,397	6.7	(576)	(0.4)	(9,652)	(6.9)
Current Portion of Bonds Payable	1,060	31,800	1.4	31,800	1.5	34,900	1.7	-	-	(3,100)	(8.9)
<b>Total Current Liabilities</b>	<b>19,699</b>	<b>590,736</b>	<b>26.1</b>	<b>494,781</b>	<b>23.2</b>	<b>340,543</b>	<b>16.3</b>	<b>95,955</b>	<b>19.4</b>	<b>250,193</b>	<b>73.5</b>
<b>Non-current Liabilities</b>											
Bonds Payable	837	25,100	1.1	25,100	1.2	56,900	2.7	-	-	(31,800)	(55.9)
Other Non-current Liabilities	896	26,874	1.2	26,856	1.2	15,189	0.7	18	0.1	11,685	76.9
<b>Total Non-current Liabilities</b>	<b>1,733</b>	<b>51,974</b>	<b>2.3</b>	<b>51,956</b>	<b>2.4</b>	<b>72,089</b>	<b>3.4</b>	<b>18</b>	<b>-</b>	<b>(20,115)</b>	<b>(27.9)</b>
<b>Total Liabilities</b>	<b>21,432</b>	<b>642,710</b>	<b>28.4</b>	<b>546,737</b>	<b>25.6</b>	<b>412,632</b>	<b>19.7</b>	<b>95,973</b>	<b>17.6</b>	<b>230,078</b>	<b>55.8</b>
<b>Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	8,647	259,304	11.4	259,304	12.1	259,304	12.4	-	-	-	-
Capital Surplus	1,879	56,340	2.5	56,321	2.6	56,316	2.7	19	-	24	-
Legal Capital Reserve	10,376	311,147	13.7	311,147	14.6	276,034	13.2	-	-	35,113	12.7
Special Capital Reserve	356	10,675	0.5	7,386	0.4	26,907	1.3	3,289	44.5	(16,232)	(60.3)
Unappropriated Earnings	33,730	1,011,513	44.7	963,373	45.2	1,073,706	51.4	48,140	5.0	(62,193)	(5.8)
Others	(919)	(27,569)	(1.2)	(10,675)	(0.5)	(15,450)	(0.8)	(16,894)	(158.3)	(12,119)	(78.4)
<b>Equity Attributable to Shareholders of the Parent</b>	<b>54,069</b>	<b>1,621,410</b>	<b>71.6</b>	<b>1,586,856</b>	<b>74.4</b>	<b>1,676,817</b>	<b>80.2</b>	<b>34,554</b>	<b>2.2</b>	<b>(55,407)</b>	<b>(3.3)</b>
<b>Noncontrolling Interests</b>	<b>23</b>	<b>685</b>	<b>-</b>	<b>641</b>	<b>-</b>	<b>679</b>	<b>0.1</b>	<b>44</b>	<b>6.9</b>	<b>6</b>	<b>0.9</b>
<b>Total Shareholders' Equity</b>	<b>54,092</b>	<b>1,622,095</b>	<b>71.6</b>	<b>1,587,497</b>	<b>74.4</b>	<b>1,677,496</b>	<b>80.3</b>	<b>34,598</b>	<b>2.2</b>	<b>(55,401)</b>	<b>(3.3)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 75,524</b>	<b>\$ 2,264,805</b>	<b>100.0</b>	<b>\$ 2,134,234</b>	<b>100.0</b>	<b>\$ 2,090,128</b>	<b>100.0</b>	<b>\$ 130,571</b>	<b>6.1</b>	<b>\$ 174,677</b>	<b>8.4</b>

Note :  
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.988 as of December 31, 2019.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Comprehensive Income (Unaudited)**

For the Three Months Ended December 31, 2019, September 30, 2019, December 31, 2018

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") <sup>(1)</sup>)

Except for Per Share Amounts and Shares Outstanding)

	4Q 2019			3Q 2019		4Q 2018		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 10,394	\$ 317,237	100.0	\$ 293,045	100.0	\$ 289,771	100.0	\$ 24,192	8.3	\$ 27,466	9.5
Cost of Revenue	(5,178)	(158,035)	(49.8)	(153,633)	(52.4)	(151,652)	(52.3)	(4,402)	2.9	(6,383)	4.2
Gross Profit	5,216	159,202	50.2	139,412	47.6	138,119	47.7	19,790	14.2	21,083	15.3
Operating Expenses											
Research and Development Expenses	(840)	(25,636)	(8.1)	(23,972)	(8.2)	(23,689)	(8.2)	(1,664)	6.9	(1,947)	8.2
Sales, General and Administrative Expenses	(305)	(9,307)	(2.9)	(7,407)	(2.5)	(7,163)	(2.4)	(1,900)	25.7	(2,144)	29.9
Total Operating Expenses	(1,145)	(34,943)	(11.0)	(31,379)	(10.7)	(30,852)	(10.6)	(3,564)	11.4	(4,091)	13.3
Other Operating Income and Expenses	-	(15)	-	(146)	(0.1)	(143)	(0.1)	131	89.7	128	89.5
Income from Operations	4,071	124,244	39.2	107,887	36.8	107,124	37.0	16,357	15.2	17,120	16.0
Non-operating Income and Expenses											
Share of Profits of Associates	28	866	0.3	916	0.3	1,112	0.4	(50)	(5.5)	(246)	(22.1)
Net Interest Income (Expenses)	88	2,675	0.8	3,072	1.0	3,275	1.1	(397)	(12.9)	(600)	(18.3)
Other Gains and Losses	33	997	0.3	461	0.2	(429)	(0.2)	536	116.3	1,426	NM
Total Non-operating Income and Expenses	149	4,538	1.4	4,449	1.5	3,958	1.3	89	2.0	580	14.7
Income Before Income Tax	4,220	128,782	40.6	112,336	38.3	111,082	38.3	16,446	14.6	17,700	15.9
Income Tax Expenses	(417)	(12,704)	(4.0)	(11,233)	(3.8)	(11,077)	(3.8)	(1,471)	13.1	(1,627)	14.7
Net Income	3,803	116,078	36.6	101,103	34.5	100,005	34.5	14,975	14.8	16,073	16.1
Other Comprehensive Income (Losses)	(548)	(16,741)	(5.3)	(3,225)	(1.1)	1,649	0.6	(13,516)	(419.1)	(18,390)	(1115.2)
Comprehensive Income	\$ 3,255	\$ 99,337	31.3	\$ 97,878	33.4	\$ 101,654	35.1	\$ 1,459	1.5	\$ (2,317)	(2.3)
Net Income Attributable to:											
Shareholders of the Parent	\$ 3,802	\$ 116,035	36.6	\$ 101,070	34.5	\$ 99,984	34.5	\$ 14,965	14.8	\$ 16,051	16.1
Noncontrolling Interests	1	43	-	33	-	21	-	10	30.3	22	104.8
	\$ 3,803	\$ 116,078	36.6	\$ 101,103	34.5	\$ 100,005	34.5	\$ 14,975	14.8	\$ 16,073	16.1
Earnings per Share - Diluted	\$ 0.15	\$ 4.47		\$ 3.90		\$ 3.86		\$ 0.57	14.8	\$ 0.61	16.1
Earnings per ADR - Diluted (2)	\$ 0.73	\$ 22.37		\$ 19.49		\$ 19.28		\$ 2.88	14.8	\$ 3.09	16.1
Weighted Average Outstanding Shares - Diluted ('M)		25,930		25,930		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.520 for the fourth quarter of 2019.

(2) 1 ADR equals 5 ordinary shares.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Comprehensive Income**

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") <sup>(1)</sup>)

Except for Per Share Amounts and Shares Outstanding)

For the Years Ended December 31, 2019 and 2018

	2019 (Audited)			2018 (Audited)		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 34,632	\$ 1,069,985	100.0	\$ 1,031,474	100.0	\$ 38,511	3.7
Cost of Revenue	(18,684)	(577,283)	(54.0)	(533,600)	(51.7)	(43,683)	8.2
Gross Profit	15,948	492,702	46.0	497,874	48.3	(5,172)	(1.0)
Operating Expenses							
Research and Development Expenses	(2,959)	(91,419)	(8.6)	(85,895)	(8.3)	(5,524)	6.4
Sales, General and Administrative Expenses	(910)	(28,086)	(2.6)	(26,254)	(2.6)	(1,832)	7.0
Total Operating Expenses	(3,869)	(119,505)	(11.2)	(112,149)	(10.9)	(7,356)	6.6
Other Operating Income and Expenses	(16)	(496)	-	(2,101)	(0.2)	1,605	76.4
Income from Operations	12,063	372,701	34.8	383,624	37.2	(10,923)	(2.8)
Non-operating Income and Expenses							
Share of Profits of Associates	92	2,844	0.3	3,058	0.3	(214)	(7.0)
Net Interest Income (Expenses)	419	12,939	1.2	11,643	1.1	1,296	11.1
Other Gains and Losses	44	1,361	0.1	(815)	(0.1)	2,176	NM
Total Non-operating Income and Expenses	555	17,144	1.6	13,886	1.3	3,258	23.5
Income before Income Tax	12,618	389,845	36.4	397,510	38.5	(7,665)	(1.9)
Income Tax Expenses	(1,440)	(44,501)	(4.1)	(46,326)	(4.5)	1,825	(3.9)
Net Income	11,178	345,344	32.3	351,184	34.0	(5,840)	(1.7)
Other Comprehensive Income (Losses)	(383)	(11,824)	(1.1)	9,837	1.0	(21,661)	(220.2)
Comprehensive Income	\$ 10,795	\$ 333,520	31.2	\$ 361,021	35.0	\$ (27,501)	(7.6)
Net Income Attributable to:							
Shareholders of the Parent	\$ 11,175	\$ 345,264	32.3	\$ 351,131	34.0	\$ (5,867)	(1.7)
Noncontrolling interests	3	80	-	53	-	27	50.9
	\$ 11,178	\$ 345,344	32.3	\$ 351,184	34.0	\$ (5,840)	(1.7)
Earnings per Share - Diluted	\$ 0.43	\$ 13.32		\$ 13.54		\$ (0.22)	(1.7)
Earnings per ADR - Diluted (2)	\$ 2.15	\$ 66.58		\$ 67.71		\$ (1.13)	(1.7)
Weighted Average Outstanding Shares - Diluted (M)		25,930		25,930			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.895 for the year ended December 31, 2019.

(2) 1 ADR equals 5 ordinary shares.

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Cash Flow Statements**

For the Year Ended December 31, 2019 and for the Three Months Ended December 31, 2019, September 30, 2019 and December 31, 2018

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) <sup>(1)</sup>

	2019 (Audited)		4Q 2019 (Unaudited)	3Q 2019 (Unaudited)	4Q 2018 (Unaudited)
	USD	NTD	NTD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>					
Income Before Income Tax	\$ 12,618	\$ 389,845	\$ 128,782	\$ 112,336	\$ 111,082
Depreciation & Amortization	9,286	286,884	67,532	66,756	76,030
Share of Profits of Associates	(92)	(2,844)	(866)	(916)	(1,112)
Income Taxes Paid	(1,684)	(52,044)	(14,074)	(142)	(13,295)
Changes in Working Capital & Others	(217)	(6,702)	21,581	(36,281)	16,667
Net Cash Generated by Operating Activities	19,911	615,139	202,955	141,753	189,372
<b>Cash Flows from Investing Activities:</b>					
Interest Received	\$ 546	\$ 16,875	\$ 3,620	\$ 3,858	\$ 4,048
Cash Dividend Received	66	2,039	74	1,513	-
Acquisitions of:					
Property, Plant and Equipment	(14,903)	(460,422)	(170,009)	(98,118)	(114,105)
Marketable Financial Instruments	(8,351)	(257,997)	(57,068)	(102,147)	(26,327)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	10	287	69	63	45
Marketable Financial Instruments	8,002	247,212	56,489	88,135	22,911
Others	(220)	(6,796)	(4,780)	(1,594)	(3,833)
Net Cash Used In Investing Activities	(14,850)	(458,802)	(171,605)	(108,290)	(117,261)
<b>Cash Flows from Financing Activities:</b>					
Increase in Short-term Loans	\$ 1,029	\$ 31,804	\$ 35,676	\$ 7,326	\$ 14,296
Repayment of Bonds	(1,130)	(34,900)	-	(26,500)	-
Interest Paid	(116)	(3,597)	(539)	(1,433)	(437)
Cash Dividends Paid for Common Stock	(8,393)	(259,304)	(51,861)	(207,443)	-
Others	(118)	(3,642)	(460)	(1,062)	425
Net Cash Used in Financing Activities	(8,728)	(269,639)	(17,184)	(229,112)	14,284
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	\$ (295)	\$ (9,114)	\$ (11,197)	\$ (1,618)	\$ 2,688
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(3,962)	(122,416)	2,969	(197,267)	89,083
<b>Cash and Cash Equivalents at Beginning of Period</b>	18,702	577,815	452,430	649,697	488,732
<b>Cash and Cash Equivalents at End of Period</b>	\$ 14,740	\$ 455,399	\$ 455,399	\$ 452,430	\$ 577,815

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.895 for the year ended December 31, 2019.