



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

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

ASSETS	December 31, 2020 (Audited)			September 30, 2020 (Unaudited)		December 31, 2019 (Audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 23,496	\$ 660,171	23.9	\$ 604,195	22.9	\$ 455,399	20.1	\$ 55,976	9.3	\$ 204,772	45.0
Investments in Marketable Financial Instruments	4,673	131,306	4.8	138,225	5.2	128,049	5.6	(6,919)	(5.0)	3,257	2.5
Accounts Receivable	5,198	146,038	5.3	162,578	6.2	139,771	6.2	(16,540)	(10.2)	6,267	4.5
Inventories	4,889	137,353	5.0	109,510	4.2	82,981	3.7	27,843	25.4	54,372	65.5
Other Current Assets	616	17,317	0.6	15,166	0.6	16,414	0.7	2,151	14.2	903	5.5
Total Current Assets	38,872	1,092,185	39.6	1,029,674	39.1	822,614	36.3	62,511	6.1	269,571	32.8
Non-current Assets											
Long-term Investments	987	27,728	1.0	26,515	1.0	30,172	1.3	1,213	4.6	(2,444)	(8.1)
Property, Plant and Equipment	55,365	1,555,589	56.3	1,504,438	57.1	1,352,377	59.7	51,151	3.4	203,212	15.0
Right-of-use, Intangible and Other Non-current Assets	3,032	85,209	3.1	74,945	2.8	59,642	2.7	10,264	13.7	25,567	42.9
Total Non-current Assets	59,384	1,668,526	60.4	1,605,898	60.9	1,442,191	63.7	62,628	3.9	226,335	15.7
Total Assets	\$ 98,256	\$ 2,760,711	100.0	\$ 2,635,572	100.0	\$ 2,264,805	100.0	\$ 125,139	4.7	\$ 495,906	21.9
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 3,152	\$ 88,559	3.2	\$ 155,378	5.9	\$ 118,522	5.3	\$ (66,819)	(43.0)	\$ (29,963)	(25.3)
Accounts Payable	1,463	41,095	1.5	40,892	1.6	40,206	1.8	203	0.5	889	2.2
Payables to Contractors and Equipment Suppliers	5,616	157,805	5.7	100,637	3.8	140,811	6.2	57,168	56.8	16,994	12.1
Cash Dividends Payable	4,614	129,652	4.7	129,652	4.9	129,652	5.7	-	-	-	-
Accrued Expenses and Other Current Liabilities	7,027	197,440	7.2	159,083	6.0	129,745	5.7	38,357	24.1	67,695	52.2
Current Portion of Bonds Payable	93	2,600	0.1	2,600	0.1	31,800	1.4	-	-	(29,200)	(91.8)
Total Current Liabilities	21,965	617,151	22.4	588,242	22.3	590,736	26.1	28,909	4.9	26,415	4.5
Non-current Liabilities											
Bonds Payable	9,044	254,105	9.2	227,045	8.6	25,100	1.1	27,060	11.9	229,005	912.4
Other Non-current Liabilities	1,382	38,833	1.4	32,019	1.2	26,874	1.2	6,814	21.3	11,959	44.5
Total Non-current Liabilities	10,426	292,938	10.6	259,064	9.8	51,974	2.3	33,874	13.1	240,964	463.6
Total Liabilities	32,391	910,089	33.0	847,306	32.1	642,710	28.4	62,783	7.4	267,379	41.6
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	9,229	259,304	9.4	259,304	9.8	259,304	11.4	-	-	-	-
Capital Surplus	2,005	56,347	2.0	56,340	2.1	56,340	2.5	7	-	7	-
Legal Capital Reserve	11,074	311,147	11.3	311,147	11.8	311,147	13.7	-	-	-	-
Special Capital Reserve	1,504	42,259	1.5	36,758	1.4	10,675	0.5	5,501	15.0	31,584	295.9
Unappropriated Earnings	43,965	1,235,280	44.8	1,166,071	44.3	1,011,513	44.7	69,209	5.9	223,767	22.1
Others	(1,946)	(54,680)	(2.0)	(42,259)	(1.6)	(27,569)	(1.2)	(12,421)	(29.4)	(27,111)	(98.3)
Equity Attributable to Shareholders of the Parent	65,831	1,849,657	67.0	1,787,361	67.8	1,621,410	71.6	62,296	3.5	228,247	14.1
Noncontrolling Interests	34	965	-	905	0.1	685	-	60	6.6	280	40.9
Total Shareholders' Equity	65,865	1,850,622	67.0	1,788,266	67.9	1,622,095	71.6	62,356	3.5	228,527	14.1
Total Liabilities & Shareholders' Equity	\$ 98,256	\$ 2,760,711	100.0	\$ 2,635,572	100.0	\$ 2,264,805	100.0	\$ 125,139	4.7	\$ 495,906	21.9

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$28.097 as of December 31, 2020.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended December 31, 2020, September 30, 2020, December 31, 2019

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

Except for Per Share Amounts and Shares Outstanding)

	4Q 2020			3Q 2020		4Q 2019		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 12,676	\$ 361,533	100.0	\$ 356,426	100.0	\$ 317,237	100.0	\$ 5,107	1.4	\$ 44,296	14.0
Cost of Revenue	(5,831)	(166,297)	(46.0)	(165,932)	(46.6)	(158,035)	(49.8)	(365)	0.2	(8,262)	5.2
Gross Profit	6,845	195,236	54.0	190,494	53.4	159,202	50.2	4,742	2.5	36,034	22.6
Operating Expenses											
Research and Development Expenses	(1,049)	(29,940)	(8.3)	(29,684)	(8.3)	(25,636)	(8.1)	(256)	0.9	(4,304)	16.8
Sales, General and Administrative Expenses	(294)	(8,381)	(2.3)	(11,207)	(3.1)	(9,307)	(2.9)	2,826	(25.2)	926	(9.9)
Total Operating Expenses	(1,343)	(38,321)	(10.6)	(40,891)	(11.4)	(34,943)	(11.0)	2,570	(6.3)	(3,378)	9.7
Other Operating Income and Expenses	7	205	0.1	445	0.1	(15)	-	(240)	(53.9)	220	NM
Income from Operations	5,509	157,120	43.5	150,048	42.1	124,244	39.2	7,072	4.7	32,876	26.5
Non-operating Income and Expenses											
Share of Profits of Associates	48	1,355	0.4	833	0.2	866	0.3	522	62.7	489	56.5
Net Interest Income (Expenses)	31	885	0.2	1,524	0.4	2,675	0.8	(639)	(41.9)	(1,790)	(66.9)
Other Gains and Losses	61	1,747	0.5	2,719	0.8	997	0.3	(972)	(35.7)	750	75.2
Total Non-operating Income and Expenses	140	3,987	1.1	5,076	1.4	4,538	1.4	(1,089)	(21.5)	(551)	(12.1)
Income Before Income Tax	5,649	161,107	44.6	155,124	43.5	128,782	40.6	5,983	3.9	32,325	25.1
Income Tax Expenses	(641)	(18,283)	(5.1)	(17,745)	(5.0)	(12,704)	(4.0)	(538)	3.0	(5,579)	43.9
Net Income	5,008	142,824	39.5	137,379	38.5	116,078	36.6	5,445	4.0	26,746	23.0
Other Comprehensive Losses	(549)	(15,651)	(4.3)	(5,436)	(1.5)	(16,741)	(5.3)	(10,215)	(187.9)	1,090	6.5
Comprehensive Income	\$ 4,459	\$ 127,173	35.2	\$ 131,943	37.0	\$ 99,337	31.3	\$ (4,770)	(3.6)	\$ 27,836	28.0
Net Income Attributable to:											
Shareholders of the Parent	\$ 5,006	\$ 142,766	39.5	\$ 137,310	38.5	\$ 116,035	36.6	\$ 5,456	4.0	\$ 26,731	23.0
Noncontrolling Interests	2	58	-	69	-	43	-	(11)	(15.9)	15	34.9
	\$ 5,008	\$ 142,824	39.5	\$ 137,379	38.5	\$ 116,078	36.6	\$ 5,445	4.0	\$ 26,746	23.0
Earnings per Share - Diluted	\$ 0.19	\$ 5.51		\$ 5.30		\$ 4.47		\$ 0.21	4.0	\$ 1.04	23.0
Earnings per ADR - Diluted (2)	\$ 0.97	\$ 27.53		\$ 26.48		\$ 22.37		\$ 1.05	4.0	\$ 5.16	23.0
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\$28.521 for the fourth quarter of 2020.

(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") ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

For the Years Ended December 31, 2020 and 2019

	2020 (Audited)			2019 (Audited)		YoY	
	USD	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 45,505	\$ 1,339,255	100.0	\$ 1,069,985	100.0	\$ 269,270	25.2
Cost of Revenue	(21,342)	(628,125)	(46.9)	(577,283)	(54.0)	(50,842)	8.8
Gross Profit	24,163	711,130	53.1	492,702	46.0	218,428	44.3
Operating Expenses							
Research and Development Expenses	(3,720)	(109,486)	(8.2)	(91,419)	(8.6)	(18,067)	19.8
Sales, General and Administrative Expenses	(1,209)	(35,570)	(2.6)	(28,086)	(2.6)	(7,484)	26.6
Total Operating Expenses	(4,929)	(145,056)	(10.8)	(119,505)	(11.2)	(25,551)	21.4
Other Operating Income and Expenses	24	710	-	(496)	-	1,206	NM
Income from Operations	19,258	566,784	42.3	372,701	34.8	194,083	52.1
Non-operating Income and Expenses							
Share of Profits of Associates	122	3,593	0.3	2,844	0.3	749	26.3
Net Interest Income (Expenses)	236	6,937	0.5	12,939	1.2	(6,002)	(46.4)
Other Gains and Losses	253	7,463	0.6	1,361	0.1	6,102	448.3
Total Non-operating Income and Expenses	611	17,993	1.4	17,144	1.6	849	5.0
Income before Income Tax	19,869	584,777	43.7	389,845	36.4	194,932	50.0
Income Tax Expenses	(2,263)	(66,619)	(5.0)	(44,501)	(4.1)	(22,118)	49.7
Net Income	17,606	518,158	38.7	345,344	32.3	172,814	50.0
Other Comprehensive Losses	(1,030)	(30,322)	(2.3)	(11,824)	(1.1)	(18,498)	(156.4)
Comprehensive Income	\$ 16,576	\$ 487,836	36.4	\$ 333,520	31.2	\$ 154,316	46.3
Net Income Attributable to:							
Shareholders of the Parent	\$ 17,597	\$ 517,885	38.7	\$ 345,264	32.3	\$ 172,621	50.0
Noncontrolling interests	9	273	-	80	-	193	241.3
	\$ 17,606	\$ 518,158	38.7	\$ 345,344	32.3	\$ 172,814	50.0
Earnings per Share - Diluted	\$ 0.68	\$ 19.97		\$ 13.32		\$ 6.65	50.0
Earnings per ADR - Diluted (2)	\$ 3.39	\$ 99.86		\$ 66.58		\$ 33.28	50.0
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\$29.431 for the year ended December 31, 2020.

(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, 2020 and for the Three Months Ended December 31, 2020, September 30, 2020 and December 31, 2019

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

	2020 (Audited)		4Q 2020 (Unaudited)	3Q 2020 (Unaudited)	4Q 2019 (Unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Income Before Income Tax	\$ 19,869	\$ 584,777	\$ 161,107	\$ 155,124	\$ 128,782
Depreciation & Amortization	11,271	331,725	97,562	94,733	67,532
Share of Profits of Associates	(122)	(3,593)	(1,355)	(833)	(866)
Income Taxes Paid	(1,745)	(51,362)	(464)	(18,355)	(14,074)
Changes in Working Capital & Others	(1,321)	(38,880)	2,281	(40,497)	21,581
Net Cash Generated by Operating Activities	27,952	822,667	259,131	190,172	202,955
Cash Flows from Investing Activities:					
Interest Received	\$ 332	\$ 9,775	\$ 1,809	\$ 2,007	\$ 3,620
Cash Dividend Received	118	3,487	191	2,656	74
Acquisitions of:					
Property, Plant and Equipment	(17,235)	(507,239)	(88,675)	(99,306)	(170,009)
Marketable Financial Instruments	(9,070)	(266,940)	(77,010)	(65,201)	(57,068)
Proceeds from Disposal or Redemption of:					
Property, Plant and Equipment	21	607	201	224	69
Marketable Financial Instruments	9,081	267,247	75,486	65,533	56,489
Others	(432)	(12,719)	(2,961)	(1,993)	(4,780)
Net Cash Used In Investing Activities	(17,185)	(505,782)	(90,959)	(96,080)	(171,605)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	\$ (1,073)	\$ (31,572)	\$ (67,347)	\$ (16,804)	\$ 35,676
Proceeds from Issuance of Bonds	8,043	236,726	30,500	146,226	-
Repayment of Bonds	(1,080)	(31,800)	-	(10,200)	-
Interest Paid	(61)	(1,781)	(156)	(429)	(539)
Cash Dividends Paid for Common Stock	(8,810)	(259,304)	(64,826)	(64,826)	(51,861)
Others	(30)	(884)	625	(6,533)	(460)
Net Cash Generated by (Used in) Financing Activities	(3,011)	(88,615)	(101,204)	47,434	(17,184)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	\$ (798)	\$ (23,498)	\$ (10,992)	\$ (4,945)	\$ (11,197)
Net Increase in Cash and Cash Equivalents	6,958	204,772	55,976	136,581	2,969
Cash and Cash Equivalents at Beginning of Period	15,473	455,399	604,195	467,614	452,430
Cash and Cash Equivalents at End of Period	\$ 22,431	\$ 660,171	\$ 660,171	\$ 604,195	\$ 455,399

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$29.431 for the year ended December 31, 2020.