

**Taiwan Semiconductor Manufacturing
Company Limited and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (collectively, the "Company") as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income of changes in equity, and of cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of March 31, 2022 and 2021, its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2022 and 2021, and in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Mei Yen Chiang and Shang Chih Lin.



Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated 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 independent auditors' review report and consolidated financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,151,589,646	29	\$ 1,064,990,192	29	\$ 664,727,857	23
Financial assets at fair value through profit or loss (Note 7)	758,452	-	159,048	-	26,897	-
Financial assets at fair value through other comprehensive income (Note 8)	120,995,765	3	119,519,251	3	125,208,307	4
Financial assets at amortized cost (Note 9)	8,425,386	-	3,773,571	-	6,694,422	-
Hedging financial assets (Note 10)	286,824	-	13,468	-	64,349	-
Notes and accounts receivable, net (Note 11)	212,846,891	5	197,586,109	5	167,143,336	6
Receivables from related parties (Note 31)	581,010	-	715,324	-	335,572	-
Other receivables from related parties (Note 31)	58,165	-	61,531	-	52,591	-
Inventories (Note 12)	200,118,682	5	193,102,321	5	154,567,568	5
Other financial assets (Note 32)	16,243,656	1	16,630,611	1	15,131,465	1
Other current assets	10,333,155	-	10,521,481	-	5,834,459	-
Total current assets	<u>1,722,237,632</u>	<u>43</u>	<u>1,607,072,907</u>	<u>43</u>	<u>1,139,786,823</u>	<u>39</u>
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	6,011,937	-	5,887,892	-	4,401,224	-
Financial assets at amortized cost (Note 9)	15,605,898	-	1,533,391	-	4,434,410	-
Investments accounted for using equity method (Note 13)	24,119,008	1	21,963,418	1	20,294,816	1
Property, plant and equipment (Note 14)	2,104,330,654	53	1,975,118,704	53	1,658,551,290	57
Right-of-use assets (Note 15)	32,922,146	1	32,734,537	1	32,282,312	1
Intangible assets (Note 16)	25,620,051	1	26,821,697	1	25,012,688	1
Deferred income tax assets (Note 4)	53,903,541	1	49,153,886	1	31,254,225	1
Refundable deposits	4,073,354	-	2,624,854	-	1,193,924	-
Other noncurrent assets	3,852,446	-	2,592,169	-	1,919,749	-
Total noncurrent assets	<u>2,270,439,035</u>	<u>57</u>	<u>2,118,430,548</u>	<u>57</u>	<u>1,779,344,638</u>	<u>61</u>
TOTAL	<u>\$ 3,992,676,667</u>	<u>100</u>	<u>\$ 3,725,503,455</u>	<u>100</u>	<u>\$ 2,919,131,461</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 17 and 29)	\$ 144,550,897	4	\$ 114,921,333	3	\$ 137,123,748	5
Financial liabilities at fair value through profit or loss (Note 7)	2,203,138	-	681,914	-	1,958,208	-
Hedging financial liabilities (Note 10)	-	-	9,642	-	-	-
Accounts payable	48,653,183	1	47,285,603	1	36,653,115	1
Payables to related parties (Note 31)	1,450,896	-	1,437,186	-	1,944,990	-
Salary and bonus payable	21,077,111	1	23,802,100	1	15,696,178	1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	48,766,534	1	36,524,741	1	44,149,585	1
Payables to contractors and equipment suppliers	122,915,512	3	145,742,148	4	109,037,744	4
Cash dividends payable (Note 20)	142,617,093	4	142,617,093	4	129,651,902	4
Income tax payable (Note 4)	87,693,132	2	59,647,152	2	74,018,602	3
Long-term liabilities - current portion (Notes 18, 19 and 29)	16,791,667	-	4,566,667	-	-	-
Accrued expenses and other current liabilities (Notes 15, 21, 29 and 31)	186,148,544	5	162,267,779	4	111,414,540	4
Total current liabilities	<u>822,867,707</u>	<u>21</u>	<u>739,503,358</u>	<u>20</u>	<u>661,648,612</u>	<u>23</u>
NONCURRENT LIABILITIES						
Bonds payable (Notes 18 and 29)	629,650,221	16	610,070,652	16	276,838,303	10
Long-term bank loans (Notes 19 and 29)	3,087,714	-	3,309,131	-	2,623,824	-
Deferred income tax liabilities (Note 4)	1,899,315	-	1,873,877	-	1,895,572	-
Lease liabilities (Notes 15 and 29)	21,065,933	-	20,764,214	1	21,074,764	1
Net defined benefit liability (Note 4)	8,533,290	-	11,036,879	-	11,294,513	-
Guarantee deposits	706,708	-	686,762	-	349,500	-
Others (Note 21)	183,397,025	5	167,525,377	5	2,409,411	-
Total noncurrent liabilities	<u>848,340,206</u>	<u>21</u>	<u>815,266,892</u>	<u>22</u>	<u>316,485,887</u>	<u>11</u>
Total liabilities	<u>1,671,207,913</u>	<u>42</u>	<u>1,554,770,250</u>	<u>42</u>	<u>978,134,499</u>	<u>34</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock (Notes 4 and 20)	259,317,675	6	259,303,805	7	259,303,805	9
Capital surplus (Notes 4, 20 and 27)	65,215,135	2	64,761,602	2	64,753,607	2
Retained earnings (Notes 4 and 20)						
Appropriated as legal capital reserve	311,146,899	8	311,146,899	8	311,146,899	11
Appropriated as special capital reserve	62,608,515	1	59,304,212	2	54,679,873	2
Unappropriated earnings	1,664,506,123	42	1,536,378,550	41	1,297,445,035	44
	2,038,261,537	51	1,906,829,661	51	1,663,271,807	57
Others (Notes 4, 20 and 27)	(47,492,685)	(1)	(62,608,515)	(2)	(48,392,823)	(2)
Treasury shares (Notes 4 and 20)	(871,566)	-	-	-	-	-
Equity attributable to shareholders of the parent	<u>2,314,430,096</u>	<u>58</u>	<u>2,168,286,553</u>	<u>58</u>	<u>1,938,936,396</u>	<u>66</u>
NON - CONTROLLING INTERESTS	<u>7,038,658</u>	<u>-</u>	<u>2,446,652</u>	<u>-</u>	<u>2,060,566</u>	<u>-</u>
Total equity	<u>2,321,468,754</u>	<u>58</u>	<u>2,170,733,205</u>	<u>58</u>	<u>1,940,996,962</u>	<u>66</u>
TOTAL	<u>\$ 3,992,676,667</u>	<u>100</u>	<u>\$ 3,725,503,455</u>	<u>100</u>	<u>\$ 2,919,131,461</u>	<u>100</u>

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
NET REVENUE (Notes 21, 31 and 36)	\$ 491,075,873	100	\$ 362,410,230	100
COST OF REVENUE (Notes 12, 28 and 31)	<u>217,872,707</u>	<u>44</u>	<u>172,570,800</u>	<u>48</u>
GROSS PROFIT	<u>273,203,166</u>	<u>56</u>	<u>189,839,430</u>	<u>52</u>
OPERATING EXPENSES (Notes 28 and 31)				
Research and development	36,048,540	7	30,756,358	8
General and administrative	10,500,027	2	6,524,245	2
Marketing	<u>2,062,623</u>	<u>1</u>	<u>1,831,230</u>	<u>-</u>
Total operating expenses	<u>48,611,190</u>	<u>10</u>	<u>39,111,833</u>	<u>10</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 15 and 28)	<u>(801,858)</u>	<u>-</u>	<u>(189,407)</u>	<u>-</u>
INCOME FROM OPERATIONS (Note 36)	<u>223,790,118</u>	<u>46</u>	<u>150,538,190</u>	<u>42</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profits of associates	1,725,490	-	1,267,112	-
Interest income (Note 22)	1,673,879	-	1,460,904	-
Other income	308,383	-	308,084	-
Foreign exchange gain, net (Note 34)	1,742,888	-	5,473,989	2
Finance costs (Note 23)	(2,140,766)	-	(772,095)	-
Other gains and losses, net (Note 24)	<u>(268,296)</u>	<u>-</u>	<u>(3,211,795)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>3,041,578</u>	<u>-</u>	<u>4,526,199</u>	<u>1</u>
INCOME BEFORE INCOME TAX	226,831,696	46	155,064,389	43
INCOME TAX EXPENSE (Notes 4 and 25)	<u>23,958,322</u>	<u>5</u>	<u>15,325,640</u>	<u>4</u>
NET INCOME	<u>202,873,374</u>	<u>41</u>	<u>139,738,749</u>	<u>39</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 20 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 315,959	-	\$ (109,189)	-
Loss on hedging instruments	-	-	(41,416)	-
Share of other comprehensive income of associates	43,839	-	8,147	-
Income tax expense related to items that will not be reclassified subsequently	<u>(15)</u>	<u>-</u>	<u>(55,771)</u>	<u>-</u>
	<u>359,783</u>	<u>-</u>	<u>(198,229)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	19,345,591	4	7,805,805	2
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(5,105,144)	(1)	(1,666,021)	(1)
Gain on hedging instruments	693,828	-	-	-
Share of other comprehensive income of associates	164,459	-	25,455	-
Income tax expense related to items that may be reclassified subsequently	<u>(47,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,051,434</u>	<u>3</u>	<u>6,165,239</u>	<u>1</u>
Other comprehensive income for the period, net of income tax	<u>15,411,217</u>	<u>3</u>	<u>5,967,010</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 218,284,591</u>	<u>44</u>	<u>\$ 145,705,759</u>	<u>40</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 202,732,975	41	\$ 139,690,493	39
Non-controlling interests	<u>140,399</u>	<u>-</u>	<u>48,256</u>	<u>-</u>
	<u>\$ 202,873,374</u>	<u>41</u>	<u>\$ 139,738,749</u>	<u>39</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 218,283,654	44	\$ 145,657,311	40
Non-controlling interests	<u>937</u>	<u>-</u>	<u>48,448</u>	<u>-</u>
	<u>\$ 218,284,591</u>	<u>44</u>	<u>\$ 145,705,759</u>	<u>40</u>
EARNINGS PER SHARE (NT\$, Note 26)				
Basic earnings per share	<u>\$ 7.82</u>		<u>\$ 5.39</u>	
Diluted earnings per share	<u>\$ 7.82</u>		<u>\$ 5.39</u>	

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent								Others							
	Capital Stock - Common Stock			Retained Earnings					Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Treasury Stock	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Total								
BALANCE, JANUARY 1, 2022	25,930,380	\$ 259,303,805	\$ 64,761,602	\$ 311,146,899	\$ 59,304,212	\$ 1,536,378,550	\$ 1,906,829,661	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)	\$ -	\$ 2,168,286,553	\$ 2,446,652	\$ 2,170,733,205
Appropriations of earnings	-	-	-	-	3,304,303	(3,304,303)	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(71,308,546)	(71,308,546)	-	-	-	-	-	-	(71,308,546)	-	(71,308,546)
Cash dividends to shareholders	-	-	-	-	-	(74,612,849)	(74,612,849)	-	-	-	-	-	-	(74,612,849)	-	(74,612,849)
Total	-	-	-	-	3,304,303	(74,612,849)	(71,308,546)	-	-	-	-	-	-	(71,308,546)	-	(71,308,546)
Net income for the three months ended March 31, 2022	-	-	-	-	-	202,732,975	202,732,975	-	-	-	-	-	-	202,732,975	140,399	202,873,374
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	19,649,475	(4,778,602)	679,806	-	15,550,679	-	15,550,679	(139,462)	15,411,217
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	202,732,975	202,732,975	19,649,475	(4,778,602)	679,806	-	15,550,679	-	218,283,654	937	218,284,591
Share-based payment arrangements	1,387	13,870	438,029	-	-	-	-	-	-	-	(425,224)	(425,224)	-	26,675	-	26,675
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	-	(871,566)	(871,566)	-	(871,566)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	7,447	7,447	-	(7,447)	-	-	(7,447)	-	-	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	(2,178)	-	(2,178)	-	(2,178)	-	(2,178)
Adjustments to share of changes in equities of associates	-	-	30	-	-	-	-	-	-	-	-	-	-	30	-	30
From share of changes in equities of subsidiaries	-	-	15,474	-	-	-	-	-	-	-	-	-	-	15,474	4,587,381	4,602,855
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,688	3,688
BALANCE, MARCH 31, 2022	25,931,767	\$ 259,317,675	\$ 65,215,135	\$ 311,146,899	\$ 62,608,515	\$ 1,664,506,123	\$ 2,038,261,537	\$ (43,653,886)	\$ (4,211,739)	\$ 798,164	\$ (425,224)	\$ (47,492,685)	\$ (871,566)	\$ 2,314,430,096	\$ 7,038,658	\$ 2,321,468,754
BALANCE, JANUARY 1, 2021	25,930,380	\$ 259,303,805	\$ 56,347,243	\$ 311,146,899	\$ 42,259,146	\$ 1,235,280,036	\$ 1,588,686,081	\$ (57,001,627)	\$ 2,321,754	\$ -	\$ -	\$ (54,679,873)	\$ -	\$ 1,849,657,256	\$ 964,743	\$ 1,850,621,999
Appropriations of earnings	-	-	-	-	12,420,727	(12,420,727)	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(64,825,951)	(64,825,951)	-	-	-	-	-	-	(64,825,951)	-	(64,825,951)
Cash dividends to shareholders	-	-	-	-	-	(77,246,678)	(77,246,678)	-	-	-	-	-	-	(77,246,678)	-	(77,246,678)
Total	-	-	-	-	12,420,727	(77,246,678)	(64,825,951)	-	-	-	-	-	-	(64,825,951)	-	(64,825,951)
Net income for the three months ended March 31, 2021	-	-	-	-	-	139,690,493	139,690,493	-	-	-	-	-	-	139,690,493	48,256	139,738,749
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	7,831,185	(1,822,951)	(41,416)	-	5,966,818	-	5,966,818	192	5,967,010
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	139,690,493	139,690,493	7,831,185	(1,822,951)	(41,416)	-	5,966,818	-	145,657,311	48,448	145,705,759
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(278,816)	(278,816)	-	278,816	-	-	278,816	-	-	-	-
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	41,416	-	41,416	-	41,416	-	41,416
Adjustments to share of changes in equities of associates	-	-	82	-	-	-	-	-	-	-	-	-	-	82	-	82
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	8,406,282	-	-	-	-	-	-	-	-	-	-	8,406,282	1,045,516	9,451,798
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,704	1,704
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155	155
BALANCE, MARCH 31, 2021	25,930,380	\$ 259,303,805	\$ 64,753,607	\$ 311,146,899	\$ 54,679,873	\$ 1,297,445,035	\$ 1,663,271,807	\$ (49,170,442)	\$ 777,619	\$ -	\$ -	\$ (48,392,823)	\$ -	\$ 1,938,936,396	\$ 2,060,566	\$ 1,940,996,962

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 226,831,696	\$ 155,064,389
Adjustments for:		
Depreciation expense	108,934,265	98,972,867
Amortization expense	2,167,798	1,927,451
Expected credit losses recognized (reversal) on investments in debt instruments	11,768	(497)
Finance costs	2,140,766	772,095
Share of profits of associates	(1,725,490)	(1,267,112)
Interest income	(1,673,879)	(1,460,904)
Share-based compensation	27,453	1,704
Loss (gain) on disposal or retirement of property, plant and equipment, net	48,257	(9,960)
Impairment loss on property, plant and equipment	790,740	274,388
Loss (gain) on disposal of investments in debt instruments at fair value through other comprehensive income, net	140,778	(2,986)
Loss (gain) on foreign exchange, net	2,074,789	(4,773,733)
Dividend income	(75)	(169,167)
Others	(258,328)	(192,049)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	918,808	3,929,781
Notes and accounts receivable, net	(15,260,809)	(21,663,073)
Receivables from related parties	134,314	222,559
Other receivables from related parties	3,366	(1,946)
Inventories	(7,016,361)	(17,214,161)
Other financial assets	1,229,128	(2,917,033)
Other current assets	(1,132,181)	771,765
Accounts payable	1,367,580	(2,334,169)
Payables to related parties	13,710	(162,728)
Salary and bonus payable	(2,724,989)	(4,375,063)
Accrued profit sharing bonus to employees and compensation to directors	12,241,793	8,468,539
Accrued expenses and other current liabilities	5,607,202	14,976,395
Other noncurrent liabilities	40,423,182	-
Net defined benefit liability	(2,503,589)	(619,561)
Cash generated from operations	372,811,692	228,217,791
Income taxes paid	(642,004)	(402,085)
Net cash generated by operating activities	<u>372,169,688</u>	<u>227,815,706</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through other comprehensive income	\$ (37,834,407)	\$ (77,662,402)
Financial assets at amortized cost	(18,155,340)	-
Property, plant and equipment	(262,134,719)	(248,028,725)
Intangible assets	(583,003)	(580,694)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	29,254,025	81,167,791
Property, plant and equipment	609,153	57,901
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	-	62,837
Derecognition of hedging financial instruments	536,873	112,133
Interest received	1,526,825	1,494,002
Proceeds from government grants - property, plant and equipment	64,544	-
Proceeds from government grants - others	3,085	-
Other dividends received	75	169,167
Increase in prepayments for leases	-	(1,200,000)
Refundable deposits paid	(1,670,390)	(47,212)
Refundable deposits refunded	<u>309,488</u>	<u>203,788</u>
Net cash used in investing activities	<u>(288,073,791)</u>	<u>(244,251,414)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	30,529,474	52,072,068
Proceeds from issuance of bonds	19,600,000	21,100,000
Repayment of bonds	-	(2,600,000)
Proceeds from long-term bank loans	-	660,000
Payments for transaction costs attributable to the issuance of bonds	(21,200)	(21,702)
Treasury stock acquired	(871,566)	-
Repayment of the principal portion of lease liabilities	(523,177)	(532,552)
Interest paid	(1,103,792)	(772,710)
Guarantee deposits received	8,502	91,458
Guarantee deposits refunded	(1,648)	(4,107)
Cash dividends	(71,308,546)	(64,825,951)
Disposal of ownership interests in subsidiaries (without losing control)	-	9,451,798
Increase in non-controlling interests	<u>4,605,765</u>	<u>155</u>
Net cash generated by (used in) financing activities	<u>(19,086,188)</u>	<u>14,618,457</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>Three Months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 21,589,745</u>	<u>\$ 6,374,461</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,599,454	4,557,210
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,064,990,192</u>	<u>660,170,647</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$1,151,589,646</u>	<u>\$ 664,727,857</u>

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise) (Reviewed, Not Audited)

1. GENERAL

Taiwan Semiconductor Manufacturing Company Limited (TSMC), a Republic of China (R.O.C.) corporation, was incorporated on February 21, 1987. TSMC is a dedicated foundry in the semiconductor industry which engages mainly in the manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing of masks.

On September 5, 1994, TSMC's shares were listed on the Taiwan Stock Exchange (TWSE). 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 address of its registered office and principal place of business is No. 8, Li-Hsin Rd. 6, Hsinchu Science Park, Taiwan. The principal operating activities of TSMC's subsidiaries are described in Note 4.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 10, 2022.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of TSMC and its subsidiaries (collectively as the "Company").

- b. The IFRSs issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

As of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

For the convenience of readers, the accompanying consolidated 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 consolidated financial statements shall prevail.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting,” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC (collectively, “Taiwan-IFRSs”).

Basis of Consolidation

The basis of preparation and the basis for the consolidated financial statements

The basis of preparation and the basis for the consolidated financial statements applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period is as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note
				March 31, 2022	December 31, 2021	March 31, 2021	
TSMC	TSMC North America	Sales and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	100%	100%	100%	-
	TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	100%	100%	100%	a)
	TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	100%	100%	100%	a)
	TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	100%	100%	100%	a)
	TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	100%	100%	100%	a)
	TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	100%	100%	100%	a)
	TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	Tortola, British Virgin Islands	100%	100%	100%	a)
	TSMC Global, Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	100%	100%	100%	-
	TSMC China Company Limited (TSMC China)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Shanghai, China	100%	100%	100%	-
	TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	100%	100%	100%	-
	VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsin-Chu, Taiwan	73%	73%	73%	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note
				March 31, 2022	December 31, 2021	March 31, 2021	
TSMC	TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	100%	100%	100%	a), b)
	Japan Advanced Semiconductor Manufacturing, Inc (JASM)	Manufacturing, sales, testing and computer aided design of integrated circuits and other semiconductor devices	Kumamoto, Japan	81%	100%	-	a), c)
	VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)
	VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)
	Emerging Fund L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	99.9%	99.9%	99.9%	a)
TSMC Partners	TSMC Development, Inc. (TSMC Development)	Investing in companies involved in semiconductor manufacturing	Delaware, U.S.A.	100%	100%	100%	-
	TSMC Technology, Inc. (TSMC Technology)	Engineering support activities	Delaware, U.S.A.	100%	100%	100%	a)
	TSMC Design Technology Canada Inc. (TSMC Canada)	Engineering support activities	Ontario, Canada	100%	100%	100%	a)
TSMC Development	WaferTech, LLC (WaferTech)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Washington, U.S.A.	100%	100%	100%	-
VTAF III	Growth Fund Limited (Growth Fund)	Investing in technology start-up companies	Cayman Islands	100%	100%	100%	a)

(Concluded)

Note a: This is an immaterial subsidiary for which the consolidated financial statements are neither reviewed nor audited by the Company's independent auditors.

Note b: TSMC Arizona is established in November 2020. Under the terms of the development agreement entered into between TSMC Arizona and the City of Phoenix, the City of Phoenix commits approximately US\$205 million toward various public infrastructure projects in the area of the proposed manufacturing facility, conditioned on TSMC Arizona's achieving a minimum project scale with defined spending and job-creation thresholds.

Note c: JASM is established in December 2021 and has increased its capital in January 2022. After the increase in capital, TSMC's shareholding in JASM decreased from 100% to 81%. In addition, JASM increased its capital by issuing noncumulative preferred shares in April 2022. TSMC's shareholding in JASM decreased from 81% to 71% and the proportion of voting right remain 81%. The aforementioned transactions were accounted for as an equity transaction since the transaction did not change TSMC's control over JASM.

Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year.

Treasury Stock

Treasury stock represents the outstanding shares that the Company buys back from market, which is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount.

Share-based payment arrangements

a. Equity-settled share-based payment arrangements

Restricted shares for employees are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Company's best estimate of the number expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares which do not need to be returned if employees resign in the vesting period are recognized as expenses upon the dividend declaration with a corresponding adjustment in retained earnings.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact from such revision is recognized in profit or loss so that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

b. Cash-settled share-based payment arrangements

For cash-settled share-based payments, a liability is recognized for the services acquired, measured at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The Company has considered the economic implications of COVID-19 on critical accounting estimations and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Cash and deposits in banks	\$1,150,018,438	\$ 1,058,808,104	\$ 655,679,622
Commercial paper	999,273	-	1,139,850
Government bonds	571,935	906,743	4,236,566
Repurchase agreements	-	5,275,345	3,560,524
Agency bonds	-	-	82,670
Corporate bonds	-	-	28,625
	<u>\$1,151,589,646</u>	<u>\$1,064,990,192</u>	<u>\$ 664,727,857</u>

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk of changes in value.

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

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Mandatorily measured at FVTPL			
Forward exchange contracts	<u>\$ 758,452</u>	<u>\$ 159,048</u>	<u>\$ 26,897</u>
<u>Financial liabilities</u>			
Held for trading			
Forward exchange contracts	<u>\$ 2,203,138</u>	<u>\$ 681,914</u>	<u>\$ 1,958,208</u>

The Company entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. These forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting treatment for these forward exchange contracts.

Outstanding forward exchange contracts consisted of the following:

	Maturity Date	Contract Amount (In Thousands)	
<u>March 31, 2022</u>			
Sell NT\$	April 2022 to June 2022	NT\$	118,373,692
Sell US\$	April 2022 to May 2022	US\$	1,674,736
<u>December 31, 2021</u>			
Sell NT\$	January 2022 to March 2022	NT\$	132,734,482
Sell US\$	January 2022 to March 2022	US\$	2,009,148
<u>March 31, 2021</u>			
Sell NT\$	April 2021 to June 2021	NT\$	160,197,609
Sell US\$	April 2021 to June 2021	US\$	1,516,973

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2022	December 31, 2021	March 31, 2021
Investments in debt instruments at FVTOCI			
Corporate bonds	\$ 59,119,180	\$ 57,253,161	\$ 56,344,907
Agency bonds/Agency mortgage-backed securities	32,024,446	32,070,114	43,032,383
Government bonds	20,392,667	21,345,794	18,512,796
Asset-backed securities	8,938,231	8,660,424	7,110,253
Commercial paper	-	-	151,187
	<u>120,474,524</u>	<u>119,329,493</u>	<u>125,151,526</u>
Investments in equity instruments at FVTOCI			
Non-publicly traded equity investments	6,011,937	5,887,892	4,401,224
Publicly traded stocks	<u>521,241</u>	<u>189,758</u>	<u>56,781</u>
	<u>6,533,178</u>	<u>6,077,650</u>	<u>4,458,005</u>
	<u>\$ 127,007,702</u>	<u>\$ 125,407,143</u>	<u>\$ 129,609,531</u>
Current	\$ 120,995,765	\$ 119,519,251	\$ 125,208,307
Noncurrent	<u>6,011,937</u>	<u>5,887,892</u>	<u>4,401,224</u>
	<u>\$ 127,007,702</u>	<u>\$ 125,407,143</u>	<u>\$ 129,609,531</u>

These investments in equity instruments are held for medium to long-term purposes and therefore are accounted for as FVTOCI. For dividends recognized from these investments, please refer to consolidated statements of cash flows. As of March 31, 2022 and 2021, all of the dividends are mainly from investments held at the end of the reporting period.

For the three months ended March 31, 2022, as the Company adjusted its investment portfolios, equity investments designated at FVTOCI were divested for NT\$36,025 thousand. The related other equity-unrealized gain/loss on financial assets at FVTOCI of NT\$7,447 thousand was transferred to increase retained earnings.

As of March 31, 2022 and 2021, the cumulative loss allowance for expected credit loss of NT\$34,972 thousand and NT\$32,705 thousand was recognized under investments in debt instruments at FVTOCI, respectively. Refer to Note 30 for information relating to the credit risk management and expected credit loss.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2022	December 31, 2021	March 31, 2021
Corporate bonds	\$ 24,045,849	\$ 5,310,039	\$ 11,135,778
Less: Allowance for impairment loss	<u>(14,565)</u>	<u>(3,077)</u>	<u>(6,946)</u>
	<u>\$ 24,031,284</u>	<u>\$ 5,306,962</u>	<u>\$ 11,128,832</u>
Current	\$ 8,425,386	\$ 3,773,571	\$ 6,694,422
Noncurrent	<u>15,605,898</u>	<u>1,533,391</u>	<u>4,434,410</u>
	<u>\$ 24,031,284</u>	<u>\$ 5,306,962</u>	<u>\$ 11,128,832</u>

Refer to Note 30 for information relating to credit risk management and expected credit loss for financial assets at amortized cost.

10. HEDGING FINANCIAL INSTRUMENTS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets - current</u>			
Fair value hedges			
Interest rate futures contracts	\$ 78,343	\$ -	\$ 64,349
Cash flow hedges			
Forward interest rate contracts	<u>208,481</u>	<u>13,468</u>	<u>-</u>
	<u>\$ 286,824</u>	<u>\$ 13,468</u>	<u>\$ 64,349</u>
<u>Financial liabilities - current</u>			
Fair value hedges			
Interest rate futures contracts	<u>\$ -</u>	<u>\$ 9,642</u>	<u>\$ -</u>

Fair value hedge

The Company entered into interest rate futures contracts, which are used to partially hedge against the fair value changes caused by interest rate fluctuation in the Company's fixed income investments. The hedge ratio is adjusted in response to the changes in the financial market and capped at 100%.

On the basis of economic relationships, the value of the interest rate futures contracts and the value of the hedged financial assets change in opposite directions in response to movements in interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the credit risk of the hedged financial assets, which is not reflected in the fair value of the interest rate futures contracts. No other sources of ineffectiveness emerged from these hedging relationships during the hedging period. Amount of hedge ineffectiveness recognized in profit or loss is classified under other gains and losses, net.

The following tables summarize the information relating to the hedges of interest rate risk.

March 31, 2022

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 95,100	June 2022

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 4,849,920	\$ (78,343)

December 31, 2021

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 53,900	March 2022

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 4,079,274	\$ 9,642

March 31, 2021

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 111,900	June 2021

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 8,355,989	\$ (64,349)

The effect for the three months ended March 31, 2022 and 2021 is detailed below:

Hedging Instruments/Hedged Items	Increase (Decrease) in Value Used for Calculating Hedge Ineffectiveness	
	Three Months Ended March 31	
	2022	2021
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	\$ 118,201	\$ 176,576
Hedged Items		
Financial assets at FVTOCI	<u>(118,201)</u>	<u>(176,576)</u>
	<u>\$ -</u>	<u>\$ -</u>

Cash flow hedge

The Company entered into forward contracts to partially hedge foreign exchange rate risks or interest rate risks associated with certain highly probable forecast transactions (capital expenditures or issuance of debts). The hedge ratio is adjusted in response to the changes in the financial market and capped at 100%. The forward contracts have maturities of 12 months or less.

On the basis of economic relationships, the Company expects that the value of forward contracts and the value of hedged transactions will change in opposite directions in response to movements in foreign exchange rates or interest rates.

The main source of hedge ineffectiveness in these hedging relationships is driven by the effect of the counterparty's own credit risk on the fair value of forward contracts. No other sources of ineffectiveness emerged from these hedging relationships. For the three months ended March 31, 2022 and 2021, refer to Note 20(d) for gain or loss arising from changes in the fair value of hedging instruments, the amount transferred to initial carrying amount of hedged items and the amount reclassified to finance costs of hedged items.

The following tables summarize the information relating to the hedges of interest rate risks.

March 31, 2022

Hedging Instruments	Contract Amount (In Thousands)	Maturity	Balance in Other Equity (Continuing Hedges)
Forward interest rate contracts	US\$ 310,000	April 2022	\$ 774,693

The effect for the three months ended March 31, 2022 and 2021 is detailed below:

Hedging Instruments/Hedged Items	Increase (Decrease) in Value Used for Calculating Hedge Ineffectiveness	
	Three Months Ended March 31	
	2022	2021
Hedging Instruments		
Forward exchange contracts (capital expenditures)	<u>\$ -</u>	<u>\$ (41,416)</u>
Forward interest rate contracts (issuance of debts)	<u>\$ 695,172</u>	<u>\$ -</u>

(Continued)

Hedging Instruments/Hedged Items	Increase (Decrease) in Value Used for Calculating Hedge Ineffectiveness	
	Three Months Ended March 31	
	2022	2021
Hedged Items		
Forecast transaction (capital expenditures)	\$ -	\$ 41,416
Forecast transaction (issuance of debts)	\$ (695,172)	\$ -
		(Concluded)

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2022	December 31, 2021	March 31, 2021
At amortized cost			
Notes and accounts receivable	\$ 208,021,317	\$ 193,733,220	\$ 164,301,003
Less: Loss allowance	<u>(407,375)</u>	<u>(347,020)</u>	<u>(319,588)</u>
	207,613,942	193,386,200	163,981,415
At FVTOCI	<u>5,232,949</u>	<u>4,199,909</u>	<u>3,161,921</u>
	<u>\$ 212,846,891</u>	<u>\$ 197,586,109</u>	<u>\$ 167,143,336</u>

The Company signed a contract with the bank to sell certain accounts receivable without recourse and transaction cost required. These accounts receivable are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

In principle, the payment term granted to customers is due 30 days from the invoice date or 30 days from the end of the month when the invoice is issued. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels with consideration of factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. For accounts receivable past due over 90 days without collaterals or guarantees, the Company recognizes loss allowance at full amount.

Aging analysis of notes and accounts receivable

	March 31, 2022	December 31, 2021	March 31, 2021
Not past due	\$ 206,199,341	\$ 191,740,045	\$ 156,777,256
Past due			
Past due within 30 days	7,043,117	6,186,814	10,442,040
Past due 31-60 days	11,555	6,182	243,554
Past due 61-120 days	253	88	74
Past due over 121 days	-	-	-
Less: Loss allowance	<u>(407,375)</u>	<u>(347,020)</u>	<u>(319,588)</u>
	<u>\$ 212,846,891</u>	<u>\$ 197,586,109</u>	<u>\$ 167,143,336</u>

All of the Company's accounts receivable classified as at FVTOCI were not past due.

Movements of the loss allowance for accounts receivable

	<u>Three Months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Balance, beginning of period	\$ 347,020	\$ 246,626
Provision	60,328	72,953
Effect of exchange rate changes	<u>27</u>	<u>9</u>
Balance, end of period	<u>\$ 407,375</u>	<u>\$ 319,588</u>

For the three months ended March 31, 2022 and 2021, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

	March 31, 2022	December 31, 2021	March 31, 2021
Finished goods	\$ 34,078,491	\$ 32,562,750	\$ 23,486,808
Work in process	138,341,260	137,700,402	108,203,608
Raw materials	11,727,816	11,111,122	13,742,135
Supplies and spare parts	<u>15,971,115</u>	<u>11,728,047</u>	<u>9,135,017</u>
	<u>\$ 200,118,682</u>	<u>\$ 193,102,321</u>	<u>\$ 154,567,568</u>

Write-down of inventories to net realizable value and reversal of write-down of inventories resulting from the increase in net realizable value were included in the cost of revenue during reporting period. The amounts are illustrated below:

	<u>Three Months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Reversal of write-down of inventories	<u>\$ 61,167</u>	<u>\$ 476,399</u>

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Associates consisted of the following:

Name of Associate	Principal Activities	Place of Incorporation and Operation	Carrying Amount			% of Ownership and Voting Rights Held by the Company		
			March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	December 31, 2021	March 31, 2021
Vanguard International Semiconductor Corporation (VIS)	Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks	Hsinchu, Taiwan	\$ 11,969,823	\$ 10,613,127	\$ 9,691,577	28%	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	7,255,271	6,795,699	6,280,146	39%	39%	39%

(Continued)

Name of Associate	Principal Activities	Place of Incorporation and Operation	Carrying Amount			% of Ownership and Voting Rights Held by the Company		
			March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	December 31, 2021	March 31, 2021
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	\$ 3,192,971	\$ 3,046,961	\$ 2,796,080	41%	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	1,679,084	1,484,683	1,497,735	35%	35%	35%
Mutual-Pak Technology Co., Ltd. (Mutual-Pak)	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID	New Taipei, Taiwan	<u>21,859</u>	<u>22,948</u>	<u>29,278</u>	28%	28%	28%
			<u>\$24,119,008</u>	<u>\$21,963,418</u>	<u>\$20,294,816</u>			

(Concluded)

The market prices of the associates' ownership held by the Company in publicly traded stocks calculated by the closing price at the end of the reporting period are summarized as follows. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

Name of Associate	March 31, 2022	December 31, 2021	March 31, 2021
VIS	<u>\$ 57,795,825</u>	<u>\$ 73,347,312</u>	<u>\$ 50,136,137</u>
GUC	<u>\$ 23,577,369</u>	<u>\$ 27,359,085</u>	<u>\$ 18,605,112</u>
Xintec	<u>\$ 14,522,291</u>	<u>\$ 15,913,315</u>	<u>\$ 20,142,028</u>

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022	December 31, 2021	March 31, 2021
Assets used by the Company	\$2,104,326,119	\$1,975,113,974	\$1,657,464,257
Assets subject to operating leases	<u>4,535</u>	<u>4,730</u>	<u>1,087,033</u>
	<u>\$2,104,330,654</u>	<u>\$1,975,118,704</u>	<u>\$1,658,551,290</u>

a. Assets used by the Company

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 6,488,230	\$ 576,597,777	\$ 3,984,749,236	\$ 76,154,170	\$ 593,155,733	\$ 5,237,145,146
Additions	553,702	6,138,909	82,559,973	2,262,408	143,859,010	235,374,002
Disposals or retirements	-	(718)	(9,809,295)	(46,089)	-	(9,856,102)
Effect of exchange rate changes	<u>99,003</u>	<u>1,425,333</u>	<u>6,163,236</u>	<u>165,124</u>	<u>2,099,307</u>	<u>9,952,003</u>
Balance at March 31, 2022	<u>\$ 7,140,935</u>	<u>\$ 584,161,301</u>	<u>\$ 4,063,663,150</u>	<u>\$ 78,535,613</u>	<u>\$ 739,114,050</u>	<u>\$ 5,472,615,049</u>

(Continued)

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 499,826	\$ 306,165,242	\$ 2,903,539,441	\$ 51,826,663	\$ -	\$ 3,262,031,172
Additions	332	8,911,148	97,030,303	2,299,566	-	108,241,349
Disposals or retirements	-	(590)	(9,186,394)	(45,910)	-	(9,232,894)
Impairment	-	-	-	-	790,740	790,740
Effect of exchange rate changes	16,696	905,073	5,411,722	125,072	-	6,458,563
Balance at March 31, 2022	<u>\$ 516,854</u>	<u>\$ 315,980,873</u>	<u>\$ 2,996,795,072</u>	<u>\$ 54,205,391</u>	<u>\$ 790,740</u>	<u>\$ 3,368,288,930</u>
Carrying amounts at January 1, 2022	<u>\$ 5,988,404</u>	<u>\$ 270,432,535</u>	<u>\$ 1,081,209,795</u>	<u>\$ 24,327,507</u>	<u>\$ 593,155,733</u>	<u>\$ 1,975,113,974</u>
Carrying amounts at March 31, 2022	<u>\$ 6,624,081</u>	<u>\$ 268,180,428</u>	<u>\$ 1,066,868,078</u>	<u>\$ 24,330,222</u>	<u>\$ 738,323,310</u>	<u>\$ 2,104,326,119</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 3,942,625	\$ 522,447,474	\$ 3,607,005,732	\$ 68,862,648	\$ 223,965,360	\$ 4,426,223,839
Additions	-	16,847,995	96,583,844	2,868,362	84,765,969	201,066,170
Disposals or retirements	-	(3,903)	(2,248,013)	(24,549)	-	(2,276,465)
Transfers from assets subject to operating leases	-	35,478	-	-	-	35,478
Transfers to assets subject to operating leases	-	-	(244,579)	-	-	(244,579)
Effect of exchange rate changes	10,662	451,026	2,328,717	53,921	213,799	3,058,125
Balance at March 31, 2021	<u>\$ 3,953,287</u>	<u>\$ 539,778,070</u>	<u>\$ 3,703,425,701</u>	<u>\$ 71,760,382</u>	<u>\$ 308,945,128</u>	<u>\$ 4,627,862,568</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 506,129	\$ 271,799,471	\$ 2,555,529,969	\$ 43,802,332	\$ -	\$ 2,871,637,901
Additions	334	8,107,322	88,029,504	2,159,047	-	98,296,207
Disposals or retirements	-	(3,752)	(2,174,066)	(23,805)	-	(2,201,623)
Transfers from assets subject to operating leases	-	15,646	-	-	-	15,646
Transfers to assets subject to operating leases	-	-	(68,279)	-	-	(68,279)
Impairment	-	-	274,388	-	-	274,388
Effect of exchange rate changes	7,391	282,148	2,115,572	38,960	-	2,444,071
Balance at March 31, 2021	<u>\$ 513,854</u>	<u>\$ 280,200,835</u>	<u>\$ 2,643,707,088</u>	<u>\$ 45,976,534</u>	<u>\$ -</u>	<u>\$ 2,970,398,311</u>
Carrying amounts at January 1, 2021	<u>\$ 3,436,496</u>	<u>\$ 250,648,003</u>	<u>\$ 1,051,475,763</u>	<u>\$ 25,060,316</u>	<u>\$ 223,965,360</u>	<u>\$ 1,554,585,938</u>
Carrying amounts at March 31, 2021	<u>\$ 3,439,433</u>	<u>\$ 259,577,235</u>	<u>\$ 1,059,718,613</u>	<u>\$ 25,783,848</u>	<u>\$ 308,945,128</u>	<u>\$ 1,657,464,257</u>

(Concluded)

The significant part of the Company's buildings includes main plants, mechanical and electrical power equipment and clean rooms, and the related depreciation is calculated using the estimated useful lives of 20 years, 10 years and 10 years, respectively.

In the first quarter of 2022 and 2021, the Company recognized an impairment loss of NT\$790,740 thousand and NT\$274,388 thousand for certain equipment under machinery and equipment that were assessed to have no future use, and the recoverable amounts of the aforementioned assets were nil. Such impairment loss was recognized in other operating income and expenses.

Information about capitalized interest is set out in Note 23.

b. Assets subject to operating leases

	Buildings	Machinery and Equipment	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 192,051	\$ -	\$ 192,051
Balance at March 31, 2022	<u>\$ 192,051</u>	<u>\$ -</u>	<u>\$ 192,051</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 187,321	\$ -	\$ 187,321
Additions	<u>195</u>	<u>-</u>	<u>195</u>
Balance at March 31, 2022	<u>\$ 187,516</u>	<u>\$ -</u>	<u>\$ 187,516</u>
Carrying amounts at January 1, 2022	<u>\$ 4,730</u>	<u>\$ -</u>	<u>\$ 4,730</u>
Carrying amounts at March 31, 2022	<u>\$ 4,535</u>	<u>\$ -</u>	<u>\$ 4,535</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 227,529	\$ 1,199,011	\$ 1,426,540
Transfers to assets used by the Company	(35,478)	-	(35,478)
Transfers from assets used by the Company	<u>-</u>	<u>244,579</u>	<u>244,579</u>
Balance at March 31, 2021	<u>\$ 192,051</u>	<u>\$ 1,443,590</u>	<u>\$ 1,635,641</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 201,366	\$ 221,992	\$ 423,358
Additions	437	72,180	72,617
Transfers to assets used by the Company	(15,646)	-	(15,646)
Transfers from assets used by the Company	<u>-</u>	<u>68,279</u>	<u>68,279</u>
Balance at March 31, 2021	<u>\$ 186,157</u>	<u>\$ 362,451</u>	<u>\$ 548,608</u>
Carrying amounts at January 1, 2021	<u>\$ 26,163</u>	<u>\$ 977,019</u>	<u>\$ 1,003,182</u>
Carrying amounts at March 31, 2021	<u>\$ 5,894</u>	<u>\$ 1,081,139</u>	<u>\$ 1,087,033</u>

Operating leases relate to leases of buildings and leases of machinery and equipment with lease terms ranging between approximately 1 to 5 years. The lessees do not have purchase options to acquire the assets at the expiration of the lease periods.

The maturity analysis of operating lease payments receivable from the buildings and machinery and equipment is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	\$ 13,633	\$ 17,978	\$ 144,893
Year 2	<u>-</u>	<u>-</u>	<u>12,744</u>
	<u>\$ 13,633</u>	<u>\$ 17,978</u>	<u>\$ 157,637</u>

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amounts</u>			
Land	\$ 29,934,878	\$ 29,778,636	\$ 29,774,748
Buildings	2,954,237	2,918,133	2,469,406
Machinery and equipment	3,384	3,474	-
Office equipment	<u>29,647</u>	<u>34,294</u>	<u>38,158</u>
	<u>\$ 32,922,146</u>	<u>\$ 32,734,537</u>	<u>\$ 32,282,312</u>
		Three Months Ended March 31	
		2022	2021
Additions to right-of-use assets		<u>\$ 1,010,298</u>	<u>\$ 5,176,718</u>
		Three Months Ended March 31	
		2022	2021
Depreciation of right-of-use assets			
Land		\$ 466,962	\$ 445,402
Buildings		219,598	153,130
Machinery and equipment		202	-
Office equipment		<u>5,959</u>	<u>5,511</u>
		<u>\$ 692,721</u>	<u>\$ 604,043</u>
Income from subleasing right-of-use assets (classified under other operating income and expenses, net)		<u>\$ 20,722</u>	<u>\$ 20,426</u>

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amounts</u>			
Current portion (classified under accrued expenses and other current liabilities)	\$ 2,186,386	\$ 2,176,451	\$ 1,897,567
Noncurrent portion	<u>21,065,933</u>	<u>20,764,214</u>	<u>21,074,764</u>
	<u>\$ 23,252,319</u>	<u>\$ 22,940,665</u>	<u>\$ 22,972,331</u>

Ranges of discount rates for lease liabilities are as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Land	0.39%-2.14%	0.39%-2.14%	0.45%-2.14%
Buildings	0.39%-3.88%	0.39%-3.88%	0.54%-3.88%
Machinery and equipment	0.71%	0.71%	-
Office equipment	0.28%-3.88%	0.28%-3.88%	0.28%-3.88%

c. Material terms of right-of-use assets

The Company leases land and buildings mainly for the use of plants and offices with lease terms of 1 to 36 years. The lease contracts for land located in the R.O.C. specify that lease payments will be adjusted every 2 years on the basis of changes in announced land value prices. The Company does not have purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Subleases

The Company subleases the right to use its buildings and machinery and equipment under operating leases with lease terms of 1 to 6 years.

The maturity analysis of lease payments receivable under operating subleases is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	<u>\$ 59,284</u>	<u>\$ 60,771</u>	<u>\$ 142,551</u>

e. Other lease information

	Three Months Ended March 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 1,132,590</u>	<u>\$ 1,279,409</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 29,217</u>	<u>\$ 67,572</u>
	Three Months Ended March 31	
	2022	2021
Total cash outflow for leases	<u>\$ 1,769,080</u>	<u>\$ 1,763,360</u>

16. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
<u>Cost</u>					
Balance at January 1, 2022	\$ 5,379,164	\$ 23,533,959	\$ 43,650,957	\$ 11,497,309	\$ 84,061,389
Additions	-	23,836	811,722	47	835,605
Disposals or retirements	-	-	(47,625)	-	(47,625)
Effect of exchange rate changes	125,467	2,561	22,190	3,305	153,523
Balance at March 31, 2022	<u>\$ 5,504,631</u>	<u>\$ 23,560,356</u>	<u>\$ 44,437,244</u>	<u>\$ 11,500,661</u>	<u>\$ 85,002,892</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2022	\$ -	\$ 14,912,293	\$ 34,121,578	\$ 8,205,821	\$ 57,239,692
Additions	-	679,290	1,193,382	295,126	2,167,798
Disposals or retirements	-	-	(47,625)	-	(47,625)
Effect of exchange rate changes	-	2,561	18,851	1,564	22,976
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 15,594,144</u>	<u>\$ 35,286,186</u>	<u>\$ 8,502,511</u>	<u>\$ 59,382,841</u>
Carrying amounts at January 1, 2022	<u>\$ 5,379,164</u>	<u>\$ 8,621,666</u>	<u>\$ 9,529,379</u>	<u>\$ 3,291,488</u>	<u>\$ 26,821,697</u>
Carrying amounts at March 31, 2022	<u>\$ 5,504,631</u>	<u>\$ 7,966,212</u>	<u>\$ 9,151,058</u>	<u>\$ 2,998,150</u>	<u>\$ 25,620,051</u>
<u>Cost</u>					
Balance at January 1, 2021	\$ 5,436,602	\$ 22,161,712	\$ 36,238,967	\$ 11,277,701	\$ 75,114,982
Additions	-	471,970	642,617	42	1,114,629
Effect of exchange rate changes	55,673	1,350	6,131	473	63,627
Balance at March 31, 2021	<u>\$ 5,492,275</u>	<u>\$ 22,635,032</u>	<u>\$ 36,887,715</u>	<u>\$ 11,278,216</u>	<u>\$ 76,293,238</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2021	\$ -	\$ 12,226,066	\$ 30,111,759	\$ 7,008,978	\$ 49,346,803
Additions	-	659,640	963,616	304,195	1,927,451
Effect of exchange rate changes	-	1,350	4,556	390	6,296
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 12,887,056</u>	<u>\$ 31,079,931</u>	<u>\$ 7,313,563</u>	<u>\$ 51,280,550</u>
Carrying amounts at January 1, 2021	<u>\$ 5,436,602</u>	<u>\$ 9,935,646</u>	<u>\$ 6,127,208</u>	<u>\$ 4,268,723</u>	<u>\$ 25,768,179</u>
Carrying amounts at March 31, 2021	<u>\$ 5,492,275</u>	<u>\$ 9,747,976</u>	<u>\$ 5,807,784</u>	<u>\$ 3,964,653</u>	<u>\$ 25,012,688</u>

The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Company used annual discount rate of 8.0% in its test of impairment as of December 31, 2021 to reflect the relevant specific risk in the cash-generating unit.

17. SHORT-TERM LOANS

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured loans			
Amount	<u>\$ 144,550,897</u>	<u>\$ 114,921,333</u>	<u>\$ 137,123,748</u>
Loan content			
JPY (in thousands)	\$ 165,150,000	\$ -	\$ -
EUR (in thousands)	3,305,121	3,652,935	4,109,808
Annual interest rate	(0.33)%-0.1%	(0.73)%-0%	(0.26)%-0.01%
Maturity date	Due by July 2022	Due by June 2022	Due by July 2021

18. BONDS PAYABLE

	March 31, 2022	December 31, 2021	March 31, 2021
Domestic unsecured bonds	\$ 333,896,000	\$ 312,448,000	\$ 192,107,000
Overseas unsecured bonds	314,578,000	304,414,000	85,521,000
Less: Discounts on bonds payable	(2,423,779)	(2,391,348)	(789,697)
Less: Current portion	<u>(16,400,000)</u>	<u>(4,400,000)</u>	<u>-</u>
	<u>\$ 629,650,221</u>	<u>\$ 610,070,652</u>	<u>\$ 276,838,303</u>

The Company issued domestic unsecured bonds for the three months ended March 31, 2022, the major terms are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
<u>NT\$ unsecured bonds</u>					
111-1 (Green bond)	A	January 2022 to January 2027	\$ 2,100,000	0.63%	Bullet repayment; interest payable annually
	B	January 2022 to January 2029	3,300,000	0.72%	The same as above
111-2	A	March 2022 to September 2026	3,000,000	0.84%	The same as above
	B	March 2022 to March 2027	9,600,000	0.85%	The same as above
	C	March 2022 to March 2029	1,600,000	0.90%	The same as above

The major terms of overseas unsecured bonds are as follows:

Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
September 2020 to September 2025	US\$ 1,000,000	0.75%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
September 2020 to September 2027	750,000	1.00%	The same as above
September 2020 to September 2030	1,250,000	1.375%	The same as above
April 2021 to April 2026	1,100,000	1.25%	The same as above

(Continued)

Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
April 2021 to April 2028	US\$ 900,000	1.75%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
April 2021 to April 2031	1,500,000	2.25%	The same as above
October 2021 to October 2026	1,250,000	1.75%	The same as above
October 2021 to October 2031	1,250,000	2.50%	The same as above
October 2021 to October 2041	1,000,000	3.125%	The same as above
October 2021 to October 2051	1,000,000	3.25%	The same as above

(Concluded)

The company issued overseas unsecured bonds during the period from April 1, 2022 to May 10, 2022, the major terms are as follows:

Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
April 2022 to April 2027	US\$ 1,000,000	3.875%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
April 2022 to April 2029	500,000	4.125%	The same as above
April 2022 to April 2032	1,000,000	4.25%	The same as above
April 2022 to April 2052	1,000,000	4.50%	The same as above

19. LONG-TERM BANK LOANS

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured loans	\$ 3,510,000	\$ 3,510,000	\$ 2,660,000
Less: Discounts on government grants	(30,619)	(34,202)	(36,176)
Less: Current portion	<u>(391,667)</u>	<u>(166,667)</u>	<u>-</u>
	<u>\$ 3,087,714</u>	<u>\$ 3,309,131</u>	<u>\$ 2,623,824</u>
Loan content			
Annual interest rate	0.4%-0.9%	0.4%-0.9%	0.4%-0.6%
Maturity date	Due by September 2026	Due by September 2026	Due by March 2026

The long-term bank loans of the Company are with preferential interest rates subsidized by the government, and the loans are used to fund capital expenditure qualifying for the subsidy.

20. EQUITY

a. Capital stock

	March 31, 2022	December 31, 2021	March 31, 2021
Authorized shares (in thousands)	<u>28,050,000</u>	<u>28,050,000</u>	<u>28,050,000</u>
Authorized capital	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>
Issued and paid shares (in thousands)	<u>25,931,767</u>	<u>25,930,380</u>	<u>25,930,380</u>
Issued capital	<u>\$ 259,317,675</u>	<u>\$ 259,303,805</u>	<u>\$ 259,303,805</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

The authorized shares include 500,000 thousand shares allocated for the exercise of employee stock options.

On March 1, 2022, the Company issued employee restricted stocks awards (RSAs) for its employees in a total of 1,387 thousand shares with a par value of NT\$10 each. The aforementioned issuance of new shares was approved by the relevant authority and the registration has been completed. Please refer to Note 27 for the information on RSAs.

As of March 31, 2022, 1,064,099 thousand ADSs of TSMC were traded on the NYSE. The number of common shares represented by the ADSs was 5,320,496 thousand shares (one ADS represents five common shares).

b. Capital surplus

	March 31, 2022	December 31, 2021	March 31, 2021
Additional paid-in capital	\$ 24,184,939	\$ 24,184,939	\$ 24,184,939
From merger	22,804,510	22,804,510	22,804,510
From convertible bonds	8,892,847	8,892,847	8,892,847
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	8,406,282	8,406,282	8,406,282
From share of changes in equities of subsidiaries	129,426	113,952	121,843
From share of changes in equities of associates	307,352	307,322	302,608
Donations	51,750	51,750	40,578
Employee restricted shares	<u>438,029</u>	<u>-</u>	<u>-</u>
	<u>\$ 65,215,135</u>	<u>\$ 64,761,602</u>	<u>\$ 64,753,607</u>

Under the relevant laws, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers and convertible bonds), the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of TSMC's paid-in capital. The capital surplus from share of changes in equities of subsidiaries and associates and dividend of a claim extinguished by a prescription may be used to offset

a deficit; however, when generated from issuance of restricted shares for employees, such capital surplus may not be used for any purpose.

c. Retained earnings and dividend policy

TSMC's Articles of Incorporation provide that, earnings distribution may be made on a quarterly basis after the close of each quarter. Distribution of earnings by way of cash dividends should be approved by TSMC's Board of Directors and reported to TSMC's shareholders in its meeting. When allocating earnings, TSMC shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings (until the accumulated legal capital reserve equals TSMC's paid-in capital), then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Any balance left over shall be allocated according to relevant laws and the TSMC's Articles of Incorporation.

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

The legal capital reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain or loss from fair value through other comprehensive income financial assets, gain or loss from changes in fair value of hedging instruments in cash flow hedges, etc. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of 2022, 2021 and 2020 quarterly earnings have been approved by TSMC's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

Resolution Date of TSMC's Board of Directors in its meeting	First Quarter of 2022			
	May 10, 2022			
Special capital reserve				<u>\$ (15,541,054)</u>
Cash dividends to shareholders				<u>\$ 71,308,546</u>
Cash dividends per share (NT\$)				<u>\$ 2.75</u>
	Fourth Quarter of 2021	Third Quarter of 2021	Second Quarter of 2021	First Quarter of 2021
	February 15, 2022	November 9, 2021	August 10, 2021	June 9, 2021
Special capital reserve	<u>\$ 3,304,303</u>	<u>\$ 710,169</u>	<u>\$ 10,201,220</u>	<u>\$ (6,287,050)</u>
Cash dividends to shareholders	<u>\$ 71,308,546</u>	<u>\$ 71,308,547</u>	<u>\$ 71,308,546</u>	<u>\$ 71,308,546</u>
Cash dividends per share (NT\$)	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>

Resolution Date of TSMC's Board of Directors in its meeting	Fourth Quarter of 2020	Third Quarter of 2020	Second Quarter of 2020	First Quarter of 2020
	February 9, 2021	November 10, 2020	August 11, 2020	May 12, 2020
Special capital reserve	\$ 12,420,727	\$ 5,501,351	\$ 11,884,457	\$ (2,694,841)
Cash dividends to shareholders	\$ 64,825,951	\$ 64,825,951	\$ 64,825,951	\$ 64,825,951
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5

The special capital reserve for 2021 is to be presented for approval in the TSMC's shareholders' meeting to be held on June 8, 2022 (expected).

d. Others

Changes in others were as follows:

	Three Months Ended March 31, 2022				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)
Exchange differences arising on translation of foreign operations	19,485,016	-	-	-	19,485,016
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	315,996	-	-	315,996
Debt instruments	-	(5,246,561)	-	-	(5,246,561)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(7,447)	-	-	(7,447)
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	140,778	-	-	140,778
Loss allowance adjustments from debt instruments	-	639	-	-	639
Gain (loss) arising on changes in the fair value of hedging instruments	-	-	693,828	-	693,828
Transferred to initial carrying amount of hedged items	-	-	(2,178)	-	(2,178)
Issuance of shares	-	-	-	(451,899)	(451,899)
Share-based payment expenses recognized	-	-	-	26,675	26,675
Share of other comprehensive income (loss) of associates	164,459	10,561	33,278	-	208,298
Income tax effect	-	(15)	(47,300)	-	(47,315)
Balance, end of period	\$ (43,653,886)	\$ (4,211,739)	\$ 798,164	\$ (425,224)	\$ (47,492,685)
	Three Months Ended March 31, 2021				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (57,001,627)	\$ 2,321,754	\$ -	\$ -	\$ (54,679,873)
Exchange differences arising on translation of foreign operations	7,805,730	-	-	-	7,805,730
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	(109,306)	-	-	(109,306)
Debt instruments	-	(1,662,791)	-	-	(1,662,791)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	278,816	-	-	278,816
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	(2,986)	-	-	(2,986)

(Continued)

	Three Months Ended March 31, 2021				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Loss allowance adjustments from debt instruments	\$ -	\$ (244)	\$ -	\$ -	\$ (244)
Gain (loss) arising on changes in the fair value of hedging instruments	-	-	(41,416)	-	(41,416)
Transferred to initial carrying amount of hedged items	-	-	41,416	-	41,416
Share of other comprehensive income (loss) of associates	25,455	8,147	-	-	33,602
Income tax effect	-	(55,771)	-	-	(55,771)
Balance, end of period	<u>\$ (49,170,442)</u>	<u>\$ 777,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,392,823)</u> (Concluded)

The aforementioned other equity includes the changes in other equities of TSMC and TSMC's share of its subsidiaries and associates.

e. Treasury stock

For TSMC's shareholders' interests, TSMC's Board of Directors approved a share buyback program on February 15, 2022 to repurchase 1,387 thousand shares. As of March 31, 2022, TSMC has completed this share buyback program. On May 10, 2022, TSMC's Board of Directors resolved to cancel the 1,387 thousand shares and set May 10, 2022 as the record date for capital reduction.

Under the Securities and Exchange Act, the Company shall neither pledge treasury stocks nor exercise shareholders' rights on these stocks, such as the rights to dividends and to vote.

21. NET REVENUE

a. Disaggregation of revenue from contracts with customers

Product	Three Months Ended March 31	
	2022	2021
Wafer	\$ 438,636,751	\$ 322,472,256
Others	<u>52,439,122</u>	<u>39,937,974</u>
	<u>\$ 491,075,873</u>	<u>\$ 362,410,230</u>
Geography	Three Months Ended March 31	
	2022	2021
Taiwan	\$ 64,309,017	\$ 57,729,034
United States	306,126,682	237,363,271
China	55,336,614	23,209,742
Europe, the Middle East and Africa	25,880,221	19,874,058
Japan	24,571,176	14,956,168
Others	<u>14,852,163</u>	<u>9,277,957</u>
	<u>\$ 491,075,873</u>	<u>\$ 362,410,230</u>

The Company categorized the net revenue mainly based on the countries where the customers are headquartered.

Platform	Three Months Ended March 31	
	2022	2021
Smartphone	\$ 195,999,894	\$ 163,207,797
High Performance Computing	202,245,162	127,843,387
Internet of Things	39,045,775	30,122,731
Automotive	23,731,218	14,605,540
Digital Consumer Electronics	14,478,836	15,414,085
Others	<u>15,574,988</u>	<u>11,216,690</u>
	<u>\$ 491,075,873</u>	<u>\$ 362,410,230</u>

Resolution	Three Months Ended March 31	
	2022	2021
5-nanometer	\$ 86,291,790	\$ 45,613,201
7-nanometer	132,325,105	111,021,375
10-nanometer	3,145	457,038
16-nanometer	60,867,539	45,307,582
20-nanometer	2,154,465	1,201,403
28-nanometer	47,447,095	36,664,175
40/45-nanometer	34,029,970	23,190,957
65-nanometer	21,186,906	15,623,227
90-nanometer	9,264,496	8,724,440
0.11/0.13 micron	13,376,585	8,697,466
0.15/0.18 micron	25,523,798	20,609,550
0.25 micron and above	<u>6,165,857</u>	<u>5,361,842</u>
Wafer revenue	<u>\$ 438,636,751</u>	<u>\$ 322,472,256</u>

b. Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021	January 1, 2021
Contract liabilities (classified under accrued expenses and other current liabilities)	<u>\$ 50,674,704</u>	<u>\$ 39,762,588</u>	<u>\$ 25,383,112</u>	<u>\$ 13,775,088</u>

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$30,878,412 thousand and NT\$9,013,776 thousand for the three months ended March 31, 2022 and 2021, respectively.

c. Temporary receipts from customers

	March 31, 2022	December 31, 2021
Current portion (classified under accrued expenses and other current liabilities)	\$ 47,557,073	\$ 30,612,702
Noncurrent portion (classified under other noncurrent liabilities)	<u>169,649,199</u>	<u>155,381,485</u>
	<u>\$ 217,206,272</u>	<u>\$ 185,994,187</u>

The Company's temporary receipts from customer are payments made by customers to the Company to retain the Company's capacity. When the terms and conditions set forth in the agreements are subsequently satisfied, the treatment of temporary receipts, either by refund or by accounts receivable offsetting, will be determined by mutual consent.

22. INTEREST INCOME

	Three Months Ended March 31	
	2022	2021
Interest income		
Bank deposits	\$ 991,993	\$ 631,061
Financial assets at FVTOCI	540,490	626,707
Financial assets at amortized cost	<u>141,396</u>	<u>203,136</u>
	<u>\$ 1,673,879</u>	<u>\$ 1,460,904</u>

23. FINANCE COSTS

	Three Months Ended March 31	
	2022	2021
Interest expense		
Corporate bonds	\$ 2,387,309	\$ 715,104
Lease liabilities	46,518	49,777
Bank loans	6,621	7,129
Others	87	85
Less: Capitalized interest under property, plant and equipment	<u>(299,769)</u>	<u>-</u>
	<u>\$ 2,140,766</u>	<u>\$ 772,095</u>

Information about capitalized interest is as follows:

	Three Months Ended March 31, 2022
Capitalization rate	0.56%-2.64%

24. OTHER GAINS AND LOSSES, NET

	<u>Three Months Ended March 31</u>	
	2022	2021
Gain (loss) on disposal of financial assets, net		
Investments in debt instruments at FVTOCI	\$ (140,778)	\$ 2,986
Loss on financial instruments at FVTPL, net		
Mandatorily measured at FVTPL	(372,903)	(3,354,527)
The reversal (accrual) of expected credit loss of financial assets		
Investments in debt instruments at FVTOCI	(639)	244
Financial assets at amortized cost	(11,129)	253
Other gains, net	<u>257,153</u>	<u>139,249</u>
	<u>\$ (268,296)</u>	<u>\$ (3,211,795)</u>

25. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	<u>Three Months Ended March 31</u>	
	2022	2021
Current income tax expense		
Current tax expense recognized in the current period	\$ 28,676,190	\$ 20,456,956
Income tax adjustments on prior years	(33,608)	-
Other income tax adjustments	<u>40,467</u>	<u>38,385</u>
	<u>28,683,049</u>	<u>20,495,341</u>
Deferred income tax benefit		
The origination and reversal of temporary differences	(3,774,727)	(3,854,881)
Investment tax credits	<u>(950,000)</u>	<u>(1,314,820)</u>
	<u>(4,724,727)</u>	<u>(5,169,701)</u>
Income tax expense recognized in profit or loss	<u>\$ 23,958,322</u>	<u>\$ 15,325,640</u>

b. Income tax expense recognized in other comprehensive income

	<u>Three Months Ended March 31</u>	
	2022	2021
Deferred income tax expense		
Related to unrealized gain/loss on investments in equity instruments at FVTOCI	\$ 15	\$ 55,771
Related to gain/loss on cash flow hedges	<u>47,300</u>	<u>-</u>
	<u>\$ 47,315</u>	<u>\$ 55,771</u>

c. Income tax examination

The tax authorities have examined income tax returns of TSMC through 2020. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

26. EARNINGS PER SHARE

	Three Months Ended March 31	
	2022	2021
Basic EPS	<u>\$ 7.82</u>	<u>\$ 5.39</u>
Diluted EPS	<u>\$ 7.82</u>	<u>\$ 5.39</u>

EPS is computed as follows:

	Three Months Ended March 31	
	2022	2021
Basic EPS		
Net income available to common shareholders of the parent	<u>\$ 202,732,975</u>	<u>\$ 139,690,493</u>
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	<u>25,929,791</u>	<u>25,930,380</u>
Basic EPS (in dollars)	<u>\$ 7.82</u>	<u>\$ 5.39</u>
Diluted EPS		
Net income available to common shareholders of the parent	<u>\$ 202,732,975</u>	<u>\$ 139,690,493</u>
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	<u>25,929,791</u>	<u>25,930,380</u>
Effects of all dilutive potential common shares	<u>43</u>	<u>-</u>
Weighted average number of common shares used in the computation of diluted EPS (in thousands)	<u>25,929,834</u>	<u>25,930,380</u>
Diluted EPS (in dollars)	<u>\$ 7.82</u>	<u>\$ 5.39</u>

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment-RSAs

The issuance of RSAs for year 2021 (2021 RSAs) of no more than 2,600 thousand common shares has been approved by TSMC's shareholders' meeting held on July 26, 2021. The grants will be made free of charge. Under the aforementioned resolution, TSMC's Board of Directors approved the issuance of RSAs of 1,387 thousand shares. The grant date and the issuance date were both March 1, 2022.

Vesting conditions of the aforementioned arrangement are as follow:

- 1) The RSAs granted to key management personnel can only be vested if
 - the key management personnel remain employed by TSMC on the last date of each vesting period;
 - during the vesting period, the key management personnel may not breach any agreement with the TSMC or violate the TSMC's work rules; and
 - certain key management personnel performance metrics and the TSMC's business performance metrics are met.
- 2) The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 50%; two-year anniversary of the grant: 25%; and three-year anniversary of the grant: 25%; provided that the actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of the TSMC's business performance metrics.

- 3) The maximum number of RSAs that may be vested in each year will be set as 110%, among which 100% will be subject to a calculation based on the TSMC's relative Total Shareholder Return ("TSR", including capital gains and dividends) achievement to determine the number of RSAs to be vested; this number will be further subject to a modifier to increase or decrease up to 10% based on the Compensation Committee's evaluation of the TSMC's Environmental, Social, and Governance ("ESG") achievements. The number of shares so calculated should be rounded down to the nearest integral.

TSMC's TSR relative to the TSR of S&P 500 IT Index	Ratio of Shares to be Vested
Above the Index by X percentage points	50% + X * 2.5%, with the maximum of 100%
Equal to the Index	50%
Below the Index by X percentage points	50% - X * 2.5%, with the minimum of 0%

Restrictions imposed on the key management personnel' rights in the RSAs before the vesting conditions are fulfilled:

- 1) During each vesting period, no key management personnel granted RSAs, except for inheritance, may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs.
- 2) Before the vesting conditions are fulfilled, the attendance, proposal rights, speech rights, voting rights and etc. shall be exercised by the engaged trustee/custodian on the key management personnel's behalf. Any other shareholder rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of common shares of TSMC.
- 3) Details of granted 2021 RSAs are as follows:

	Number of Stocks (In Thousands) Three Months Ended March 31, 2022
Balance, beginning of period	-
Issuance of stocks	<u>1,387</u>
Balance, end of period	<u><u>1,387</u></u>
Weighted-average fair value of RSAs (in dollars)	<u>\$ 325.81</u>

The 2021 RSAs is measured at fair value at grant date using the binominal tree approach. Relevant information is as follows:

	March 1, 2022 (In Dollars)
Stock price at grant date	\$ 604
Expected price volatility	25.34%-28.28%
Expected option life	1-3 years
Risk-free interest rate	0.57%

Refer to Note 28 for the compensation costs of the 2021 RSAs recognized by the Company.

On April 12, 2022, TSMC's Board of Directors approved to change the issuance of RSAs for year 2022 (2022 RSAs) of no more than 3,065 thousand common shares. The grants will be made free of charge. The actual number of shares to be issued will be resolved by the Board of Directors after the 2022 RSAs is approved at the shareholders' meeting and by the relevant authority.

b. Cash-settled share-based payment arrangements

On March 1, 2022, TSMC executed a compensation plan to grant 236 thousand units of employee cash-settled share-based payment arrangement free of charge. One unit of the right represents a right to the market value of one TSMC's common share when vested. The vesting conditions and the ratio of units to be vested for key management personnel of the plan are the same as the aforementioned 2021 RSAs.

The compensation cost for the cash-settled share-based payment was measured at fair value by using binominal tree approach and will be measured at the end of each reporting period until settlement. Relevant information is as follows:

	March 31, 2022
	(In Dollars)
Stock price at measurement date	\$ 581
Expected price volatility	25.57%-28.66%
Expected option life	1-3 years
Risk-free interest rate	0.65%

Refer to Note 28 for the compensation costs of the cash-settled share-based payment recognized by the Company. The liabilities under cash-settle share-based payment arrangement amounted to NT\$5,400 thousands as of the end of reporting period.

28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

	Three Months Ended March 31	
	2022	2021
a. Depreciation of property, plant and equipment and right-of-use assets		
Recognized in cost of revenue	\$ 101,657,688	\$ 92,234,075
Recognized in operating expenses	7,276,382	6,666,175
Recognized in other operating income and expenses	<u>195</u>	<u>72,617</u>
	<u>\$ 108,934,265</u>	<u>\$ 98,972,867</u>
b. Amortization of intangible assets		
Recognized in cost of revenue	\$ 1,502,075	\$ 1,286,904
Recognized in operating expenses	<u>665,723</u>	<u>640,547</u>
	<u>\$ 2,167,798</u>	<u>\$ 1,927,451</u>

	Three Months Ended March 31	
	2022	2021
c. Employee benefits expenses		
Post-employment benefits		
Defined contribution plans	\$ 1,041,302	\$ 770,255
Defined benefit plans	<u>52,174</u>	<u>48,111</u>
	<u>1,093,476</u>	<u>818,366</u>
Share-based payments		
Equity-settled	27,453	1,704
Cash-settled	<u>5,400</u>	<u>-</u>
	<u>32,853</u>	<u>1,704</u>
Other employee benefits	<u>48,920,997</u>	<u>37,262,394</u>
	<u>\$ 50,047,326</u>	<u>\$ 38,082,464</u>
Employee benefits expense summarized by function		
Recognized in cost of revenue	\$ 29,725,863	\$ 22,806,447
Recognized in operating expenses	<u>20,321,463</u>	<u>15,276,017</u>
	<u>\$ 50,047,326</u>	<u>\$ 38,082,464</u>

According to TSMC's Articles of Incorporation, TSMC shall allocate compensation to directors and profit sharing bonus to employees of TSMC not more than 0.3% and not less than 1% of annual profits during the period, respectively.

TSMC accrued profit sharing bonus to employees based on a percentage of net income before income tax, profit sharing bonus to employees and compensation to directors during the period; compensation to directors was expensed based on estimated amount payable. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. Accrued profit sharing bonus to employees is illustrated below:

	Three Months Ended March 31	
	2022	2021
Profit sharing bonus to employees	<u>\$ 12,110,919</u>	<u>\$ 8,338,300</u>

TSMC's profit sharing bonus to employees and compensation to directors for 2021 and 2020 had been approved by the Board of Directors of TSMC, as illustrated below:

	Years Ended December 31	
	2021	2020
	February 15,	February 9,
Resolution Date of TSMC's Board of Directors in its meeting	2022	2021
Profit sharing bonus to employees	<u>\$ 35,601,449</u>	<u>\$ 34,753,184</u>
Compensation to directors	<u>\$ 487,537</u>	<u>\$ 509,753</u>

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2021 and 2020, respectively.

The information about the appropriations of TSMC's profit sharing bonus to employees and compensation to directors is available at the Market Observation Post System website.

29. CASH FLOW INFORMATION

a. Non-cash transactions

	Three Months Ended March 31	
	2022	2021
Additions of financial assets at FVTOCI	\$ 30,280,302	\$ 85,487,657
Changes in accrued expenses and other current liabilities	<u>7,554,105</u>	<u>(7,825,255)</u>
Payments for acquisition of financial assets at FVTOCI	<u>\$ 37,834,407</u>	<u>\$ 77,662,402</u>
Disposal of financial assets at FVTOCI	\$ 27,632,125	\$ 82,609,350
Changes in other financial assets	<u>1,621,900</u>	<u>(1,441,559)</u>
Proceeds from disposal of financial assets at FVTOCI	<u>\$ 29,254,025</u>	<u>\$ 81,167,791</u>
Additions of property, plant and equipment	\$ 235,374,002	\$ 201,066,170
Changes in other financial assets	2,712,702	25,275
Changes in payables to contractors and equipment suppliers	24,209,821	46,978,696
Changes in accrued expenses and other current liabilities	137,963	-
Transferred to initial carrying amount of hedged items	-	(41,416)
Capitalized interests	<u>(299,769)</u>	<u>-</u>
Payments for acquisition of property, plant and equipment	<u>\$ 262,134,719</u>	<u>\$ 248,028,725</u>
Additions of intangible assets	\$ 835,605	\$ 1,114,629
Changes in other financial assets	6,228	2,216
Changes in accrued expenses and other current liabilities	<u>(258,830)</u>	<u>(536,151)</u>
Payments for acquisition of intangible assets	<u>\$ 583,003</u>	<u>\$ 580,694</u>

b. Reconciliation of liabilities arising from financing activities

	Balance as of January 1, 2022	Financing Cash Flow	Non-cash Changes			Balance as of March 31, 2022
			Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	
Short-term loans	\$ 114,921,333	\$ 30,529,474	\$ (639,610)	\$ -	\$ (260,300)	\$ 144,550,897
Bonds payable	614,470,652	19,578,800	11,940,274	-	60,495	646,050,221
Long-term bank loans	3,475,798	-	-	-	3,583	3,479,381
Lease liabilities	<u>22,940,665</u>	<u>(568,784)</u>	<u>44,580</u>	<u>789,340</u>	<u>46,518</u>	<u>23,252,319</u>
Total	<u>\$ 755,808,448</u>	<u>\$ 49,539,490</u>	<u>\$ 11,345,244</u>	<u>\$ 789,340</u>	<u>\$ (149,704)</u>	<u>\$ 817,332,818</u>

	Balance as of January 1, 2021	Financing Cash Flow	Non-cash Changes			Balance as of March 31, 2021
			Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	
Short-term loans	\$ 88,559,026	\$ 52,072,068	\$ (3,379,508)	\$ -	\$ (127,838)	\$ 137,123,748
Bonds payable	256,705,084	18,478,298	1,630,604	-	24,317	276,838,303
Long-term bank loans	1,967,611	660,000	-	-	(3,787)	2,623,824
Lease liabilities	<u>22,388,674</u>	<u>(569,543)</u>	<u>7,068</u>	<u>1,096,355</u>	<u>49,777</u>	<u>22,972,331</u>
Total	<u>\$ 369,620,395</u>	<u>\$ 70,640,823</u>	<u>\$ (1,741,836)</u>	<u>\$ 1,096,355</u>	<u>\$ (57,531)</u>	<u>\$ 439,558,206</u>

Note: Other changes include discounts on short-term loans, amortization of bonds payable, amortization of long-term bank loan interest subsidy and financial cost of lease liabilities.

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets			
FVTPL (Note 1)	\$ 758,452	\$ 159,048	\$ 26,897
FVTOCI (Note 2)	132,240,651	129,607,052	132,771,452
Hedging financial assets	286,824	13,468	64,349
Amortized cost (Note 3)	<u>1,404,191,057</u>	<u>1,283,715,674</u>	<u>856,551,656</u>
	<u>\$1,537,476,984</u>	<u>\$1,413,495,242</u>	<u>\$ 989,414,354</u>
Financial liabilities			
FVTPL (Note 4)	\$ 2,203,138	\$ 681,914	\$ 1,958,208
Hedging financial liabilities	-	9,642	-
Amortized cost (Note 5)	<u>1,424,821,862</u>	<u>1,355,957,244</u>	<u>778,356,988</u>
	<u>\$1,427,025,000</u>	<u>\$1,356,648,800</u>	<u>\$ 780,315,196</u>

Note 1: Financial assets mandatorily measured at FVTPL.

Note 2: Including notes and accounts receivable (net), equity and debt investments.

Note 3: Including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (including related parties), other receivables and refundable deposits.

Note 4: Held for trading.

Note 5: Including short-term loans, accounts payable (including related parties), payables to contractors and equipment suppliers, cash dividends payable, accrued expenses and other current liabilities, bonds payable, long-term bank loans, guarantee deposits and other noncurrent liabilities.

b. Financial risk management objectives

The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by the Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

c. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange rates, interest rates and equity investment prices. A portion of these risks is hedged.

Foreign currency risk

Substantially all the Company's sales are denominated in U.S. dollars and over half of its capital expenditures are denominated in currencies other than NT dollars, primarily in U.S. dollars, Japanese yen and Euros. As a result, any significant fluctuations to its disadvantage in the exchanges rate of NT dollar

against such currencies, in particular a weakening of U.S. dollar against NT dollar, would have an adverse impact on the revenue and operating profit as expressed in NT dollars. The Company uses foreign currency derivative contracts, such as currency forwards or currency swaps, to protect against currency exchange rate risks associated with non-NT dollar-denominated assets and liabilities and certain forecasted transactions. These hedges reduce, but do not entirely eliminate, the effect of foreign currency exchange rate movements on the assets and liabilities.

Based on a sensitivity analysis performed on the Company's total monetary assets and liabilities for the three months ended March 31, 2022 and 2021, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$264,924 thousand and NT\$119,478 thousand respectively, after taking into account hedges and offsetting positions.

Interest rate risk

The Company is exposed to interest rate risks primarily in relation to its investment portfolio and outstanding debt. Changes in interest rates affect the interest earned on the Company's cash and cash equivalents and fixed income securities, the fair value of those securities, as well as the interest paid on its debt.

The Company's cash and cash equivalents as well as fixed income investments in both fixed- and floating-rate securities carry a degree of interest rate risk. The majority of the Company's fixed income investments are fixed-rate securities, which are classified as financial assets at FVTOCI, and may have their fair value adversely affected due to a rise in interest rates. At the same time, if interest rates fall, cash and cash equivalents as well as floating-rate securities may generate less interest income than expected. The Company has entered and may in the future enter into interest rate derivatives to partially hedge the interest rate risk on its fixed income investments and anticipated debt issuance. However, these hedges can offset only a limited portion of the financial impact from movements in interest rates.

Based on a sensitivity analysis performed on the Company's fixed income investments at the end of the reporting period, interest rates increase of 100 basis points (1.00%) across all maturities would have decreased the Company's other comprehensive income by NT\$3,866,513 thousand and NT\$3,830,396 thousand for the three months ended March 31, 2022 and 2021, respectively.

All of the Company's short-term debt is floating-rate, hence a rise in interest rates may result in higher interest expense than expected. The majority of the Company's long-term debt is fixed-rate and measured at amortized cost and as such, changes in interest rates would not affect future cash flows or the carrying amount.

Other price risk

The Company is exposed to equity price risk arising from financial assets at FVTOCI.

Assuming a hypothetical decrease of 10% in prices of the equity investments at the end of the reporting period for the three months ended March 31, 2022 and 2021, the other comprehensive income would have decreased by NT\$641,086 thousand and NT\$435,500 thousand, respectively.

d. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures. As of the end of the reporting period, the Company's maximum credit risk exposure is equal to the carrying amount of financial assets.

Business related credit risk

The Company's accounts receivable are from its customers worldwide. The majority of the Company's outstanding accounts receivable are not covered by collaterals or guarantees. While the Company has procedures to monitor and manage credit risk exposure on accounts receivable, there is no assurance such procedures will effectively eliminate losses resulting from its credit risk. This risk is heightened during periods when economic conditions worsen.

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Company's ten largest customers accounted for 77%, 79% and 81% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

The Company mitigates its financial credit risk by selecting counterparties with investment grade credit ratings and by limiting the exposure to any individual counterparty. The Company regularly monitors and reviews the limit applied to counterparties and adjusts the limit according to market conditions and the credit standing of the counterparties.

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer. The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers.

The Company assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies. The current credit risk assessment policies are as follows:

Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss	0-0.1%
Doubtful	Credit rating is non-investment grade on valuation date	Lifetime expected credit loss-not credit impaired	-
In default	Credit rating is CC or below on valuation date	Lifetime expected credit loss-credit impaired	-
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	-

For the three months ended March 31, 2022 and 2021, the expected credit loss increased NT\$13,251 thousand and NT\$72 thousand, respectively. The changes were mainly due to investment portfolio adjustment.

e. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business operations over the next 12 months. The Company manages its liquidity risk by maintaining adequate cash and cash equivalents, financial assets at FVTOCI-current, financial assets at amortized cost-current and sufficient cost-efficient funding.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest.

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>March 31, 2022</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 144,319,482	\$ -	\$ -	\$ -	\$ 144,319,482
Accounts payable (including related parties)	50,104,079	-	-	-	50,104,079
Payables to contractors and equipment suppliers	122,915,512	-	-	-	122,915,512
Accrued expenses and other current liabilities	133,188,535	-	-	-	133,188,535
Bonds payable	25,950,667	34,548,367	217,114,383	511,136,444	788,749,861
Long-term bank loans	408,541	2,312,035	831,241	-	3,551,817
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,393,049	4,063,304	3,506,271	14,712,410	24,675,034
Others	-	179,498,305	1,612,212	-	181,110,517
	<u>479,279,865</u>	<u>220,422,011</u>	<u>223,064,107</u>	<u>525,848,854</u>	<u>1,448,614,837</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	164,383,214	-	-	-	164,383,214
Inflows	<u>(163,176,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,176,210)</u>
	<u>1,207,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207,004</u>
	<u>\$ 480,486,869</u>	<u>\$ 220,422,011</u>	<u>\$ 223,064,107</u>	<u>\$ 525,848,854</u>	<u>\$ 1,449,821,841</u>
<u>December 31, 2021</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 114,767,034	\$ -	\$ -	\$ -	\$ 114,767,034
Accounts payable (including related parties)	48,722,789	-	-	-	48,722,789
Payables to contractors and equipment suppliers	145,742,148	-	-	-	145,742,148
Accrued expenses and other current liabilities	120,240,359	-	-	-	120,240,359
Bonds payable	13,580,628	42,801,397	191,458,126	506,504,958	754,345,109
Long-term bank loans	183,671	2,217,112	1,153,900	-	3,554,683
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,371,568	3,896,249	3,385,295	14,649,235	24,302,347
Others	-	164,991,929	-	-	164,991,929
	<u>445,608,197</u>	<u>213,906,687</u>	<u>195,997,321</u>	<u>521,154,193</u>	<u>1,376,666,398</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	187,708,035	-	-	-	187,708,035
Inflows	<u>(187,631,930)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,631,930)</u>
	<u>76,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,105</u>
	<u>\$ 445,684,302</u>	<u>\$ 213,906,687</u>	<u>\$ 195,997,321</u>	<u>\$ 521,154,193</u>	<u>\$ 1,376,742,503</u>

(Continued)

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>March 31, 2021</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 137,010,603	\$ -	\$ -	\$ -	\$ 137,010,603
Accounts payable (including related parties)	38,598,105	-	-	-	38,598,105
Payables to contractors and equipment suppliers	109,037,744	-	-	-	109,037,744
Accrued expenses and other current liabilities	84,040,207	-	-	-	84,040,207
Bonds payable	2,857,268	27,814,618	65,387,462	224,879,168	320,938,516
Long-term bank loans	11,918	1,268,093	1,417,817	-	2,697,828
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,066,589	3,531,137	3,255,856	15,547,402	24,400,984
	<u>373,622,434</u>	<u>32,613,848</u>	<u>70,061,135</u>	<u>240,426,570</u>	<u>716,723,987</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	202,369,428	-	-	-	202,369,428
Inflows	<u>(201,120,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,120,385)</u>
	<u>1,249,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249,043</u>
	<u>\$ 374,871,477</u>	<u>\$ 32,613,848</u>	<u>\$ 70,061,135</u>	<u>\$ 240,426,570</u>	<u>\$ 717,973,030</u> (Concluded)

Note: Information about the maturity analysis for lease liabilities more than 5 years:

	5-10 Years	10-15 Years	15-20 Years	More Than 20 Years	Total
<u>March 31, 2022</u>					
Lease liabilities	<u>\$ 7,640,579</u>	<u>\$ 5,055,506</u>	<u>\$ 1,920,759</u>	<u>\$ 95,566</u>	<u>\$ 14,712,410</u>
<u>December 31, 2021</u>					
Lease liabilities	<u>\$ 7,513,939</u>	<u>\$ 5,043,067</u>	<u>\$ 1,972,740</u>	<u>\$ 119,489</u>	<u>\$ 14,649,235</u>
<u>March 31, 2021</u>					
Lease liabilities	<u>\$ 7,636,929</u>	<u>\$ 5,364,218</u>	<u>\$ 2,363,051</u>	<u>\$ 183,204</u>	<u>\$ 15,547,402</u>

f. Fair value of financial instruments

1) Fair value measurements recognized in the consolidated balance sheets

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The timing of transfers between levels within the fair value hierarchy is at the end of reporting period.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 758,452	\$ -	\$ 758,452
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 59,119,180	\$ -	\$ 59,119,180
Agency bonds/Agency mortgage-backed securities	-	32,024,446	-	32,024,446
Government bonds	20,312,877	79,790	-	20,392,667
Asset-backed securities	-	8,938,231	-	8,938,231
Investments in equity instruments				
Non-publicly traded equity investments	-	-	6,011,937	6,011,937
Publicly traded stocks	521,241	-	-	521,241
Notes and accounts receivable, net	-	5,232,949	-	5,232,949
	<u>\$ 20,834,118</u>	<u>\$ 105,394,596</u>	<u>\$ 6,011,937</u>	<u>\$ 132,240,651</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ 78,343	\$ -	\$ -	\$ 78,343
Cash flow hedges				
Forward interest rate contract	-	208,481	-	208,481
	<u>\$ 78,343</u>	<u>\$ 208,481</u>	<u>\$ -</u>	<u>\$ 286,824</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 2,203,138	\$ -	\$ 2,203,138
December 31, 2021				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 159,048	\$ -	\$ 159,048
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 57,253,161	\$ -	\$ 57,253,161
Agency bonds/Agency mortgage-backed securities	-	32,070,114	-	32,070,114
Government bonds	21,267,002	78,792	-	21,345,794
Asset-backed securities	-	8,660,424	-	8,660,424

(Continued)

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Non-publicly traded equity investments	\$ -	\$ -	\$ 5,887,892	\$ 5,887,892
Publicly traded stocks	189,758	-	-	189,758
Notes and accounts receivable, net	<u>-</u>	<u>4,199,909</u>	<u>-</u>	<u>4,199,909</u>
	<u>\$ 21,456,760</u>	<u>\$ 102,262,400</u>	<u>\$ 5,887,892</u>	<u>\$ 129,607,052</u>
<u>Hedging financial assets</u>				
Cash flow hedges				
Forward interest rate contracts	<u>\$ -</u>	<u>\$ 13,468</u>	<u>\$ -</u>	<u>\$ 13,468</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 681,914</u>	<u>\$ -</u>	<u>\$ 681,914</u>
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 9,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,642</u>
				(Concluded)

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 26,897</u>	<u>\$ -</u>	<u>\$ 26,897</u>
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 56,344,907	\$ -	\$ 56,344,907
Agency bonds/Agency mortgage-backed securities	-	43,032,383	-	43,032,383
Government bonds	18,330,490	182,306	-	18,512,796
Asset-backed securities	-	7,110,253	-	7,110,253
Commercial paper	-	151,187	-	151,187
Investments in equity instruments				
Non-publicly traded equity investments	-	-	4,401,224	4,401,224
Publicly traded stocks	56,781	-	-	56,781
Notes and accounts receivable, net	<u>-</u>	<u>3,161,921</u>	<u>-</u>	<u>3,161,921</u>
	<u>\$ 18,387,271</u>	<u>\$ 109,982,957</u>	<u>\$ 4,401,224</u>	<u>\$ 132,771,452</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 64,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,349</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,958,208</u>	<u>\$ -</u>	<u>\$ 1,958,208</u>

Reconciliation of Level 3 fair value measurements of financial assets

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI. Reconciliations for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31	
	2022	2021
Balance, beginning of period	\$ 5,887,892	\$ 4,514,940
Additions	-	13,654
Recognized in other comprehensive income or loss	101,879	(115,193)
Disposals and proceeds from return of capital of investments	-	(62,837)
Transfers out of level 3 (Note)	(139,770)	
Effect of exchange rate changes	<u>161,936</u>	<u>50,660</u>
Balance, end of period	<u>\$ 6,011,937</u>	<u>\$ 4,401,224</u>

Note: The transfer from level 3 to level 1 is because quoted prices (unadjusted) in active markets data became available for the equity investments.

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of corporate bonds, agency bonds, agency mortgage-backed securities, asset-backed securities and government bonds are determined by quoted market prices provided by third party pricing services.
- The fair values of forward contracts are measured using forward rates and discount rates derived from quoted market prices.
- The fair value of accounts receivable classified as at FVTOCI is determined by the present value of future cash flows based on the discount rate that reflects the credit risk of counterparties.

Valuation techniques and assumptions used in Level 3 fair value measurement

The fair values of non-publicly traded equity investments (excluding those trading on the Emerging Stock Board) are mainly determined by using the asset approach and market approach.

The asset approach takes into account the net asset value measured at the fair value by independent parties. On March 31, 2022, December 31, 2021 and March 31, 2021, the Company uses unobservable inputs derived from discount for lack of marketability of 10%. When other inputs remain equal, the fair value will decrease by NT\$53,913 thousand, NT\$51,372 thousand and NT\$37,450 thousand, respectively, if discounts for lack of marketability increase by 1%.

For the remaining few investments, the market approach is used to arrive at their fair values, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

3) Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments in the consolidated financial statements that are not measured at fair value approximate their fair values.

Fair value hierarchy

The table below sets out the fair value hierarchy for the Company's financial assets and liabilities which are not required to be measured at fair value:

	March 31, 2022	
	Carrying Amount	Level 2 Fair Value
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	<u>\$ 24,031,284</u>	<u>\$ 23,863,002</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	<u>\$ 646,050,221</u>	<u>\$ 611,593,356</u>
	December 31, 2021	
	Carrying Amount	Level 2 Fair Value
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	<u>\$ 5,306,962</u>	<u>\$ 5,317,957</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	<u>\$ 614,470,652</u>	<u>\$ 613,514,692</u>
	March 31, 2021	
	Carrying Amount	Level 2 Fair Value
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	<u>\$ 11,128,832</u>	<u>\$ 11,184,551</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	<u>\$ 276,838,303</u>	<u>\$ 271,608,448</u>

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of corporate bonds and the Company's bonds payable are determined by quoted market prices provided by third party pricing services.

31. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions between TSMC and its subsidiaries, which are related parties of TSMC, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The following is a summary of significant transactions between the Company and other related parties:

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
GUC	Associates
VIS	Associates
SSMC	Associates
Xintec	Associates
TSMC Education and Culture Foundation	Other related parties
TSMC Charity Foundation	Other related parties

b. Net revenue

		<u>Three Months Ended March 31</u>	
		<u>2022</u>	<u>2021</u>
<u>Item</u>	<u>Related Party Categories</u>		
Net revenue from sale of goods	Associates	<u>\$ 2,284,204</u>	<u>\$ 1,631,091</u>

c. Purchases

		<u>Three Months Ended March 31</u>	
		<u>2022</u>	<u>2021</u>
<u>Related Party Categories</u>			
Associates		<u>\$ 1,477,741</u>	<u>\$ 1,896,521</u>

d. Receivables from related parties

		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
		<u>2022</u>	<u>2021</u>	<u>2021</u>
<u>Item</u>	<u>Related Party Name/Categories</u>			
Receivables from related parties	GUC	\$ 449,272	\$ 597,836	\$ 203,167
	Xintec	<u>131,738</u>	<u>117,488</u>	<u>132,405</u>
		<u>\$ 581,010</u>	<u>\$ 715,324</u>	<u>\$ 335,572</u>
Other receivables from related parties	SSMC	\$ 53,055	\$ 50,375	\$ 48,552
	VIS	5,110	11,156	4,036
	Other associates	<u>-</u>	<u>-</u>	<u>3</u>
		<u>\$ 58,165</u>	<u>\$ 61,531</u>	<u>\$ 52,591</u>

e. Payables to related parties

		March 31, 2022	December 31, 2021	March 31, 2021
<u>Item</u>	<u>Related Party Name/Categories</u>			
Payables to related parties	Xintec	\$ 836,481	\$ 725,325	\$ 1,086,853
	SSMC	467,114	349,211	463,966
	VIS	134,026	357,151	376,826
	Others	<u>13,275</u>	<u>5,499</u>	<u>17,345</u>
		<u>\$ 1,450,896</u>	<u>\$ 1,437,186</u>	<u>\$ 1,944,990</u>

f. Accrued expenses and other current liabilities

		March 31, 2022	December 31, 2021	March 31, 2021
<u>Item</u>	<u>Related Party Categories</u>			
Contract liabilities	Associates	<u>\$ 595,645</u>	<u>\$ 726,350</u>	<u>\$ 272,287</u>

g. Others

		Three Months Ended March 31	
		2022	2021
<u>Item</u>	<u>Related Party Categories</u>		
Manufacturing expenses	Associates	<u>\$ 1,274,569</u>	<u>\$ 1,616,906</u>

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

The Company leased factory and office from associates. The lease terms and prices were both determined in accordance with mutual agreements. The rental expenses were paid to associates monthly; the related expenses were both classified under manufacturing expenses.

h. Compensation of key management personnel

The compensation to directors and other key management personnel were as follows:

	Three Months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 881,184	\$ 612,559
Post-employment benefits	812	719
Share-based payments	<u>31,594</u>	<u>-</u>
	<u>\$ 913,590</u>	<u>\$ 613,278</u>

The compensation to directors and other key management personnel were determined by the Compensation Committee of TSMC in accordance with the individual performance and market trends.

32. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building construction, building lease agreements and energy purchase agreements. As of March 31, 2022, December 31, 2021 and March 31, 2021, the aforementioned other financial assets amounted to NT\$206,766 thousand, NT\$210,235 thousand and NT\$187,454 thousand, respectively.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

- a. Under a technical cooperation agreement with Industrial Technology Research Institute, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity provided 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. As of March 31, 2022, the R.O.C. Government did not invoke such right.
- b. 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. TSMC's equity interest in SSMC was 32%. Nevertheless, in September 2006, Philips spun-off its semiconductor subsidiary which was renamed as NXP B.V. Further, TSMC and NXP B.V. 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, TSMC and NXP B.V. currently own approximately 39% and 61% of the SSMC shares, respectively. TSMC and NXP B.V. are required, in the aggregate, to purchase at least 70% of SSMC's capacity, but TSMC 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 falls below a specific percentage of its capacity, the defaulting party is required to compensate SSMC for all related unavoidable costs. There was no default from the aforementioned commitment as of March 31, 2022.
- c. TSMC entered into long-term purchase agreements of materials and supplies and agreements of waste disposal with multiple suppliers. The relative minimum fulfillment quantity and price are specified in the agreements.
- d. TSMC entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.
- e. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.
- f. Amounts available under unused letters of credit as of March 31, 2022, December 31, 2021 and March 31, 2021 were NT\$141,274 thousand, NT\$136,710 thousand and NT\$57,014 thousand, respectively.

34. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
<u>March 31, 2022</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,309,593	28.598	\$ 380,627,746
USD	1,350,993	6.343(Note 2)	38,635,702
EUR	42,827	31.958	1,368,665
JPY	2,957,023	0.2357	696,970
<u>Financial liabilities</u>			
Monetary items			
USD	12,961,280	28.598	370,666,688
EUR	1,894,115	31.958	60,532,140
JPY	256,572,297	0.2357	60,474,090
JPY	14,538,105	0.0523(Note 3)	3,426,631
<u>December 31, 2021</u>			
<u>Financial assets</u>			
Monetary items			
USD	11,445,396	27.674	316,739,883
USD	2,023,233	6.379(Note 2)	55,990,951
EUR	14,964	31.460	470,776
EUR	40,326	7.252(Note 4)	1,268,665
JPY	10,921,880	0.2414	2,636,542
<u>Financial liabilities</u>			
Monetary items			
USD	11,958,503	27.674	330,939,620
EUR	3,539,320	31.460	111,347,020
JPY	112,456,908	0.2414	27,147,098

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
<u>March 31, 2021</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,540,695	28.507	\$ 186,455,585
USD	1,463,976	6.557 (Note 2)	41,733,577
EUR	7,432	33.365	247,962
JPY	9,955,724	0.2578	2,566,586
<u>Financial liabilities</u>			
Monetary items			
USD	6,463,941	28.507	184,267,559
EUR	4,166,735	33.365	139,023,117
JPY	93,826,378	0.2578	24,188,440 (Concluded)

Note 1: Except as otherwise noted, exchange rate represents the number of NT dollar for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the number of RMB for which one U.S. dollar could be exchanged.

Note 3: The exchange rate represents the number of RMB for which one Japanese yen could be exchanged.

Note 4: The exchange rate represents the number of RMB for which one Euro could be exchanged.

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the three months ended March 31, 2022 and 2021, respectively. Since there were varieties of foreign currency transactions and functional currencies within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

35. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for TSMC:

- a. Financings provided: See Table 1 attached;
- b. Endorsement/guarantee provided: See Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries and associates): See Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 5 attached;

- f. Disposal of individual real estate properties at prices of at least NT\$300 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: See Table 6 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 7 attached;
- i. Information about the derivative financial instruments transaction: See Notes 7 and 10;
- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: See Table 8 attached;
- k. Names, locations, and related information of investees over which TSMC exercises significant influence (excluding information on investment in mainland China): See Table 9 attached;
- l. 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, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 10 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: See Table 8 attached.
- m. Information of major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: See Table 11 attached.

36. OPERATING SEGMENTS INFORMATION

TSMC's chief operating decision makers periodically review operating results, focusing on operating income generated by foundry segment. Operating results are used for resource allocation and/or performance assessment. As a result, the Company has only one operating segment, the foundry segment. The foundry segment engages mainly in the manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing of masks.

The basis for the measurement of income from operations is the same as that for the preparation of financial statements. Please refer to the consolidated statements of comprehensive income for the related segment revenue and operating results.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

FINANCINGS PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 2)	Ending Balance (Foreign Currencies in Thousands) (Note 2)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1)	Financing Company's Total Financing Amount Limits (Notes 1)
													Item	Value		
1	TSMC China	TSMC Nanjing	Other receivables from related parties	Yes	\$ 38,863,060 (RMB 6,400,000)& (US\$ 350,000)	\$ 38,863,060 (RMB 6,400,000)& (US\$ 350,000)	\$ 25,247,040 (RMB 5,600,000)	1.30%-1.50%	The need for short-term and long-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 79,496,635	\$ 79,496,635

Note 1: The aggregate amount available for lending to TSMC Nanjing from TSMC China shall not exceed the net worth of TSMC China.

Note 2: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2)	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Amount Actually Drawn (US\$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	TSMC	TSMC North America	Subsidiary	\$ 578,607,524	\$ 2,379,734 (US\$ 83,213)	\$ 2,379,734 (US\$ 83,213)	\$ 2,379,734 (US\$ 83,213)	\$ -	0.10%	\$ 578,607,524	Yes	No	No
		TSMC Global	Subsidiary	578,607,524	214,485,000 (US\$ 7,500,000)	214,485,000 (US\$ 7,500,000)	185,887,000 (US\$ 6,500,000)	-	9.27%	578,607,524	Yes	No	No
		TSMC Arizona	Subsidiary	578,607,524	229,711,147 (US\$ 8,032,420)	229,711,147 (US\$ 8,032,420)	129,618,147 (US\$ 4,532,420)	-	9.93%	578,607,524	Yes	No	No
1	TSMC Japan	TSMC JDC	The same parent company	327,037	311,124 (JPY 1,320,000)	311,124 (JPY 1,320,000)	311,124 (JPY 1,320,000)	-	0.01%	327,037	No	No	No

Note 1: The total amount of the endorsement/guarantee provided by TSMC to TSMC North America, TSMC Global and TSMC Arizona shall not exceed twenty-five percent (25%) of TSMC's net worth.

Note 2: The total amount of the endorsement/guarantee provided by TSMC Japan to TSMC JDC shall not exceed two hundred and fifty percent (250%) of TSMC Japan's net worth.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES HELD

MARCH 31, 2022

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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC	<u>Non-publicly traded equity investments</u>							
	United Industrial Gases Co., Ltd.	-	Financial assets at fair value through other comprehensive income	21,230	\$ 513,266	10	\$ 513,266	
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	"	10,500	397,488	7	397,488	
	Global Investment Holding Inc.	-	"	10,442	104,674	6	104,674	
	Crimson Asia Capital	-	"	-	2,321	1	2,321	
TSMC Partners	<u>Non-publicly traded equity investments</u>							
	Shanghai Walden Venture Capital Enterprise	-	Financial assets at fair value through other comprehensive income	-	US\$ 45,511	6	US\$ 45,511	
	China Walden Venture Investments II, L.P.	-	"	-	US\$ 16,456	9	US\$ 16,456	
	China Walden Venture Investments III, L.P.	-	"	-	US\$ 11,755	4	US\$ 11,755	
	Tela Innovations	-	"	6,942	-	22	-	
	Movella Inc.	-	"	6,333	-	10	-	
TSMC Global	<u>Corporate bond</u>							
	Bank of America Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 79,795	N/A	US\$ 79,795	
	Morgan Stanley	-	"	-	US\$ 70,664	N/A	US\$ 70,664	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 56,810	N/A	US\$ 56,810	
	Citigroup Inc.	-	"	-	US\$ 51,985	N/A	US\$ 51,985	
	JPMorgan Chase & Co.	-	"	-	US\$ 44,558	N/A	US\$ 44,558	
	Wells Fargo & Company	-	"	-	US\$ 41,803	N/A	US\$ 41,803	
	AbbVie Inc.	-	"	-	US\$ 33,188	N/A	US\$ 33,188	
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	US\$ 32,567	N/A	US\$ 32,567	
	Sumitomo Mitsui Financial Group, Inc.	-	"	-	US\$ 29,634	N/A	US\$ 29,634	
	HSBC Holdings plc	-	"	-	US\$ 25,182	N/A	US\$ 25,182	
	Banco Santander, S.A.	-	"	-	US\$ 24,732	N/A	US\$ 24,732	
	Athene Global Funding	-	"	-	US\$ 24,262	N/A	US\$ 24,262	
	Lloyds Banking Group plc	-	"	-	US\$ 21,644	N/A	US\$ 21,644	
	Metropolitan Life Global Funding I	-	"	-	US\$ 20,340	N/A	US\$ 20,340	
	BNP Paribas SA	-	"	-	US\$ 19,589	N/A	US\$ 19,589	
	Hyundai Capital America, Inc.	-	"	-	US\$ 18,898	N/A	US\$ 18,898	
	Oracle Corporation	-	"	-	US\$ 18,146	N/A	US\$ 18,146	
	Nordea Bank Abp	-	"	-	US\$ 17,066	N/A	US\$ 17,066	
	Volkswagen Group of America Finance, LLC	-	"	-	US\$ 16,794	N/A	US\$ 16,794	
	AT&T Inc.	-	"	-	US\$ 16,547	N/A	US\$ 16,547	
	Principal Life Global Funding II	-	"	-	US\$ 16,541	N/A	US\$ 16,541	
	NatWest Markets Plc	-	"	-	US\$ 15,969	N/A	US\$ 15,969	
The Toronto-Dominion Bank	-	"	-	US\$ 15,854	N/A	US\$ 15,854		
Sumitomo Mitsui Trust Bank, Limited	-	"	-	US\$ 15,763	N/A	US\$ 15,763		
Toyota Motor Credit Corporation	-	"	-	US\$ 15,138	N/A	US\$ 15,138		
Credit Suisse AG, New York Branch	-	"	-	US\$ 14,577	N/A	US\$ 14,577		
Apple Inc.	-	"	-	US\$ 14,517	N/A	US\$ 14,517		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Mizuho Financial Group, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 14,492	N/A	US\$ 14,492	
	ING Groep N.V.	-	"	-	US\$ 14,444	N/A	US\$ 14,444	
	Deutsche Bank AG - New York Branch	-	"	-	US\$ 13,964	N/A	US\$ 13,964	
	The Bank of Nova Scotia	-	"	-	US\$ 13,454	N/A	US\$ 13,454	
	Standard Chartered PLC	-	"	-	US\$ 13,027	N/A	US\$ 13,027	
	AIG Global Funding	-	"	-	US\$ 12,757	N/A	US\$ 12,757	
	Royal Bank of Canada	-	"	-	US\$ 12,523	N/A	US\$ 12,523	
	Macquarie Group Limited	-	"	-	US\$ 12,505	N/A	US\$ 12,505	
	Nationwide Building Society	-	"	-	US\$ 12,411	N/A	US\$ 12,411	
	Société Générale Société anonyme	-	"	-	US\$ 12,364	N/A	US\$ 12,364	
	Capital One Financial Corporation	-	"	-	US\$ 12,189	N/A	US\$ 12,189	
	BPCE SA	-	"	-	US\$ 11,896	N/A	US\$ 11,896	
	S&P Global Inc.	-	"	-	US\$ 11,885	N/A	US\$ 11,885	
	Equitable Financial Life Global Funding	-	"	-	US\$ 11,781	N/A	US\$ 11,781	
	NTT Finance Corporation	-	"	-	US\$ 11,653	N/A	US\$ 11,653	
	Bank of Montreal	-	"	-	US\$ 11,518	N/A	US\$ 11,518	
	Banque Fédérative du Crédit Mutuel Société anonyme	-	"	-	US\$ 11,450	N/A	US\$ 11,450	
	Protective Life Global Funding	-	"	-	US\$ 11,378	N/A	US\$ 11,378	
	Barclays PLC	-	"	-	US\$ 11,290	N/A	US\$ 11,290	
	National Securities Clearing Corporation	-	"	-	US\$ 11,203	N/A	US\$ 11,203	
	Verizon Communications Inc.	-	"	-	US\$ 10,318	N/A	US\$ 10,318	
	Nomura Holdings, Inc.	-	"	-	US\$ 10,065	N/A	US\$ 10,065	
	Chevron Corporation	-	"	-	US\$ 9,878	N/A	US\$ 9,878	
	Credit Agricole SA London Branch	-	"	-	US\$ 9,678	N/A	US\$ 9,678	
	Fédération des caisses Desjardins du Québec	-	"	-	US\$ 9,602	N/A	US\$ 9,602	
	U.S. Bancorp	-	"	-	US\$ 9,372	N/A	US\$ 9,372	
	Roper Technologies, Inc.	-	"	-	US\$ 9,329	N/A	US\$ 9,329	
	Equinor ASA	-	"	-	US\$ 9,211	N/A	US\$ 9,211	
	Amazon.com, Inc.	-	"	-	US\$ 9,110	N/A	US\$ 9,110	
	Merck & Co., Inc.	-	"	-	US\$ 9,103	N/A	US\$ 9,103	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 8,844	N/A	US\$ 8,844	
	Santander UK Group Holdings plc	-	"	-	US\$ 8,837	N/A	US\$ 8,837	
	Bristol-Myers Squibb Company	-	"	-	US\$ 8,661	N/A	US\$ 8,661	
	Roche Holdings, Inc.	-	"	-	US\$ 8,605	N/A	US\$ 8,605	
	New York Life Global Funding	-	"	-	US\$ 8,430	N/A	US\$ 8,430	
	Guardian Life Global Funding	-	"	-	US\$ 7,915	N/A	US\$ 7,915	
	KfW	-	"	-	US\$ 7,865	N/A	US\$ 7,865	
	International Bank for Reconstruction and Development	-	"	-	US\$ 7,840	N/A	US\$ 7,840	
	UnitedHealth Group Incorporated	-	"	-	US\$ 7,790	N/A	US\$ 7,790	
	AstraZeneca Finance LLC	-	"	-	US\$ 7,711	N/A	US\$ 7,711	
	Inter-American Development Bank	-	"	-	US\$ 7,602	N/A	US\$ 7,602	
	Great-West Lifeco U.S. Finance 2020, Lp	-	"	-	US\$ 7,566	N/A	US\$ 7,566	
	Suncorp-Metway Limited	-	"	-	US\$ 7,545	N/A	US\$ 7,545	
	Equifax Inc.	-	"	-	US\$ 7,438	N/A	US\$ 7,438	
	Northwestern Mutual Global Funding	-	"	-	US\$ 7,361	N/A	US\$ 7,361	
	Santander UK plc	-	"	-	US\$ 7,255	N/A	US\$ 7,255	
	UBS Group AG	-	"	-	US\$ 7,081	N/A	US\$ 7,081	
	AstraZeneca PLC	-	"	-	US\$ 6,750	N/A	US\$ 6,750	
	Intuit Inc.	-	"	-	US\$ 6,742	N/A	US\$ 6,742	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Daimler Trucks Finance North America LLC	-	Financial assets at fair value through other comprehensive income	-	US\$ 6,728	N/A	US\$ 6,728	
	SMBC Aviation Capital Finance DAC	-	"	-	US\$ 6,728	N/A	US\$ 6,728	
	American Express Company	-	"	-	US\$ 6,713	N/A	US\$ 6,713	
	Prudential Funding Corp.	-	"	-	US\$ 6,712	N/A	US\$ 6,712	
	Jackson National Life Global Funding	-	"	-	US\$ 6,510	N/A	US\$ 6,510	
	Cargill, Incorporated	-	"	-	US\$ 6,429	N/A	US\$ 6,429	
	UBS Group Funding (Switzerland) AG	-	"	-	US\$ 6,309	N/A	US\$ 6,309	
	Danske Bank A/S	-	"	-	US\$ 6,290	N/A	US\$ 6,290	
	Montpelier Re Holdings Ltd.	-	"	-	US\$ 6,246	N/A	US\$ 6,246	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	"	-	US\$ 6,212	N/A	US\$ 6,212	
	Discover Bank (New Castle, Delaware)	-	"	-	US\$ 6,182	N/A	US\$ 6,182	
	Huntington Bancshares Incorporated	-	"	-	US\$ 6,046	N/A	US\$ 6,046	
	Exxon Mobil Corporation	-	"	-	US\$ 5,994	N/A	US\$ 5,994	
	The Bank of New York Mellon Corporation	-	"	-	US\$ 5,962	N/A	US\$ 5,962	
	ANZ New Zealand (Int'l) Limited	-	"	-	US\$ 5,877	N/A	US\$ 5,877	
	GSK Consumer Healthcare Capital US LLC	-	"	-	US\$ 5,876	N/A	US\$ 5,876	
	Scentre Group Trust 1	-	"	-	US\$ 5,870	N/A	US\$ 5,870	
	Exelon Corporation	-	"	-	US\$ 5,862	N/A	US\$ 5,862	
	Fox Corporation	-	"	-	US\$ 5,830	N/A	US\$ 5,830	
	Swedbank AB (publ)	-	"	-	US\$ 5,801	N/A	US\$ 5,801	
	Enel Finance International N.V.	-	"	-	US\$ 5,722	N/A	US\$ 5,722	
	WPP Finance 2010	-	"	-	US\$ 5,687	N/A	US\$ 5,687	
	Macquarie Bank Limited	-	"	-	US\$ 5,684	N/A	US\$ 5,684	
	UBS AG, London Branch	-	"	-	US\$ 5,575	N/A	US\$ 5,575	
	The Charles Schwab Corporation	-	"	-	US\$ 5,552	N/A	US\$ 5,552	
	ASB Bank Limited	-	"	-	US\$ 5,547	N/A	US\$ 5,547	
	Siemens Financieringsmaatschappij N.V.	-	"	-	US\$ 5,540	N/A	US\$ 5,540	
	Pacific Life Global Funding II	-	"	-	US\$ 5,530	N/A	US\$ 5,530	
	W. P. Carey Inc.	-	"	-	US\$ 5,496	N/A	US\$ 5,496	
	Intel Corporation	-	"	-	US\$ 5,471	N/A	US\$ 5,471	
	Alabama Power Company	-	"	-	US\$ 5,456	N/A	US\$ 5,456	
	Pioneer Natural Resources Company	-	"	-	US\$ 5,428	N/A	US\$ 5,428	
	Cox Communications, Inc.	-	"	-	US\$ 5,386	N/A	US\$ 5,386	
	Fiserv, Inc.	-	"	-	US\$ 5,228	N/A	US\$ 5,228	
	Capital One, National Association	-	"	-	US\$ 5,170	N/A	US\$ 5,170	
	Five Corners Funding Trust	-	"	-	US\$ 5,108	N/A	US\$ 5,108	
	Brookfield Finance Inc.	-	"	-	US\$ 5,022	N/A	US\$ 5,022	
	CVS Health Corporation	-	"	-	US\$ 5,005	N/A	US\$ 5,005	
	Credit Suisse Group Funding (Guernsey) Limited	-	"	-	US\$ 4,967	N/A	US\$ 4,967	
	CGI Inc.	-	"	-	US\$ 4,897	N/A	US\$ 4,897	
	Intercontinental Exchange, Inc.	-	"	-	US\$ 4,671	N/A	US\$ 4,671	
	HP Inc.	-	"	-	US\$ 4,587	N/A	US\$ 4,587	
	DNB Bank ASA	-	"	-	US\$ 4,574	N/A	US\$ 4,574	
	Ryder System, Inc.	-	"	-	US\$ 4,571	N/A	US\$ 4,571	
	Thermo Fisher Scientific Inc.	-	"	-	US\$ 4,558	N/A	US\$ 4,558	
	CenterPoint Energy, Inc.	-	"	-	US\$ 4,532	N/A	US\$ 4,532	
	Sprint Spectrum Co Llc	-	"	-	US\$ 4,472	N/A	US\$ 4,472	
	NatWest Group plc	-	"	-	US\$ 4,447	N/A	US\$ 4,447	
	Comcast Corporation	-	"	-	US\$ 4,437	N/A	US\$ 4,437	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	American International Group, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 4,405	N/A	US\$ 4,405	
	Bank of New Zealand	-	"	-	US\$ 4,373	N/A	US\$ 4,373	
	MPLX LP	-	"	-	US\$ 4,371	N/A	US\$ 4,371	
	OGE Energy Corp.	-	"	-	US\$ 4,356	N/A	US\$ 4,356	
	Brighthouse Financial Global Funding	-	"	-	US\$ 4,242	N/A	US\$ 4,242	
	Florida Power & Light Company	-	"	-	US\$ 4,195	N/A	US\$ 4,195	
	AvalonBay Communities, Inc.	-	"	-	US\$ 4,149	N/A	US\$ 4,149	
	Daimler Finance North America LLC	-	"	-	US\$ 4,120	N/A	US\$ 4,120	
	7-Eleven, Inc.	-	"	-	US\$ 4,088	N/A	US\$ 4,088	
	CNO Global Funding	-	"	-	US\$ 4,043	N/A	US\$ 4,043	
	Coöperatieve Rabobank U.A.	-	"	-	US\$ 4,005	N/A	US\$ 4,005	
	Element Fleet Management Corp.	-	"	-	US\$ 4,004	N/A	US\$ 4,004	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 3,988	N/A	US\$ 3,988	
	Fidelity National Information Services, Inc.	-	"	-	US\$ 3,966	N/A	US\$ 3,966	
	Mondelez International, Inc.	-	"	-	US\$ 3,953	N/A	US\$ 3,953	
	European Bank for Reconstruction and Development	-	"	-	US\$ 3,912	N/A	US\$ 3,912	
	Coca-Cola Europacific Partners PLC	-	"	-	US\$ 3,873	N/A	US\$ 3,873	
	Ameren Corporation	-	"	-	US\$ 3,853	N/A	US\$ 3,853	
	Appalachian Power Company	-	"	-	US\$ 3,785	N/A	US\$ 3,785	
	Dominion Energy, Inc.	-	"	-	US\$ 3,774	N/A	US\$ 3,774	
	Public Storage	-	"	-	US\$ 3,766	N/A	US\$ 3,766	
	B.A.T. International Finance p.l.c.	-	"	-	US\$ 3,752	N/A	US\$ 3,752	
	V.F. Corporation	-	"	-	US\$ 3,642	N/A	US\$ 3,642	
	Bayer US Finance II LLC	-	"	-	US\$ 3,641	N/A	US\$ 3,641	
	BorgWarner Inc.	-	"	-	US\$ 3,620	N/A	US\$ 3,620	
	Fifth Third Bancorp	-	"	-	US\$ 3,576	N/A	US\$ 3,576	
	Public Service Electric and Gas Company	-	"	-	US\$ 3,548	N/A	US\$ 3,548	
	Monongahela Power Company	-	"	-	US\$ 3,529	N/A	US\$ 3,529	
	Truist Bank	-	"	-	US\$ 3,504	N/A	US\$ 3,504	
	Welltower Inc.	-	"	-	US\$ 3,497	N/A	US\$ 3,497	
	Ross Stores, Inc.	-	"	-	US\$ 3,422	N/A	US\$ 3,422	
	Diageo Capital plc	-	"	-	US\$ 3,421	N/A	US\$ 3,421	
	Credit Suisse Group AG	-	"	-	US\$ 3,412	N/A	US\$ 3,412	
	American Honda Finance Corporation	-	"	-	US\$ 3,380	N/A	US\$ 3,380	
	HSBC Bank Canada	-	"	-	US\$ 3,352	N/A	US\$ 3,352	
	Highmark Inc.	-	"	-	US\$ 3,340	N/A	US\$ 3,340	
	F&G Global Funding	-	"	-	US\$ 3,334	N/A	US\$ 3,334	
	Verisk Analytics, Inc.	-	"	-	US\$ 3,316	N/A	US\$ 3,316	
	ERAC USA Finance LLC	-	"	-	US\$ 3,302	N/A	US\$ 3,302	
	USAA Capital Corp.	-	"	-	US\$ 3,288	N/A	US\$ 3,288	
	Pfizer Inc.	-	"	-	US\$ 3,284	N/A	US\$ 3,284	
	Anheuser-Busch Companies, LLC	-	"	-	US\$ 3,219	N/A	US\$ 3,219	
	Penske Truck Leasing Co., L.P.	-	"	-	US\$ 3,217	N/A	US\$ 3,217	
	Xcel Energy Inc.	-	"	-	US\$ 3,158	N/A	US\$ 3,158	
	The Western Union Company	-	"	-	US\$ 3,114	N/A	US\$ 3,114	
	Johnson & Johnson	-	"	-	US\$ 3,088	N/A	US\$ 3,088	
	ONE Gas, Inc.	-	"	-	US\$ 3,076	N/A	US\$ 3,076	
	Nestlé Holdings, Inc.	-	"	-	US\$ 3,072	N/A	US\$ 3,072	
	CNA Financial Corporation	-	"	-	US\$ 3,046	N/A	US\$ 3,046	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Southern California Gas Company	-	Financial assets at fair value through other comprehensive income	-	US\$ 3,028	N/A	US\$ 3,028	
	PNC Bank, National Association	-	"	-	US\$ 3,026	N/A	US\$ 3,026	
	Baidu, Inc.	-	"	-	US\$ 3,018	N/A	US\$ 3,018	
	Air Lease Corporation	-	"	-	US\$ 3,017	N/A	US\$ 3,017	
	Ralph Lauren Corporation	-	"	-	US\$ 3,003	N/A	US\$ 3,003	
	Avangrid, Inc.	-	"	-	US\$ 2,978	N/A	US\$ 2,978	
	Oncor Electric Delivery Company LLC	-	"	-	US\$ 2,976	N/A	US\$ 2,976	
	BOC Aviation Limited	-	"	-	US\$ 2,924	N/A	US\$ 2,924	
	Novartis Capital Corporation	-	"	-	US\$ 2,886	N/A	US\$ 2,886	
	Hewlett Packard Enterprise Company	-	"	-	US\$ 2,865	N/A	US\$ 2,865	
	Baxalta Incorporated	-	"	-	US\$ 2,854	N/A	US\$ 2,854	
	TORONTO-DOMINION BANK/THE	-	"	-	US\$ 2,844	N/A	US\$ 2,844	
	MIZUHO FINANCIAL GROUP INC FXD-FXD	-	"	-	US\$ 2,839	N/A	US\$ 2,839	
	National Bank of Canada	-	"	-	US\$ 2,839	N/A	US\$ 2,839	
	Phillips 66	-	"	-	US\$ 2,835	N/A	US\$ 2,835	
	Eversource Energy	-	"	-	US\$ 2,791	N/A	US\$ 2,791	
	B.A.T Capital Corporation	-	"	-	US\$ 2,785	N/A	US\$ 2,785	
	Ameriprise Financial, Inc.	-	"	-	US\$ 2,779	N/A	US\$ 2,779	
	Chevron Phillips Chemical Company LLC	-	"	-	US\$ 2,775	N/A	US\$ 2,775	
	PPL Electric Utilities Corporation	-	"	-	US\$ 2,743	N/A	US\$ 2,743	
	Eastern Energy Gas Holdings, LLC	-	"	-	US\$ 2,709	N/A	US\$ 2,709	
	Ventas Realty, Limited Partnership	-	"	-	US\$ 2,692	N/A	US\$ 2,692	
	Public Service Enterprise Group Incorporated	-	"	-	US\$ 2,617	N/A	US\$ 2,617	
	Gilead Sciences, Inc.	-	"	-	US\$ 2,614	N/A	US\$ 2,614	
	Air Products and Chemicals, Inc.	-	"	-	US\$ 2,594	N/A	US\$ 2,594	
	International Business Machines Corporation	-	"	-	US\$ 2,580	N/A	US\$ 2,580	
	Baxter International Inc.	-	"	-	US\$ 2,577	N/A	US\$ 2,577	
	NBN Co Limited	-	"	-	US\$ 2,561	N/A	US\$ 2,561	
	GA Global Funding Trust	-	"	-	US\$ 2,556	N/A	US\$ 2,556	
	Nuveen Finance, LLC	-	"	-	US\$ 2,548	N/A	US\$ 2,548	
	Cigna Corporation	-	"	-	US\$ 2,530	N/A	US\$ 2,530	
	The PNC Financial Services Group, Inc.	-	"	-	US\$ 2,496	N/A	US\$ 2,496	
	Realty Income Corporation	-	"	-	US\$ 2,493	N/A	US\$ 2,493	
	Workday, Inc.	-	"	-	US\$ 2,489	N/A	US\$ 2,489	
	CRH America, Inc.	-	"	-	US\$ 2,487	N/A	US\$ 2,487	
	CMS Energy Corporation	-	"	-	US\$ 2,464	N/A	US\$ 2,464	
	Pinnacle West Capital Corporation	-	"	-	US\$ 2,457	N/A	US\$ 2,457	
	AutoZone, Inc.	-	"	-	US\$ 2,454	N/A	US\$ 2,454	
	American Electric Power Company, Inc.	-	"	-	US\$ 2,420	N/A	US\$ 2,420	
	Kimco Realty Corporation	-	"	-	US\$ 2,420	N/A	US\$ 2,420	
	Magellan Midstream Partners, L.P.	-	"	-	US\$ 2,416	N/A	US\$ 2,416	
	Southern California Edison Company	-	"	-	US\$ 2,402	N/A	US\$ 2,402	
	Yara International ASA	-	"	-	US\$ 2,398	N/A	US\$ 2,398	
	John Deere Capital Corporation	-	"	-	US\$ 2,375	N/A	US\$ 2,375	
	RGA Global Funding	-	"	-	US\$ 2,373	N/A	US\$ 2,373	
	BP Capital Markets America, Inc.	-	"	-	US\$ 2,369	N/A	US\$ 2,369	
	WEC Energy Group, Inc.	-	"	-	US\$ 2,349	N/A	US\$ 2,349	
	Crédit Agricole S.A.	-	"	-	US\$ 2,347	N/A	US\$ 2,347	
	Texas Instruments Incorporated	-	"	-	US\$ 2,343	N/A	US\$ 2,343	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Georgia Power Company	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,342	N/A	US\$ 2,342	
	Chevron U.S.A. Inc.	-	"	-	US\$ 2,340	N/A	US\$ 2,340	
	Shire Acquisitions Investments Ireland Designated Activity Company	-	"	-	US\$ 2,312	N/A	US\$ 2,312	
	Reynolds American Inc.	-	"	-	US\$ 2,302	N/A	US\$ 2,302	
	Empower Finance 2020, LP	-	"	-	US\$ 2,292	N/A	US\$ 2,292	
	Berkshire Hathaway Inc.	-	"	-	US\$ 2,276	N/A	US\$ 2,276	
	O'Reilly Automotive, Inc.	-	"	-	US\$ 2,261	N/A	US\$ 2,261	
	NiSource Inc.	-	"	-	US\$ 2,218	N/A	US\$ 2,218	
	Reckitt Benckiser Treasury Services plc	-	"	-	US\$ 2,204	N/A	US\$ 2,204	
	Union Pacific Corporation	-	"	-	US\$ 2,197	N/A	US\$ 2,197	
	Health Care Service Corporation, a Mutual Legal Reserve Company	-	"	-	US\$ 2,129	N/A	US\$ 2,129	
	Georgia-Pacific LLC	-	"	-	US\$ 2,094	N/A	US\$ 2,094	
	DTE Energy Company	-	"	-	US\$ 2,092	N/A	US\$ 2,092	
	The East Ohio Gas Company	-	"	-	US\$ 2,086	N/A	US\$ 2,086	
	Mead Johnson Nutrition Company	-	"	-	US\$ 2,067	N/A	US\$ 2,067	
	Magna International Inc.	-	"	-	US\$ 2,053	N/A	US\$ 2,053	
	General Electric Company	-	"	-	US\$ 2,039	N/A	US\$ 2,039	
	Amphenol Corporation	-	"	-	US\$ 2,031	N/A	US\$ 2,031	
	Citizens Bank, National Association	-	"	-	US\$ 2,020	N/A	US\$ 2,020	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 2,018	N/A	US\$ 2,018	
	Tucson Electric Power Company	-	"	-	US\$ 1,983	N/A	US\$ 1,983	
	Olympus Corporation	-	"	-	US\$ 1,977	N/A	US\$ 1,977	
	Keurig Dr Pepper Inc.	-	"	-	US\$ 1,970	N/A	US\$ 1,970	
	Otis Worldwide Corporation	-	"	-	US\$ 1,941	N/A	US\$ 1,941	
	Lowe's Companies, Inc.	-	"	-	US\$ 1,883	N/A	US\$ 1,883	
	Shinhan Financial Group Co., Ltd.	-	"	-	US\$ 1,874	N/A	US\$ 1,874	
	AmerisourceBergen Corporation	-	"	-	US\$ 1,871	N/A	US\$ 1,871	
	Kinder Morgan, Inc.	-	"	-	US\$ 1,861	N/A	US\$ 1,861	
	Mitsubishi Corporation	-	"	-	US\$ 1,835	N/A	US\$ 1,835	
	NBK SPC Limited	-	"	-	US\$ 1,825	N/A	US\$ 1,825	
	Sydney Airport Finance Company Pty Ltd	-	"	-	US\$ 1,819	N/A	US\$ 1,819	
	Kentucky Utilities Company	-	"	-	US\$ 1,799	N/A	US\$ 1,799	
	DuPont de Nemours, Inc.	-	"	-	US\$ 1,791	N/A	US\$ 1,791	
	Caterpillar Financial Services Corporation	-	"	-	US\$ 1,763	N/A	US\$ 1,763	
	Evergy Kansas Central, Inc.	-	"	-	US\$ 1,760	N/A	US\$ 1,760	
	Enbridge Inc.	-	"	-	US\$ 1,754	N/A	US\$ 1,754	
	Wipro IT Services LLC	-	"	-	US\$ 1,741	N/A	US\$ 1,741	
	Gulfstream Natural Gas System, L.L.C.	-	"	-	US\$ 1,730	N/A	US\$ 1,730	
	Burlington Northern Santa Fe, LLC	-	"	-	US\$ 1,701	N/A	US\$ 1,701	
	Infor, Inc.	-	"	-	US\$ 1,700	N/A	US\$ 1,700	
	Walmart Inc.	-	"	-	US\$ 1,694	N/A	US\$ 1,694	
	Tyson Foods, Inc.	-	"	-	US\$ 1,684	N/A	US\$ 1,684	
	Quest Diagnostics Incorporated	-	"	-	US\$ 1,668	N/A	US\$ 1,668	
	ITC Holdings Corp.	-	"	-	US\$ 1,656	N/A	US\$ 1,656	
	Berkshire Hathaway Energy Company	-	"	-	US\$ 1,642	N/A	US\$ 1,642	
	Raytheon Technologies Corporation	-	"	-	US\$ 1,630	N/A	US\$ 1,630	
	University of California	-	"	-	US\$ 1,617	N/A	US\$ 1,617	
	Midwest Connector Capital Company LLC	-	"	-	US\$ 1,605	N/A	US\$ 1,605	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Emerson Electric Co.	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,598	N/A	US\$ 1,598	
	eBay Inc.	-	"	-	US\$ 1,598	N/A	US\$ 1,598	
	Anthem, Inc.	-	"	-	US\$ 1,572	N/A	US\$ 1,572	
	Westpac Banking Corporation	-	"	-	US\$ 1,572	N/A	US\$ 1,572	
	APT Pipelines Limited	-	"	-	US\$ 1,557	N/A	US\$ 1,557	
	MetLife, Inc.	-	"	-	US\$ 1,556	N/A	US\$ 1,556	
	UBS AG (LONDON BRANCH)	-	"	-	US\$ 1,546	N/A	US\$ 1,546	
	Suntory Holdings Limited	-	"	-	US\$ 1,546	N/A	US\$ 1,546	
	Glencore Funding LLC	-	"	-	US\$ 1,542	N/A	US\$ 1,542	
	Barclays Bank PLC	-	"	-	US\$ 1,530	N/A	US\$ 1,530	
	UBS Group Funding (Jersey) Ltd.	-	"	-	US\$ 1,529	N/A	US\$ 1,529	
	Mondelez International Holdings Netherlands Bv	-	"	-	US\$ 1,524	N/A	US\$ 1,524	
	Essex Portfolio Limited Partnership	-	"	-	US\$ 1,523	N/A	US\$ 1,523	
	Brookfield Finance LLC	-	"	-	US\$ 1,517	N/A	US\$ 1,517	
	Duke Energy Florida, LLC	-	"	-	US\$ 1,512	N/A	US\$ 1,512	
	CK Hutchison International (19) Limited	-	"	-	US\$ 1,507	N/A	US\$ 1,507	
	The Southern Company	-	"	-	US\$ 1,504	N/A	US\$ 1,504	
	KEB Hana Bank	-	"	-	US\$ 1,502	N/A	US\$ 1,502	
	Alimentation Couche-Tard Inc.	-	"	-	US\$ 1,497	N/A	US\$ 1,497	
	NSTAR Electric Company	-	"	-	US\$ 1,497	N/A	US\$ 1,497	
	Marsh & McLennan Companies, Inc.	-	"	-	US\$ 1,475	N/A	US\$ 1,475	
	Marathon Petroleum Corporation	-	"	-	US\$ 1,460	N/A	US\$ 1,460	
	National Rural Utilities Cooperative Finance Corporation	-	"	-	US\$ 1,393	N/A	US\$ 1,393	
	Alliant Energy Finance, LLC	-	"	-	US\$ 1,376	N/A	US\$ 1,376	
	Eastern Gas Transmission and Storage, Inc.	-	"	-	US\$ 1,354	N/A	US\$ 1,354	
	Virginia Electric and Power Company	-	"	-	US\$ 1,332	N/A	US\$ 1,332	
	NetApp, Inc.	-	"	-	US\$ 1,314	N/A	US\$ 1,314	
	Truist Financial Corporation	-	"	-	US\$ 1,302	N/A	US\$ 1,302	
	Met Tower Global Funding	-	"	-	US\$ 1,292	N/A	US\$ 1,292	
	Andrew W. Mellon Foundation, The	-	"	-	US\$ 1,282	N/A	US\$ 1,282	
	Entergy Arkansas, LLC	-	"	-	US\$ 1,279	N/A	US\$ 1,279	
	Martin Marietta Materials, Inc.	-	"	-	US\$ 1,278	N/A	US\$ 1,278	
	PACCAR Financial Corp.	-	"	-	US\$ 1,263	N/A	US\$ 1,263	
	State Of Tennessee	-	"	-	US\$ 1,228	N/A	US\$ 1,228	
	Skandinaviska Enskilda Banken AB (publ)	-	"	-	US\$ 1,108	N/A	US\$ 1,108	
	The Curators of the University of Missouri	-	"	-	US\$ 1,094	N/A	US\$ 1,094	
	State Street Corporation	-	"	-	US\$ 1,084	N/A	US\$ 1,084	
	IBERDROLA INTL BV	-	"	-	US\$ 1,074	N/A	US\$ 1,074	
	Enterprise Products Operating LLC	-	"	-	US\$ 1,070	N/A	US\$ 1,070	
	The Cleveland Electric Illuminating Company	-	"	-	US\$ 1,057	N/A	US\$ 1,057	
	Baker Hughes Holdings LLC	-	"	-	US\$ 1,051	N/A	US\$ 1,051	
	Foxconn (Far East) Limited	-	"	-	US\$ 1,044	N/A	US\$ 1,044	
	Sinopec Group Overseas Development (2014) Ltd.	-	"	-	US\$ 1,026	N/A	US\$ 1,026	
	BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México	-	"	-	US\$ 1,025	N/A	US\$ 1,025	
	Baltimore Gas and Electric Company	-	"	-	US\$ 1,008	N/A	US\$ 1,008	
	Entergy Mississippi, LLC	-	"	-	US\$ 1,006	N/A	US\$ 1,006	
	Texas Eastern Transmission, LP	-	"	-	US\$ 1,003	N/A	US\$ 1,003	
	Panasonic Corporation	-	"	-	US\$ 1,001	N/A	US\$ 1,001	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Loews Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,001	N/A	US\$ 1,001	
	Kaiser Foundation Hospitals	-	"	-	US\$ 1,000	N/A	US\$ 1,000	
	Kansas City Southern	-	"	-	US\$ 995	N/A	US\$ 995	
	Pricoa Global Funding I	-	"	-	US\$ 994	N/A	US\$ 994	
	MassMutual Global Funding II	-	"	-	US\$ 993	N/A	US\$ 993	
	Denver City & County Housing Authority	-	"	-	US\$ 992	N/A	US\$ 992	
	Board Of Regents State Of Iowa	-	"	-	US\$ 976	N/A	US\$ 976	
	Unilever Capital Corporation	-	"	-	US\$ 901	N/A	US\$ 901	
	Aflac Incorporated	-	"	-	US\$ 900	N/A	US\$ 900	
	QNB Finance Ltd.	-	"	-	US\$ 886	N/A	US\$ 886	
	KeyBank National Association	-	"	-	US\$ 859	N/A	US\$ 859	
	BHP Billiton Finance (USA) Limited	-	"	-	US\$ 853	N/A	US\$ 853	
	Hormel Foods Corporation	-	"	-	US\$ 835	N/A	US\$ 835	
	CubeSmart, L.P.	-	"	-	US\$ 808	N/A	US\$ 808	
	TransCanada PipeLines Limited	-	"	-	US\$ 807	N/A	US\$ 807	
	Palm Beach County, Florida	-	"	-	US\$ 805	N/A	US\$ 805	
	Aetna Inc.	-	"	-	US\$ 803	N/A	US\$ 803	
	BMW US Capital, LLC	-	"	-	US\$ 803	N/A	US\$ 803	
	Sinopec Capital (2013) Ltd.	-	"	-	US\$ 801	N/A	US\$ 801	
	Oregon Health & Science University	-	"	-	US\$ 788	N/A	US\$ 788	
	Niagara Mohawk Power Corporation	-	"	-	US\$ 776	N/A	US\$ 776	
	The Walt Disney Company	-	"	-	US\$ 775	N/A	US\$ 775	
	Visa Inc.	-	"	-	US\$ 763	N/A	US\$ 763	
	Tencent Holdings Limited	-	"	-	US\$ 749	N/A	US\$ 749	
	Southern Power Company	-	"	-	US\$ 748	N/A	US\$ 748	
	Canadian Natural Resources Limited	-	"	-	US\$ 712	N/A	US\$ 712	
	Sky Limited	-	"	-	US\$ 710	N/A	US\$ 710	
	Warner Media, LLC	-	"	-	US\$ 709	N/A	US\$ 709	
	MASCO CORP	-	"	-	US\$ 704	N/A	US\$ 704	
	Sinopec Group Overseas Development (2017) Limited	-	"	-	US\$ 700	N/A	US\$ 700	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 688	N/A	US\$ 688	
	Sodexo, Inc.	-	"	-	US\$ 683	N/A	US\$ 683	
	Automatic Data Processing, Inc.	-	"	-	US\$ 668	N/A	US\$ 668	
	Norsk Hydro ASA	-	"	-	US\$ 665	N/A	US\$ 665	
	Abbott Laboratories	-	"	-	US\$ 660	N/A	US\$ 660	
	AIA Group Limited	-	"	-	US\$ 650	N/A	US\$ 650	
	Stryker Corporation	-	"	-	US\$ 646	N/A	US\$ 646	
	State Of Washington	-	"	-	US\$ 644	N/A	US\$ 644	
	Bell Canada, Inc.	-	"	-	US\$ 626	N/A	US\$ 626	
	QUALCOMM Incorporated	-	"	-	US\$ 604	N/A	US\$ 604	
	Intact U.S. Holdings Inc.	-	"	-	US\$ 602	N/A	US\$ 602	
	Sinopec Group Overseas Development (2012) Ltd.	-	"	-	US\$ 601	N/A	US\$ 601	
	DH Europe Finance II S.a.r.l.	-	"	-	US\$ 601	N/A	US\$ 601	
	Republic Services, Inc.	-	"	-	US\$ 595	N/A	US\$ 595	
	Florida Hurricane Catastrophe Fund Finance Corporation	-	"	-	US\$ 593	N/A	US\$ 593	
	Lincoln National Corporation	-	"	-	US\$ 582	N/A	US\$ 582	
	American Water Capital Corp.	-	"	-	US\$ 579	N/A	US\$ 579	
	Port of Morrow	-	"	-	US\$ 577	N/A	US\$ 577	
	Duke Energy Progress, LLC	-	"	-	US\$ 557	N/A	US\$ 557	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Fifth Third Bank, National Association	-	Financial assets at fair value through other comprehensive income	-	US\$ 550	N/A	US\$ 550	
	Shell International Finance B.V.	-	"	-	US\$ 543	N/A	US\$ 543	
	Arizona Public Service Company	-	"	-	US\$ 539	N/A	US\$ 539	
	ConocoPhillips Company	-	"	-	US\$ 517	N/A	US\$ 517	
	State of Hawaii	-	"	-	US\$ 516	N/A	US\$ 516	
	United Parcel Service, Inc.	-	"	-	US\$ 515	N/A	US\$ 515	
	TTX Company	-	"	-	US\$ 504	N/A	US\$ 504	
	McCormick & Company, Incorporated	-	"	-	US\$ 502	N/A	US\$ 502	
	174 Power Global Corporation	-	"	-	US\$ 501	N/A	US\$ 501	
	Trane Technologies Luxembourg Finance S.A.	-	"	-	US\$ 501	N/A	US\$ 501	
	Gsk Consumer Healthcare Capital Uk Plc	-	"	-	US\$ 499	N/A	US\$ 499	
	SOCIETE GENERALE SA	-	"	-	US\$ 498	N/A	US\$ 498	
	Commonwealth Bank of Australia	-	"	-	US\$ 496	N/A	US\$ 496	
	Ecolab Inc.	-	"	-	US\$ 492	N/A	US\$ 492	
	Altria Group, Inc.	-	"	-	US\$ 481	N/A	US\$ 481	
	Simon Property Group, L.P.	-	"	-	US\$ 478	N/A	US\$ 478	
	Genuine Parts Company	-	"	-	US\$ 477	N/A	US\$ 477	
	DENSO Corporation	-	"	-	US\$ 462	N/A	US\$ 462	
	Brazos Higher Education Authority Inc	-	"	-	US\$ 441	N/A	US\$ 441	
	The Home Depot, Inc.	-	"	-	US\$ 433	N/A	US\$ 433	
	Target Corporation	-	"	-	US\$ 419	N/A	US\$ 419	
	PayPal Holdings, Inc.	-	"	-	US\$ 415	N/A	US\$ 415	
	National Australia Bank Limited	-	"	-	US\$ 407	N/A	US\$ 407	
	University of Massachusetts Building Authority	-	"	-	US\$ 404	N/A	US\$ 404	
	Boston Properties Limited Partnership	-	"	-	US\$ 402	N/A	US\$ 402	
	Komatsu Finance America, Inc.	-	"	-	US\$ 400	N/A	US\$ 400	
	Banco del Estado de Chile	-	"	-	US\$ 396	N/A	US\$ 396	
	Comerica Bank	-	"	-	US\$ 395	N/A	US\$ 395	
	Sierra Pacific Power Company	-	"	-	US\$ 394	N/A	US\$ 394	
	Entergy Corporation	-	"	-	US\$ 391	N/A	US\$ 391	
	McKesson Corporation	-	"	-	US\$ 389	N/A	US\$ 389	
	Honeywell International Inc.	-	"	-	US\$ 386	N/A	US\$ 386	
	Duke Energy Corporation	-	"	-	US\$ 380	N/A	US\$ 380	
	NIKE, Inc.	-	"	-	US\$ 373	N/A	US\$ 373	
	PepsiCo, Inc.	-	"	-	US\$ 371	N/A	US\$ 371	
	The Norinchukin Bank	-	"	-	US\$ 368	N/A	US\$ 368	
	StanCorp Financial Group, Inc.	-	"	-	US\$ 368	N/A	US\$ 368	
	Entergy Louisiana, LLC	-	"	-	US\$ 364	N/A	US\$ 364	
	Principal Financial Group, Inc.	-	"	-	US\$ 351	N/A	US\$ 351	
	Pernod Ricard SA	-	"	-	US\$ 347	N/A	US\$ 347	
	First Republic Bank	-	"	-	US\$ 347	N/A	US\$ 347	
	Aon Corporation	-	"	-	US\$ 345	N/A	US\$ 345	
	Rabobank Nederland - New York Branch	-	"	-	US\$ 336	N/A	US\$ 336	
	Amgen Inc.	-	"	-	US\$ 321	N/A	US\$ 321	
	Mid-America Apartments, L.P.	-	"	-	US\$ 310	N/A	US\$ 310	
	BP Capital Markets p.l.c.	-	"	-	US\$ 306	N/A	US\$ 306	
	The Allstate Corporation	-	"	-	US\$ 304	N/A	US\$ 304	
	Philip Morris International Inc.	-	"	-	US\$ 299	N/A	US\$ 299	
	TotalEnergies Capital International	-	"	-	US\$ 297	N/A	US\$ 297	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Starbucks Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 293	N/A	US\$ 293	
	Alabama State Federal Aid Highway Finance Authority	-	"	-	US\$ 293	N/A	US\$ 293	
	Aptiv PLC	-	"	-	US\$ 292	N/A	US\$ 292	
	BOC Aviation (USA) Corporation	-	"	-	US\$ 288	N/A	US\$ 288	
	salesforce.com, inc.	-	"	-	US\$ 288	N/A	US\$ 288	
	QatarEnergy	-	"	-	US\$ 279	N/A	US\$ 279	
	Johnson Controls International plc	-	"	-	US\$ 279	N/A	US\$ 279	
	Southern Natural Gas Company, L.L.C.	-	"	-	US\$ 270	N/A	US\$ 270	
	Sales Tax Securitization Corporation Of Chicago	-	"	-	US\$ 250	N/A	US\$ 250	
	The Huntington National Bank	-	"	-	US\$ 249	N/A	US\$ 249	
	Equitable Holdings, Inc.	-	"	-	US\$ 248	N/A	US\$ 248	
	E. I. du Pont de Nemours and Company	-	"	-	US\$ 235	N/A	US\$ 235	
	Waste Management, Inc.	-	"	-	US\$ 231	N/A	US\$ 231	
	Nasdaq, Inc.	-	"	-	US\$ 217	N/A	US\$ 217	
	Children's Hospital Of Orange County	-	"	-	US\$ 214	N/A	US\$ 214	
	The Pennsylvania State University	-	"	-	US\$ 208	N/A	US\$ 208	
	Oregon Education Districts	-	"	-	US\$ 201	N/A	US\$ 201	
	Suncor Energy Inc.	-	"	-	US\$ 200	N/A	US\$ 200	
	Deere & Company	-	"	-	US\$ 199	N/A	US\$ 199	
	Riverside County Infrastructure Financing Authority	-	"	-	US\$ 199	N/A	US\$ 199	
	Los Angeles Department of Water and Power, California	-	"	-	US\$ 197	N/A	US\$ 197	
	Saudi Arabian Oil Company	-	"	-	US\$ 195	N/A	US\$ 195	
	NongHyup Bank	-	"	-	US\$ 190	N/A	US\$ 190	
	San Francisco Public Utilities Commission	-	"	-	US\$ 184	N/A	US\$ 184	
	Hoover Alabama Board Of Education	-	"	-	US\$ 175	N/A	US\$ 175	
	Dormitory Authority of the State of New York	-	"	-	US\$ 152	N/A	US\$ 152	
	Electricité de France S.A.	-	"	-	US\$ 101	N/A	US\$ 101	
	Beth Israel Deaconess Medical Center, Inc.	-	"	-	US\$ 92	N/A	US\$ 92	
	Municipal Improvement Corporation of Los Angeles	-	"	-	US\$ 79	N/A	US\$ 79	
	Pima County, Arizona	-	"	-	US\$ 77	N/A	US\$ 77	
	State of Wisconsin	-	"	-	US\$ 62	N/A	US\$ 62	
	Huntington Beach California	-	"	-	US\$ 49	N/A	US\$ 49	
	City of Worcester, MA	-	"	-	US\$ 30	N/A	US\$ 30	
	Nueces County	-	"	-	US\$ 24	N/A	US\$ 24	
	Citigroup Global Markets Inc.	-	Financial assets at amortized cost	-	US\$ 249,919	N/A	US\$ 245,829	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 185,467	N/A	US\$ 185,198	
	Goldman Sachs Finance Corp International Ltd.	-	"	-	US\$ 149,866	N/A	US\$ 149,676	
	Citigroup Global Markets Holdings Inc.	-	"	-	US\$ 99,968	N/A	US\$ 99,662	
	Bank of America Corporation	-	"	-	US\$ 54,881	N/A	US\$ 54,566	
	Citigroup Inc.	-	"	-	US\$ 48,873	N/A	US\$ 48,682	
	Wells Fargo & Company	-	"	-	US\$ 30,342	N/A	US\$ 30,091	
	JPMorgan Chase & Co.	-	"	-	US\$ 20,998	N/A	US\$ 20,725	
	<u>Government bond</u>							
	United States Department of The Treasury	-	Financial assets at fair value through other comprehensive income	-	US\$ 710,290	N/A	US\$ 710,290	
	Emirate of Abu Dhabi	-	"	-	US\$ 1,467	N/A	US\$ 1,467	
	Qatar	-	"	-	US\$ 1,323	N/A	US\$ 1,323	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	<u>Agency bonds/Agency mortgage-backed securities</u>							
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	-	Financial assets at fair value through other comprehensive income	-	US\$ 581,619	N/A	US\$ 581,619	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 324,204	N/A	US\$ 324,204	
	Government National Mortgage Association	-	"	-	US\$ 213,992	N/A	US\$ 213,992	
	<u>Asset-backed securities</u>							
	Hyundai Auto Receivables Trust 2021-C	-	Financial assets at fair value through other comprehensive income	-	US\$ 10,566	N/A	US\$ 10,566	
	JPMBB Commercial Mortgage Securities Trust 2014-C24	-	"	-	US\$ 9,890	N/A	US\$ 9,890	
	BX Trust 2022-LBA6	-	"	-	US\$ 9,825	N/A	US\$ 9,825	
	Wells Fargo Commercial Mortgage Trust 2016-Bnk1	-	"	-	US\$ 9,451	N/A	US\$ 9,451	
	Ford Credit Auto Owner Trust 2021-Rev2	-	"	-	US\$ 7,833	N/A	US\$ 7,833	
	Citigroup Commercial Mortgage Trust 2015-GC33	-	"	-	US\$ 7,808	N/A	US\$ 7,808	
	Ford Credit Auto Owner Trust 2020-REV2	-	"	-	US\$ 6,826	N/A	US\$ 6,826	
	Morgan Stanley Capital I Trust 2021-L6	-	"	-	US\$ 6,555	N/A	US\$ 6,555	
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	-	"	-	US\$ 6,422	N/A	US\$ 6,422	
	Bank 2020-BNK26	-	"	-	US\$ 6,397	N/A	US\$ 6,397	
	Bank 2017-Bnk6	-	"	-	US\$ 6,077	N/A	US\$ 6,077	
	Benchmark 2019-B11 Mortgage Trust	-	"	-	US\$ 5,980	N/A	US\$ 5,980	
	Wells Fargo Commercial Mortgage Trust 2016-C35	-	"	-	US\$ 5,788	N/A	US\$ 5,788	
	GM Financial Consumer Automobile Receivables Trust 2021-4	-	"	-	US\$ 5,778	N/A	US\$ 5,778	
	Citigroup Commercial Mortgage Trust 2021-PRM2	-	"	-	US\$ 5,510	N/A	US\$ 5,510	
	BBCMS 2018-Tall Mortgage Trust	-	"	-	US\$ 5,365	N/A	US\$ 5,365	
	Hudson Yards 2016-10HY Mortgage Trust	-	"	-	US\$ 5,310	N/A	US\$ 5,310	
	WFRBS Commercial Mortgage Trust 2013-C13	-	"	-	US\$ 5,210	N/A	US\$ 5,210	
	Wells Fargo Commercial Mortgage Trust 2021-C59	-	"	-	US\$ 5,132	N/A	US\$ 5,132	
	Citigroup Commercial Mortgage Trust 2014-GC21	-	"	-	US\$ 5,117	N/A	US\$ 5,117	
	CSAIL 2018-CX11	-	"	-	US\$ 5,005	N/A	US\$ 5,005	
	Morgan Stanley Bank America Merrill Lynch Trust 2013-C10	-	"	-	US\$ 4,758	N/A	US\$ 4,758	
	GM Financial Revolving Receivables Trust 2021-1	-	"	-	US\$ 4,578	N/A	US\$ 4,578	
	MRCO 2019-Prkc Mortgage Trust	-	"	-	US\$ 4,528	N/A	US\$ 4,528	
	Commerce 2015-CCRE24 Mortgage Trust	-	"	-	US\$ 4,447	N/A	US\$ 4,447	
	Honda Auto Receivables 2021 - 4 Owner Trust	-	"	-	US\$ 4,413	N/A	US\$ 4,413	
	Bank 2017 - BNK7	-	"	-	US\$ 4,271	N/A	US\$ 4,271	
	BANK 2017-BNK5	-	"	-	US\$ 3,990	N/A	US\$ 3,990	
	JPMCC 2017-JP7	-	"	-	US\$ 3,964	N/A	US\$ 3,964	
	Bank 2019-Bnk17	-	"	-	US\$ 3,956	N/A	US\$ 3,956	
	Bank 2019-Bnk22	-	"	-	US\$ 3,795	N/A	US\$ 3,795	
	J.P. Morgan Chase Commercial Mortgage Securities Trust 2012-LC9	-	"	-	US\$ 3,646	N/A	US\$ 3,646	
	Msbam 2016-C29	-	"	-	US\$ 3,622	N/A	US\$ 3,622	
	Msbam 2016-C31	-	"	-	US\$ 3,472	N/A	US\$ 3,472	
	UBS-Barclays Commercial Mortgage Trust 2012-C2	-	"	-	US\$ 3,127	N/A	US\$ 3,127	
	UBS Barclays Commercial Mortgage Trust 2013-C6	-	"	-	US\$ 3,126	N/A	US\$ 3,126	
	WFRBS Commercial Mortgage Trust 2014-C25	-	"	-	US\$ 3,017	N/A	US\$ 3,017	
	GS Mortgage Securities Trust 2015-GC32	-	"	-	US\$ 3,004	N/A	US\$ 3,004	
	Wells Fargo Commercial Mortgage Trust 2017-C40	-	"	-	US\$ 2,976	N/A	US\$ 2,976	
	GS Mortgage Securities Corporation Trust 2018-RIVR	-	"	-	US\$ 2,957	N/A	US\$ 2,957	
	UBS Commercial Mortgage Trust 2018-C10	-	"	-	US\$ 2,912	N/A	US\$ 2,912	
	Sreit Commercial Mortgage Trust 2021-Mfp	-	"	-	US\$ 2,840	N/A	US\$ 2,840	
JPMDB 2017-C7	-	"	-	US\$ 2,749	N/A	US\$ 2,749		
Benchmark 2018-B3 Commercial Mortgage Trust	-	"	-	US\$ 2,688	N/A	US\$ 2,688		

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	GS Mortgage Securities Trust 2013-GCJ12	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,608	N/A	US\$ 2,608	
	Ford Credit Auto Owner Trust 2020-Rev1	-	"	-	US\$ 2,414	N/A	US\$ 2,414	
	JPMBB Commercial Mortgage Securities Trust 2015-C28	-	"	-	US\$ 2,358	N/A	US\$ 2,358	
	Wells Fargo Commercial Mortgage Trust 2020-C55	-	"	-	US\$ 2,295	N/A	US\$ 2,295	
	Morgan Stanley Bank of America Merrill Lynch Trust 2013-C7	-	"	-	US\$ 2,281	N/A	US\$ 2,281	
	Citigroup Commercial Mortgage Trust 2015-P1	-	"	-	US\$ 2,272	N/A	US\$ 2,272	
	Mhc Commercial Mortgage Trust 2021-Mhc	-	"	-	US\$ 2,253	N/A	US\$ 2,253	
	BBCMS Mortgage Trust 2020-C8	-	"	-	US\$ 2,221	N/A	US\$ 2,221	
	Bank 2021-bnk33	-	"	-	US\$ 2,165	N/A	US\$ 2,165	
	Citigroup Commercial Mortgage Trust 2015-GC27	-	"	-	US\$ 2,145	N/A	US\$ 2,145	
	Morgan Stanley Capital I Trust	-	"	-	US\$ 2,120	N/A	US\$ 2,120	
	Dolp Trust 2021-NYC	-	"	-	US\$ 2,074	N/A	US\$ 2,074	
	Morgan Stanley Capital I Trust 2018-H3	-	"	-	US\$ 2,029	N/A	US\$ 2,029	
	Commerce 2013-CCRE12 Mortgage Trust	-	"	-	US\$ 2,023	N/A	US\$ 2,023	
	UBS Commercial Mortgage Trust 2018-C11	-	"	-	US\$ 2,022	N/A	US\$ 2,022	
	Benchmark 2018-B4 Mortgage Trust	-	"	-	US\$ 2,019	N/A	US\$ 2,019	
	UBS-Barclays Commercial Mortgage Trust 2012-C3	-	"	-	US\$ 1,961	N/A	US\$ 1,961	
	CGCMT 2017-P8 Mortgage Trust	-	"	-	US\$ 1,957	N/A	US\$ 1,957	
	Morgan Stanley Bank of America Merrill Lynch Trust 2012-C6	-	"	-	US\$ 1,941	N/A	US\$ 1,941	
	Wells Fargo Commercial Mortgage Trust 2015-C30	-	"	-	US\$ 1,623	N/A	US\$ 1,623	
	JPMBB Commercial Mortgage Securities Trust 2015-C27	-	"	-	US\$ 1,561	N/A	US\$ 1,561	
	Wells Fargo Commercial Mortgage Trust 2018-C44	-	"	-	US\$ 1,547	N/A	US\$ 1,547	
	Morgan Stanley Capital I Trust 2021-L5	-	"	-	US\$ 1,515	N/A	US\$ 1,515	
	Morgan Stanley Bank of America Merrill Lynch Trust 2013-C8	-	"	-	US\$ 1,509	N/A	US\$ 1,509	
	COMM 2020-CBM Mortgage Trust	-	"	-	US\$ 1,490	N/A	US\$ 1,490	
	JPMBB Commercial Mortgage Securities Trust 2013-C12	-	"	-	US\$ 1,479	N/A	US\$ 1,479	
	Wells Fargo Commercial Mortgage Trust 2015-C29	-	"	-	US\$ 1,292	N/A	US\$ 1,292	
	Toyota Auto Receivables 2018-D Owner Trust	-	"	-	US\$ 1,288	N/A	US\$ 1,288	
	Hyundai Auto Receivables Trust 2018-A	-	"	-	US\$ 1,280	N/A	US\$ 1,280	
	Dbgs 2018-Biod Mortgage Trust	-	"	-	US\$ 1,271	N/A	US\$ 1,271	
	WFRBS Commercial Mortgage Trust 2013-UBS1	-	"	-	US\$ 1,267	N/A	US\$ 1,267	
	Honda Auto Receivables 2021-2 Owner Trust	-	"	-	US\$ 1,267	N/A	US\$ 1,267	
	Toyota Auto Receivables 2021-D Owner Trust	-	"	-	US\$ 1,153	N/A	US\$ 1,153	
	Morgan Stanley Capital I Trust 2015 - UBS8	-	"	-	US\$ 1,011	N/A	US\$ 1,011	
	JPMCC Commercial Mortgage Securities Trust 2016 - JP3	-	"	-	US\$ 968	N/A	US\$ 968	
	Citigroup Commercial Mortgage Trust 2013-GCJ11	-	"	-	US\$ 942	N/A	US\$ 942	
	Wells Fargo Commercial Mortgage Trust 2012-LC5	-	"	-	US\$ 927	N/A	US\$ 927	
	COMM 2013-LC6 Mortgage Trust	-	"	-	US\$ 917	N/A	US\$ 917	
	Commerce 2014-Ccre17 Mortgage Trust	-	"	-	US\$ 909	N/A	US\$ 909	
	COMM 2012-CCRE5 Mortgage Trust	-	"	-	US\$ 906	N/A	US\$ 906	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C13	-	"	-	US\$ 890	N/A	US\$ 890	
	WFRBS Commercial Mortgage Trust 2013-C17	-	"	-	US\$ 862	N/A	US\$ 862	
	280 Park Avenue Trust 2017 - 280P	-	"	-	US\$ 826	N/A	US\$ 826	
	BX Trust 2021-BXMF	-	"	-	US\$ 824	N/A	US\$ 824	
	GS Mortgage Securities Trust 2014-GC22	-	"	-	US\$ 821	N/A	US\$ 821	
	Benchmark 2019-B14 Mortgage Trust	-	"	-	US\$ 814	N/A	US\$ 814	
	Morgan Stanley Capital I Trust 2019-H6	-	"	-	US\$ 800	N/A	US\$ 800	
	Elp Commercial Mortgage Trust 2021-Elp	-	"	-	US\$ 784	N/A	US\$ 784	
	Bx 2021-21M Mortgage Trust	-	"	-	US\$ 780	N/A	US\$ 780	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	GS Mortgage Securities Trust 2019-GSA1	-	Financial assets at fair value through other comprehensive income	-	US\$ 761	N/A	US\$ 761	
	GS Mortgage Securities Trust 2014-GC24	-	"	-	US\$ 729	N/A	US\$ 729	
	Wells Fargo Commercial Mortgage Trust 2015-LC20	-	"	-	US\$ 649	N/A	US\$ 649	
	Benchmark 2019-B9 Mortgage Trust	-	"	-	US\$ 608	N/A	US\$ 608	
	Equus 2021-Eqaz Mortgage Trust	-	"	-	US\$ 588	N/A	US\$ 588	
	Benchmark 2019-B15 Mortgage Trust	-	"	-	US\$ 578	N/A	US\$ 578	
	Gs Mortgage Securities Corporation Trust 2020-Uptn	-	"	-	US\$ 569	N/A	US\$ 569	
	Wells Fargo Commercial Mortgage Trust 2015-C28	-	"	-	US\$ 551	N/A	US\$ 551	
	JPMBB Commercial Mortgage Securities Trust 2014-C19	-	"	-	US\$ 549	N/A	US\$ 549	
	CF 2019-CF1 Mortgage Trust	-	"	-	US\$ 548	N/A	US\$ 548	
	Bx Commercial Mortgage Trust 2021-CIP	-	"	-	US\$ 541	N/A	US\$ 541	
	Bbcms Mortgage Trust 2017-C1	-	"	-	US\$ 535	N/A	US\$ 535	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C12	-	"	-	US\$ 529	N/A	US\$ 529	
	Bank 2019-BNK23	-	"	-	US\$ 524	N/A	US\$ 524	
	Citigroup Commercial Mortgage Trust 2018-C5	-	"	-	US\$ 515	N/A	US\$ 515	
	Morgan Stanley Capital I Trust 2019-H7	-	"	-	US\$ 514	N/A	US\$ 514	
	Wells Fargo Commercial Mortgage Trust 2015-NXS3	-	"	-	US\$ 477	N/A	US\$ 477	
	Citigroup Commercial Mortgage Trust 2014-GC23	-	"	-	US\$ 462	N/A	US\$ 462	
	COMM 2015-CCRE22 Mortgage Trust	-	"	-	US\$ 411	N/A	US\$ 411	
	JPMCC 2015 - JP1	-	"	-	US\$ 348	N/A	US\$ 348	
	JPMDB Commercial Mortgage Securities Trust 2019-COR6	-	"	-	US\$ 334	N/A	US\$ 334	
	UBS Barclays Commercial Mortgage Trust 2013-C5	-	"	-	US\$ 271	N/A	US\$ 271	
	Citigroup Commercial Mortgage Trust 2014-GC19	-	"	-	US\$ 251	N/A	US\$ 251	
	GS Mortgage Securities Trust 2014-GC26	-	"	-	US\$ 243	N/A	US\$ 243	
	Citigroup Commercial Mortgage Trust 2016-C3	-	"	-	US\$ 242	N/A	US\$ 242	
	Wells Fargo Commercial Mortgage Trust 2016-C36	-	"	-	US\$ 233	N/A	US\$ 233	
	Citigroup Commercial Mortgage Trust 2015-GC35	-	"	-	US\$ 214	N/A	US\$ 214	
	Bank 2020-BNK28	-	"	-	US\$ 121	N/A	US\$ 121	
	COMM 2013-CCRE8 Mortgage Trust	-	"	-	US\$ 120	N/A	US\$ 120	
	BBCMS Mortgage Trust 2020-C7	-	"	-	US\$ 84	N/A	US\$ 84	
	Ford Credit Auto Owner Trust 2019-A	-	"	-	US\$ 76	N/A	US\$ 76	
	Wells Fargo Commercial Mortgage Trust 2015-NXS1	-	"	-	US\$ 12	N/A	US\$ 12	
	<u>Non-publicly traded equity investments</u>							
	Primavera Capital Fund II L.P.	-	Financial assets at fair value through other comprehensive income	-	US\$ 92,203	4	US\$ 92,203	
VTAF II	<u>Non-publicly traded equity investments</u>							
	Aether Systems, Inc.	-	Financial assets at fair value through other comprehensive income	1,085	US\$ 379	20	US\$ 379	
	5V Technologies, Inc.	-	"	4	-	-	-	
	<u>Publicly traded stocks</u>							
	Sentelic Corporation	-	Financial assets at fair value through other comprehensive income	971	US\$ 2,986	3	US\$ 2,986	
VTAF III	<u>Non-publicly traded equity investments</u>							
	LiquidLeds Lighting Corp.	-	Financial assets at fair value through other comprehensive income	1,952	US\$ 800	14	US\$ 800	
	Neoconix, Inc.	-	"	4,147	US\$ 174	-	US\$ 174	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Growth Fund	<u>Non-publicly traded equity investments</u> Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	637	US\$ 2,142	-	US\$ 2,142	
	CNEX Labs, Inc.	-	"	24	US\$ 214	-	US\$ 214	
	<u>Publicly traded stocks</u> Marvell Technology Group Ltd.	-	Financial assets at fair value through other comprehensive income	30	US\$ 2,123	-	US\$ 2,123	
Emerging Fund	<u>Non-publicly traded equity investments</u> Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	1,487	US\$ 5,000	1	US\$ 5,000	
	<u>Publicly traded stocks</u> Credo Technology Group Holding Ltd	-	Financial assets at fair value through other comprehensive income	861	US\$ 13,118	1	US\$ 13,118	

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC	<u>Non-publicly traded equity investments</u> JASM	Investments accounted for using equity method	-	-	58	\$ 1,383,554	750	\$ 18,234,347	-	\$ -	\$ -	\$ -	808	\$ 18,960,910
	TSMC 3DIC	"	-	-	11	270,513	15	364,650	-	-	-	-	26	630,555
TSMC Global	<u>Corporate bond</u> Bank of America Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 75,265	-	US\$ 12,769	-	US\$ 5,165	US\$ 5,123	US\$ 42	-	US\$ 79,795
	Morgan Stanley	"	-	-	-	US\$ 65,115	-	US\$ 12,990	-	US\$ 4,750	US\$ 4,678	US\$ 72	-	US\$ 70,664
	S&P Global Inc.	"	-	-	-	US\$ -	-	US\$ 15,091	-	US\$ 2,893	US\$ 2,934	US\$ (41)	-	US\$ 11,885
	Bank of Montreal	"	-	-	-	US\$ 6,295	-	US\$ 10,734	-	US\$ 5,076	US\$ 4,999	US\$ 77	-	US\$ 11,518
	Citigroup Global Markets Inc.	Financial assets at amortized cost	-	-	-	US\$ 99,968	-	US\$ 150,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 249,919
	The Goldman Sachs Group, Inc.	"	-	-	-	US\$ 51,347	-	US\$ 134,651	-	US\$ -	US\$ -	US\$ -	-	US\$ 185,467
	Goldman Sachs Finance Corp International Ltd.	"	-	-	-	US\$ -	-	US\$ 150,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 149,866
	Citigroup Global Markets Holdings Inc.	"	-	-	-	US\$ -	-	US\$ 100,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 99,968
	Bank of America Corporation	"	-	-	-	US\$ -	-	US\$ 54,932	-	US\$ -	US\$ -	US\$ -	-	US\$ 54,881
	Citigroup Inc.	"	-	-	-	US\$ -	-	US\$ 48,933	-	US\$ -	US\$ -	US\$ -	-	US\$ 48,873
	JPMorgan Chase & Co.	"	-	-	-	US\$ 10,054	-	US\$ 10,956	-	US\$ -	US\$ -	US\$ -	-	US\$ 20,998
	<u>Government bond</u> United States Department of The Treasury	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 768,483	-	US\$ 88,976	-	US\$ 116,611	US\$ 117,084	US\$ (473)	-	US\$ 710,290
	<u>Agency bonds/Agency mortgage-backed securities</u> FEDERAL NATIONAL MORTGAGE ASSOCIATION	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 460,205	-	US\$ 232,667	-	US\$ 91,612	US\$ 92,889	US\$ (1,277)	-	US\$ 568,915
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ 253,075	-	US\$ 122,181	-	US\$ 34,547	US\$ 34,913	US\$ (366)	-	US\$ 324,204
	Government National Mortgage Association	"	-	-	-	US\$ 285,581	-	US\$ 68,802	-	US\$ 136,163	US\$ 138,643	US\$ (2,480)	-	US\$ 207,572

Note: The ending balance includes the realized gain/loss on equity investment, the amortization of premium/discount on bonds investments and other related adjustment.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate	February 15, 2022 (Note)	\$213,300,000 (Note)	Based on the terms in the purchase order	122 counterparties(Note), including : ABB Ltd. Accudevice Co., Ltd. Addtron Technology (Japan), Inc. Aegis Technology Co. Air Liquid Japan G.K. Air Liquide Far Eastern Ltd. Air Water Plant Engineering Co., Ltd. Allis Electric Co., Ltd. Am-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Cheng Deh Fire Protection Industrial Corp. Chien Kuo Construction Co., Ltd. China Steel Structure Co., Ltd. Chun Yuan Steel Industry Co., Ltd.	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Chung-Lin General Contractors, Ltd. Chunghwa Telecom Japan Co.,Ltd. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Da-Cin Construction Co., Ltd. Desiccant Technology Corporation Eaton Electric Japan Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. Fuji Electric Co., Ltd Fuji Furukawa E&C Co., Ltd Green Partners Industry Co., Ltd Hantech Engineering Co., Ltd. Hitachi Energy Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates Japan Material Co., Ltd. JG Environmental Technology Co., Ltd. Jienshian Information Engineering Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd.								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Johnson Controls York Taiwan Co, Ltd. Jusun Instruments Co., Ltd. Kajima Corporation Kanto Chemical Engineering Co., Ltd. Kao Hsin Engineering Co., Ltd. Kedge Construction Co., Ltd. Kinetics Technology Corporation Koei International Corp. Kuken Kogyo Co., Ltd. Kurita Water Industries Ltd., Taiwan Kyudenko Corporation L&K Engineering Co., Ltd. Lead-Fu Industrials Corporation Lee Ming Construction Co., Ltd. Lumax International Corp., Ltd. Mandartech Interiors Inc. Marketech International Corp. Mega Union Technology Incorporated Mitsubishi Heavy Industries Air-Conditioning & Refrigeration Corporation Mitsubishi Heavy Industries, Ltd. NAGASE & CO. LTD. NEC Facilities, Ltd. Organo Corporation Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd.								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Pan Asia (Engineers & Constructors) Corporation Quicken System Integration Co., Ltd. Ruentex Engineering & Construction Co., Ltd. SACHEM Inc. San Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Seibu Giken Co., Ltd. Shihlin Electric & Engineering Corporation Shimizu Corporation Siemens Limited SN Tech Corporation Solomon Technology Corporation Sumitomo Corporation Swift Engineering Co., Ltd. Taikisha Ltd. Taisei Corporation Taiwan Gleno Enterprise Co., Ltd. Taiwan Obayashi Corporation Taiwan Puritic Corp. Taiyo Nippon Sanso Corporation TASA Construction Corporation Techgo Industrial Co., Ltd. Toshiba Mitsubishi-Electric Industrial Systems Corporation Toyoko Kagaku Co., Ltd. Trane Taiwan Distribution Limited								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Vertiv Weltall Technology Corporation Wholetch System Hitech Limited Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd. Ying Pao Technology Inc. Zhao-Cheng Corp.								

Note: The disclosures are expected information based on the capital appropriation approved by the Board of Directors (Right-of-use assets are included). The actual information shall be subject to the final purchase order of TSMC.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currencies in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	% to Total	
TSMC	TSMC North America	Subsidiary	Sales	\$ 312,093,871	64	Net 30 days from invoice date (Note)	-	(Note)	\$ 143,259,426	72	
	TSMC Nanjing	Subsidiary	Sales	104,064	-	Net 30 days from the end of the month of when invoice is issued	-	-	-	-	
	GUC	Associate	Sales	1,608,880	-	Net 30 days from the end of the month of when invoice is issued	-	-	297,103	-	
	TSMC Nanjing	Subsidiary	Purchases	9,270,035	25	Net 30 days from the end of the month of when invoice is issued	-	-	(3,240,195)	6	
	TSMC China	Subsidiary	Purchases	6,251,579	17	Net 30 days from the end of the month of when invoice is issued	-	-	(2,349,544)	4	
	WaferTech	Indirect subsidiary	Purchases	2,296,848	6	Net 30 days from the end of the month of when invoice is issued	-	-	(789,970)	1	
	SSMC	Associate	Purchases	1,087,862	3	Net 30 days from the end of the month of when invoice is issued	-	-	(467,114)	1	
	VIS	Associate	Purchases	389,879	1	Net 30 days from the end of the month of when invoice is issued	-	-	(134,026)	-	
TSMC North America	GUC	Associate of TSMC	Sales	502,177 (US\$ 17,964)	-	Net 30 days from invoice date	-	-	152,042 (US\$ 5,317)	-	
VisEra Tech	Xintec	Associate of TSMC	Sales	170,582	7	Net 60 days from the end of the month of when invoice is issued	-	-	131,738	9	

Note: The tenor is determined by the payment terms granted to its clients by TSMC North America.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2022

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

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover Days (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
TSMC	TSMC North America	Subsidiary	\$ 148,621,334	41	\$ -	-	\$ -	\$ -
	TSMC Nanjing	Subsidiary	375,084	Note 2	-	-	-	-
	GUC	Associate	297,103	20	-	-	-	-
TSMC North America	GUC	Associate of TSMC	152,042 (US\$ 5,317)	33	-	-	-	-
TSMC 3DIC	TSMC	Parent company	210,117 (JPY 891,459)	Note 2	-	-	-	-
TSMC China	TSMC Nanjing	The same parent company	25,433,901 (RMB 5,641,447)	Note 2	-	-	-	-
	TSMC	Parent company	2,349,544 (RMB 521,151)	29	-	-	-	-
TSMC Nanjing	TSMC	Parent company	3,240,195 (RMB 718,705)	29	-	-	-	-
VisEra Tech	Xintec	Associate of TSMC	131,738	67	-	-	-	-
TSMC Technology	TSMC	The ultimate parent of the Company	384,904 (US\$ 13,459)	Note 2	-	-	-	-
WaferTech	TSMC	The ultimate parent of the Company	789,970 (US\$ 27,623)	30	-	-	-	-

Note 1: The calculation of turnover days excludes other receivables from related parties.

Note 2: The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover days.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE YEAR ENDED MARCH 31, 2022
 (Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms (Note 2)	Percentage of Consolidated Net Revenue or Total Assets
0	TSMC	TSMC North America	1	Net revenue from sale of goods	\$ 312,093,871	-	64%
				Receivables from related parties	143,259,426	-	4%
				Other receivables from related parties	5,361,908	-	-
				Accrued expenses and other current liabilities	42,155,773	-	1%
				Other noncurrent liabilities	146,288,207	-	4%
		JASM	1	Other noncurrent assets	1,612,212	-	-
		TSMC China	1	Purchases	6,251,579	-	1%
				Payables to related parties	2,349,544	-	-
TSMC Nanjing	1	Purchases	9,270,035	-	2%		
		Payables to related parties	3,240,195	-	-		
TSMC Technology	1	Research and development expenses	748,001	-	-		
WaferTech	1	Purchases	2,296,848	-	-		
		Payables to related parties	789,970	-	-		
1	TSMC China	TSMC Nanjing	3	Other receivables from related parties	25,433,901	-	1%

Note 1: No. 1 represents the transactions from parent company to subsidiary.

No. 3 represents the transactions between subsidiaries.

Note 2: The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2022			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				March 31, 2022 (Foreign Currencies in Thousands)	December 31, 2021 (Foreign Currencies in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)			
TSMC	TSMC Global	Tortola, British Virgin Islands	Investment activities	\$ 355,162,309	\$ 355,162,309	11	100	\$ 382,105,935	\$ 100,781	\$ 100,781	Subsidiary
	TSMC Partners	Tortola, British Virgin Islands	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	31,456,130	31,456,130	988,268	100	57,380,549	613,846	613,846	Subsidiary
	JASM	Kumamoto, Japan	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	19,651,268	1,416,921	808	81	18,960,910	(89,501)	(87,682)	Subsidiary
	TSMC Arizona	Phoenix, Arizona, U.S.A.	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	21,643,300	21,643,300	770	100	16,471,474	(1,382,312)	(1,382,312)	Subsidiary
	VIS	Hsin-Chu, Taiwan	Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks	10,180,677	10,180,677	464,223	28	11,969,823	4,091,613	1,157,521	Associate
	SSMC	Singapore	Manufacturing and sales of integrated circuits and other semiconductor devices	5,120,028	5,120,028	314	39	7,255,271	600,783	233,044	Associate
	VisEra Tech	Hsin-Chu, Taiwan	Research, design, development, manufacturing, sales, packaging and test of color filter	4,224,082	4,224,082	213,619	73	6,901,597	522,867	380,668	Subsidiary
	TSMC North America	San Jose, California, U.S.A	Sales and marketing of integrated circuits and other semiconductor devices	333,718	333,718	11,000	100	4,950,159	(81,748)	(81,748)	Subsidiary
	Xintec	Taoyuan, Taiwan	Wafer level chip size packaging and wafer level post passivation interconnection service	1,988,317	1,988,317	111,282	41	3,192,971	356,038	146,011	Associate
	GUC	Hsin-Chu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	386,568	46,688	35	1,679,084	545,358	190,003	Associate
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	643,636	278,986	26	100	630,555	13,207	13,207	Subsidiary
	Emerging Fund	Cayman Islands	Investing in technology start-up companies	382,858	298,618	-	99.9	611,457	(1,970)	(1,968)	Subsidiary
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	-	100	523,314	5,286	5,286	Subsidiary
	TSMC JDC	Yokohama, Japan	Engineering support activities	410,680	410,680	15	100	364,019	4,684	4,684	Subsidiary
	VTAF III	Cayman Islands	Investing in technology start-up companies	1,321,594	1,321,594	-	98	288,649	(1,782)	(1,747)	Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	6	100	130,815	1,569	1,569	Subsidiary
	VTAF II	Cayman Islands	Investing in technology start-up companies	260,300	260,300	-	98	120,632	(492)	(482)	Subsidiary
TSMC Korea	Seoul, Korea	Customer service and supporting activities	13,656	13,656	80	100	41,725	338	338	Subsidiary	
TSMC Partners	TSMC Development	Delaware, U.S.A	Investing in companies involved in semiconductor manufacturing	16,785,276	16,785,276	-	100	32,178,498	587,264	Note 2	Subsidiary
	TSMC Technology	Delaware, U.S.A	Engineering support activities	(US\$ 586,939)	(US\$ 586,939)	-	100	(US\$1,125,201)	(US\$ 21,008)		Subsidiary
				408,437	408,437	-	100	866,918	3,050	Note 2	Subsidiary
	TSMC Canada	Ontario, Canada	Engineering support activities	(US\$ 14,282)	(US\$ 14,282)	-	100	(US\$ 30,314)	(US\$ 109)		Subsidiary
				65,775	65,775	2,300	100	299,192	6,137	Note 2	Subsidiary
				(US\$ 2,300)	(US\$ 2,300)	-	100	(US\$ 10,462)	(US\$ 220)		Subsidiary
VTAF III	Growth Fund	Cayman Islands	Investing in technology start-up companies	74,463	74,463	-	100	207,859	(205)	Note 2	Subsidiary
				(US\$ 2,604)	(US\$ 2,604)	-	100	(US\$ 7,268)	(US\$ (7))		Subsidiary
	Mutual-Pak	New Taipei, Taiwan	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID	45,567	45,567	4,693	28	21,859	(3,839)	Note 2	Associate
				(US\$ 1,593)	(US\$ 1,593)	-	100	(US\$ 764)	(US\$ (137))		Subsidiary
TSMC Development	WaferTech	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	-	-	293,637	100	5,908,265	569,354	Note 2	Subsidiary
								(US\$ 206,597)	(US\$ 20,368)		Subsidiary

Note 1: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transactions.

Note 2: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022 (US\$ in Thousands)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow (US\$ in Thousands)	Inflow						
TSMC China	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	\$ 18,939,667 (RMB 4,502,080)	Note 1	\$ 18,939,667 (US\$ 596,000)	\$ -	\$ -	\$ 18,939,667 (US\$ 596,000)	\$ 2,845,691	100%	\$ 2,759,389 (Note 2)	\$ 79,185,015	\$ -
TSMC Nanjing	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	30,521,412 (RMB 6,650,119)	Note 1	30,521,412 (US\$ 1,000,000)	-	-	30,521,412 (US\$ 1,000,000)	4,706,592	100%	4,706,540 (Note 2)	52,632,839	-

Accumulated Investment in Mainland China as of March 31, 2022 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment
\$ 49,461,079 (US\$ 1,596,000)	\$ 119,412,667 (US\$ 3,596,000)	\$1,392,881,252 (Note 3)

Note 1: TSMC directly invested US\$596,000 thousand in TSMC China and US\$1,000,000 thousands in TSMC Nanjing.

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

Note 3: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company's consolidated net worth.

Taiwan Semiconductor Manufacturing Company Limited

INFORMATION ON MAJOR SHAREHOLDERS

March 31, 2022

Shareholders (Note)	Shares	
	Total Shares Owned	Ownership Percentage
ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	5,320,495,663	20.52%
National Development Fund, Executive Yuan	1,653,709,980	6.38%

Note: Major shareholders shows the list of all shareholders with ownership of 5 percent or greater.