

**Taiwan Semiconductor Manufacturing  
Company Limited and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 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 June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, of changes in equity, and of cash flows for the six 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 June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2022 and 2021 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

August 9, 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)

ASSETS	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,253,189,197	29	\$ 1,064,990,192	29	\$ 747,982,082	24
Financial assets at fair value through profit or loss (Note 7)	214,215	-	159,048	-	58,325	-
Financial assets at fair value through other comprehensive income (Note 8)	120,954,506	3	119,519,251	3	122,794,529	4
Financial assets at amortized cost (Note 9)	51,165,762	1	3,773,571	-	-	-
Hedging financial assets (Note 10)	44,686	-	13,468	-	310	-
Notes and accounts receivable, net (Note 11)	220,996,537	5	197,586,109	5	177,475,493	6
Receivables from related parties (Note 31)	1,072,699	-	715,324	-	784,397	-
Other receivables from related parties (Note 31)	2,518,059	-	61,531	-	1,711,652	-
Inventories (Note 12)	217,438,091	5	193,102,321	5	170,438,686	6
Other financial assets (Note 32)	24,931,373	1	16,630,611	1	12,450,123	-
Other current assets	13,341,271	-	10,521,481	-	7,408,426	-
Total current assets	<u>1,905,866,396</u>	<u>44</u>	<u>1,607,072,907</u>	<u>43</u>	<u>1,241,104,023</u>	<u>40</u>
<b>NONCURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Note 8)	6,503,252	-	5,887,892	-	5,389,958	-
Financial assets at amortized cost (Note 9)	34,139,722	1	1,533,391	-	4,336,636	-
Investments accounted for using equity method (Note 13)	23,797,518	-	21,963,418	1	19,336,878	1
Property, plant and equipment (Note 14)	2,248,318,787	52	1,975,118,704	53	1,722,679,133	56
Right-of-use assets (Note 15)	34,293,532	1	32,734,537	1	32,619,272	1
Intangible assets (Note 16)	27,208,993	1	26,821,697	1	26,535,043	1
Deferred income tax assets (Note 4)	57,848,313	1	49,153,886	1	36,180,371	1
Refundable deposits	4,125,907	-	2,624,854	-	2,513,142	-
Other noncurrent assets	3,838,915	-	2,592,169	-	2,120,733	-
Total noncurrent assets	<u>2,440,074,939</u>	<u>56</u>	<u>2,118,430,548</u>	<u>57</u>	<u>1,851,711,166</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 4,345,941,335</u>	<u>100</u>	<u>\$ 3,725,503,455</u>	<u>100</u>	<u>\$ 3,092,815,189</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term loans (Notes 17 and 29)	\$ 115,584,794	3	\$ 114,921,333	3	\$ 139,380,910	5
Financial liabilities at fair value through profit or loss (Note 7)	716,981	-	681,914	-	1,828,338	-
Hedging financial liabilities (Note 10)	-	-	9,642	-	10,216	-
Accounts payable	58,024,952	1	47,285,603	1	39,725,757	1
Payables to related parties (Note 31)	1,793,114	-	1,437,186	-	1,504,156	-
Salary and bonus payable	25,716,367	1	23,802,100	1	17,148,913	1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	63,171,737	1	36,524,741	1	52,328,940	2
Payables to contractors and equipment suppliers	160,489,081	4	145,742,148	4	107,146,153	3
Cash dividends payable (Note 20)	142,805,490	3	142,617,093	4	136,134,497	4
Income tax payable (Note 4)	62,063,783	1	59,647,152	2	40,022,662	1
Long-term liabilities - current portion (Notes 18, 19 and 29)	17,059,167	-	4,566,667	-	-	-
Accrued expenses and other current liabilities (Notes 15, 21, 29 and 31)	197,815,515	5	162,267,779	4	112,518,405	4
Total current liabilities	<u>845,240,981</u>	<u>19</u>	<u>739,503,358</u>	<u>20</u>	<u>647,748,947</u>	<u>21</u>
<b>NONCURRENT LIABILITIES</b>						
Bonds payable (Notes 18 and 29)	753,889,823	17	610,070,652	16	410,464,857	13
Long-term bank loans (Notes 19 and 29)	3,318,773	-	3,309,131	-	3,171,331	-
Deferred income tax liabilities (Note 4)	940,675	-	1,873,877	-	2,142,797	-
Lease liabilities (Notes 15 and 29)	22,510,412	1	20,764,214	1	21,030,441	1
Net defined benefit liability (Note 4)	8,513,260	-	11,036,879	-	11,285,520	1
Guarantee deposits	834,170	-	686,762	-	392,398	-
Others (Note 21)	200,231,116	5	167,525,377	5	2,608,325	-
Total noncurrent liabilities	<u>990,238,229</u>	<u>23</u>	<u>815,266,892</u>	<u>22</u>	<u>451,095,669</u>	<u>15</u>
Total liabilities	<u>1,835,479,210</u>	<u>42</u>	<u>1,554,770,250</u>	<u>42</u>	<u>1,098,844,616</u>	<u>36</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>						
Capital stock (Notes 4 and 20)	259,303,805	6	259,303,805	7	259,303,805	8
Capital surplus (Notes 4, 20 and 27)	69,333,650	1	64,761,602	2	64,753,836	2
Retained earnings (Notes 4 and 20)						
Appropriated as legal capital reserve	311,146,899	7	311,146,899	8	311,146,899	10
Appropriated as special capital reserve	47,067,461	1	59,304,212	2	48,392,823	2
Unappropriated earnings	1,844,911,241	43	1,536,378,550	41	1,366,782,481	44
	<u>2,203,125,601</u>	<u>51</u>	<u>1,906,829,661</u>	<u>51</u>	<u>1,726,322,203</u>	<u>56</u>
Others (Notes 4, 20 and 27)	(35,409,864)	(1)	(62,608,515)	(2)	(58,594,043)	(2)
Equity attributable to shareholders of the parent	<u>2,496,353,192</u>	<u>57</u>	<u>2,168,286,553</u>	<u>58</u>	<u>1,991,785,801</u>	<u>64</u>
<b>NON - CONTROLLING INTERESTS</b>	<u>14,108,933</u>	<u>1</u>	<u>2,446,652</u>	<u>-</u>	<u>2,184,772</u>	<u>-</u>
Total equity	<u>2,510,462,125</u>	<u>58</u>	<u>2,170,733,205</u>	<u>58</u>	<u>1,993,970,573</u>	<u>64</u>
<b>TOTAL</b>	<u>\$ 4,345,941,335</u>	<u>100</u>	<u>\$ 3,725,503,455</u>	<u>100</u>	<u>\$ 3,092,815,189</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)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 21, 31 and 36)	\$ 534,140,808	100	\$ 372,145,122	100	\$ 1,025,216,681	100	\$ 734,555,352	100
COST OF REVENUE (Notes 12, 28 and 31)	<u>218,672,814</u>	<u>41</u>	<u>185,948,304</u>	<u>50</u>	<u>436,545,521</u>	<u>43</u>	<u>358,519,104</u>	<u>49</u>
GROSS PROFIT	<u>315,467,994</u>	<u>59</u>	<u>186,196,818</u>	<u>50</u>	<u>588,671,160</u>	<u>57</u>	<u>376,036,248</u>	<u>51</u>
OPERATING EXPENSES (Notes 28 and 31)								
Research and development	39,649,130	8	30,873,376	8	75,697,670	7	61,629,734	8
General and administrative	11,568,594	2	7,826,613	2	22,068,621	2	14,350,858	2
Marketing	<u>2,156,794</u>	<u>-</u>	<u>1,883,434</u>	<u>1</u>	<u>4,219,417</u>	<u>1</u>	<u>3,714,664</u>	<u>1</u>
Total operating expenses	<u>53,374,518</u>	<u>10</u>	<u>40,583,423</u>	<u>11</u>	<u>101,985,708</u>	<u>10</u>	<u>79,695,256</u>	<u>11</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 15 and 28)	<u>30,273</u>	<u>-</u>	<u>53,810</u>	<u>-</u>	<u>(771,585)</u>	<u>-</u>	<u>(135,597)</u>	<u>-</u>
INCOME FROM OPERATIONS (Note 36)	<u>262,123,749</u>	<u>49</u>	<u>145,667,205</u>	<u>39</u>	<u>485,913,867</u>	<u>47</u>	<u>296,205,395</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES								
Share of profits of associates	2,258,005	-	1,171,888	-	3,983,495	-	2,439,000	-
Interest income (Note 22)	3,545,945	1	1,428,681	1	5,219,824	1	2,889,585	-
Other income	512,177	-	349,186	-	820,560	-	657,270	-
Foreign exchange gain, net (Note 34)	7,864,798	2	649,882	-	9,607,686	1	6,123,871	1
Finance costs (Note 23)	<u>(2,904,231)</u>	<u>(1)</u>	<u>(1,134,399)</u>	<u>-</u>	<u>(5,044,997)</u>	<u>-</u>	<u>(1,906,494)</u>	<u>-</u>
Other gains and losses, net (Note 24)	<u>(7,402,162)</u>	<u>(1)</u>	<u>1,258,632</u>	<u>-</u>	<u>(7,670,458)</u>	<u>(1)</u>	<u>(1,953,163)</u>	<u>-</u>
Total non-operating income and expenses	<u>3,874,532</u>	<u>1</u>	<u>3,723,870</u>	<u>1</u>	<u>6,916,110</u>	<u>1</u>	<u>8,250,069</u>	<u>1</u>
INCOME BEFORE INCOME TAX	265,998,281	50	149,391,075	40	492,829,977	48	304,455,464	41
INCOME TAX EXPENSE (Notes 4 and 25)	<u>28,818,029</u>	<u>6</u>	<u>14,909,359</u>	<u>4</u>	<u>52,776,351</u>	<u>5</u>	<u>30,234,999</u>	<u>4</u>
NET INCOME	<u>237,180,252</u>	<u>44</u>	<u>134,481,716</u>	<u>36</u>	<u>440,053,626</u>	<u>43</u>	<u>274,220,465</u>	<u>37</u>
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	(143,758)	-	926,525	-	172,201	-	817,336	-
Loss on hedging instruments	-	-	-	-	-	-	(41,416)	-
Share of other comprehensive income (loss) of associates	11,248	-	(3,645)	-	55,087	-	4,502	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>246</u>	<u>-</u>	<u>(74)</u>	<u>-</u>	<u>231</u>	<u>-</u>	<u>(55,845)</u>	<u>-</u>
Total	<u>(132,264)</u>	<u>-</u>	<u>922,806</u>	<u>-</u>	<u>227,519</u>	<u>-</u>	<u>724,577</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	13,866,707	2	(10,901,084)	(3)	33,212,298	4	(3,095,279)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(3,184,221)	1	(124,148)	-	(8,289,365)	(1)	(1,790,169)	-
Gain on hedging instruments	648,756	-	-	-	1,342,584	-	-	-
Share of other comprehensive income (loss) of associates	127,191	-	(99,112)	-	291,650	-	(73,657)	-
Income tax benefit related to items that may be reclassified subsequently	<u>53,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,036</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>11,511,769</u>	<u>3</u>	<u>(11,124,344)</u>	<u>(3)</u>	<u>26,563,203</u>	<u>3</u>	<u>(4,959,105)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>11,379,505</u>	<u>3</u>	<u>(10,201,538)</u>	<u>(3)</u>	<u>26,790,722</u>	<u>3</u>	<u>(4,234,528)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 248,559,757</u>	<u>47</u>	<u>\$ 124,280,178</u>	<u>33</u>	<u>\$ 466,844,348</u>	<u>46</u>	<u>\$ 269,985,937</u>	<u>37</u>
NET INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 237,027,317	44	\$ 134,358,942	36	\$ 439,760,292	43	\$ 274,049,435	37
Non-controlling interests	<u>152,935</u>	<u>-</u>	<u>122,774</u>	<u>-</u>	<u>293,334</u>	<u>-</u>	<u>171,030</u>	<u>-</u>
	<u>\$ 237,180,252</u>	<u>44</u>	<u>\$ 134,481,716</u>	<u>36</u>	<u>\$ 440,053,626</u>	<u>43</u>	<u>\$ 274,220,465</u>	<u>37</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 249,048,661	47	\$ 124,157,722	33	\$ 467,332,315	46	\$ 269,815,033	37
Non-controlling interests	<u>(488,904)</u>	<u>-</u>	<u>122,456</u>	<u>-</u>	<u>(487,967)</u>	<u>-</u>	<u>170,904</u>	<u>-</u>
	<u>\$ 248,559,757</u>	<u>47</u>	<u>\$ 124,280,178</u>	<u>33</u>	<u>\$ 466,844,348</u>	<u>46</u>	<u>\$ 269,985,937</u>	<u>37</u>
EARNINGS PER SHARE (NT\$, Note 26)								
Basic earnings per share	\$ 9.14		\$ 5.18		\$ 16.96		\$ 10.57	
Diluted earnings per share	\$ 9.14		\$ 5.18		\$ 16.96		\$ 10.57	

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

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					Non-controlling Interests	Total Equity	
	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			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total									
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	-	-	-	-	6,133,677	(6,133,677)	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(136,134,497)	(136,134,497)	-	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Cash dividends to shareholders	-	-	-	-	-	(142,268,174)	(136,134,497)	-	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Total	-	-	-	-	6,133,677	(142,268,174)	(136,134,497)	-	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Net income for the six months ended June 30, 2021	-	-	-	-	-	274,049,435	274,049,435	-	-	-	-	-	-	274,049,435	171,030	274,220,465
Other comprehensive loss for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	-	(3,168,898)	(1,024,088)	(41,416)	-	(4,234,402)	-	(4,234,402)	(126)	(4,234,528)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	274,049,435	274,049,435	(3,168,898)	(1,024,088)	(41,416)	-	(4,234,402)	-	269,815,033	170,904	269,985,937
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	-	-	311	-	-	-	-	-	-	-	-	-	-	311	-	311
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,454	3,454
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155	155
BALANCE, JUNE 30, 2021	25,930,380	\$ 259,303,805	\$ 64,753,836	\$ 311,146,899	\$ 48,392,823	\$ 1,366,782,481	\$ 1,726,322,203	\$ (60,170,525)	\$ 1,576,482	\$ -	\$ -	\$ (58,594,043)	\$ -	\$ 1,991,785,801	\$ 2,184,772	\$ 1,993,970,573
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	-	-	-	-	(12,236,751)	12,236,751	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(142,617,092)	(142,617,092)	-	-	-	-	-	-	(142,617,092)	-	(142,617,092)
Cash dividends to shareholders	-	-	-	-	-	(130,380,341)	(142,617,092)	-	-	-	-	-	-	(142,617,092)	-	(142,617,092)
Total	-	-	-	-	(12,236,751)	(130,380,341)	(142,617,092)	-	-	-	-	-	-	(142,617,092)	-	(142,617,092)
Net income for the six months ended June 30, 2022	-	-	-	-	-	439,760,292	439,760,292	-	-	-	-	-	-	439,760,292	293,334	440,053,626
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	-	34,285,148	(8,118,334)	1,405,209	-	27,572,023	-	27,572,023	(781,301)	26,790,722
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	439,760,292	439,760,292	34,285,148	(8,118,334)	1,405,209	-	27,572,023	-	467,332,315	(487,967)	466,844,348
Share-based payment arrangements	1,387	13,870	438,029	-	-	-	-	-	-	-	(345,201)	(345,201)	-	106,698	-	106,698
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	-	(871,566)	(871,566)	-	(871,566)
Treasury stock retired	(1,387)	(13,870)	(2,989)	-	-	(854,707)	(854,707)	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	(20,724)	-	(20,724)	-	(20,724)	-	(20,724)
Adjustments to share of changes in equities of associates	-	-	1,616	-	-	-	-	-	-	-	-	-	-	1,616	-	1,616
From share of changes in equities of subsidiaries	-	-	4,135,392	-	-	-	-	-	-	-	-	-	-	4,135,392	12,330,767	16,466,159
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180,519)	(180,519)
BALANCE, JUNE 30, 2022	25,930,380	\$ 259,303,805	\$ 69,333,650	\$ 311,146,899	\$ 47,067,461	\$ 1,844,911,241	\$ 2,203,125,601	\$ (29,018,213)	\$ (7,551,471)	\$ 1,505,021	\$ (345,201)	\$ (35,409,864)	\$ -	\$ 2,496,353,192	\$ 14,108,933	\$ 2,510,462,125

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)

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 492,829,977	\$ 304,455,464
Adjustments for:		
Depreciation expense	219,975,000	200,697,053
Amortization expense	4,351,710	4,008,423
Expected credit losses recognized (reversal) on investments in debt instruments	22,878	(3,284)
Finance costs	5,044,997	1,906,494
Share of profits of associates	(3,983,495)	(2,439,000)
Interest income	(5,219,824)	(2,889,585)
Share-based compensation	141,801	3,454
Loss on disposal or retirement of property, plant and equipment, net	59,370	10,581
Loss on disposal or retirement of intangible assets, net	-	1,228
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	245,151	(169,334)
Loss (gain) on foreign exchange, net	1,760,843	(7,684,209)
Dividend income	(240,840)	(348,146)
Others	(260,642)	(310,601)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	(22,297)	3,895,618
Notes and accounts receivable, net	(23,410,483)	(31,995,213)
Receivables from related parties	(357,375)	(226,266)
Other receivables from related parties	(33,677)	(36,224)
Inventories	(24,335,770)	(33,085,279)
Other financial assets	(2,794,688)	(4,302,494)
Other current assets	(3,834,683)	(835,489)
Accounts payable	10,739,349	738,473
Payables to related parties	355,928	(603,562)
Salary and bonus payable	1,914,267	(2,922,328)
Accrued profit sharing bonus to employees and compensation to directors	26,646,996	16,647,894
Accrued expenses and other current liabilities	1,512,486	25,071,000
Other noncurrent liabilities	71,747,862	-
Net defined benefit liability	(2,523,619)	(628,554)
Cash generated from operations	771,121,962	469,230,502
Income taxes paid	(60,102,845)	(53,975,304)
Net cash generated by operating activities	<u>711,019,117</u>	<u>415,255,198</u>

(Continued)

# Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Financial assets at fair value through other comprehensive income	\$ (40,949,130)	\$ (151,585,404)
Financial assets at amortized cost	(80,240,090)	-
Property, plant and equipment	(479,857,668)	(414,999,829)
Intangible assets	(3,805,347)	(4,123,566)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	32,886,262	148,593,456
Financial assets at amortized cost	1,970,939	6,581,175
Property, plant and equipment	672,885	116,857
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	300	62,837
Derecognition of hedging financial instruments	1,519,511	143,672
Interest received	4,322,973	3,040,052
Proceeds from government grants - property, plant and equipment	336,599	-
Proceeds from government grants - others	874	-
Other dividends received	204,090	318,746
Dividends received from investments accounted for using equity method	326,816	233,439
Increase in prepayments for leases	-	(1,200,000)
Refundable deposits paid	(1,768,173)	(1,553,689)
Refundable deposits refunded	<u>373,262</u>	<u>369,842</u>
Net cash used in investing activities	<u>(564,005,897)</u>	<u>(414,002,412)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	4,048,589	55,624,096
Proceeds from issuance of bonds	128,442,844	157,809,507
Repayment of bonds	-	(2,600,000)
Proceeds from long-term bank loans	500,000	1,210,000
Payments for transaction costs attributable to the issuance of bonds	(285,272)	(278,805)
Treasury stock acquired	(871,566)	-
Repayment of the principal portion of lease liabilities	(1,122,427)	(985,283)
Interest paid	(4,657,300)	(1,046,295)
Guarantee deposits received	123,240	151,226
Guarantee deposits refunded	(5,683)	(35,358)
Cash dividends	(142,617,093)	(129,651,902)
Disposal of ownership interests in subsidiaries (without losing control)	-	9,451,798
Increase in non-controlling interests	<u>16,438,934</u>	<u>155</u>
Net cash generated by (used in) financing activities	<u>(5,734)</u>	<u>89,649,139</u>

(Continued)



# Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ <u>41,191,519</u>	\$ <u>(3,090,490)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	188,199,005	87,811,435
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>\$1,253,189,197</u>	<u>\$ 747,982,082</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 SIX MONTHS ENDED JUNE 30, 2022 AND 2021

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

(Reviewed, Not Audited)

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#### 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 August 9, 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) and endorsed by FSC with effective date starting 2023

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
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

- c. The IFRSs issued by IASB, but not yet endorsed and issued into effect by the FSC

<b>New, Revised or Amended Standards and Interpretations</b>	<b>Effective Date Issued by IASB</b>
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

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
				June 30, 2022	December 31, 2021	June 30, 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)

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note
				June 30, 2022	December 31, 2021	June 30, 2021	
TSMC	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	68%	73%	73%	b)
	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), c)
	Japan Advanced Semiconductor Manufacturing, Inc. (JASM)	Manufacturing, sales, testing and computer aided design of integrated circuits and other semiconductor devices	Kumamoto, Japan	71%	100%	-	a), d)
	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: VisEra has increased its capital in June 2022. After the increase in capital, TSMC's shareholding in VisEra decreased from 73% to 68%. This transaction was accounted for as an equity transaction since the transaction did not change TSMC's control over VisEra.

Note c: 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 d: 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 and common 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**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Cash and deposits in banks	\$1,244,241,282	\$1,058,808,104	\$ 745,313,161
Commercial paper	5,192,945	-	-
Government bonds	3,754,970	906,743	2,668,921
Repurchase agreements	<u>-</u>	<u>5,275,345</u>	<u>-</u>
	<u>\$1,253,189,197</u>	<u>\$1,064,990,192</u>	<u>\$ 747,982,082</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

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Mandatorily measured at FVTPL			
Forward exchange contracts	\$ 214,215	\$ 159,048	\$ 58,325
<u>Financial liabilities</u>			
Held for trading			
Forward exchange contracts	\$ 716,981	\$ 681,914	\$ 1,828,338

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>June 30, 2022</u>			
Sell NT\$	July 2022 to August 2022	NT\$	97,269,884
Sell US\$	July 2022 to September 2022	US\$	1,313,561
Sell RMB	July 2022 to August 2022	RMB	1,484,671
<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>June 30, 2021</u>			
Sell NT\$	July 2021 to September 2021	NT\$	153,952,400
Sell US\$	July 2021 to September 2021	US\$	1,738,658

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
Investments in debt instruments at FVTOCI			
Corporate bonds	\$ 61,646,977	\$ 57,253,161	\$ 58,907,886
Agency bonds/Agency mortgage-backed securities	30,123,385	32,070,114	32,188,798
Government bonds	20,142,297	21,345,794	24,121,903
Asset-backed securities	<u>8,642,271</u>	<u>8,660,424</u>	<u>7,523,443</u>
	<u>120,554,930</u>	<u>119,329,493</u>	<u>122,742,030</u>

(Continued)

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Investments in equity instruments at FVTOCI			
Non-publicly traded equity investments	\$ 6,503,252	\$ 5,887,892	\$ 5,389,958
Publicly traded stocks	<u>399,576</u>	<u>189,758</u>	<u>52,499</u>
	<u>6,902,828</u>	<u>6,077,650</u>	<u>5,442,457</u>
	<u>\$ 127,457,758</u>	<u>\$ 125,407,143</u>	<u>\$ 128,184,487</u>
Current	\$ 120,954,506	\$ 119,519,251	\$ 122,794,529
Noncurrent	<u>6,503,252</u>	<u>5,887,892</u>	<u>5,389,958</u>
	<u>\$ 127,457,758</u>	<u>\$ 125,407,143</u>	<u>\$ 128,184,487</u> (Concluded)

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. All of the dividends are mainly from investments held at the end of the reporting period.

For the six months ended June 30, 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 June 30, 2022 and 2021, the cumulative loss allowance for expected credit loss of NT\$35,164 thousand and NT\$33,850 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

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Corporate bonds	\$ 48,153,344	\$ 5,310,039	\$ 4,338,802
Commercial paper	37,179,685	-	-
Less: Allowance for impairment loss	<u>(27,545)</u>	<u>(3,077)</u>	<u>(2,166)</u>
	<u>\$ 85,305,484</u>	<u>\$ 5,306,962</u>	<u>\$ 4,336,636</u>
Current	\$ 51,165,762	\$ 3,773,571	\$ -
Noncurrent	<u>34,139,722</u>	<u>1,533,391</u>	<u>4,336,636</u>
	<u>\$ 85,305,484</u>	<u>\$ 5,306,962</u>	<u>\$ 4,336,636</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

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets - current</u>			
Fair value hedges			
Interest rate futures contracts	\$ 44,686	\$ -	\$ 310
Cash flow hedges			
Forward interest rate contracts	<u>-</u>	<u>13,468</u>	<u>-</u>
	<u>\$ 44,686</u>	<u>\$ 13,468</u>	<u>\$ 310</u>
<u>Financial liabilities - current</u>			
Fair value hedges			
Interest rate futures contracts	\$ <u>-</u>	\$ <u>9,642</u>	\$ <u>10,216</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.

### June 30, 2022

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 83,800	September 2022
		<b>Accumulated Amount of Fair Value Hedge Adjustments</b>
Hedged Items	Asset Carrying Amount	
Financial assets at FVTOCI	\$ 4,199,391	\$ (44,686)



December 31, 2021

<b>Hedging Instruments</b>	<b>Contract Amount (US\$ in Thousands)</b>	<b>Maturity</b>
Interest rate futures contracts - US Treasury futures	US\$ 53,900	March 2022
		<b>Accumulated Amount of Fair Value Hedge Adjustments</b>
<b>Hedged Items</b>	<b>Asset Carrying Amount</b>	
Financial assets at FVTOCI	\$ 4,079,274	\$ 9,642

June 30, 2021

<b>Hedging Instruments</b>	<b>Contract Amount (US\$ in Thousands)</b>	<b>Maturity</b>
Interest rate futures contracts - US Treasury futures	US\$ 74,200	September 2021
		<b>Accumulated Amount of Fair Value Hedge Adjustments</b>
<b>Hedged Items</b>	<b>Asset Carrying Amount</b>	
Financial assets at FVTOCI	\$ 5,707,978	\$ 9,906

The effect for the six months ended June 30, 2022 and 2021 is detailed below:

<b>Hedging Instruments/Hedged Items</b>	<b>Change in Value Used for Calculating Hedge Ineffectiveness Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	\$ 188,504	\$ 134,956
Hedged Items		
Financial assets at FVTOCI	<u>(188,504)</u>	<u>(134,956)</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 during the hedging period. For the six months ended June 30, 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.

December 31, 2021

Hedging Instruments	Contract Amount (In Thousands)	Maturity	Balance in Other Equity (Continuing Hedges)
Forward interest rate contracts	US\$ 328,000	January 2022	\$ 128,165

The effect for the six months ended June 30, 2022 and 2021 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	
	Six Months Ended June 30	
	2022	2021
Hedging Instruments		
Forward exchange contracts (capital expenditures)	\$ -	\$ (41,416)
Forward interest rate contracts (issuance of debts)	\$ 1,356,697	\$ -
Hedged Items		
Forecast transaction (capital expenditures)	\$ -	\$ 41,416
Forecast transaction (issuance of debts)	\$ (1,356,697)	\$ -

## 11. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2022	December 31, 2021	June 30, 2021
At amortized cost			
Notes and accounts receivable	\$ 215,927,656	\$ 193,733,220	\$ 174,586,830
Less: Loss allowance	<u>(302,959)</u>	<u>(347,020)</u>	<u>(291,142)</u>
	215,624,697	193,386,200	174,295,688
At FVTOCI	<u>5,371,840</u>	<u>4,199,909</u>	<u>3,179,805</u>
	<u>\$ 220,996,537</u>	<u>\$ 197,586,109</u>	<u>\$ 177,475,493</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

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Not past due	\$ 215,112,852	\$ 191,740,045	\$ 169,954,907
Past due			
Past due within 30 days	6,180,424	6,186,814	7,811,444
Past due 31-60 days	4,724	6,182	220
Past due 61-120 days	1,496	88	64
Less: Loss allowance	<u>(302,959)</u>	<u>(347,020)</u>	<u>(291,142)</u>
	<u>\$ 220,996,537</u>	<u>\$ 197,586,109</u>	<u>\$ 177,475,493</u>

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

Movements of the loss allowance for accounts receivable

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ 347,020	\$ 246,626
Provision (Reversal)	(44,116)	44,524
Effect of exchange rate changes	<u>55</u>	<u>(8)</u>
Balance, end of period	<u>\$ 302,959</u>	<u>\$ 291,142</u>

For the six months ended June 30, 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**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Finished goods	\$ 37,577,314	\$ 32,562,750	\$ 21,358,612
Work in process	150,299,451	137,700,402	126,550,888
Raw materials	11,536,389	11,111,122	12,991,522
Supplies and spare parts	<u>18,024,937</u>	<u>11,728,047</u>	<u>9,537,664</u>
	<u>\$ 217,438,091</u>	<u>\$ 193,102,321</u>	<u>\$ 170,438,686</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:

	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Inventory losses (reversal of write-down of inventories)	<u>\$ 1,318,633</u>	<u>\$ (469,648)</u>	<u>\$ 1,257,466</u>	<u>\$ (946,047)</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		
			June 30, 2022	December 31, 2021	June 30, 2021	June 30, 2022	December 31, 2021	June 30, 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	\$ 11,387,537	\$ 10,613,127	\$ 8,702,574	28%	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	7,914,636	6,795,699	6,409,172	39%	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	3,092,962	3,046,961	2,898,577	41%	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	1,381,336	1,484,683	1,300,841	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>21,047</u>	<u>22,948</u>	<u>25,714</u>	28%	28%	28%
			<u>\$ 23,797,518</u>	<u>\$ 21,963,418</u>	<u>\$ 19,336,878</u>			

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	June 30, 2022	December 31, 2021	June 30, 2021
VIS	<u>\$ 35,652,364</u>	<u>\$ 73,347,312</u>	<u>\$ 54,778,372</u>
GUC	<u>\$ 22,456,860</u>	<u>\$ 27,359,085</u>	<u>\$ 19,282,086</u>
Xintec	<u>\$ 14,299,727</u>	<u>\$ 15,913,315</u>	<u>\$ 18,806,645</u>

### 14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2022	December 31, 2021	June 30, 2021
Assets used by the Company	\$2,248,294,450	\$1,975,113,974	\$1,722,112,116
Assets subject to operating leases	<u>24,337</u>	<u>4,730</u>	<u>567,017</u>
	<u>\$2,248,318,787</u>	<u>\$1,975,118,704</u>	<u>\$1,722,679,133</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	702,377	17,408,443	189,771,300	3,934,410	277,066,417	488,882,947
Disposals or retirements	-	(59,270)	(12,787,092)	(104,176)	-	(12,950,538)
Transfers to assets subject to operating leases	-	-	(54,042)	-	-	(54,042)
Effect of exchange rate changes	191,565	1,189,079	5,660,892	192,520	3,371,590	10,605,646
Balance at June 30, 2022	<u>\$ 7,382,172</u>	<u>\$ 595,136,029</u>	<u>\$ 4,167,340,294</u>	<u>\$ 80,176,924</u>	<u>\$ 873,593,740</u>	<u>\$ 5,723,629,159</u>
<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	682	17,675,386	196,242,367	4,643,691	-	218,562,126
Disposals or retirements	-	(48,143)	(12,076,798)	(103,804)	-	(12,228,745)
Transfers to assets subject to operating leases	-	-	(32,245)	-	-	(32,245)
Impairment	-	-	-	-	790,740	790,740
Effect of exchange rate changes	37,014	878,755	5,142,161	153,731	-	6,211,661
Balance at June 30, 2022	<u>\$ 537,522</u>	<u>\$ 324,671,240</u>	<u>\$ 3,092,814,926</u>	<u>\$ 56,520,281</u>	<u>\$ 790,740</u>	<u>\$ 3,475,334,709</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 June 30, 2022	<u>\$ 6,844,650</u>	<u>\$ 270,464,789</u>	<u>\$ 1,074,525,368</u>	<u>\$ 23,656,643</u>	<u>\$ 872,803,000</u>	<u>\$ 2,248,294,450</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	2,587,183	34,524,307	217,478,898	3,799,491	108,588,607	366,978,486
Disposals or retirements	-	(19,921)	(6,882,015)	(124,755)	-	(7,026,691)
Transfers from assets subject to operating leases	-	35,478	656,218	-	-	691,696
Transfers to assets subject to operating leases	-	-	(244,579)	-	-	(244,579)
Effect of exchange rate changes	(16,125)	86,018	672,170	(7,391)	(81,621)	653,051
Balance at June 30, 2021	<u>\$ 6,513,683</u>	<u>\$ 557,073,356</u>	<u>\$ 3,818,686,424</u>	<u>\$ 72,529,993</u>	<u>\$ 332,472,346</u>	<u>\$ 4,787,275,802</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	667	16,942,317	178,535,517	3,863,440	-	199,341,941
Disposals or retirements	-	(17,118)	(6,695,391)	(123,997)	-	(6,836,506)
Transfers from assets subject to operating leases	-	15,646	197,639	-	-	213,285
Transfers to assets subject to operating leases	-	-	(68,279)	-	-	(68,279)
Impairment	-	-	274,388	-	-	274,388
Effect of exchange rate changes	(3,750)	21,534	590,342	(7,170)	-	600,956
Balance at June 30, 2021	<u>\$ 503,046</u>	<u>\$ 288,761,850</u>	<u>\$ 2,728,364,185</u>	<u>\$ 47,534,605</u>	<u>\$ -</u>	<u>\$ 3,065,163,686</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 June 30, 2021	<u>\$ 6,010,637</u>	<u>\$ 268,311,506</u>	<u>\$ 1,090,322,239</u>	<u>\$ 24,995,388</u>	<u>\$ 332,472,346</u>	<u>\$ 1,722,112,116</u>

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

	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 192,051	\$ -	\$ 192,051
Disposals or retirements	(63,727)	-	(63,727)
Transfers from assets used by the Company	<u>-</u>	<u>54,042</u>	<u>54,042</u>
Balance at June 30, 2022	<u>\$ 128,324</u>	<u>\$ 54,042</u>	<u>\$ 182,366</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 187,321	\$ -	\$ 187,321
Additions	389	1,801	2,190
Disposals or retirements	(63,727)	-	(63,727)
Transfers from assets used by the Company	<u>-</u>	<u>32,245</u>	<u>32,245</u>
Balance at June 30, 2022	<u>\$ 123,983</u>	<u>\$ 34,046</u>	<u>\$ 158,029</u>
Carrying amounts at January 1, 2022	<u>\$ 4,730</u>	<u>\$ -</u>	<u>\$ 4,730</u>
Carrying amounts at June 30, 2022	<u>\$ 4,341</u>	<u>\$ 19,996</u>	<u>\$ 24,337</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)	(656,218)	(691,696)
Transfers from assets used by the Company	<u>-</u>	<u>244,579</u>	<u>244,579</u>
Balance at June 30, 2021	<u>\$ 192,051</u>	<u>\$ 787,372</u>	<u>\$ 979,423</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 201,366	\$ 221,992	\$ 423,358
Additions	632	133,422	134,054
Transfers to assets used by the Company	(15,646)	(197,639)	(213,285)
Transfers from assets used by the Company	<u>-</u>	<u>68,279</u>	<u>68,279</u>
Balance at June 30, 2021	<u>\$ 186,352</u>	<u>\$ 226,054</u>	<u>\$ 412,406</u>
Carrying amounts at January 1, 2021	<u>\$ 26,163</u>	<u>\$ 977,019</u>	<u>\$ 1,003,182</u>
Carrying amounts at June 30, 2021	<u>\$ 5,699</u>	<u>\$ 561,318</u>	<u>\$ 567,017</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:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Year 1	\$ 19,279	\$ 17,978	\$ 22,011
Year 2	<u>          -</u>	<u>          -</u>	<u>      8,496</u>
	<u>\$ 19,279</u>	<u>\$ 17,978</u>	<u>\$ 30,507</u>

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
<u>Carrying amounts</u>			
Land	\$ 31,286,996	\$ 29,778,636	\$ 30,256,923
Buildings	2,972,876	2,918,133	2,323,733
Machinery and equipment	3,301	3,474	3,905
Office equipment	<u>30,359</u>	<u>34,294</u>	<u>34,711</u>
	<u>\$ 34,293,532</u>	<u>\$ 32,734,537</u>	<u>\$ 32,619,272</u>
		<b>Six Months Ended June 30</b>	
		<b>2022</b>	<b>2021</b>
Additions to right-of-use assets		<u>\$ 3,110,808</u>	<u>\$ 6,220,076</u>
	<b>Three Months Ended June 30</b>	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2021</b>
Depreciation of right-of-use assets			
Land	\$ 481,599	\$ 454,014	\$ 948,561
Buildings	230,402	157,499	450,000
Machinery and equipment	214	135	416
Office equipment	<u>5,748</u>	<u>5,367</u>	<u>11,707</u>
	<u>\$ 717,963</u>	<u>\$ 617,015</u>	<u>\$ 1,410,684</u>
Income from subleasing right-of-use assets (classified under other operating income and expenses, net)	<u>\$ 20,435</u>	<u>\$ 20,248</u>	<u>\$ 41,157</u>
		<u>\$ 40,674</u>	

b. Lease liabilities

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
<u>Carrying amounts</u>			
Current portion (classified under accrued expenses and other current liabilities)	\$ 2,240,263	\$ 2,176,451	\$ 1,861,281
Noncurrent portion	<u>22,510,412</u>	<u>20,764,214</u>	<u>21,030,441</u>
	<u>\$ 24,750,675</u>	<u>\$ 22,940,665</u>	<u>\$ 22,891,722</u>

Ranges of discount rates for lease liabilities are as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Land	0.39%-1.78%	0.39%-2.14%	0.39%-2.14%
Buildings	0.39%-3.88%	0.39%-3.88%	0.39%-3.88%
Machinery and equipment	0.71%	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:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Year 1	<u>\$ 60,298</u>	<u>\$ 60,771</u>	<u>\$ 64,991</u>

e. Other lease information

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2022	2021	2022	2021
Expenses relating to short-term leases	<u>\$ 1,185,788</u>	<u>\$ 1,309,473</u>	<u>\$ 2,318,378</u>	<u>\$ 2,588,882</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 26,808</u>	<u>\$ 33,445</u>	<u>\$ 56,025</u>	<u>\$ 101,017</u>



**Six Months Ended June 30**

**2022**                      **2021**

Total cash outflow for leases                      \$ 3,624,783                      \$ 3,660,126

**16. INTANGIBLE ASSETS**

	<b>Goodwill</b>	<b>Technology License Fees</b>	<b>Software and System Design Costs</b>	<b>Patent and Others</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2022	\$ 5,379,164	\$ 23,533,959	\$ 43,650,957	\$ 11,497,309	\$ 84,061,389
Additions	-	1,945,779	2,342,902	169,692	4,458,373
Disposals or retirements	-	-	(51,896)	-	(51,896)
Effect of exchange rate changes	<u>278,092</u>	<u>2,933</u>	<u>12,201</u>	<u>1,975</u>	<u>295,201</u>
Balance at June 30, 2022	<u>\$ 5,657,256</u>	<u>\$ 25,482,671</u>	<u>\$ 45,954,164</u>	<u>\$ 11,668,976</u>	<u>\$ 88,763,067</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	-	1,358,008	2,402,246	591,456	4,351,710
Disposals or retirements	-	-	(51,896)	-	(51,896)
Effect of exchange rate changes	<u>-</u>	<u>2,933</u>	<u>10,729</u>	<u>906</u>	<u>14,568</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 16,273,234</u>	<u>\$ 36,482,657</u>	<u>\$ 8,798,183</u>	<u>\$ 61,554,074</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 June 30, 2022	<u>\$ 5,657,256</u>	<u>\$ 9,209,437</u>	<u>\$ 9,471,507</u>	<u>\$ 2,870,793</u>	<u>\$ 27,208,993</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	-	1,004,974	3,708,226	90,702	4,803,902
Disposals or retirements	-	-	(13,779)	-	(13,779)
Effect of exchange rate changes	<u>(28,244)</u>	<u>1,071</u>	<u>2,079</u>	<u>185</u>	<u>(24,909)</u>
Balance at June 30, 2021	<u>\$ 5,408,358</u>	<u>\$ 23,167,757</u>	<u>\$ 39,935,493</u>	<u>\$ 11,368,588</u>	<u>\$ 79,880,196</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	-	1,334,121	2,068,523	605,779	4,008,423
Disposals or retirements	-	-	(12,551)	-	(12,551)
Effect of exchange rate changes	<u>-</u>	<u>1,071</u>	<u>1,266</u>	<u>141</u>	<u>2,478</u>
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 13,561,258</u>	<u>\$ 32,168,997</u>	<u>\$ 7,614,898</u>	<u>\$ 53,345,153</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 June 30, 2021	<u>\$ 5,408,358</u>	<u>\$ 9,606,499</u>	<u>\$ 7,766,496</u>	<u>\$ 3,753,690</u>	<u>\$ 26,535,043</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

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured loans			
Amount	<u>\$ 115,584,794</u>	<u>\$ 114,921,333</u>	<u>\$ 139,380,910</u>
Loan content			
EUR (in thousands)	\$ 3,694,575	\$ 3,652,935	\$ 4,195,819
Annual interest rate	(0.28)%-0%	(0.73)%-0%	(0.25)%-0.01%
Maturity date	Due by September 2022	Due by June 2022	Due by September 2021

## 18. BONDS PAYABLE

	June 30, 2022	December 31, 2021	June 30, 2021
Domestic unsecured bonds	\$ 342,244,000	\$ 312,448,000	\$ 230,389,000
Overseas unsecured bonds	430,969,000	304,414,000	181,278,500
Less: Discounts on bonds payable	(2,923,177)	(2,391,348)	(1,202,643)
Less: Current portion	<u>(16,400,000)</u>	<u>(4,400,000)</u>	<u>-</u>
	<u>\$ 753,889,823</u>	<u>\$ 610,070,652</u>	<u>\$ 410,464,857</u>

The Company issued domestic unsecured bonds for the six months ended June 30, 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
111-3 (Green bond)		May 2022 to May 2027	6,100,000	1.50%	The same as above

The major terms of overseas unsecured bonds are as follows:

<b>Issuance Period</b>	<b>Total Amount (US\$ in Thousands)</b>	<b>Coupon Rate</b>	<b>Repayment and Interest Payment</b>
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
April 2021 to April 2028	900,000	1.75%	The same as above
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
April 2022 to April 2027	1,000,000	3.875%	The same as above
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

The company issued domestic unsecured bonds during the period from July 1, 2022 to August 9, 2022, the major terms are as follows:

<b>Issuance</b>	<b>Tranche</b>	<b>Issuance Period</b>	<b>Total Amount</b>	<b>Coupon Rate</b>	<b>Repayment and Interest Payment</b>
<u>NT\$ unsecured bonds</u>					
111-4 (Green bond)	A	July 2022 to July 2026	\$ 1,200,000	1.60%	Bullet repayment; interest payable annually
	B	July 2022 to July 2027	10,100,000	1.70%	The same as above
	C	July 2022 to July 2029	1,200,000	1.75%	The same as above
	D	July 2022 to July 2032	1,400,000	1.95%	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
July 2022 to July 2027	US\$ 400,000	4.375%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
July 2022 to July 2032	600,000	4.625%	The same as above

## 19. LONG-TERM BANK LOANS

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured loans	\$ 4,010,000	\$ 3,510,000	\$ 3,210,000
Less: Discounts on government grants	(32,060)	(34,202)	(38,669)
Less: Current portion	<u>(659,167)</u>	<u>(166,667)</u>	<u>-</u>
	<u>\$ 3,318,773</u>	<u>\$ 3,309,131</u>	<u>\$ 3,171,331</u>
Loan content			
Annual interest rate	0.40%-0.98%	0.40%-0.90%	0.40%-0.60%
Maturity date	Due by May 2027	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

	June 30, 2022	December 31, 2021	June 30, 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>25,930,380</u>	<u>25,930,380</u>	<u>25,930,380</u>
Issued capital	<u>\$ 259,303,805</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. Refer to Note 27 for the information on RSAs.

On May 10, 2022, TSMC's Board of Directors resolved to cancel 1,387 thousand treasury shares. Refer to Note 20(e) for the information.

As of the end of reporting period, 1,064,049 thousand ADSs of TSMC were traded on the NYSE. The number of common shares represented by the ADSs was 5,320,243 thousand shares (one ADS represents five common shares).

b. Capital surplus

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Additional paid-in capital	\$ 24,183,645	\$ 24,184,939	\$ 24,184,939
From merger	22,803,291	22,804,510	22,804,510
From convertible bonds	8,892,371	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	4,249,344	113,952	121,843
From share of changes in equities of associates	308,938	307,322	302,837
Donations	51,750	51,750	40,578
Employee restricted shares	<u>438,029</u>	<u>-</u>	<u>-</u>
	<u>\$ 69,333,650</u>	<u>\$ 64,761,602</u>	<u>\$ 64,753,836</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:

<b>Resolution Date of TSMC's Board of Directors in its meeting</b>	<b>Second Quarter of 2022</b>	<b>First Quarter of 2022</b>
	<b>August 9, 2022</b>	<b>May 10, 2022</b>
Special capital reserve	\$ (12,002,798)	\$ (15,541,054)
Cash dividends to shareholders	\$ 71,308,546	\$ 71,308,546
Cash dividends per share (NT\$)	\$ 2.75	\$ 2.75

  

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

  

<b>Resolution Date of TSMC's Board of Directors in its meeting</b>	<b>Fourth Quarter of 2020</b>	<b>Third Quarter of 2020</b>	<b>Second Quarter of 2020</b>	<b>First Quarter of 2020</b>
	<b>February 9, 2021</b>	<b>November 10, 2020</b>	<b>August 11, 2020</b>	<b>May 12, 2020</b>
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

d. Others

Changes in others were as follows:

	<b>Six Months Ended June 30, 2022</b>				
	<b>Foreign Currency Translation Reserve</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Unearned Stock-Based Employee Compensation</b>	<b>Total</b>
Balance, beginning of period	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)
Exchange differences arising on translation of foreign operations	33,993,498	-	-	-	33,993,498
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	172,302	-	-	172,302
Debt instruments	-	(8,533,984)	-	-	(8,533,984)

(Continued)

<b>Six Months Ended June 30, 2022</b>					
	<b>Foreign Currency Translation Reserve</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Unearned Stock-Based Employee Compensation</b>	<b>Total</b>
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	-	245,151	-	-	245,151
Loss allowance adjustments from debt instruments	-	(532)	-	-	(532)
Gain (loss) arising on changes in the fair value of hedging instruments	-	-	1,342,584	-	1,342,584
Transferred to initial carrying amount of hedged items	-	-	(20,724)	-	(20,724)
Issuance of shares	-	-	-	(451,899)	(451,899)
Share-based payment expenses recognized	-	-	-	106,698	106,698
Share of other comprehensive income (loss) of associates	291,650	(1,502)	56,589	-	346,737
Income tax effect	-	231	6,036	-	6,267
Balance, end of period	<u>\$ (29,018,213)</u>	<u>\$ (7,551,471)</u>	<u>\$ 1,505,021</u>	<u>\$ (345,201)</u>	<u>\$ (35,409,864)</u> (Concluded)

<b>Six Months Ended June 30, 2021</b>					
	<b>Foreign Currency Translation Reserve</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Unearned Stock-Based Employee Compensation</b>	<b>Total</b>
Balance, beginning of period	\$ (57,001,627)	\$ 2,321,754	\$ -	\$ -	\$ (54,679,873)
Exchange differences arising on translation of foreign operations	(3,095,241)	-	-	-	(3,095,241)
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	817,424	-	-	817,424
Debt instruments	-	(1,622,452)	-	-	(1,622,452)
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	-	(169,334)	-	-	(169,334)
Loss allowance adjustments from debt instruments	-	1,617	-	-	1,617
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	(73,657)	4,502	-	-	(69,155)
Income tax effect	-	(55,845)	-	-	(55,845)
Balance, end of period	<u>\$ (60,170,525)</u>	<u>\$ 1,576,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,594,043)</u>

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. TSMC has completed this share buyback program during the first quarter of 2022. 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. The registration for share cancellation was completed on May 20, 2022.

## 21. NET REVENUE

### a. Disaggregation of revenue from contracts with customers

Product	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Wafer	\$ 475,781,237	\$ 332,005,700	\$ 914,417,988	\$ 654,477,956
Others	<u>58,359,571</u>	<u>40,139,422</u>	<u>110,798,693</u>	<u>80,077,396</u>
	<u>\$ 534,140,808</u>	<u>\$ 372,145,122</u>	<u>\$1,025,216,681</u>	<u>\$ 734,555,352</u>

  

Geography	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Taiwan	\$ 57,220,955	\$ 41,751,615	\$ 121,529,972	\$ 99,480,649
United States	334,036,299	218,814,409	640,162,981	456,177,680
China	67,466,165	55,029,691	122,802,779	78,239,433
Europe, the Middle East and Africa	30,516,978	25,148,209	56,397,199	45,022,267
Japan	27,232,242	19,424,581	51,803,418	34,380,749
Others	<u>17,668,169</u>	<u>11,976,617</u>	<u>32,520,332</u>	<u>21,254,574</u>
	<u>\$ 534,140,808</u>	<u>\$ 372,145,122</u>	<u>\$1,025,216,681</u>	<u>\$ 734,555,352</u>

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

Platform	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Smartphone	\$ 201,555,759	\$ 157,744,895	\$ 397,555,653	\$ 320,952,692
High Performance Computing	228,940,670	143,391,014	431,185,832	271,234,401
Internet of Things	44,648,551	29,391,787	83,694,326	59,514,518
Automotive	27,041,397	16,395,914	50,772,615	31,001,454
Digital Consumer Electronics	15,245,696	13,540,616	29,724,532	28,954,701
Others	<u>16,708,735</u>	<u>11,680,896</u>	<u>32,283,723</u>	<u>22,897,586</u>
	<u>\$ 534,140,808</u>	<u>\$ 372,145,122</u>	<u>\$1,025,216,681</u>	<u>\$ 734,555,352</u>

  

Resolution	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
5-nanometer	\$ 100,729,723	\$ 61,189,745	\$ 187,021,513	\$ 106,802,946
7-nanometer	142,919,242	101,327,247	275,244,347	212,348,622
10-nanometer	10,212	171,448	13,357	628,486
16-nanometer	64,478,129	45,342,157	125,345,668	90,649,739
20-nanometer	2,129,924	1,329,397	4,284,389	2,530,800
28-nanometer	49,533,008	37,518,815	96,980,103	74,182,990
40/45-nanometer	36,441,273	23,604,843	70,471,243	46,795,800
65-nanometer	22,537,887	16,335,174	43,724,793	31,958,401
90-nanometer	10,513,833	9,031,280	19,778,329	17,755,720
0.11/0.13 micron	12,701,869	9,307,618	26,078,454	18,005,084
0.15/0.18 micron	27,207,891	20,997,915	52,731,689	41,607,465
0.25 micron and above	<u>6,578,246</u>	<u>5,850,061</u>	<u>12,744,103</u>	<u>11,211,903</u>
Wafer revenue	<u>\$ 475,781,237</u>	<u>\$ 332,005,700</u>	<u>\$ 914,417,988</u>	<u>\$ 654,477,956</u>



b. Contract balances

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>	<b>January 1, 2021</b>
Contract liabilities (classified under accrued expenses and other current liabilities)	<u>\$ 36,370,599</u>	<u>\$ 39,762,588</u>	<u>\$ 28,707,650</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\$4,816,703 thousand and NT\$1,790,629 thousand for the three months ended June 30, 2022 and 2021, respectively; and NT\$35,695,115 thousand and NT\$10,804,405 thousand for the six months ended June 30, 2022 and 2021, respectively.

c. Temporary receipts from customers

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Current portion (classified under accrued expenses and other current liabilities)	\$ 64,819,768	\$ 30,612,702
Noncurrent portion (classified under other noncurrent liabilities)	<u>185,078,181</u>	<u>155,381,485</u>
	<u>\$ 249,897,949</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

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Interest income				
Bank deposits	\$ 2,673,691	\$ 708,406	\$ 3,665,684	\$ 1,339,467
Financial assets at FVTOCI	602,121	548,760	1,142,611	1,175,467
Financial assets at amortized cost	<u>270,133</u>	<u>171,515</u>	<u>411,529</u>	<u>374,651</u>
	<u>\$ 3,545,945</u>	<u>\$ 1,428,681</u>	<u>\$ 5,219,824</u>	<u>\$ 2,889,585</u>

## 23. FINANCE COSTS

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expense				
Corporate bonds	\$ 3,343,130	\$ 1,083,200	\$ 5,730,439	\$ 1,798,304
Lease liabilities	50,785	47,150	97,303	96,927
Bank loans	8,024	3,964	14,645	11,093
Others	88	85	175	170
Less: Capitalized interest under property, plant and equipment	<u>(497,796)</u>	<u>-</u>	<u>(797,565)</u>	<u>-</u>
	<u>\$ 2,904,231</u>	<u>\$ 1,134,399</u>	<u>\$ 5,044,997</u>	<u>\$ 1,906,494</u>

Information about capitalized interest is as follows:

	<b>Three Months Ended June 30, 2022</b>	<b>Six Months Ended June 30, 2022</b>
Capitalization rate	0.72%-3.36%	0.56%-3.36%

## 24. OTHER GAINS AND LOSSES, NET

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gain (loss) on disposal of financial assets, net				
Investments in debt instruments at FVTOCI	\$ (104,373)	\$ 166,348	\$ (245,151)	\$ 169,334
Gain (loss) on financial instruments at FVTPL, net				
Mandatorily measured at FVTPL	(7,049,073)	955,618	(7,421,976)	(2,398,909)
The reversal (accrual) of expected credit loss of financial assets				
Investments in debt instruments at FVTOCI	1,171	(1,861)	532	(1,617)
Financial assets at amortized cost	(12,281)	4,648	(23,410)	4,901
Other gains (losses), net	<u>(237,606)</u>	<u>133,879</u>	<u>19,547</u>	<u>273,128</u>
	<u>\$ (7,402,162)</u>	<u>\$ 1,258,632</u>	<u>\$ (7,670,458)</u>	<u>\$ (1,953,163)</u>

## 25. INCOME TAX

### a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax expense				
Current tax expense				
recognized in the current				
period	\$ 34,088,064	\$ 19,420,622	\$ 62,764,254	\$ 39,877,578
Income tax adjustments on				
prior years	(489,636)	158,443	(523,244)	158,443
Other income tax				
adjustments	<u>46,337</u>	<u>31,501</u>	<u>86,804</u>	<u>69,886</u>
	<u>33,644,765</u>	<u>19,610,566</u>	<u>62,327,814</u>	<u>40,105,907</u>
Deferred income tax benefit				
The origination and reversal				
of temporary differences	(5,754,159)	(3,383,430)	(9,528,886)	(7,238,311)
Investment tax credits	<u>927,423</u>	<u>(1,317,777)</u>	<u>(22,577)</u>	<u>(2,632,597)</u>
	<u>(4,826,736)</u>	<u>(4,701,207)</u>	<u>(9,551,463)</u>	<u>(9,870,908)</u>
Income tax expense recognized				
in profit or loss	<u>\$ 28,818,029</u>	<u>\$ 14,909,359</u>	<u>\$ 52,776,351</u>	<u>\$ 30,234,999</u>

### b. Income tax expense recognized in other comprehensive income

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred income tax benefit				
(expense)				
Related to unrealized				
gain/loss on investments in				
equity instruments at				
FVTOCI	\$ 246	\$ (74)	\$ 231	\$ (55,845)
Related to gain/loss on cash				
flow hedges	<u>53,336</u>	<u>-</u>	<u>6,036</u>	<u>-</u>
	<u>\$ 53,582</u>	<u>\$ (74)</u>	<u>\$ 6,267</u>	<u>\$ (55,845)</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

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Basic EPS	\$ 9.14	\$ 5.18	\$ 16.96	\$ 10.57
Diluted EPS	\$ 9.14	\$ 5.18	\$ 16.96	\$ 10.57

EPS is computed as follows:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Basic EPS				
Net income available to common shareholders of the parent	\$ 237,027,317	\$ 134,358,942	\$ 439,760,292	\$ 274,049,435
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	<u>25,928,993</u>	<u>25,930,380</u>	<u>25,929,390</u>	<u>25,930,380</u>
Basic EPS (in dollars)	\$ 9.14	\$ 5.18	\$ 16.96	\$ 10.57
Diluted EPS				
Net income available to common shareholders of the parent	\$ 237,027,317	\$ 134,358,942	\$ 439,760,292	\$ 274,049,435
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	25,928,993	25,930,380	25,929,390	25,930,380
Effects of all dilutive potential common shares	<u>174</u>	<u>-</u>	<u>118</u>	<u>-</u>
Weighted average number of common shares used in the computation of diluted EPS (in thousands)	<u>25,929,167</u>	<u>25,930,380</u>	<u>25,929,508</u>	<u>25,930,380</u>
Diluted EPS (in dollars)	\$ 9.14	\$ 5.18	\$ 16.96	\$ 10.57

## 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:

- 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.

<b>TSMC’s TSR relative to the TSR of S&amp;P 500 IT Index</b>	<b>Ratio of Shares to be Vested</b>
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:

	<b>Six Months Ended June 30, 2022</b>
	<b>Number of Stocks (In Thousands)</b>
Balance, beginning of period	-
Issuance of stocks	<u>1,387</u>
Balance, end of period	<u>1,387</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:

	<b>March 1, 2022</b>
Stock price at grant date (in dollars)	\$ 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 TSMC.

The issuance of RSAs for year 2022 (2022 RSAs) of no more than 3,065 thousand common shares has been approved by TSMC's shareholders' meeting held on June 8, 2022. The grants will be made free of charge.

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. 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:

	<b>June 30, 2022</b>
Stock price at measurement date (in dollars)	\$ 501
Expected price volatility	25.85%-29.88%
Expected option life	1-3 years
Risk-free interest rate	0.96%

Refer to Note 28 for the compensation costs of the cash-settled share-based payment recognized by TSMC. The liabilities under cash-settle share-based payment arrangement amounted to NT\$16,650 thousands as of the end of reporting period.

## 28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
a. Depreciation of property, plant and equipment and right-of-use assets				
Recognized in cost of revenue	\$ 103,802,522	\$ 94,713,022	\$ 205,460,210	\$ 186,947,097
Recognized in operating expenses	7,236,218	6,949,727	14,512,600	13,615,902
Recognized in other operating income and expenses	<u>1,995</u>	<u>61,437</u>	<u>2,190</u>	<u>134,054</u>
	<u>\$ 111,040,735</u>	<u>\$ 101,724,186</u>	<u>\$ 219,975,000</u>	<u>\$ 200,697,053</u>
b. Amortization of intangible assets				
Recognized in cost of revenue	\$ 1,509,549	\$ 1,394,961	\$ 3,011,624	\$ 2,681,865
Recognized in operating expenses	<u>674,363</u>	<u>686,011</u>	<u>1,340,086</u>	<u>1,326,558</u>
	<u>\$ 2,183,912</u>	<u>\$ 2,080,972</u>	<u>\$ 4,351,710</u>	<u>\$ 4,008,423</u>
c. Employee benefits expenses				
Post-employment benefits				
Defined contribution plans	\$ 1,106,462	\$ 943,574	\$ 2,147,764	\$ 1,713,829
Defined benefit plans	<u>52,387</u>	<u>48,121</u>	<u>104,561</u>	<u>96,232</u>
	<u>1,158,849</u>	<u>991,695</u>	<u>2,252,325</u>	<u>1,810,061</u>
Share-based payments				
Equity-settled	114,348	1,750	141,801	3,454
Cash-settled	<u>11,899</u>	<u>-</u>	<u>17,299</u>	<u>-</u>
	<u>126,247</u>	<u>1,750</u>	<u>159,100</u>	<u>3,454</u>
Other employee benefits	<u>56,010,143</u>	<u>38,416,215</u>	<u>104,931,140</u>	<u>75,678,609</u>
	<u>\$ 57,295,239</u>	<u>\$ 39,409,660</u>	<u>\$ 107,342,565</u>	<u>\$ 77,492,124</u>
Employee benefits expense summarized by function				
Recognized in cost of revenue	\$ 33,789,220	\$ 23,513,793	\$ 63,515,083	\$ 46,320,240
Recognized in operating expenses	<u>23,506,019</u>	<u>15,895,867</u>	<u>43,827,482</u>	<u>31,171,884</u>
	<u>\$ 57,295,239</u>	<u>\$ 39,409,660</u>	<u>\$ 107,342,565</u>	<u>\$ 77,492,124</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:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit sharing bonus to employees	\$ 14,149,316	\$ 8,020,534	\$ 26,260,235	\$ 16,358,834

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:

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

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

	<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>
Additions of financial assets at FVTOCI	\$ 34,590,360	\$ 148,920,027
Changes in accrued expenses and other current liabilities	6,359,987	2,665,377
Changes in other financial assets	(1,217)	-
Payments for acquisition of financial assets at FVTOCI	\$ 40,949,130	\$ 151,585,404
Disposal of financial assets at FVTOCI	\$ 32,801,826	\$ 145,602,717
Changes in other financial assets	84,436	2,990,739
Proceeds from disposal of financial assets at FVTOCI	\$ 32,886,262	\$ 148,593,456
Additions of property, plant and equipment	\$ 488,882,947	\$ 366,978,486
Changes in other financial assets	5,256,973	364,946
Changes in payables to contractors and equipment suppliers	(13,790,015)	47,697,813
Changes in accrued expenses and other current liabilities	305,328	-
Transferred to initial carrying amount of hedged items	-	(41,416)
Capitalized interests	(797,565)	-
Payments for acquisition of property, plant and equipment	\$ 479,857,668	\$ 414,999,829

(Continued)



	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Additions of intangible assets	\$ 4,458,373	\$ 4,803,902
Changes in other financial assets	7,584	2,442
Changes in accrued expenses and other current liabilities	<u>(660,610)</u>	<u>(682,778)</u>
Payments for acquisition of intangible assets	<u>\$ 3,805,347</u>	<u>\$ 4,123,566</u>
		(Concluded)

b. Reconciliation of liabilities arising from financing activities

	<b>Balance as of January 1, 2022</b>	<b>Financing Cash Flow</b>	<b>Non-cash Changes</b>			<b>Balance as of June 30, 2022</b>
			<b>Foreign Exchange Movement</b>	<b>Leases Modifications</b>	<b>Other Changes (Note)</b>	
Short-term loans	\$ 114,921,333	\$ 4,048,589	\$ (2,888,343)	\$ -	\$ (496,785)	\$ 115,584,794
Bonds payable	614,470,652	128,157,572	27,528,871	-	132,728	770,289,823
Long-term bank loans	3,475,798	500,000	-	-	2,142	3,977,940
Lease liabilities	<u>22,940,665</u>	<u>(1,219,517)</u>	<u>52,785</u>	<u>2,879,439</u>	<u>97,303</u>	<u>24,750,675</u>
Total	<u>\$ 755,808,448</u>	<u>\$ 131,486,644</u>	<u>\$ 24,693,313</u>	<u>\$ 2,879,439</u>	<u>\$ (264,612)</u>	<u>\$ 914,603,232</u>

  

	<b>Balance as of January 1, 2021</b>	<b>Financing Cash Flow</b>	<b>Non-cash Changes</b>			<b>Balance as of June 30, 2021</b>
			<b>Foreign Exchange Movement</b>	<b>Leases Modifications</b>	<b>Other Changes (Note)</b>	
Short-term loans	\$ 88,559,026	\$ 55,624,096	\$ (4,518,505)	\$ -	\$ (283,707)	\$ 139,380,910
Bonds payable	256,705,084	154,930,702	(1,231,552)	-	60,623	410,464,857
Long-term bank loans	1,967,611	1,210,000	-	-	(6,280)	3,171,331
Lease liabilities	<u>22,388,674</u>	<u>(1,082,055)</u>	<u>(33,211)</u>	<u>1,521,387</u>	<u>96,927</u>	<u>22,891,722</u>
Total	<u>\$ 369,620,395</u>	<u>\$ 210,682,743</u>	<u>\$ (5,783,268)</u>	<u>\$ 1,521,387</u>	<u>\$ (132,437)</u>	<u>\$ 575,908,820</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

	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Financial assets			
FVTPL (Note 1)	\$ 214,215	\$ 159,048	\$ 58,325
FVTOCI (Note 2)	132,829,598	129,607,052	131,364,292
Hedging financial assets	44,686	13,468	310
Amortized cost (Note 3)	<u>1,586,767,416</u>	<u>1,283,715,674</u>	<u>944,073,720</u>
	<u>\$1,719,855,915</u>	<u>\$1,413,495,242</u>	<u>\$1,075,496,647</u>
Financial liabilities			
FVTPL (Note 4)	\$ 716,981	\$ 681,914	\$ 1,828,338
Hedging financial liabilities	-	9,642	10,216
Amortized cost (Note 5)	<u>1,610,885,645</u>	<u>1,355,957,244</u>	<u>919,869,533</u>
	<u>\$1,611,602,626</u>	<u>\$1,356,648,800</u>	<u>\$ 921,708,087</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 six months ended June 30, 2022 and 2021, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$1,748,402 thousand and NT\$519,643 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\$3,945,980 thousand and NT\$3,713,054 thousand for the six months ended June 30, 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 six months ended June 30, 2022 and 2021, the other comprehensive income would have decreased by NT\$677,684 thousand and NT\$532,912 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 June 30, 2022, December 31, 2021 and June 30, 2021, the Company's ten largest customers accounted for 78%, 79% and 78% 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	0-0.09%
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 six months ended June 30, 2022 and 2021, the expected credit loss increased NT\$26,423 thousand and decrease NT\$3,563 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>June 30, 2022</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 115,485,709	\$ -	\$ -	\$ -	\$ 115,485,709
Accounts payable (including related parties)	59,818,066	-	-	-	59,818,066
Payables to contractors and equipment suppliers	160,489,081	-	-	-	160,489,081
Accrued expenses and other current liabilities	159,093,063	-	-	-	159,093,063
Bonds payable	30,642,237	54,419,617	276,477,181	617,066,414	978,605,449
Long-term bank loans	692,634	2,535,527	860,476	-	4,088,637
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,481,460	4,272,205	3,758,566	15,972,231	26,484,462
Others	-	196,206,050	1,675,578	-	197,881,628
	<u>528,702,250</u>	<u>257,433,399</u>	<u>282,771,801</u>	<u>633,038,645</u>	<u>1,701,946,095</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	142,903,327	-	-	-	142,903,327
Inflows	(142,478,581)	-	-	-	(142,478,581)
	<u>424,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,746</u>
	<u>\$ 529,126,996</u>	<u>\$ 257,433,399</u>	<u>\$ 282,771,801</u>	<u>\$ 633,038,645</u>	<u>\$ 1,702,370,841</u>

(Continued)

	<b>Less Than 1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>More Than 5 Years</b>	<b>Total</b>
<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	(187,631,930)	-	-	-	(187,631,930)
	<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>

June 30, 2021

Non-derivative financial liabilities

Short-term loans	\$ 139,286,411	\$ -	\$ -	\$ -	\$ 139,286,411
Accounts payable (including related parties)	41,229,913	-	-	-	41,229,913
Payables to contractors and equipment suppliers	107,146,153	-	-	-	107,146,153
Accrued expenses and other current liabilities	81,877,944	-	-	-	81,877,944
Bonds payable	4,695,789	31,393,955	111,057,181	321,209,197	468,356,122
Long-term bank loans	15,145	1,711,443	1,529,118	-	3,255,706
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,056,447	3,547,598	3,254,813	15,437,513	24,296,371
	<u>376,307,802</u>	<u>36,652,996</u>	<u>115,841,112</u>	<u>336,646,710</u>	<u>865,448,620</u>

Derivative financial instruments

Forward exchange contracts					
Outflows	202,441,828	-	-	-	202,441,828
Inflows	(201,256,293)	-	-	-	(201,256,293)
	<u>1,185,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,185,535</u>
	<u>\$ 377,493,337</u>	<u>\$ 36,652,996</u>	<u>\$ 115,841,112</u>	<u>\$ 336,646,710</u>	<u>\$ 866,634,155</u> <b>(Concluded)</b>

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

	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>More Than 20 Years</b>	<b>Total</b>
<u>June 30, 2022</u>					
Lease liabilities	\$ 8,067,028	\$ 5,391,697	\$ 2,267,302	\$ 246,204	\$ 15,972,231
<u>December 31, 2021</u>					
Lease liabilities	\$ 7,513,939	\$ 5,043,067	\$ 1,972,740	\$ 119,489	\$ 14,649,235
<u>June 30, 2021</u>					
Lease liabilities	\$ 7,658,578	\$ 5,300,326	\$ 2,290,803	\$ 187,806	\$ 15,437,513

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:

	<b>June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 214,215	\$ -	\$ 214,215
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 61,646,977	\$ -	\$ 61,646,977
Agency bonds/Agency mortgage-backed securities	-	30,123,385	-	30,123,385
Government bonds	20,060,391	81,906	-	20,142,297
Asset-backed securities	-	8,642,271	-	8,642,271
Investments in equity instruments				
Non-publicly traded equity investments	-	-	6,503,252	6,503,252
Publicly traded stocks	399,576	-	-	399,576
Notes and accounts receivable, net	-	5,371,840	-	5,371,840
	<u>\$ 20,459,967</u>	<u>\$ 105,866,379</u>	<u>\$ 6,503,252</u>	<u>\$ 132,829,598</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ 44,686	\$ -	\$ -	\$ 44,686
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 716,981	\$ -	\$ 716,981

	<b>December 31, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<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
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	-	4,199,909	-	4,199,909
	<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	\$ -	\$ 13,468	\$ -	\$ 13,468
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 681,914	\$ -	\$ 681,914
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	\$ 9,642	\$ -	\$ -	\$ 9,642
<b>June 30, 2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 58,325	\$ -	\$ 58,325
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 58,907,886	\$ -	\$ 58,907,886
Agency bonds/Agency mortgage-backed securities	-	32,188,798	-	32,188,798
Government bonds	24,041,328	80,575	-	24,121,903
Asset-backed securities	-	7,523,443	-	7,523,443
Investments in equity instruments				
Non-publicly traded equity investments	-	-	5,389,958	5,389,958
Publicly traded stocks	52,499	-	-	52,499
Notes and accounts receivable, net	-	3,179,805	-	3,179,805
	<u>\$ 24,093,827</u>	<u>\$ 101,880,507</u>	<u>\$ 5,389,958</u>	<u>\$ 131,364,292</u>

(Continued)

	<b>June 30, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ 310	\$ -	\$ -	\$ 310
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 1,828,338	\$ -	\$ 1,828,338
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	\$ 10,216	\$ -	\$ -	\$ 10,216 (Concluded)

#### 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 six months ended June 30, 2022 and 2021 are as follows:

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ 5,887,892	\$ 4,514,940
Additions	295,387	153,680
Recognized in other comprehensive income or loss	98,814	814,395
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>360,929</u>	<u>(30,220)</u>
Balance, end of period	<u>\$ 6,503,252</u>	<u>\$ 5,389,958</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 June 30, 2022, December 31, 2021 and June 30, 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\$53,415 thousand, NT\$51,372 thousand and NT\$46,218 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:

	<u>June 30, 2022</u>	
	<b>Carrying Amount</b>	<b>Level 2 Fair Value</b>
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	\$ 48,125,799	\$ 47,626,708
Commercial paper	<u>37,179,685</u>	<u>37,215,645</u>
	<u>\$ 85,305,484</u>	<u>\$ 84,842,353</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	<u>\$ 770,289,823</u>	<u>\$ 708,469,501</u>
	<u>December 31, 2021</u>	
	<b>Carrying Amount</b>	<b>Level 2 Fair Value</b>
<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>

	<b>June 30, 2021</b>	
	<b>Carrying Amount</b>	<b>Level 2 Fair Value</b>
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	\$ 4,336,636	\$ 4,373,891
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	\$ 410,464,857	\$ 407,330,000

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.

The fair value of commercial paper is determined by the present value of future cash flows based on the discounted curves that are derived from the quoted market prices.

### 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>Item</u>	<u>Related Party Categories</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
		2022	2021	2022	2021
Net revenue from sale of goods	Associates	\$ 3,686,117	\$ 1,816,016	\$ 5,970,321	\$ 3,447,107

c. Purchases

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Related Party Categories</u>				
Associates	\$ <u>1,620,327</u>	\$ <u>2,006,612</u>	\$ <u>3,098,068</u>	\$ <u>3,903,133</u>

d. Receivables from related parties

		<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>June 30,</u> <u>2021</u>
<u>Item</u>	<u>Related Party Name/Categories</u>			
Receivables from related parties	GUC	\$ 899,746	\$ 597,836	\$ 675,490
	Xintec	<u>172,953</u>	<u>117,488</u>	<u>108,907</u>
		\$ <u>1,072,699</u>	\$ <u>715,324</u>	\$ <u>784,397</u>
Other receivables from related parties	VIS	\$ 2,117,731	\$ 11,156	\$ 1,639,722
	Xintec	335,526	-	1,273
	SSMC	64,802	50,375	48,879
	Others	<u>-</u>	<u>-</u>	<u>21,778</u>
		\$ <u>2,518,059</u>	\$ <u>61,531</u>	\$ <u>1,711,652</u>

e. Payables to related parties

		<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>June 30,</u> <u>2021</u>
<u>Item</u>	<u>Related Party Name/Categories</u>			
Payables to related parties	Xintec	\$ 1,159,136	\$ 725,325	\$ 727,551
	SSMC	454,451	349,211	412,226
	VIS	164,527	357,151	334,046
	Others	<u>15,000</u>	<u>5,499</u>	<u>30,333</u>
		\$ <u>1,793,114</u>	\$ <u>1,437,186</u>	\$ <u>1,504,156</u>

f. Accrued expenses and other current liabilities

		<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>June 30,</u> <u>2021</u>
<u>Item</u>	<u>Related Party Categories</u>			
Contract liabilities	Associates	\$ <u>289,699</u>	\$ <u>726,350</u>	\$ <u>333,101</u>

g. Others

		<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Item</u>	<u>Related Party Categories</u>				
Manufacturing expenses	Associates	\$ <u>1,589,885</u>	\$ <u>949,613</u>	\$ <u>2,864,454</u>	\$ <u>2,566,519</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:

	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 1,103,526	\$ 689,912	\$ 1,984,710	\$ 1,302,471
Post-employment benefits	863	776	1,675	1,495
Share-based payments	<u>88,527</u>	<u>-</u>	<u>120,121</u>	<u>-</u>
	<u>\$ 1,192,916</u>	<u>\$ 690,688</u>	<u>\$ 2,106,506</u>	<u>\$ 1,303,966</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 June 30, 2022, December 31, 2021 and June 30, 2021, the aforementioned other financial assets amounted to NT\$110,306 thousand, NT\$210,235 thousand and NT\$264,553 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 the end of reporting period, 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 the end of reporting period

- 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 June 30, 2022, December 31, 2021 and June 30, 2021 were NT\$59,444 thousand, NT\$136,710 thousand and NT\$137,772 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>June 30, 2022</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,813,698	29.722	\$ 410,570,726
USD	1,264,759	6.694(Note 2)	37,591,153
EUR	10,838	31.285	339,070
EUR	94,588	7.046(Note 3)	2,959,174
JPY	6,882,030	0.2178	1,498,906
JPY	10,526,806	0.0491(Note 4)	2,292,738
<u>Financial liabilities</u>			
Monetary items			
USD	14,709,129	29.722	437,184,740
EUR	2,538,611	31.285	79,420,443
JPY	100,738,182	0.2178	21,940,776
JPY	12,327,338	0.0491(Note 4)	2,684,894
<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

(Continued)

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate (Note 1)</b>	<b>Carrying Amount (In Thousands)</b>
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
<u>June 30, 2021</u>			
<u>Financial assets</u>			
Monetary items			
USD	7,172,316	27.889	200,028,730
USD	1,749,810	6.461(Note 2)	48,800,457
EUR	6,811	33.219	226,248
JPY	22,225,973	0.2526	5,614,281
<u>Financial liabilities</u>			
Monetary items			
USD	7,022,872	27.889	195,860,888
EUR	4,287,817	33.219	142,436,982
JPY	78,286,201	0.2526	19,775,094 (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 Euro could be exchanged.

Note 4: The exchange rate represents the number of RMB for which one Japanese yen 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 and the six months ended June 30, 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 SIX MONTHS ENDED JUNE 30, 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	\$ 68,811,520 (RMB 7,800,000)& (US\$ 1,150,000)	\$ 68,811,520 (RMB 7,800,000)& (US\$ 1,150,000)	\$ 38,818,060 (RMB 6,400,000)& (US\$ 350,000)	0.75%-1.50%	The need for short-term and long-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 81,306,164	\$ 81,306,164

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 SIX MONTHS ENDED JUNE 30, 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	\$ 624,088,298	\$ 2,473,266 (US\$ 83,213)	\$ 2,473,266 (US\$ 83,213)	\$ 2,473,266 (US\$ 83,213)	\$ -	0.10%	\$ 624,088,298	Yes	No	No
		TSMC Global	Subsidiary	624,088,298	222,915,000 (US\$ 7,500,000)	222,915,000 (US\$ 7,500,000)	193,193,000 (US\$ 6,500,000)	-	8.93%	624,088,298	Yes	No	No
		TSMC Arizona	Subsidiary	624,088,298	238,739,587 (US\$ 8,032,420)	238,739,587 (US\$ 8,032,420)	238,739,587 (US\$ 8,032,420)	-	9.56%	624,088,298	Yes	No	No
1	TSMC Japan	TSMC JDC	The same parent company	306,156	287,496 (JPY 1,320,000)	287,496 (JPY 1,320,000)	287,496 (JPY 1,320,000)	-	0.01%	306,156	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

June 30, 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	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC	<u>Commercial paper</u>							
	Taiwan Power Company	-	Financial assets at amortized cost	2,260	\$ 22,512,288	N/A	\$ 22,532,862	
	CPC Corporation, Taiwan	-	"	1,472	14,667,397	N/A	14,682,783	
	<u>Non-publicly traded equity investments</u>							
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	Financial assets at fair value through other comprehensive income	10,500	487,788	7	487,788	
TSMC Partners	United Industrial Gases Co., Ltd.	-	"	21,230	466,050	10	466,050	
	Global Investment Holding Inc.	-	"	10,442	94,284	6	94,284	
	Crimson Asia Capital	-	"	-	1,090	1	1,090	
	<u>Non-publicly traded equity investments</u>							
	Shanghai Walden Venture Capital Enterprise	-	Financial assets at fair value through other comprehensive income	-	US\$ 39,760	6	US\$ 39,760	
TSMC Global	China Walden Venture Investments II, L.P.	-	"	-	US\$ 21,048	9	US\$ 21,048	
	China Walden Venture Investments III, L.P.	-	"	-	US\$ 12,496	4	US\$ 12,496	
	Tela Innovations	-	"	6,942	-	22	-	
	Movella Inc.	-	"	6,333	-	9	-	
	<u>Corporate bond</u>							
	Bank of America Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 77,008	N/A	US\$ 77,008	
	Morgan Stanley	-	"	-	US\$ 73,091	N/A	US\$ 73,091	
	Citigroup Inc.	-	"	-	US\$ 60,548	N/A	US\$ 60,548	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 56,253	N/A	US\$ 56,253	
	JPMorgan Chase & Co.	-	"	-	US\$ 42,364	N/A	US\$ 42,364	
Wells Fargo & Company	-	"	-	US\$ 41,266	N/A	US\$ 41,266		
Mitsubishi UFJ Financial Group, Inc.	-	"	-	US\$ 32,576	N/A	US\$ 32,576		
AbbVie Inc.	-	"	-	US\$ 32,269	N/A	US\$ 32,269		
Sumitomo Mitsui Financial Group, Inc.	-	"	-	US\$ 29,023	N/A	US\$ 29,023		
HSBC Holdings plc	-	"	-	US\$ 27,277	N/A	US\$ 27,277		
Banco Santander, S.A.	-	"	-	US\$ 26,065	N/A	US\$ 26,065		
The Toronto-Dominion Bank	-	"	-	US\$ 23,933	N/A	US\$ 23,933		
Athene Global Funding	-	"	-	US\$ 23,474	N/A	US\$ 23,474		
Metropolitan Life Global Funding I	-	"	-	US\$ 19,562	N/A	US\$ 19,562		
BNP Paribas SA	-	"	-	US\$ 19,106	N/A	US\$ 19,106		
Volkswagen Group of America Finance, LLC	-	"	-	US\$ 18,092	N/A	US\$ 18,092		
Oracle Corporation	-	"	-	US\$ 17,306	N/A	US\$ 17,306		
Nordea Bank Abp	-	"	-	US\$ 16,702	N/A	US\$ 16,702		
Hyundai Capital America, Inc.	-	"	-	US\$ 16,593	N/A	US\$ 16,593		
Principal Life Global Funding II	-	"	-	US\$ 16,162	N/A	US\$ 16,162		
Lloyds Banking Group plc	-	"	-	US\$ 15,984	N/A	US\$ 15,984		
Deutsche Bank AG - New York Branch	-	"	-	US\$ 15,733	N/A	US\$ 15,733		
NatWest Markets Plc	-	"	-	US\$ 15,668	N/A	US\$ 15,668		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Sumitomo Mitsui Trust Bank, Limited	-	Financial assets at fair value through other comprehensive income	-	US\$ 15,463	N/A	US\$ 15,463	
	Toyota Motor Credit Corporation	-	"	-	US\$ 15,118	N/A	US\$ 15,118	
	Mizuho Financial Group, Inc.	-	"	-	US\$ 14,245	N/A	US\$ 14,245	
	Capital One Financial Corporation	-	"	-	US\$ 14,194	N/A	US\$ 14,194	
	Credit Suisse AG, New York Branch	-	"	-	US\$ 14,070	N/A	US\$ 14,070	
	Apple Inc.	-	"	-	US\$ 14,031	N/A	US\$ 14,031	
	ING Groep N.V.	-	"	-	US\$ 13,942	N/A	US\$ 13,942	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 13,665	N/A	US\$ 13,665	
	The Bank of Nova Scotia	-	"	-	US\$ 13,055	N/A	US\$ 13,055	
	Standard Chartered PLC	-	"	-	US\$ 12,780	N/A	US\$ 12,780	
	Protective Life Global Funding	-	"	-	US\$ 12,659	N/A	US\$ 12,659	
	AIG Global Funding	-	"	-	US\$ 12,609	N/A	US\$ 12,609	
	Royal Bank of Canada	-	"	-	US\$ 12,186	N/A	US\$ 12,186	
	Macquarie Group Limited	-	"	-	US\$ 12,144	N/A	US\$ 12,144	
	Société Générale Société anonyme	-	"	-	US\$ 12,111	N/A	US\$ 12,111	
	BPCE SA	-	"	-	US\$ 11,701	N/A	US\$ 11,701	
	Equitable Financial Life Global Funding	-	"	-	US\$ 11,440	N/A	US\$ 11,440	
	NTT Finance Corporation	-	"	-	US\$ 11,279	N/A	US\$ 11,279	
	Banque Fédérative du Crédit Mutuel Société anonyme	-	"	-	US\$ 11,227	N/A	US\$ 11,227	
	Bank of Montreal	-	"	-	US\$ 11,213	N/A	US\$ 11,213	
	Barclays PLC	-	"	-	US\$ 11,009	N/A	US\$ 11,009	
	National Securities Clearing Corporation	-	"	-	US\$ 10,998	N/A	US\$ 10,998	
	AT&T Inc.	-	"	-	US\$ 10,639	N/A	US\$ 10,639	
	S&P Global Inc.	-	"	-	US\$ 10,454	N/A	US\$ 10,454	
	Nomura Holdings, Inc.	-	"	-	US\$ 10,281	N/A	US\$ 10,281	
	Verizon Communications Inc.	-	"	-	US\$ 9,915	N/A	US\$ 9,915	
	Chevron Corporation	-	"	-	US\$ 9,599	N/A	US\$ 9,599	
	UBS Group AG	-	"	-	US\$ 9,410	N/A	US\$ 9,410	
	Fédération des caisses Desjardins du Québec	-	"	-	US\$ 9,401	N/A	US\$ 9,401	
	Credit Agricole SA London Branch	-	"	-	US\$ 9,389	N/A	US\$ 9,389	
	American Express Company	-	"	-	US\$ 9,358	N/A	US\$ 9,358	
	U.S. Bancorp	-	"	-	US\$ 9,176	N/A	US\$ 9,176	
	Roper Technologies, Inc.	-	"	-	US\$ 9,098	N/A	US\$ 9,098	
	Equinor ASA	-	"	-	US\$ 8,996	N/A	US\$ 8,996	
	Amazon.com, Inc.	-	"	-	US\$ 8,943	N/A	US\$ 8,943	
	Merck & Co., Inc.	-	"	-	US\$ 8,773	N/A	US\$ 8,773	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 8,757	N/A	US\$ 8,757	
	Santander UK Group Holdings plc	-	"	-	US\$ 8,655	N/A	US\$ 8,655	
	Bristol-Myers Squibb Company	-	"	-	US\$ 8,529	N/A	US\$ 8,529	
	Enel Finance International N.V.	-	"	-	US\$ 8,518	N/A	US\$ 8,518	
	Roche Holdings, Inc.	-	"	-	US\$ 8,306	N/A	US\$ 8,306	
	New York Life Global Funding	-	"	-	US\$ 8,286	N/A	US\$ 8,286	
	Northwestern Mutual Global Funding	-	"	-	US\$ 8,133	N/A	US\$ 8,133	
	Truist Financial Corporation	-	"	-	US\$ 8,017	N/A	US\$ 8,017	
	Nationwide Building Society	-	"	-	US\$ 7,838	N/A	US\$ 7,838	
	International Bank for Reconstruction and Development	-	"	-	US\$ 7,745	N/A	US\$ 7,745	
	KfW	-	"	-	US\$ 7,735	N/A	US\$ 7,735	
	Guardian Life Global Funding	-	"	-	US\$ 7,692	N/A	US\$ 7,692	
	UnitedHealth Group Incorporated	-	"	-	US\$ 7,600	N/A	US\$ 7,600	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	AstraZeneca Finance LLC	-	Financial assets at fair value through other comprehensive income	-	US\$ 7,527	N/A	US\$ 7,527	
	Inter-American Development Bank	-	"	-	US\$ 7,485	N/A	US\$ 7,485	
	Great-West Lifeco U.S. Finance 2020, Lp	-	"	-	US\$ 7,420	N/A	US\$ 7,420	
	Suncorp-Metway Limited	-	"	-	US\$ 7,400	N/A	US\$ 7,400	
	Equifax Inc.	-	"	-	US\$ 7,247	N/A	US\$ 7,247	
	SMBC Aviation Capital Finance DAC	-	"	-	US\$ 6,619	N/A	US\$ 6,619	
	Prudential Funding Corp.	-	"	-	US\$ 6,604	N/A	US\$ 6,604	
	AstraZeneca PLC	-	"	-	US\$ 6,546	N/A	US\$ 6,546	
	Daimler Trucks Finance North America LLC	-	"	-	US\$ 6,467	N/A	US\$ 6,467	
	Intuit Inc.	-	"	-	US\$ 6,449	N/A	US\$ 6,449	
	Jackson National Life Global Funding	-	"	-	US\$ 6,385	N/A	US\$ 6,385	
	Cargill, Incorporated	-	"	-	US\$ 6,382	N/A	US\$ 6,382	
	Montpelier Re Holdings Ltd.	-	"	-	US\$ 6,217	N/A	US\$ 6,217	
	Danske Bank A/S	-	"	-	US\$ 6,190	N/A	US\$ 6,190	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	"	-	US\$ 6,167	N/A	US\$ 6,167	
	Discover Bank (New Castle, Delaware)	-	"	-	US\$ 5,962	N/A	US\$ 5,962	
	Huntington Bancshares Incorporated	-	"	-	US\$ 5,917	N/A	US\$ 5,917	
	Exxon Mobil Corporation	-	"	-	US\$ 5,865	N/A	US\$ 5,865	
	Swedbank AB (publ)	-	"	-	US\$ 5,739	N/A	US\$ 5,739	
	ANZ New Zealand (Int'l) Limited	-	"	-	US\$ 5,699	N/A	US\$ 5,699	
	Fox Corporation	-	"	-	US\$ 5,687	N/A	US\$ 5,687	
	Exelon Corporation	-	"	-	US\$ 5,678	N/A	US\$ 5,678	
	Scentre Group Trust 1	-	"	-	US\$ 5,634	N/A	US\$ 5,634	
	GSK Consumer Healthcare Capital US LLC	-	"	-	US\$ 5,631	N/A	US\$ 5,631	
	Macquarie Bank Limited	-	"	-	US\$ 5,597	N/A	US\$ 5,597	
	Huntington National Bank	-	"	-	US\$ 5,560	N/A	US\$ 5,560	
	WPP Finance 2010	-	"	-	US\$ 5,511	N/A	US\$ 5,511	
	Intercontinental Exchange, Inc.	-	"	-	US\$ 5,461	N/A	US\$ 5,461	
	UBS AG, London Branch	-	"	-	US\$ 5,428	N/A	US\$ 5,428	
	Pacific Life Global Funding II	-	"	-	US\$ 5,403	N/A	US\$ 5,403	
	The Charles Schwab Corporation	-	"	-	US\$ 5,391	N/A	US\$ 5,391	
	Siemens Financieringsmaatschappij N.V.	-	"	-	US\$ 5,373	N/A	US\$ 5,373	
	Alabama Power Company	-	"	-	US\$ 5,358	N/A	US\$ 5,358	
	ASB Bank Limited	-	"	-	US\$ 5,330	N/A	US\$ 5,330	
	Pioneer Natural Resources Company	-	"	-	US\$ 5,250	N/A	US\$ 5,250	
	USAA Capital Corp.	-	"	-	US\$ 5,236	N/A	US\$ 5,236	
	Intel Corporation	-	"	-	US\$ 5,228	N/A	US\$ 5,228	
	Cox Communications, Inc.	-	"	-	US\$ 5,219	N/A	US\$ 5,219	
	Capital One, National Association	-	"	-	US\$ 5,150	N/A	US\$ 5,150	
	Fiserv, Inc.	-	"	-	US\$ 5,047	N/A	US\$ 5,047	
	Five Corners Funding Trust	-	"	-	US\$ 5,022	N/A	US\$ 5,022	
	Credit Suisse Group Funding (Guernsey) Limited	-	"	-	US\$ 4,880	N/A	US\$ 4,880	
	CVS Health Corporation	-	"	-	US\$ 4,837	N/A	US\$ 4,837	
	Brookfield Finance Inc.	-	"	-	US\$ 4,733	N/A	US\$ 4,733	
	CGI Inc.	-	"	-	US\$ 4,677	N/A	US\$ 4,677	
	Lowe's Companies, Inc.	-	"	-	US\$ 4,618	N/A	US\$ 4,618	
	Virginia Electric and Power Company	-	"	-	US\$ 4,597	N/A	US\$ 4,597	
	Eversource Energy	-	"	-	US\$ 4,544	N/A	US\$ 4,544	
	NextEra Energy Capital Holdings, Inc.	-	"	-	US\$ 4,541	N/A	US\$ 4,541	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Thermo Fisher Scientific Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 4,534	N/A	US\$ 4,534	
	W. P. Carey Inc.	-	"	-	US\$ 4,495	N/A	US\$ 4,495	
	DNB Bank ASA	-	"	-	US\$ 4,470	N/A	US\$ 4,470	
	Ryder System, Inc.	-	"	-	US\$ 4,442	N/A	US\$ 4,442	
	HP Inc.	-	"	-	US\$ 4,410	N/A	US\$ 4,410	
	CenterPoint Energy, Inc.	-	"	-	US\$ 4,389	N/A	US\$ 4,389	
	Penske Truck Leasing Co., L.P.	-	"	-	US\$ 4,325	N/A	US\$ 4,325	
	Comcast Corporation	-	"	-	US\$ 4,319	N/A	US\$ 4,319	
	Bank of New Zealand	-	"	-	US\$ 4,293	N/A	US\$ 4,293	
	MPLX LP	-	"	-	US\$ 4,237	N/A	US\$ 4,237	
	Brighthouse Financial Global Funding	-	"	-	US\$ 4,143	N/A	US\$ 4,143	
	Florida Power & Light Company	-	"	-	US\$ 4,115	N/A	US\$ 4,115	
	Daimler Finance North America LLC	-	"	-	US\$ 4,085	N/A	US\$ 4,085	
	Sprint Spectrum Co Llc	-	"	-	US\$ 4,032	N/A	US\$ 4,032	
	F&G Global Funding	-	"	-	US\$ 4,027	N/A	US\$ 4,027	
	7-Eleven, Inc.	-	"	-	US\$ 3,988	N/A	US\$ 3,988	
	AvalonBay Communities, Inc.	-	"	-	US\$ 3,950	N/A	US\$ 3,950	
	Element Fleet Management Corp.	-	"	-	US\$ 3,931	N/A	US\$ 3,931	
	Coöperatieve Rabobank U.A.	-	"	-	US\$ 3,902	N/A	US\$ 3,902	
	CNO Global Funding	-	"	-	US\$ 3,876	N/A	US\$ 3,876	
	European Bank for Reconstruction and Development	-	"	-	US\$ 3,866	N/A	US\$ 3,866	
	Coca-Cola Europacific Partners PLC	-	"	-	US\$ 3,845	N/A	US\$ 3,845	
	Fidelity National Information Services, Inc.	-	"	-	US\$ 3,843	N/A	US\$ 3,843	
	Mondelez International, Inc.	-	"	-	US\$ 3,785	N/A	US\$ 3,785	
	Ameren Corporation	-	"	-	US\$ 3,771	N/A	US\$ 3,771	
	Dominion Energy, Inc.	-	"	-	US\$ 3,697	N/A	US\$ 3,697	
	Appalachian Power Company	-	"	-	US\$ 3,689	N/A	US\$ 3,689	
	B.A.T. International Finance p.l.c.	-	"	-	US\$ 3,616	N/A	US\$ 3,616	
	V.F. Corporation	-	"	-	US\$ 3,558	N/A	US\$ 3,558	
	Public Storage	-	"	-	US\$ 3,529	N/A	US\$ 3,529	
	Fifth Third Bancorp	-	"	-	US\$ 3,506	N/A	US\$ 3,506	
	BorgWarner Inc.	-	"	-	US\$ 3,487	N/A	US\$ 3,487	
	Monongahela Power Company	-	"	-	US\$ 3,467	N/A	US\$ 3,467	
	Public Service Electric and Gas Company	-	"	-	US\$ 3,446	N/A	US\$ 3,446	
	Kimco Realty Corporation	-	"	-	US\$ 3,441	N/A	US\$ 3,441	
	Welltower Inc.	-	"	-	US\$ 3,436	N/A	US\$ 3,436	
	Truist Bank	-	"	-	US\$ 3,427	N/A	US\$ 3,427	
	Diageo Capital plc	-	"	-	US\$ 3,369	N/A	US\$ 3,369	
	OGE Energy Corp.	-	"	-	US\$ 3,361	N/A	US\$ 3,361	
	American Honda Finance Corporation	-	"	-	US\$ 3,348	N/A	US\$ 3,348	
	HSBC Bank Canada	-	"	-	US\$ 3,331	N/A	US\$ 3,331	
	Ross Stores, Inc.	-	"	-	US\$ 3,321	N/A	US\$ 3,321	
	Credit Suisse Group AG	-	"	-	US\$ 3,297	N/A	US\$ 3,297	
	Highmark Inc.	-	"	-	US\$ 3,242	N/A	US\$ 3,242	
	Realty Income Corporation	-	"	-	US\$ 3,226	N/A	US\$ 3,226	
	Pfizer Inc.	-	"	-	US\$ 3,222	N/A	US\$ 3,222	
	Verisk Analytics, Inc.	-	"	-	US\$ 3,210	N/A	US\$ 3,210	
	ERAC USA Finance LLC	-	"	-	US\$ 3,199	N/A	US\$ 3,199	
	Anheuser-Busch Companies, LLC	-	"	-	US\$ 3,093	N/A	US\$ 3,093	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Xcel Energy Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 3,082	N/A	US\$ 3,082	
	ONE Gas, Inc.	-	"	-	US\$ 3,057	N/A	US\$ 3,057	
	The Western Union Company	-	"	-	US\$ 3,018	N/A	US\$ 3,018	
	Simon Property Group, L.P.	-	"	-	US\$ 3,003	N/A	US\$ 3,003	
	CNA Financial Corporation	-	"	-	US\$ 2,999	N/A	US\$ 2,999	
	Nestlé Holdings, Inc.	-	"	-	US\$ 2,976	N/A	US\$ 2,976	
	Johnson & Johnson	-	"	-	US\$ 2,961	N/A	US\$ 2,961	
	Oncor Electric Delivery Company LLC	-	"	-	US\$ 2,951	N/A	US\$ 2,951	
	Southern California Gas Company	-	"	-	US\$ 2,913	N/A	US\$ 2,913	
	Avangrid, Inc.	-	"	-	US\$ 2,909	N/A	US\$ 2,909	
	The Bank of New York Mellon Corporation	-	"	-	US\$ 2,907	N/A	US\$ 2,907	
	BOC Aviation Limited	-	"	-	US\$ 2,893	N/A	US\$ 2,893	
	Air Lease Corporation	-	"	-	US\$ 2,878	N/A	US\$ 2,878	
	Hewlett Packard Enterprise Company	-	"	-	US\$ 2,834	N/A	US\$ 2,834	
	Parker-Hannifin Corporation	-	"	-	US\$ 2,826	N/A	US\$ 2,826	
	Take-Two Interactive Software, Inc.	-	"	-	US\$ 2,821	N/A	US\$ 2,821	
	National Bank of Canada	-	"	-	US\$ 2,818	N/A	US\$ 2,818	
	TORONTO-DOMINION BANK/THE	-	"	-	US\$ 2,801	N/A	US\$ 2,801	
	Novartis Capital Corporation	-	"	-	US\$ 2,779	N/A	US\$ 2,779	
	Baxalta Incorporated	-	"	-	US\$ 2,775	N/A	US\$ 2,775	
	AMAZON.COM INC	-	"	-	US\$ 2,770	N/A	US\$ 2,770	
	MIZUHO FINANCIAL GROUP INC FXD-FXD	-	"	-	US\$ 2,759	N/A	US\$ 2,759	
	Phillips 66	-	"	-	US\$ 2,751	N/A	US\$ 2,751	
	Ameriprise Financial, Inc.	-	"	-	US\$ 2,712	N/A	US\$ 2,712	
	PPL Electric Utilities Corporation	-	"	-	US\$ 2,705	N/A	US\$ 2,705	
	B.A.T Capital Corporation	-	"	-	US\$ 2,693	N/A	US\$ 2,693	
	Chevron Phillips Chemical Company LLC	-	"	-	US\$ 2,658	N/A	US\$ 2,658	
	Eastern Energy Gas Holdings, LLC	-	"	-	US\$ 2,656	N/A	US\$ 2,656	
	Ventas Realty, Limited Partnership	-	"	-	US\$ 2,624	N/A	US\$ 2,624	
	Gilead Sciences, Inc.	-	"	-	US\$ 2,583	N/A	US\$ 2,583	
	Public Service Enterprise Group Incorporated	-	"	-	US\$ 2,577	N/A	US\$ 2,577	
	GA Global Funding Trust	-	"	-	US\$ 2,503	N/A	US\$ 2,503	
	UBS Group Funding (Switzerland) AG	-	"	-	US\$ 2,499	N/A	US\$ 2,499	
	International Business Machines Corporation	-	"	-	US\$ 2,492	N/A	US\$ 2,492	
	NBN Co Limited	-	"	-	US\$ 2,492	N/A	US\$ 2,492	
	Air Products and Chemicals, Inc.	-	"	-	US\$ 2,492	N/A	US\$ 2,492	
	Baxter International Inc.	-	"	-	US\$ 2,483	N/A	US\$ 2,483	
	Nuveen Finance, LLC	-	"	-	US\$ 2,482	N/A	US\$ 2,482	
	Cigna Corporation	-	"	-	US\$ 2,464	N/A	US\$ 2,464	
	The PNC Financial Services Group, Inc.	-	"	-	US\$ 2,457	N/A	US\$ 2,457	
	CRH America, Inc.	-	"	-	US\$ 2,438	N/A	US\$ 2,438	
	Santander UK plc	-	"	-	US\$ 2,436	N/A	US\$ 2,436	
	Bayer US Finance II LLC	-	"	-	US\$ 2,421	N/A	US\$ 2,421	
	AutoZone, Inc.	-	"	-	US\$ 2,404	N/A	US\$ 2,404	
	CMS Energy Corporation	-	"	-	US\$ 2,401	N/A	US\$ 2,401	
	Pinnacle West Capital Corporation	-	"	-	US\$ 2,400	N/A	US\$ 2,400	
	Workday, Inc.	-	"	-	US\$ 2,374	N/A	US\$ 2,374	
	Southern California Edison Company	-	"	-	US\$ 2,365	N/A	US\$ 2,365	
	American Electric Power Company, Inc.	-	"	-	US\$ 2,357	N/A	US\$ 2,357	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Magellan Midstream Partners, L.P.	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,348	N/A	US\$ 2,348	
	BP Capital Markets America, Inc.	-	"	-	US\$ 2,337	N/A	US\$ 2,337	
	Texas Instruments Incorporated	-	"	-	US\$ 2,304	N/A	US\$ 2,304	
	Georgia Power Company	-	"	-	US\$ 2,301	N/A	US\$ 2,301	
	John Deere Capital Corporation	-	"	-	US\$ 2,293	N/A	US\$ 2,293	
	Chevron U.S.A. Inc.	-	"	-	US\$ 2,292	N/A	US\$ 2,292	
	Yara International ASA	-	"	-	US\$ 2,292	N/A	US\$ 2,292	
	Shire Acquisitions Investments Ireland Designated Activity Company	-	"	-	US\$ 2,279	N/A	US\$ 2,279	
	RGA Global Funding	-	"	-	US\$ 2,272	N/A	US\$ 2,272	
	Crédit Agricole S.A.	-	"	-	US\$ 2,266	N/A	US\$ 2,266	
	Reynolds American Inc.	-	"	-	US\$ 2,256	N/A	US\$ 2,256	
	National Australia Bank - New York Branch	-	"	-	US\$ 2,254	N/A	US\$ 2,254	
	WEC Energy Group, Inc.	-	"	-	US\$ 2,253	N/A	US\$ 2,253	
	O'Reilly Automotive, Inc.	-	"	-	US\$ 2,234	N/A	US\$ 2,234	
	Berkshire Hathaway Inc.	-	"	-	US\$ 2,200	N/A	US\$ 2,200	
	Empower Finance 2020, LP	-	"	-	US\$ 2,178	N/A	US\$ 2,178	
	NiSource Inc.	-	"	-	US\$ 2,166	N/A	US\$ 2,166	
	CNH Industrial Capital LLC	-	"	-	US\$ 2,126	N/A	US\$ 2,126	
	Union Pacific Corporation	-	"	-	US\$ 2,119	N/A	US\$ 2,119	
	Health Care Service Corporation, a Mutual Legal Reserve Company	-	"	-	US\$ 2,066	N/A	US\$ 2,066	
	DTE Energy Company	-	"	-	US\$ 2,054	N/A	US\$ 2,054	
	Georgia-Pacific LLC	-	"	-	US\$ 2,044	N/A	US\$ 2,044	
	The East Ohio Gas Company	-	"	-	US\$ 2,038	N/A	US\$ 2,038	
	Mead Johnson Nutrition Company	-	"	-	US\$ 2,014	N/A	US\$ 2,014	
	Baidu, Inc.	-	"	-	US\$ 2,002	N/A	US\$ 2,002	
	Magna International Inc.	-	"	-	US\$ 2,000	N/A	US\$ 2,000	
	Amphenol Corporation	-	"	-	US\$ 1,986	N/A	US\$ 1,986	
	Citizens Bank, National Association	-	"	-	US\$ 1,971	N/A	US\$ 1,971	
	General Electric Company	-	"	-	US\$ 1,968	N/A	US\$ 1,968	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 1,967	N/A	US\$ 1,967	
	Tucson Electric Power Company	-	"	-	US\$ 1,952	N/A	US\$ 1,952	
	Gulf Power Company	-	"	-	US\$ 1,922	N/A	US\$ 1,922	
	Olympus Corporation	-	"	-	US\$ 1,906	N/A	US\$ 1,906	
	Otis Worldwide Corporation	-	"	-	US\$ 1,871	N/A	US\$ 1,871	
	Shinhan Financial Group Co., Ltd.	-	"	-	US\$ 1,831	N/A	US\$ 1,831	
	Kinder Morgan, Inc.	-	"	-	US\$ 1,803	N/A	US\$ 1,803	
	NBK SPC Limited	-	"	-	US\$ 1,783	N/A	US\$ 1,783	
	Mitsubishi Corporation	-	"	-	US\$ 1,777	N/A	US\$ 1,777	
	Kentucky Utilities Company	-	"	-	US\$ 1,768	N/A	US\$ 1,768	
	Sydney Airport Finance Company Pty Ltd	-	"	-	US\$ 1,767	N/A	US\$ 1,767	
	DuPont de Nemours, Inc.	-	"	-	US\$ 1,760	N/A	US\$ 1,760	
	Caterpillar Financial Services Corporation	-	"	-	US\$ 1,741	N/A	US\$ 1,741	
	Evergy Kansas Central, Inc.	-	"	-	US\$ 1,713	N/A	US\$ 1,713	
	Wipro IT Services LLC	-	"	-	US\$ 1,703	N/A	US\$ 1,703	
	Enbridge Inc.	-	"	-	US\$ 1,695	N/A	US\$ 1,695	
	Infor, Inc.	-	"	-	US\$ 1,677	N/A	US\$ 1,677	
	Gulfstream Natural Gas System, L.L.C.	-	"	-	US\$ 1,664	N/A	US\$ 1,664	
	Burlington Northern Santa Fe, LLC	-	"	-	US\$ 1,654	N/A	US\$ 1,654	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	ITC Holdings Corp.	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,649	N/A	US\$ 1,649	
	Tyson Foods, Inc.	-	"	-	US\$ 1,647	N/A	US\$ 1,647	
	PayPal Holdings, Inc.	-	"	-	US\$ 1,646	N/A	US\$ 1,646	
	Quest Diagnostics Incorporated	-	"	-	US\$ 1,627	N/A	US\$ 1,627	
	CSL Finance plc	-	"	-	US\$ 1,621	N/A	US\$ 1,621	
	Berkshire Hathaway Energy Company	-	"	-	US\$ 1,613	N/A	US\$ 1,613	
	Walmart Inc.	-	"	-	US\$ 1,609	N/A	US\$ 1,609	
	NatWest Group plc	-	"	-	US\$ 1,606	N/A	US\$ 1,606	
	University of California	-	"	-	US\$ 1,596	N/A	US\$ 1,596	
	Raytheon Technologies Corporation	-	"	-	US\$ 1,590	N/A	US\$ 1,590	
	Midwest Connector Capital Company LLC	-	"	-	US\$ 1,568	N/A	US\$ 1,568	
	eBay Inc.	-	"	-	US\$ 1,546	N/A	US\$ 1,546	
	MetLife, Inc.	-	"	-	US\$ 1,532	N/A	US\$ 1,532	
	Elevance Health Inc.	-	"	-	US\$ 1,530	N/A	US\$ 1,530	
	Emerson Electric Co.	-	"	-	US\$ 1,529	N/A	US\$ 1,529	
	UBS AG (LONDON BRANCH)	-	"	-	US\$ 1,527	N/A	US\$ 1,527	
	Westpac Banking Corporation	-	"	-	US\$ 1,517	N/A	US\$ 1,517	
	APA Infrastructure Limited	-	"	-	US\$ 1,515	N/A	US\$ 1,515	
	Glencore Funding LLC	-	"	-	US\$ 1,505	N/A	US\$ 1,505	
	KEB Hana Bank	-	"	-	US\$ 1,501	N/A	US\$ 1,501	
	Brookfield Finance LLC	-	"	-	US\$ 1,493	N/A	US\$ 1,493	
	CK Hutchison International (19) Limited	-	"	-	US\$ 1,490	N/A	US\$ 1,490	
	Mondelez International Holdings Netherlands B.V.	-	"	-	US\$ 1,483	N/A	US\$ 1,483	
	Amcor Flexibles North America Inc.	-	"	-	US\$ 1,479	N/A	US\$ 1,479	
	Commonwealth Bank of Australia	-	"	-	US\$ 1,479	N/A	US\$ 1,479	
	UBS Group Funding (Jersey) Ltd.	-	"	-	US\$ 1,474	N/A	US\$ 1,474	
	NSTAR Electric Company	-	"	-	US\$ 1,467	N/A	US\$ 1,467	
	Microchip Technology Incorporated	-	"	-	US\$ 1,465	N/A	US\$ 1,465	
	Duke Energy Florida, LLC	-	"	-	US\$ 1,456	N/A	US\$ 1,456	
	Marsh & McLennan Companies, Inc.	-	"	-	US\$ 1,449	N/A	US\$ 1,449	
	Essex Portfolio Limited Partnership	-	"	-	US\$ 1,444	N/A	US\$ 1,444	
	The Southern Company	-	"	-	US\$ 1,440	N/A	US\$ 1,440	
	Marathon Petroleum Corporation	-	"	-	US\$ 1,432	N/A	US\$ 1,432	
	Alimentation Couche-Tard Inc.	-	"	-	US\$ 1,394	N/A	US\$ 1,394	
	National Rural Utilities Cooperative Finance Corporation	-	"	-	US\$ 1,372	N/A	US\$ 1,372	
	Alliant Energy Finance, LLC	-	"	-	US\$ 1,342	N/A	US\$ 1,342	
	Eastern Gas Transmission and Storage, Inc.	-	"	-	US\$ 1,327	N/A	US\$ 1,327	
	NetApp, Inc.	-	"	-	US\$ 1,280	N/A	US\$ 1,280	
	Entergy Arkansas, LLC	-	"	-	US\$ 1,273	N/A	US\$ 1,273	
	AmerisourceBergen Corporation	-	"	-	US\$ 1,253	N/A	US\$ 1,253	
	Met Tower Global Funding	-	"	-	US\$ 1,239	N/A	US\$ 1,239	
	Andrew W. Mellon Foundation, The	-	"	-	US\$ 1,236	N/A	US\$ 1,236	
	PACCAR Financial Corp.	-	"	-	US\$ 1,236	N/A	US\$ 1,236	
	State Of Tennessee	-	"	-	US\$ 1,221	N/A	US\$ 1,221	
	Corebridge Financial, Inc.	-	"	-	US\$ 1,172	N/A	US\$ 1,172	
	Ferguson Finance PLC	-	"	-	US\$ 1,099	N/A	US\$ 1,099	
	Skandinaviska Enskilda Banken AB (publ)	-	"	-	US\$ 1,096	N/A	US\$ 1,096	
	Nucor Corporation	-	"	-	US\$ 1,082	N/A	US\$ 1,082	
	The Curators of the University of Missouri	-	"	-	US\$ 1,080	N/A	US\$ 1,080	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	IBERDROLA INTL BV	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,056	N/A	US\$ 1,056	
	State Street Corporation	-	"	-	US\$ 1,052	N/A	US\$ 1,052	
	Baker Hughes Holdings LLC	-	"	-	US\$ 1,043	N/A	US\$ 1,043	
	Enterprise Products Operating LLC	-	"	-	US\$ 1,042	N/A	US\$ 1,042	
	The Cleveland Electric Illuminating Company	-	"	-	US\$ 1,031	N/A	US\$ 1,031	
	Foxconn (Far East) Limited	-	"	-	US\$ 1,025	N/A	US\$ 1,025	
	Sinopec Group Overseas Development (2014) Ltd.	-	"	-	US\$ 1,014	N/A	US\$ 1,014	
	Panasonic Holdings Corporation	-	"	-	US\$ 1,000	N/A	US\$ 1,000	
	Texas Eastern Transmission, LP	-	"	-	US\$ 998	N/A	US\$ 998	
	Baltimore Gas and Electric Company	-	"	-	US\$ 997	N/A	US\$ 997	
	Loews Corporation	-	"	-	US\$ 995	N/A	US\$ 995	
	Entergy Mississippi, LLC	-	"	-	US\$ 994	N/A	US\$ 994	
	BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México	-	"	-	US\$ 993	N/A	US\$ 993	
	MassMutual Global Funding II	-	"	-	US\$ 986	N/A	US\$ 986	
	Denver City & County Housing Authority	-	"	-	US\$ 983	N/A	US\$ 983	
	Pricoa Global Funding I	-	"	-	US\$ 977	N/A	US\$ 977	
	Board of Regents, State of Iowa	-	"	-	US\$ 976	N/A	US\$ 976	
	Kansas City Southern	-	"	-	US\$ 960	N/A	US\$ 960	
	Suntory Holdings Limited	-	"	-	US\$ 953	N/A	US\$ 953	
	American International Group, Inc.	-	"	-	US\$ 892	N/A	US\$ 892	
	Unilever Capital Corporation	-	"	-	US\$ 886	N/A	US\$ 886	
	Aflac Incorporated	-	"	-	US\$ 873	N/A	US\$ 873	
	QNB Finance Ltd.	-	"	-	US\$ 872	N/A	US\$ 872	
	KeyBank National Association	-	"	-	US\$ 857	N/A	US\$ 857	
	Hormel Foods Corporation	-	"	-	US\$ 829	N/A	US\$ 829	
	BHP Billiton Finance (USA) Limited	-	"	-	US\$ 818	N/A	US\$ 818	
	Palm Beach County, Florida	-	"	-	US\$ 804	N/A	US\$ 804	
	Sinopec Capital (2013) Ltd.	-	"	-	US\$ 799	N/A	US\$ 799	
	Aetna Inc.	-	"	-	US\$ 796	N/A	US\$ 796	
	BMW US Capital, LLC	-	"	-	US\$ 795	N/A	US\$ 795	
	TransCanada PipeLines Limited	-	"	-	US\$ 791	N/A	US\$ 791	
	Oregon Health & Science University	-	"	-	US\$ 778	N/A	US\$ 778	
	CubeSmart, L.P.	-	"	-	US\$ 755	N/A	US\$ 755	
	Niagara Mohawk Power Corporation	-	"	-	US\$ 755	N/A	US\$ 755	
	The Walt Disney Company	-	"	-	US\$ 754	N/A	US\$ 754	
	Tencent Holdings Limited	-	"	-	US\$ 748	N/A	US\$ 748	
	Visa Inc.	-	"	-	US\$ 729	N/A	US\$ 729	
	Southern Power Company	-	"	-	US\$ 725	N/A	US\$ 725	
	Canadian Natural Resources Limited	-	"	-	US\$ 700	N/A	US\$ 700	
	Sinopec Group Overseas Development (2017) Limited	-	"	-	US\$ 699	N/A	US\$ 699	
	Sky Limited	-	"	-	US\$ 696	N/A	US\$ 696	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 672	N/A	US\$ 672	
	Masco Corporation	-	"	-	US\$ 667	N/A	US\$ 667	
	Abbott Laboratories	-	"	-	US\$ 652	N/A	US\$ 652	
	Sodexo, Inc.	-	"	-	US\$ 651	N/A	US\$ 651	
	Norsk Hydro ASA	-	"	-	US\$ 650	N/A	US\$ 650	
	Automatic Data Processing, Inc.	-	"	-	US\$ 644	N/A	US\$ 644	
	AIA Group Limited	-	"	-	US\$ 642	N/A	US\$ 642	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	State Of Washington	-	Financial assets at fair value through other comprehensive income	-	US\$ 639	N/A	US\$ 639	
	Stryker Corporation	-	"	-	US\$ 635	N/A	US\$ 635	
	Bell Canada, Inc.	-	"	-	US\$ 618	N/A	US\$ 618	
	QUALCOMM Incorporated	-	"	-	US\$ 597	N/A	US\$ 597	
	Intact U.S. Holdings Inc.	-	"	-	US\$ 597	N/A	US\$ 597	
	DH Europe Finance II S.a.r.l.	-	"	-	US\$ 597	N/A	US\$ 597	
	Keurig Dr Pepper Inc.	-	"	-	US\$ 594	N/A	US\$ 594	
	Florida Hurricane Catastrophe Fund Finance Corporation	-	"	-	US\$ 583	N/A	US\$ 583	
	Republic Services, Inc.	-	"	-	US\$ 582	N/A	US\$ 582	
	Lincoln National Corporation	-	"	-	US\$ 577	N/A	US\$ 577	
	Port of Morrow	-	"	-	US\$ 569	N/A	US\$ 569	
	American Water Capital Corp.	-	"	-	US\$ 566	N/A	US\$ 566	
	Duke Energy Progress, LLC	-	"	-	US\$ 550	N/A	US\$ 550	
	Fifth Third Bank, National Association	-	"	-	US\$ 545	N/A	US\$ 545	
	Shell International Finance B.V.	-	"	-	US\$ 533	N/A	US\$ 533	
	Arizona Public Service Company	-	"	-	US\$ 514	N/A	US\$ 514	
	State of Hawaii	-	"	-	US\$ 506	N/A	US\$ 506	
	ConocoPhillips Company	-	"	-	US\$ 506	N/A	US\$ 506	
	United Parcel Service, Inc.	-	"	-	US\$ 503	N/A	US\$ 503	
	Hanwha Energy USA Holdings Corporation	-	"	-	US\$ 500	N/A	US\$ 500	
	SOCIETE GENERALE SA	-	"	-	US\$ 489	N/A	US\$ 489	
	Gsk Consumer Healthcare Capital Uk Plc	-	"	-	US\$ 486	N/A	US\$ 486	
	Trane Technologies Luxembourg Finance S.A.	-	"	-	US\$ 485	N/A	US\$ 485	
	Ecolab Inc.	-	"	-	US\$ 478	N/A	US\$ 478	
	McCormick & Company, Incorporated	-	"	-	US\$ 477	N/A	US\$ 477	
	Genuine Parts Company	-	"	-	US\$ 470	N/A	US\$ 470	
	Altria Group, Inc.	-	"	-	US\$ 466	N/A	US\$ 466	
	DENSO Corporation	-	"	-	US\$ 443	N/A	US\$ 443	
	Brazos Higher Education Authority Inc	-	"	-	US\$ 435	N/A	US\$ 435	
	The Home Depot, Inc.	-	"	-	US\$ 418	N/A	US\$ 418	
	Target Corporation	-	"	-	US\$ 410	N/A	US\$ 410	
	National Australia Bank Limited	-	"	-	US\$ 401	N/A	US\$ 401	
	Komatsu Finance America, Inc.	-	"	-	US\$ 399	N/A	US\$ 399	
	Boston Properties Limited Partnership	-	"	-	US\$ 397	N/A	US\$ 397	
	University of Massachusetts Building Authority	-	"	-	US\$ 397	N/A	US\$ 397	
	Comerica Bank	-	"	-	US\$ 388	N/A	US\$ 388	
	Entergy Corporation	-	"	-	US\$ 381	N/A	US\$ 381	
	Banco del Estado de Chile	-	"	-	US\$ 379	N/A	US\$ 379	
	Sierra Pacific Power Company	-	"	-	US\$ 379	N/A	US\$ 379	
	McKesson Corporation	-	"	-	US\$ 377	N/A	US\$ 377	
	Honeywell International Inc.	-	"	-	US\$ 376	N/A	US\$ 376	
	Duke Energy Corporation	-	"	-	US\$ 374	N/A	US\$ 374	
	StanCorp Financial Group, Inc.	-	"	-	US\$ 366	N/A	US\$ 366	
	PepsiCo, Inc.	-	"	-	US\$ 364	N/A	US\$ 364	
	NIKE, Inc.	-	"	-	US\$ 364	N/A	US\$ 364	
	The Norinchukin Bank	-	"	-	US\$ 354	N/A	US\$ 354	
	Principal Financial Group, Inc.	-	"	-	US\$ 348	N/A	US\$ 348	
	First Republic Bank	-	"	-	US\$ 346	N/A	US\$ 346	
	Pernod Ricard SA	-	"	-	US\$ 345	N/A	US\$ 345	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Aon Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 341	N/A	US\$ 341	
	Rabobank Nederland - New York Branch	-	"	-	US\$ 333	N/A	US\$ 333	
	Amgen Inc.	-	"	-	US\$ 314	N/A	US\$ 314	
	BP Capital Markets p.l.c.	-	"	-	US\$ 303	N/A	US\$ 303	
	Philip Morris International Inc.	-	"	-	US\$ 297	N/A	US\$ 297	
	Mid-America Apartments, L.P.	-	"	-	US\$ 297	N/A	US\$ 297	
	The Allstate Corporation	-	"	-	US\$ 296	N/A	US\$ 296	
	Alabama State Federal Aid Highway Finance Authority	-	"	-	US\$ 291	N/A	US\$ 291	
	TotalEnergies Capital International	-	"	-	US\$ 291	N/A	US\$ 291	
	BOC Aviation (USA) Corporation	-	"	-	US\$ 287	N/A	US\$ 287	
	Aptiv PLC	-	"	-	US\$ 286	N/A	US\$ 286	
	Salesforce, Inc.	-	"	-	US\$ 283	N/A	US\$ 283	
	Barclays Bank PLC	-	"	-	US\$ 273	N/A	US\$ 273	
	Johnson Controls International plc	-	"	-	US\$ 272	N/A	US\$ 272	
	QatarEnergy	-	"	-	US\$ 270	N/A	US\$ 270	
	Southern Natural Gas Company, L.L.C.	-	"	-	US\$ 267	N/A	US\$ 267	
	Sales Tax Securitization Corporation Of Chicago	-	"	-	US\$ 248	N/A	US\$ 248	
	Equitable Holdings, Inc.	-	"	-	US\$ 245	N/A	US\$ 245	
	Starbucks Corporation	-	"	-	US\$ 239	N/A	US\$ 239	
	E. I. du Pont de Nemours and Company	-	"	-	US\$ 230	N/A	US\$ 230	
	Waste Management, Inc.	-	"	-	US\$ 227	N/A	US\$ 227	
	Entergy Louisiana, LLC	-	"	-	US\$ 218	N/A	US\$ 218	
	Nasdaq, Inc.	-	"	-	US\$ 217	N/A	US\$ 217	
	Children's Hospital Of Orange County	-	"	-	US\$ 213	N/A	US\$ 213	
	The Pennsylvania State University	-	"	-	US\$ 206	N/A	US\$ 206	
	Martin Marietta Materials, Inc.	-	"	-	US\$ 204	N/A	US\$ 204	
	Oregon Education Districts	-	"	-	US\$ 201	N/A	US\$ 201	
	Suncor Energy Inc.	-	"	-	US\$ 199	N/A	US\$ 199	
	Riverside County Infrastructure Financing Authority	-	"	-	US\$ 197	N/A	US\$ 197	
	Deere & Company	-	"	-	US\$ 195	N/A	US\$ 195	
	Los Angeles Department of Water and Power, California	-	"	-	US\$ 194	N/A	US\$ 194	
	Saudi Arabian Oil Company	-	"	-	US\$ 193	N/A	US\$ 193	
	NongHyup Bank	-	"	-	US\$ 188	N/A	US\$ 188	
	San Francisco Public Utilities Commission	-	"	-	US\$ 181	N/A	US\$ 181	
	Hoover Alabama Board Of Education	-	"	-	US\$ 174	N/A	US\$ 174	
	Dormitory Authority of the State of New York	-	"	-	US\$ 152	N/A	US\$ 152	
	Electricité de France S.A.	-	"	-	US\$ 98	N/A	US\$ 98	
	Beth Israel Deaconess Medical Center, Inc.	-	"	-	US\$ 87	N/A	US\$ 87	
	Municipal Improvement Corporation of Los Angeles	-	"	-	US\$ 79	N/A	US\$ 79	
	Pima County, Arizona	-	"	-	US\$ 76	N/A	US\$ 76	
	State of Wisconsin	-	"	-	US\$ 62	N/A	US\$ 62	
	Huntington Beach California	-	"	-	US\$ 48	N/A	US\$ 48	
	City of Worcester, MA	-	"	-	US\$ 30	N/A	US\$ 30	
	Nueces County	-	"	-	US\$ 24	N/A	US\$ 24	
	The Goldman Sachs Group, Inc.	-	Financial assets at amortized cost	-	US\$ 336,727	N/A	US\$ 334,554	
	Citigroup Global Markets Inc.	-	"	-	US\$ 249,919	N/A	US\$ 244,004	
	Bank of America Corporation	-	"	-	US\$ 207,110	N/A	US\$ 205,745	
	Citigroup Global Markets Holdings Inc.	-	"	-	US\$ 149,951	N/A	US\$ 148,098	
	Goldman Sachs Finance Corp International Ltd.	-	"	-	US\$ 149,870	N/A	US\$ 147,966	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	JPMorgan Chase & Co.	-	Financial assets at amortized cost	-	US\$ 128,545	N/A	US\$ 127,025	
	Citigroup Inc.	-	"	-	US\$ 119,794	N/A	US\$ 118,863	
	Wells Fargo & Company	-	"	-	US\$ 61,759	N/A	US\$ 60,981	
	Jpmorgan LLC	-	"	-	US\$ 49,984	N/A	US\$ 49,743	
	GOLDMAN SACHS GROUP INC	-	"	-	US\$ 49,957	N/A	US\$ 49,992	
	Swedbank AB (publ)	-	"	-	US\$ 5,181	N/A	US\$ 5,149	
	BP Capital Markets America, Inc.	-	"	-	US\$ 5,022	N/A	US\$ 5,035	
	Sumitomo Mitsui Trust Bank, Limited	-	"	-	US\$ 4,862	N/A	US\$ 4,832	
	Ecolab Inc.	-	"	-	US\$ 4,816	N/A	US\$ 4,834	
	Bristol-Myers Squibb Company	-	"	-	US\$ 4,606	N/A	US\$ 4,628	
	Toyota Motor Credit Corporation	-	"	-	US\$ 4,496	N/A	US\$ 4,505	
	Five Corners Funding Trust	-	"	-	US\$ 4,428	N/A	US\$ 4,412	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 4,052	N/A	US\$ 4,015	
	National Australia Bank - New York Branch	-	"	-	US\$ 4,011	N/A	US\$ 4,010	
	Société Générale Société anonyme	-	"	-	US\$ 4,010	N/A	US\$ 4,003	
	Daimler Finance North America LLC	-	"	-	US\$ 4,007	N/A	US\$ 4,005	
	Mizuho Financial Group, Inc.	-	"	-	US\$ 4,002	N/A	US\$ 4,011	
	BMW US Capital, LLC	-	"	-	US\$ 4,001	N/A	US\$ 3,999	
	Coöperatieve Rabobank U.A.	-	"	-	US\$ 3,998	N/A	US\$ 4,005	
	Bayer US Finance II LLC	-	"	-	US\$ 3,989	N/A	US\$ 3,993	
	Simon Property Group, L.P.	-	"	-	US\$ 3,974	N/A	US\$ 3,969	
	NatWest Markets Plc	-	"	-	US\$ 3,965	N/A	US\$ 3,946	
	Volkswagen Group of America Finance, LLC	-	"	-	US\$ 3,948	N/A	US\$ 3,927	
	Philip Morris International Inc.	-	"	-	US\$ 3,925	N/A	US\$ 3,928	
	Komatsu Finance America, Inc.	-	"	-	US\$ 3,850	N/A	US\$ 3,869	
	Kinder Morgan, Inc.	-	"	-	US\$ 3,702	N/A	US\$ 3,703	
	CREDIT SUISSE AG (NEW YORK BRANCH)	-	"	-	US\$ 3,640	N/A	US\$ 3,616	
	Enbridge Inc.	-	"	-	US\$ 3,375	N/A	US\$ 3,366	
	GA Global Funding Trust	-	"	-	US\$ 3,291	N/A	US\$ 3,267	
	Nestlé Holdings, Inc.	-	"	-	US\$ 3,277	N/A	US\$ 3,281	
	Danske Bank A/S	-	"	-	US\$ 3,268	N/A	US\$ 3,255	
	Ryder System, Inc.	-	"	-	US\$ 2,551	N/A	US\$ 2,555	
	Deutsche Bank AG - New York Branch	-	"	-	US\$ 1,935	N/A	US\$ 1,920	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 1,916	N/A	US\$ 1,922	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 1,599	N/A	US\$ 1,596	
	Nordea Bank Abp	-	"	-	US\$ 1,180	N/A	US\$ 1,174	
	Abbott Laboratories	-	"	-	US\$ 362	N/A	US\$ 363	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 198	N/A	US\$ 197	
	Metropolitan Life Global Funding I	-	"	-	US\$ 146	N/A	US\$ 145	
	<u>Government bond</u>							
	United States Department of The Treasury	-	Financial assets at fair value through other comprehensive income	-	US\$ 674,934	N/A	US\$ 674,934	
	Emirate of Abu Dhabi	-	"	-	US\$ 1,451	N/A	US\$ 1,451	
	Qatar	-	"	-	US\$ 1,304	N/A	US\$ 1,304	
	<u>Agency bonds/Agency mortgage-backed securities</u>							
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	-	Financial assets at fair value through other comprehensive income	-	US\$ 518,089	N/A	US\$ 518,089	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 300,125	N/A	US\$ 300,125	
	Government National Mortgage Association	-	"	-	US\$ 195,290	N/A	US\$ 195,290	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	<u>Asset-backed securities</u>							
	Hyundai Auto Receivables Trust 2021-C	-	Financial assets at fair value through other comprehensive income	-	US\$ 10,492	N/A	US\$ 10,492	
	JPMBB Commercial Mortgage Securities Trust 2014-C24	-	"	-	US\$ 9,760	N/A	US\$ 9,760	
	BX Trust 2022-LBA6	-	"	-	US\$ 9,609	N/A	US\$ 9,609	
	Wells Fargo Commercial Mortgage Trust 2016-Bnk1	-	"	-	US\$ 9,172	N/A	US\$ 9,172	
	Ford Credit Auto Owner Trust 2021-Rev2	-	"	-	US\$ 7,608	N/A	US\$ 7,608	
	Citigroup Commercial Mortgage Trust 2015-GC33	-	"	-	US\$ 7,440	N/A	US\$ 7,440	
	Ford Credit Auto Owner Trust 2020-REV2	-	"	-	US\$ 6,634	N/A	US\$ 6,634	
	Morgan Stanley Capital I Trust 2021-L6	-	"	-	US\$ 6,340	N/A	US\$ 6,340	
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	-	"	-	US\$ 6,216	N/A	US\$ 6,216	
	Bank 2020-BNK26	-	"	-	US\$ 5,974	N/A	US\$ 5,974	
	Benchmark 2019-B11 Mortgage Trust	-	"	-	US\$ 5,767	N/A	US\$ 5,767	
	Wells Fargo Commercial Mortgage Trust 2016-C35	-	"	-	US\$ 5,447	N/A	US\$ 5,447	
	Bank 2017-Bnk6	-	"	-	US\$ 5,416	N/A	US\$ 5,416	
	Citigroup Commercial Mortgage Trust 2021-PRM2	-	"	-	US\$ 5,413	N/A	US\$ 5,413	
	BBCMS 2018-Tall Mortgage Trust	-	"	-	US\$ 5,246	N/A	US\$ 5,246	
	WFRBS Commercial Mortgage Trust 2013-C13	-	"	-	US\$ 5,071	N/A	US\$ 5,071	
	Hudson Yards 2016-10HY Mortgage Trust	-	"	-	US\$ 5,065	N/A	US\$ 5,065	
	CSAIL 2018-CX11	-	"	-	US\$ 4,836	N/A	US\$ 4,836	
	Wells Fargo Commercial Mortgage Trust 2021-C59	-	"	-	US\$ 4,832	N/A	US\$ 4,832	
	Morgan Stanley Bank America Merrill Lynch Trust 2013-C10	-	"	-	US\$ 4,715	N/A	US\$ 4,715	
	Citigroup Commercial Mortgage Trust 2014-GC21	-	"	-	US\$ 4,562	N/A	US\$ 4,562	
	GM Financial Revolving Receivables Trust 2021-1	-	"	-	US\$ 4,455	N/A	US\$ 4,455	
	MBCD 2019-Prkc Mortgage Trust	-	"	-	US\$ 4,440	N/A	US\$ 4,440	
	GM Financial Consumer Automobile Receivables Trust 2021-4	-	"	-	US\$ 4,386	N/A	US\$ 4,386	
	Commerce 2015-CCRE24 Mortgage Trust	-	"	-	US\$ 4,369	N/A	US\$ 4,369	
	Honda Auto Receivables 2021 - 4 Owner Trust	-	"	-	US\$ 4,341	N/A	US\$ 4,341	
	Bank 2017 - BNK7	-	"	-	US\$ 4,083	N/A	US\$ 4,083	
	JPMCC 2017-JP7	-	"	-	US\$ 3,913	N/A	US\$ 3,913	
	Bank 2019-Bnk17	-	"	-	US\$ 3,895	N/A	US\$ 3,895	
	J.P. Morgan Chase Commercial Mortgage Securities Trust 2012-LC9	-	"	-	US\$ 3,626	N/A	US\$ 3,626	
	BANK 2017-BNK5	-	"	-	US\$ 3,611	N/A	US\$ 3,611	
	Bank 2019-Bnk22	-	"	-	US\$ 3,525	N/A	US\$ 3,525	
	Msbam 2016-C29	-	"	-	US\$ 3,509	N/A	US\$ 3,509	
	Msbam 2016-C31	-	"	-	US\$ 3,324	N/A	US\$ 3,324	
	UBS Barclays Commercial Mortgage Trust 2013-C6	-	"	-	US\$ 3,099	N/A	US\$ 3,099	
	Ford Credit Auto Owner Trust 2022-B	-	"	-	US\$ 2,998	N/A	US\$ 2,998	
	WFRBS Commercial Mortgage Trust 2014-C25	-	"	-	US\$ 2,955	N/A	US\$ 2,955	
	GS Mortgage Securities Trust 2015-GC32	-	"	-	US\$ 2,931	N/A	US\$ 2,931	
	GS Mortgage Securities Corporation Trust 2018-RIVR	-	"	-	US\$ 2,865	N/A	US\$ 2,865	
	Sreit Commercial Mortgage Trust 2021-Mfp	-	"	-	US\$ 2,755	N/A	US\$ 2,755	
	JPMDB 2017-C7	-	"	-	US\$ 2,697	N/A	US\$ 2,697	
	GS Mortgage Securities Trust 2013-GCJ12	-	"	-	US\$ 2,558	N/A	US\$ 2,558	
	Benchmark 2018-B3 Commercial Mortgage Trust	-	"	-	US\$ 2,548	N/A	US\$ 2,548	
	Wells Fargo Commercial Mortgage Trust 2017-C40	-	"	-	US\$ 2,487	N/A	US\$ 2,487	
	Ford Credit Auto Owner Trust 2020-Rev1	-	"	-	US\$ 2,383	N/A	US\$ 2,383	
	Morgan Stanley Bank of America Merrill Lynch Trust 2013-C7	-	"	-	US\$ 2,274	N/A	US\$ 2,274	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Mhc Commercial Mortgage Trust 2021-Mhc	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,231	N/A	US\$ 2,231	
	Citigroup Commercial Mortgage Trust 2015-P1	-	"	-	US\$ 2,210	N/A	US\$ 2,210	
	Wells Fargo Commercial Mortgage Trust 2020-C55	-	"	-	US\$ 2,133	N/A	US\$ 2,133	
	BBCMS Mortgage Trust 2020-C8	-	"	-	US\$ 2,118	N/A	US\$ 2,118	
	Citigroup Commercial Mortgage Trust 2015-GC27	-	"	-	US\$ 2,101	N/A	US\$ 2,101	
	Bank 2021-bnk33	-	"	-	US\$ 2,004	N/A	US\$ 2,004	
	Morgan Stanley Capital I Trust 2018-H3	-	"	-	US\$ 2,004	N/A	US\$ 2,004	
	JPMBB Commercial Mortgage Securities Trust 2015-C28	-	"	-	US\$ 2,001	N/A	US\$ 2,001	
	UBS Commercial Mortgage Trust 2018-C11	-	"	-	US\$ 1,995	N/A	US\$ 1,995	
	Commerce 2013-CCRE12 Mortgage Trust	-	"	-	US\$ 1,987	N/A	US\$ 1,987	
	Benchmark 2018-B4 Mortgage Trust	-	"	-	US\$ 1,985	N/A	US\$ 1,985	
	CGCMT 2017-P8 Mortgage Trust	-	"	-	US\$ 1,927	N/A	US\$ 1,927	
	Dolp Trust 2021-NYC	-	"	-	US\$ 1,920	N/A	US\$ 1,920	
	Morgan Stanley Capital I Trust	-	"	-	US\$ 1,864	N/A	US\$ 1,864	
	Wells Fargo Commercial Mortgage Trust 2015-C30	-	"	-	US\$ 1,589	N/A	US\$ 1,589	
	JPMBB Commercial Mortgage Securities Trust 2015-C27	-	"	-	US\$ 1,525	N/A	US\$ 1,525	
	Wells Fargo Commercial Mortgage Trust 2018-C44	-	"	-	US\$ 1,496	N/A	US\$ 1,496	
	JPMBB Commercial Mortgage Securities Trust 2013-C12	-	"	-	US\$ 1,457	N/A	US\$ 1,457	
	COMM 2020-CBM Mortgage Trust	-	"	-	US\$ 1,454	N/A	US\$ 1,454	
	Morgan Stanley Capital I Trust 2021-L5	-	"	-	US\$ 1,394	N/A	US\$ 1,394	
	Dbgs 2018-Biod Mortgage Trust	-	"	-	US\$ 1,261	N/A	US\$ 1,261	
	Wells Fargo Commercial Mortgage Trust 2015-C29	-	"	-	US\$ 1,261	N/A	US\$ 1,261	
	Honda Auto Receivables 2021-2 Owner Trust	-	"	-	US\$ 1,256	N/A	US\$ 1,256	
	WFRBS Commercial Mortgage Trust 2013-UBS1	-	"	-	US\$ 1,245	N/A	US\$ 1,245	
	Toyota Auto Receivables 2021-D Owner Trust	-	"	-	US\$ 1,141	N/A	US\$ 1,141	
	UBS Commercial Mortgage Trust 2018-C10	-	"	-	US\$ 1,103	N/A	US\$ 1,103	
	Morgan Stanley Bank of America Merrill Lynch Trust 2012-C6	-	"	-	US\$ 1,001	N/A	US\$ 1,001	
	Morgan Stanley Capital I Trust 2015 - UBS8	-	"	-	US\$ 979	N/A	US\$ 979	
	JPMCC Commercial Mortgage Securities Trust 2016 - JP3	-	"	-	US\$ 945	N/A	US\$ 945	
	Citigroup Commercial Mortgage Trust 2013-GCJ11	-	"	-	US\$ 938	N/A	US\$ 938	
	Toyota Auto Receivables 2018-D Owner Trust	-	"	-	US\$ 905	N/A	US\$ 905	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C13	-	"	-	US\$ 877	N/A	US\$ 877	
	COMM 2012-CCRE5 Mortgage Trust	-	"	-	US\$ 864	N/A	US\$ 864	
	280 Park Avenue Trust 2017 - 280P	-	"	-	US\$ 814	N/A	US\$ 814	
	BX Trust 2021-BXMF	-	"	-	US\$ 813	N/A	US\$ 813	
	Commerce 2014-Ccre17 Mortgage Trust	-	"	-	US\$ 766	N/A	US\$ 766	
	Elp Commercial Mortgage Trust 2021-Elp	-	"	-	US\$ 764	N/A	US\$ 764	
	Bx 2021-21M Mortgage Trust	-	"	-	US\$ 761	N/A	US\$ 761	
	COMM 2013-LC6 Mortgage Trust	-	"	-	US\$ 755	N/A	US\$ 755	
	Benchmark 2019-B14 Mortgage Trust	-	"	-	US\$ 732	N/A	US\$ 732	
	GS Mortgage Securities Trust 2014-GC22	-	"	-	US\$ 712	N/A	US\$ 712	
	Morgan Stanley Capital I Trust 2019-H6	-	"	-	US\$ 705	N/A	US\$ 705	
	GS Mortgage Securities Trust 2014-GC24	-	"	-	US\$ 642	N/A	US\$ 642	
	WFRBSCommercial Mortgage Trust 2013-C17	-	"	-	US\$ 640	N/A	US\$ 640	
	Wells Fargo Commercial Mortgage Trust 2012-LC5	-	"	-	US\$ 601	N/A	US\$ 601	
	Equus 2021-Eqaz Mortgage Trust	-	"	-	US\$ 573	N/A	US\$ 573	
	Wells Fargo Commercial Mortgage Trust 2015-LC20	-	"	-	US\$ 569	N/A	US\$ 569	
	Gs Mortgage Securities Corporation Trust 2020-Uptn	-	"	-	US\$ 558	N/A	US\$ 558	
	JPMBB Commercial Mortgage Securities Trust 2014-C19	-	"	-	US\$ 549	N/A	US\$ 549	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Wells Fargo Commercial Mortgage Trust 2015-C28	-	Financial assets at fair value through other comprehensive income	-	US\$ 543	N/A	US\$ 543	
	GS Mortgage Securities Trust 2019-GSA1	-	"	-	US\$ 536	N/A	US\$ 536	
	Bx Commercial Mortgage Trust 2021-CIP	-	"	-	US\$ 531	N/A	US\$ 531	
	Benchmark 2019-B15 Mortgage Trust	-	"	-	US\$ 521	N/A	US\$ 521	
	Bbcms Mortgage Trust 2017-C1	-	"	-	US\$ 516	N/A	US\$ 516	
	Benchmark 2019-B9 Mortgage Trust	-	"	-	US\$ 516	N/A	US\$ 516	
	Citigroup Commercial Mortgage Trust 2018-C5	-	"	-	US\$ 497	N/A	US\$ 497	
	CF 2019-CF1 Mortgage Trust	-	"	-	US\$ 478	N/A	US\$ 478	
	Bank 2019-BNK23	-	"	-	US\$ 477	N/A	US\$ 477	
	UBS-Barclays Commercial Mortgage Trust 2012-C2	-	"	-	US\$ 469	N/A	US\$ 469	
	Morgan Stanley Capital I Trust 2019-H7	-	"	-	US\$ 462	N/A	US\$ 462	
	Wells Fargo Commercial Mortgage Trust 2015-NXS3	-	"	-	US\$ 439	N/A	US\$ 439	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C12	-	"	-	US\$ 424	N/A	US\$ 424	
	Citigroup Commercial Mortgage Trust 2014-GC23	-	"	-	US\$ 410	N/A	US\$ 410	
	COMM 2015-CCRE22 Mortgage Trust	-	"	-	US\$ 368	N/A	US\$ 368	
	JPMCC 2015 - JP1	-	"	-	US\$ 316	N/A	US\$ 316	
	JPMDB Commercial Mortgage Securities Trust 2019-COR6	-	"	-	US\$ 300	N/A	US\$ 300	
	Citigroup Commercial Mortgage Trust 2016-C3	-	"	-	US\$ 240	N/A	US\$ 240	
	Citigroup Commercial Mortgage Trust 2014-GC19	-	"	-	US\$ 218	N/A	US\$ 218	
	GS Mortgage Securities Trust 2014-GC26	-	"	-	US\$ 216	N/A	US\$ 216	
	Citigroup Commercial Mortgage Trust 2015-GC35	-	"	-	US\$ 214	N/A	US\$ 214	
	Bank 2020-BNK28	-	"	-	US\$ 112	N/A	US\$ 112	
	COMM 2013-CCRE8 Mortgage Trust	-	"	-	US\$ 107	N/A	US\$ 107	
BBCMS Mortgage Trust 2020-C7	-	"	-	US\$ 79	N/A	US\$ 79		
Ford Credit Auto Owner Trust 2019-A	-	"	-	US\$ 8	N/A	US\$ 8		
Wells Fargo Commercial Mortgage Trust 2015-NXS1	-	"	-	US\$ 3	N/A	US\$ 3		
	<u>Non-publicly traded equity investments</u>							
	Primavera Capital Fund II L.P.	-	Financial assets at fair value through other comprehensive income	-	US\$ 85,231	4	US\$ 85,231	
VTAF II	<u>Non-publicly traded equity investments</u>							
	Aether Systems, Inc.	-	Financial assets at fair value through other comprehensive income	1,085	-	20	-	
	5V Technologies, Inc.	-	"	4	-	-	-	
	<u>Publicly traded stocks</u>							
	Sentelic Corporation	-	Financial assets at fair value through other comprehensive income	971	US\$ 2,095	3	US\$ 2,095	
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	
Growth Fund	<u>Non-publicly traded equity investments</u>							
	Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	637	US\$ 4,146	-	US\$ 4,146	
	CNEX Labs, Inc.	-	"	33	US\$ 166	-	US\$ 166	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2022				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Growth Fund	<u>Publicly traded stocks</u> Marvell Technology Group Ltd.	-	Financial assets at fair value through other comprehensive income	30	US\$ 1,289	-	US\$ 1,289	
EmergingFund	<u>Non-publicly traded equity investments</u> Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	1,487	US\$ 9,680	-	US\$ 9,680	
	Solanium Labs, Ltd.	-	"	1,429	US\$ 5,000	2	US\$ 5,000	
	Kinara, Inc.	-	"	2,015	US\$ 3,000	2	US\$ 3,000	
	RiVos, Inc.	-	"	750	US\$ 2,000	-	US\$ 2,000	
	<u>Publicly traded stocks</u> Credo Technology Group Holding Ltd	-	Financial assets at fair value through other comprehensive income	861	US\$ 10,060	1	US\$ 10,060	

(Concluded)



TABLE 4

## 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 SIX MONTHS ENDED JUNE 30, 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>Commercial paper</u>													
	Taiwan Power Company	Financial assets at amortized cost	-	-	-	-	2,260	\$ 22,512,288	-	\$ -	\$ -	\$ -	2,260	\$ 22,512,288
	CPC Corporation, Taiwan	"	-	-	-	-	1,472	14,667,397	-	-	-	-	1,472	14,667,397
	<u>Non-publicly traded equity investments</u>													
	JASM	Investments accounted for using equity method	-	-	58	1,383,554	962	23,150,164	-	-	-	-	1,020	22,098,454
	TSMC 3DIC	"	-	-	11	270,513	24	556,490	-	-	-	-	35	773,554
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\$ 6,140	US\$ 6,093	US\$ 47	-	US\$ 77,008
	Morgan Stanley	"	-	-	-	US\$ 65,115	-	US\$ 17,148	-	US\$ 4,750	US\$ 4,678	US\$ 72	-	US\$ 73,091
	Citigroup Inc.	"	-	-	-	US\$ 49,298	-	US\$ 15,620	-	US\$ 1,286	US\$ 1,278	US\$ 8	-	US\$ 60,548
	The Toronto-Dominion Bank	"	-	-	-	US\$ 14,786	-	US\$ 12,178	-	US\$ 1,910	US\$ 1,999	US\$ (89)	-	US\$ 23,933
	Bank of Montreal	"	-	-	-	US\$ 6,295	-	US\$ 10,734	-	US\$ 5,076	US\$ 4,999	US\$ 77	-	US\$ 11,213
	S&P Global Inc.	"	-	-	-	US\$ -	-	US\$ 14,096	-	US\$ 2,893	US\$ 2,934	US\$ (41)	-	US\$ 10,454
	The Goldman Sachs Group, Inc.	Financial assets at amortized cost	-	-	-	US\$ 51,347	-	US\$ 353,589	-	US\$ 67,000	US\$ 67,000	US\$ -	-	US\$ 336,727
	Citigroup Global Markets Inc.	"	-	-	-	US\$ 99,968	-	US\$ 150,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 249,919
	Bank of America Corporation	"	-	-	-	US\$ -	-	US\$ 207,192	-	US\$ -	US\$ -	US\$ -	-	US\$ 207,110
	Citigroup Global Markets Holdings Inc.	"	-	-	-	US\$ -	-	US\$ 150,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 149,951
	Goldman Sachs Finance Corp International Ltd.	"	-	-	-	US\$ -	-	US\$ 150,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 149,870
	JPMorgan Chase & Co.	"	-	-	-	US\$ 10,054	-	US\$ 118,353	-	US\$ -	US\$ -	US\$ -	-	US\$ 128,545
	Citigroup Inc.	"	-	-	-	US\$ -	-	US\$ 119,897	-	US\$ -	US\$ -	US\$ -	-	US\$ 119,794
	Wells Fargo & Company	"	-	-	-	US\$ 30,399	-	US\$ 31,484	-	US\$ -	US\$ -	US\$ -	-	US\$ 61,759
	Jpmorgan LLC	"	-	-	-	US\$ -	-	US\$ 50,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 49,984
	GOLDMAN SACHS GROUP INC	"	-	-	-	US\$ -	-	US\$ 50,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 49,957
	<u>Government bond</u>													
	United States Department of The Treasury	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 768,483	-	US\$ 92,255	-	US\$ 142,601	US\$ 143,820	US\$ (1,219)	-	US\$ 674,934
	<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\$ 247,694	-	US\$ 132,440	US\$ 134,734	US\$ (2,294)	-	US\$ 518,089	

(Continued)

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 Global	Federal Home Loan Mortgage Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 253,075	-	US\$ 128,263	-	US\$ 51,677	US\$ 52,581	US\$ (904)	-	US\$ 300,125
	Government National Mortgage Association	"	-	-	-	US\$ 285,581	-	US\$ 75,453	-	US\$ 145,816	US\$ 148,688	US\$ (2,872)	-	US\$ 195,290

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

(Concluded)

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 SIX MONTHS ENDED JUNE 30, 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.	-	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				Chun Yuan Steel Industry Co., Ltd. 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.								

(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				Jienshian Information Engineering Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. 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.								

(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				NEC Facilities, Ltd. Organo Corporation Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. 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								

(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				Techgo Industrial Co., Ltd. Toshiba Mitsubishi-Electric Industrial Systems Corporation Toyoko Kagaku Co., Ltd. Trane Taiwan Distribution Limited 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.								
	Real estate	May 10, 2022 (Note)	US\$2,147,000 (Note)	Based on the terms in the purchase order	19 counterparties(Note), including :  Southern Taiwan Science Park Bureau, Ministry of Science and Technology	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

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 SIX MONTHS ENDED JUNE 30, 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	\$ 657,714,427	65	Net 30 days from invoice date (Note)	-	(Note)	\$ 159,621,137	76	
	TSMC Nanjing	Subsidiary	Sales	133,564	-	Net 30 days from the end of the month of when invoice is issued	-	-	-	-	
	GUC	Associate	Sales	4,169,696	-	Net 30 days from the end of the month of when invoice is issued	-	-	631,508	-	
	TSMC Nanjing	Subsidiary	Purchases	19,680,540	26	Net 30 days from the end of the month of when invoice is issued	-	-	(3,006,492)	5	
	TSMC China	Subsidiary	Purchases	13,370,220	17	Net 30 days from the end of the month of when invoice is issued	-	-	(2,267,737)	4	
	WaferTech	Indirect subsidiary	Purchases	4,777,184	6	Net 30 days from the end of the month of when invoice is issued	-	-	(927,103)	2	
	SSMC	Associate	Purchases	2,233,261	3	Net 30 days from the end of the month of when invoice is issued	-	-	(453,376)	1	
	VIS	Associate	Purchases	863,725	1	Net 30 days from the end of the month of when invoice is issued	-	-	(164,527)	-	
TSMC North America	GUC	Associate of TSMC	Sales	1,390,233 (US\$ 48,153)	-	Net 30 days from invoice date	-	-	267,983 (US\$ 9,016)	-	
VisEra Tech	Xintec	Associate of TSMC	Sales	402,330	8	Net 60 days from the end of the month of when invoice is issued	-	-	172,953	12	

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 NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 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	\$ 167,125,795	41	\$ -	-	\$ -	\$ -
	VisEra Tech	Subsidiary	401,871	Note 2	-	-	-	-
	TSMC Nanjing	Subsidiary	132,660	Note 2	-	-	-	-
	VIS	Associate	2,117,731	Note 2	-	-	-	-
	GUC	Associate	631,508	22	-	-	-	-
	Xintec	Associate	335,526	Note 2	-	-	-	-
TSMC North America	GUC	Associate of TSMC	267,983 (US\$ 9,016)	31	-	-	-	-
TSMC China	TSMC Nanjing	The same parent company	39,050,560 (RMB 8,795,369)	Note 2	-	-	-	-
	TSMC	Parent company	2,267,737 (RMB 510,763)	28	-	-	-	-
TSMC Nanjing	TSMC	Parent company	3,006,492 (RMB 677,154)	27	-	-	-	-
VisEra Tech	Xintec	Associate of TSMC	172,953	66	-	-	-	-
TSMC Technology	TSMC	The ultimate parent of the Company	419,754 (US\$ 14,123)	Note 2	-	-	-	--
WaferTech	TSMC	The ultimate parent of the Company	927,103 (US\$ 31,192)	32	-	-	-	-
	TSMC Development	Parent company	147,123 (US\$ 4,950)	Note 2	-	-	-	-

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 SIX MONTHS ENDED JUNE 30, 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	\$ 657,714,427	-	64%
				Receivables from related parties	159,621,137	-	4%
				Other receivables from related parties	7,504,658	-	-
				Accrued expenses and other current liabilities	57,568,913	-	1%
				Other noncurrent liabilities	163,163,035	-	4%
		JASM	1	Other noncurrent assets	1,675,578	-	-
		TSMC 3DIC	1	Research and development expenses	461,841	-	-
		TSMC China	1	Purchases	13,370,220	-	1%
				Payables to related parties	2,267,737	-	-
		TSMC Nanjing	1	Purchases	19,680,540	-	2%
Proceeds from disposal of property, plant and equipment	567,969			-	-		
Payables to related parties	3,006,492			-	-		
TSMC Technology	1	Research and development expenses	1,616,178	-	-		
WaferTech	1	Purchases	4,777,184	-	-		
		Payables to related parties	927,103	-	-		
1	TSMC China	TSMC Nanjing	3	Other receivables from related parties	39,050,560	-	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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2022			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				June 30, 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	\$ 394,617,644	\$ 1,009,425	\$ 1,009,425	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	60,266,359	1,251,696	1,251,696	Subsidiary
	JASM	Kumamoto, Japan	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	24,567,085	1,416,921	1,020	71	22,098,454	(164,746)	(146,069)	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	15,718,207	(3,470,683)	(3,470,683)	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	11,387,537	8,978,208	2,540,468	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	68	11,066,280	1,146,923	834,826	Subsidiary
	SSMC	Singapore	Manufacturing and sales of integrated circuits and other semiconductor devices	5,120,028	5,120,028	314	39	7,914,636	1,572,917	610,134	Associate
	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	4,961,129	(263,452)	(263,452)	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	3,092,962	926,266	379,848	Associate
	GUC	Hsin-Chu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	386,568	46,688	35	1,381,336	1,305,851	454,945	Associate
	Emerging Fund	Cayman Islands	Investing in technology start-up companies	589,419	298,618	-	99.9	895,626	(3,986)	(3,982)	Subsidiary
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	835,476	278,986	35	100	773,554	19,270	19,270	Subsidiary
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	-	100	519,567	12,613	12,613	Subsidiary
	TSMC JDC	Yokohama, Japan	Engineering support activities	410,680	410,680	15	100	341,842	10,444	10,444	Subsidiary
	VTAF III	Cayman Islands	Investing in technology start-up companies	1,321,594	1,321,594	-	98	328,369	(3,158)	(3,095)	Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	6	100	122,462	3,236	3,236	Subsidiary
	VTAF II	Cayman Islands	Investing in technology start-up companies	260,300	260,300	-	98	87,705	(921)	(903)	Subsidiary
	TSMC Korea	Seoul, Korea	Customer service and supporting activities	13,656	13,656	80	100	40,829	863	863	Subsidiary
TSMC Partners	TSMC Development	Delaware, U.S.A	Investing in companies involved in semiconductor manufacturing	17,444,995	17,444,995	-	100	34,018,370	1,156,507	Note 2	Subsidiary
	TSMC Technology	Delaware, U.S.A	Engineering support activities	(US\$ 586,939)	(US\$ 586,939)	-	100	(US\$1,144,552)	(US\$ 40,359)	Note 2	Subsidiary
	TSMC Canada	Ontario, Canada	Engineering support activities	424,490	424,490	-	100	890,112	(7,717)	Note 2	Subsidiary
				(US\$ 14,282)	(US\$ 14,282)			(US\$ 29,948)	(US\$ (257))		
				68,361	68,361	2,300	100	309,249	14,102	Note 2	Subsidiary
				(US\$ 2,300)	(US\$ 2,300)			(US\$ 10,405)	(US\$ 490)		
VTAF III	Growth Fund	Cayman Islands	Investing in technology start-up companies	77,389	77,389	-	100	248,035	(327)	Note 2	Subsidiary
				(US\$ 2,604)	(US\$ 2,604)			(US\$ 8,345)	(US\$ (11))		
	Mutual-Pak	New Taipei, Taiwan	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID	47,358	47,358	4,693	28	21,047	(6,706)	Note 2	Associate
				(US\$ 1,593)	(US\$ 1,593)			(US\$ 708)	(US\$ (235))		
TSMC Development	WaferTech	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	-	-	293,637	100	5,784,843	1,099,876	Note 2	Subsidiary
								(US\$ 194,632)	(US\$ 38,402)		

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 YEAR ENDED JUNE 30, 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 June 30, 2022(US\$ in Thousands)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of June 30, 2022	Accumulated Inward Remittance of Earnings as of June 30, 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)	\$ 5,878,507	100%	\$ 5,803,735 (Note 2)	\$ 81,005,130	\$ -
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)	10,507,674	100%	10,501,499 (Note 2)	57,625,261	-

Accumulated Investment in Mainland China as of June 30, 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)	\$ 1,506,277,275 (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  
JUNE 30, 2022**

Shareholders (Note)	Shares	
	Total Shares Owned	Ownership Percentage
ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	5,320,242,653	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.