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Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

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Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

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REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Taiwan

Semiconductor Manufacturing Company Limited as of and for the year ended December 31, 2023,

under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports

and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the

consolidated financial statements prepared in conformity with the International Financial Reporting

Standard 10, "Consolidated Financial Statements". In addition, the information required to be

disclosed in the combined financial statements is included in the consolidated financial statements.

Consequently, Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries do not

prepare a separate set of combined financial statements.

Very truly yours,

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED

By

MARK LIU

Chairman

February 6, 2024

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Deloitte.

勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

<u>Property</u>, plant and equipment (PP&E) – commencement of depreciation related to PP&E classified as equipment under installation and construction in progress (EUI/CIP)

Refer to Notes 4, 5 and 14 to the consolidated financial statements.

The Company's evaluation of when to commence depreciation of EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner. Changes in these assumptions could have a significant impact on when depreciation is recognized.

Given the subjectivity in determining the date to commence depreciation of EUI/CIP, performing audit procedures to evaluate the reasonableness of the Company's judgments and assumptions required a high degree of auditor judgment. Consequently, the validity of commencement of depreciation related to PP&E classified as EUI/CIP is identified as a key audit matter.

Our audit procedures related to the evaluation of when to commence depreciation of EUI/CIP included the following, among others:

- 1. We read the Company's policy and understood the criteria used to determine when to commence depreciation.
- 2. We tested the effectiveness of the controls over the evaluation of when to commence depreciation of EUI/CIP.
- 3. We sampled the year-end balance of EUI/CIP and performed the following for each selection:
- a. Evaluated whether the selection did not meet the criteria specified by the Company for commencement of depreciation.
- b. Observed the assets and evaluated their status.
- 4. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation during the year.
- 5. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation subsequent to year end.

Other Matter

We have also audited the parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management

determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shih Tsung

Wu and Shang Chih Lin.

Shintay Du Show-Chih Li N Deloitte & Touche Taipei, Taiwan

Republic of China

February 6, 2024

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 audit such consolidated financial statements are those generally applied in the Republic of China.

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

CREPINT ASSITS		December 31,	2023	December 31, 2	2022
Case					
Case 1988	CLIDDENIT ACCETS				
Financial asses at fair value through profit or loss (Note 3)		\$ 1.465.427.753	26	\$ 1.342.814.083	27
Financial assets amortized cont (Note 9)	Financial assets at fair value through profit or loss (Note 7)		-	1,070,398	-
Honging financial assets (Note 10)					
Non-contract accorates accorates (accorates) 20,1313114 3 20,755.58 5 5 5 5 5 5 5 5 5		66,761,221		, ,	
Receivables from related primites (Oher 13)		201 313 914			
Inventions (Notes S and 12)					
Content current assets 1		71,871		68,975	-
Property plant and equations (Note 7) Property plant and equations (Note 7) Property plant and equations (Note 7) Property plant and equations (Note 1) Property plant and equations (Note 1) Property plant and equations (Note 1) Property plant and equations (Note 3) Property plant and equations (Note 3 and 16) Property plant and 1					
Total current assets				, ,	1
NONCURRENT ASSETS	Other Current assets	20,222,380		12,888,770	
Financial assets at fair value through profit or loss (Note 7) 7,208,65 6,159,200 7,208,65	Total current assets	2,194,032,910	40	2,052,896,744	41
Financial asset a fair value through other comprehensive income (Note 8) 7,208,655 2 5,157,215 1 Financial asset as amortized cort (Note 9) 79,199,570 2 5,172,15 1 Financial resiste as amortized cort using equity method (Note 13) 10,104,105 1 Financial assets as amortized cort using equity method (Note 13) 10,104,105 1 Froperty, plant and equipment (Notes 5 and 14) 10,104,105 1 Froperty, plant and equipment (Notes 5 and 14) 12,276,744 1 25,999,155 1 Foregration can assets (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can be asset (Notes 5 and 25) 10,104,105 1 Foregration can	NONCURRENT ASSETS				
Financial assets at amortized cost (Note 9) 79,199,367 2 35,127,215 1 1 1 1 1 1 1 1 1			-	-	-
Property plant and equipment (Notes 3 and 14)					-
Property plant and equipment (Notes S and 14)					
Right of size assets (Notes 5 and 15)					
Integrate protest Kores 5 and 16)					
Perfered income tax assets (Notes 5 and 25)					
Total noncurrent assets 1,000,000,000 1,000,000			1		
Total noncurrent assets 3,338,388,300 60 2,911,882,134 70 70 70 70 70 70 70 7	Refundable deposits	7,044,420	-		-
Note	Other noncurrent assets	10,009,423		7,551,089	
CURRENT LIABILITIES	Total noncurrent assets	3,338,338,305	60	2,911,882,134	59
CURRENT LIABILITIES	TOTAL	\$ 5,532,371,215	100	<u>\$ 4,964,778,878</u>	100
Financial liabilities aftair value through profit or loss (Note 7) 11,412 1	LIABILITIES AND EQUITY				
Financial liabilities aftair value through profit or loss (Note 7) 11,412 1	CLIDDENT LIADILITIES				
Hedging financial liabilities (Notes 10 and 30)		\$ 121.412	_	\$ 116.215	_
Accounts payable 55,726,757 1 54,879,708 7 1 Payables to related parties (Note 33) 1,566,300 1,626,257 1 Salary,708 1 Salary,709 1					_
Salary and bonus payable 33,200,563 1 36,435,509 1 Accrued profit sharing bonus to employees and compensation to directors (Note 28) 10,716,944 1 61,748,74 1 Payables to contractors and equipment suppliers 118,588,461 3 213,499,613 4 Cash dividends payable (Notes 5 and 25) 98,912,902 2 120,801,814 3 Long-term liabilities current portion (Notes 17, 18 and 30) 929,666,7931 5 293,170,952 6 Accrued expenses and other current liabilities (Notes 5, 15, 21, 30 and 33) 296,667,931 5 293,170,952 6 Total current liabilities 913,583,316 16 944,226,817 19 NONCURENT LIABILITIES 7 834,356,339 17 834,336,439 17 Bonds payable (Notes 17 and 30) 913,899,843 17 834,336,439 17 Lease liabilities (Notes 8 and 25) 53,868 10,313,33 - Lease liabilities (Notes 5 and 25) 28,681,835 1 29,764,097 Net defined benefit liability (Note 19) 28,681,335 1 29,724,097 <td></td> <td></td> <td>1</td> <td></td> <td>1</td>			1		1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	Payables to related parties (Note 33)	1,566,300	-	1,642,637	-
Payables to contractors and equipment suppliers 171,484,616 3 213,499,613 4 Cash dividents payable (Notes 20) 168,558,461 3 124,617,093 3 16,0000 tax payable (Notes 5 and 25) 98,912,902 2 120,801,814 3 160,0000 tax payable (Notes 5 and 25) 98,912,902 2 120,801,814 3 160,0000 tax payable (Notes 5 and 25) 993,2666,7931 5 293,170,952 6 7 7 7 7 7 7 7 7 7		33,200,563	1	36,435,509	
Cash dividends payable (Noie 20)					
Income tax payable (Notes 5 and 25)					
Page					
Accrued expenses and other current liabilities (Notes 5, 15, 21, 30 and 33) 296,667,931 5 293,170,952 6 6 10 10 10 10 10 10					
NONCURRENT LIABILITIES Bonds payable (Notes 17 and 30) 913,899,843 17 834,336,439 17 Long-term bank loans (Notes 18 and 30) 4,382,965 - 4,760,047 - 1,031,383 - 1,					6
NONCURRENT LIABILITIES Bonds payable (Notes 17 and 30) 913,899,843 17 834,336,439 17 Long-term bank loans (Notes 18 and 30) 4,382,965 - 4,760,047 - 1,031,383 - 1,	Total current liabilities	913.583.316	16	944.226.817	19
Bonds payable (Notes 17 and 30)					
Long-term bank loans (Notes 18 and 30)					
Deferred income tax liabilities (Notes 5 and 25) 1 031,383 - Lease liabilities (Notes 5, 15 and 30) 28,681,833 1 29,764,097 - Net defined benefit liability (Note 19) 9,257,224 - 9,321,091 - Guarantee deposits 923,164 - 892,021 - Others (Note 21) 178,326,165 3 179,958,116 4 Total noncurrent liabilities 1,135,525,052 21 1,060,063,194 21 Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,303,805 5 Capital surplus (Notes 20 and 27) 5 259,303,805 5 5 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve 311,146,899 6 311,146,899 6 Appropriated earnings (Notes 20) 2,2846,883,893 51 2,232,232,3479 4 Unappropriated earnings (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 53 Others (Notes 20 and 27) 28,486,883,893 <td< td=""><td></td><td> , ,</td><td></td><td></td><td></td></td<>		, ,			
Lease liabilities (Notes 5, 15 and 30) 28,881,835 1 29,764,097 - Net defined benefit liability (Note 19) 9,257,224 - 9,321,091 - Guarantee deposits 923,164 - 892,021 - Others (Note 21) 178,326,165 3 179,958,116 4 Total noncurrent liabilities 1,135,525,052 21 1,060,063,194 21 Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,303,805 5 Capital surplus (Notes 20 and 27) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve 311,146,899 6 311,146,899 6 Appropriated earnings 2,846,883,893 51 2,323,223,479 47 Unappropriated earnings 3,158,030,792 57 2,637,524,688 53 Others (Notes 20 and 27) 284,883				,,.	-
Net defined benefit liability (Note 19) 9,257,224 9,321,091 - Guarantee deposits 923,164 - 892,021 - Others (Note 21) 178,326,165 3 179,958,116 4 Total noncurrent liabilities 1,135,525,052 21 1,060,063,194 21 Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,330,805 5 Capital surplus (Notes 20) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 259,320,710 5 259,330,805 5 Appropriated as legal capital reserve 311,146,899 6 311,146,899 6 Appropriated as special capital reserve 311,46,899 6 31,154,310 - Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 53 Others (Notes 20 and 27) 3,458,913,627 63 2,					-
Guarantee deposits Others (Note 21) 923,164 178,326,165 3 892,021 179,958,116 4 Total noncurrent liabilities 1,135,525,052 21 1,060,063,194 21 Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,303,805 5 Capital sturplus (Note 20) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve 31,146,899 6 311,146,899 6 Appropriated as repeated capital reserve 2,846,883,893 51 2,323,223,479 47 Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 53 Others (Notes 20 and 27) 3,294,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63					_
Total noncurrent liabilities 1,135,525,052 21 1,060,063,194 21 Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,303,805 5 Capital surplus (Notes 20 and 27) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve 31,146,899 6 311,46,899 6 Appropriated earnings 2,846,883,893 51 2,323,223,479 47 Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 5 Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Guarantee deposits		-		-
Total liabilities 2,049,108,368 37 2,004,290,011 40 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT 259,320,710 5 259,303,805 5 Capital stock (Note 20) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve 311,146,899 6 311,146,899 6 Appropriated earnings 2,846,883,893 51 2,323,223,479 47 Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) (28,314,256) - (20,505,626) - Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Others (Note 21)	178,326,165	3	179,958,116	4
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT Capital stock (Note 20) 259,320,710 5 259,303,805 5 Capital surplus (Notes 20 and 27) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 311,146,899 6 Appropriated as special capital reserve - - 3,154,310 - - 3,154,310 - - 47 - - 3,154,310 - - - 3,154,310 - - - 3,154,310 - - - 3,154,310 - - - 3,154,310 - - - - 3,154,310 - - - - 3,154,310 - - - - 3,232,323,479 47 -	Total noncurrent liabilities	1,135,525,052	21	1,060,063,194	21
Capital stock (Note 20) 259,320,710 5 259,303,805 5 Capital surplus (Notes 20 and 27) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve - - 3,154,310 - Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 53 Others (Notes 20 and 27) (28,314,256) - (20,505,626) - Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Total liabilities	2,049,108,368	37	2,004,290,011	40
Capital surplus (Notes 20 and 27) 69,876,381 1 69,330,328 1 Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve - - 3,154,310 - Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,224,688 53 Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Retained earnings (Note 20) 311,146,899 6 311,146,899 6 Appropriated as legal capital reserve - - 3,154,310 - Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 3,158,030,792 57 2,637,524,688 53 Classification of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Capital stock (Note 20)	259,320,710		259,303,805	5
Appropriated as legal capital reserve 311,146,899 6 311,146,899 6 Appropriated as special capital reserve - - 3,154,310 - Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 57 2,637,524,688 53 Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60		69,876,381	1	69,330,328	1
Appropriated as special capital reserve Unappropriated earnings 2.846,883,893 51 2.323,223,479 47 3,158,030,792 57 2.637,524,688 53 Others (Notes 20 and 27) Equity attributable to shareholders of the parent NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60		211.145.000		211 145 000	
Unappropriated earnings 2,846,883,893 51 2,323,223,479 47 Others (Notes 20 and 27) 57 2,637,524,688 53 Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60		311,146,899	6		6
Others (Notes 20 and 27) 3,158,030,792 (28,314,256) 57 (26,37,524,688) 53 (29,556,626) - Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60		2 846 883 893	51		47
Others (Notes 20 and 27) (28,314,256) - (20,505,626) - Equity attributable to shareholders of the parent 3,458,913,627 63 2,945,653,195 59 NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Onappropriated Carmings				
NON - CONTROLLING INTERESTS 24,349,220 - 14,835,672 1 Total equity 3,483,262,847 63 2,960,488,867 60	Others (Notes 20 and 27)				
Total equity 3,483,262,847 63 2,960,488,867 60	Equity attributable to shareholders of the parent	3,458,913,627	63	2,945,653,195	59
	NON - CONTROLLING INTERESTS	24,349,220		14,835,672	1
TOTAL <u>\$ 5,532,371,215</u> <u>100</u> <u>\$ 4,964,778,878</u> <u>100</u>	Total equity	3,483,262,847	63	2,960,488,867	60
	TOTAL	<u>\$ 5,532,371,215</u>	100	<u>\$ 4,964,778,878</u>	100

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 21, 33 and 38)	\$ 2,161,735,841	100	\$ 2,263,891,292	100
COST OF REVENUE (Notes 5, 12, 28 and 33)	986,625,213	<u>46</u>	915,536,486	40
GROSS PROFIT	1,175,110,628	54	1,348,354,806	60
OPERATING EXPENSES (Notes 5, 28 and 33) Research and development General and administrative Marketing	182,370,170 60,872,841 10,590,705	8 3 —-	163,262,208 53,524,898 9,920,446	7 2 <u>1</u>
Total operating expenses	253,833,716	11	226,707,552	10
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14 and 28)	188,694		(368,403)	
INCOME FROM OPERATIONS (Note 38)	921,465,606	<u>43</u>	1,121,278,851	50
NON-OPERATING INCOME AND EXPENSES Share of profits of associates Interest income (Note 22) Other income Foreign exchange gain (loss), net (Note 36) Finance costs (Note 23) Other gains and losses, net (Note 24)	4,655,098 60,293,901 479,984 (2,685,484) (11,999,360) 6,961,579	3 - (1)	7,798,359 22,422,209 947,697 4,505,784 (11,749,984) (1,012,198)	- 1 - - -
Total non-operating income and expenses	57,705,718	2	22,911,867	1
INCOME BEFORE INCOME TAX	979,171,324	45	1,144,190,718	51
INCOME TAX EXPENSE (Notes 5 and 25)	141,403,807	6	127,290,203	6
NET INCOME	837,767,517	39	1,016,900,515	45
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 5, 19, 20 and 25) Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit obligation Unrealized gain/(loss) on investments in equity	(623,356)	-	(823,060)	-
instruments at fair value through other comprehensive income Gain on hedging instruments Share of other comprehensive income of associates Income tax benefit related to items that will not be	1,954,563 39,898 42,554	- - -	(263,749) - 154,457	- - -
reclassified subsequently	124,646 1,538,305		733,956 (198,396) (Co	<u>-</u> ntinued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations Unrealized gain/(loss) on investments in debt	\$ (14,464,353)	(1)	\$ 50,845,614	2
instruments at fair value through other comprehensive income	4 122 201		(10.102.659)	
Gain (loss) on hedging instruments	4,123,201 (74,735)	-	(10,102,658) 1,329,231	-
Share of other comprehensive income of associates	63,938	_	550,338	_
Income tax benefit related to items that may be	03,730		330,330	
reclassified subsequently	_	_	6,036	_
	(10,351,949)	(1)	42,628,561	2
Other comprehensive income (loss), net of income tax	(8,813,644)	(1)	42,430,165	2
TOTAL COMPREHENSIVE INCOME	\$ 828,953,873	38	\$ 1,059,330,680	<u>47</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 838,497,664	39	\$ 1,016,530,249	45
Non-controlling interests	(730,147)	-	370,266	-
Tion controlling interests	(730,117)		370,200	
	\$ 837,767,517	<u>39</u>	\$ 1,016,900,515	<u>45</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	\$ 830,509,542	38	\$ 1,059,124,890	47
Non-controlling interests	(1,555,669)	-	205,790	- -
Tion controlling interests	(1,555,007)		203,170	
	<u>\$ 828,953,873</u>	<u>38</u>	\$ 1,059,330,680	<u>47</u>
EARNINGS PER SHARE (NT\$, Note 26)				
Basic earnings per share	\$ 32.34		\$ 39.20	
Diluted earnings per share	\$ 32.34		\$ 39.20	
• •				

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

						Equi	ity Attributable to Sha	Equity Attributable to Shareholders of the Parent	ınt							
	Capital Stock -	Capital Stock - Common Stock				Earnings		Foreign Currency	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other	Others Gain (Loss) on	Unearned Stock-Based		ı			:
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Translation Reserve	Comprehensive Income	Hedging Instruments	Employee Compensation	Total	Treasury Stock	Total	Non-controlling Interests	Total Equity
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 Special capital reserve Cash dividends to shareholders Total					(56,149,902)	56,149,902 (285,234,185) (229,084,283)	(285,234,185) (285,234,185)							(285,234,185) (285,234,185)		(285,234,185)
Net income	•	•				1,016,530,249	1,016,530,249			•				1,016,530,249	370,266	1,016,900,515
Other comprehensive income (loss), net of income tax						(49,572)	(49,572)	51,560,060	(10,327,421)	1,411,574		42,644,213		42,594,641	(164,476)	42,430,165
Total comprehensive income (loss)						1,016,480,677	1,016,480,677	51,560,060	(10,327,421)	1,411,574		42,644,213		1,059,124,890	205,790	1,059,330,680
Share-based payment arrangements	1,387	13,870	438,029								(185,153)	(185,153)		266,746		266,746
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		,	,		•	303,242	303,242	•	(303,242)		٠	(303,242)		٠	٠	
Basis adjustment for loss on hedging instruments										(52,929)		(52,929)		(52,929)		(52,929)
Adjustments to share of changes in equities of associates	,	•	4,541		•	,	,						,	4,541		4,541
From share of changes in equities of subsidiaries	•	,	4,115,940							•	,			4,115,940	12,350,219	16,466,159
Donation from shareholders	•	•	13,205							•				13,205	20	13,225
Decrease in non-controlling interests															(167,009)	(167,009)
BALANCE, DECEMBER 31, 2022	25,930,380	259,303,805	69,330,328	311,146,899	3,154,310	2,323,223,479	2,637,524,688	(11,743,301)	(10,056,353)	1,479,181	(185,153)	(20,505,626)		2,945,653,195	14,835,672	2,960,488,867
Appropriations of earnings Special capital reserve Cash dividends to shareholders Total			* * * *		(3,154,310)	3,154,310 (317,663,220) (314,508,910)	(317,663,220)			* * * * * * * * * * * * * * * * * * * *	* * * *			(317,663,220)	1 1	(317,663,220)
Net income						838,497,664	838,497,664							838,497,664	(730,147)	837,767,517
Other comprehensive income (loss), net of income tax					1	(484,898)	(484,898)	(13,573,468)	6,108,369	(38,125)	'	(7,503,224)		(7,988,122)	(825,522)	(8,813,644)
Total comprehensive income (loss)						838,012,766	838,012,766	(13,573,468)	6,108,369	(38,125)		(7,503,224)		830,509,542	(1,555,669)	828,953,873
Disposal of investments accounted for using equity method	,	•	(18,112)	,	,	•	•	•	•	•			•	(18,112)	(370)	(18,482)
Employee restricted shares retired	(419)	(4,195)	4,195			4,614	4,614				٠		٠	4,614	٠	4,614
Share-based payment arrangements	2,110	21,100	564,868								(108,281)	(108,281)		477,687		477,687
Disposal of investments in equity instruments at fair value through other comprehensive income				٠	٠	151,944	151,944		(151,944)		٠	(151,944)		٠		
Basis adjustment for loss on hedging instruments	•	•		•						(45,181)	•	(45,181)		(45,181)		(45,181)
Adjustments to share of changes in equities of associates	•	•	(43)	•	•	,	,	,	,		•	,	•	(43)		(43)
From share of changes in equities of subsidiaries			(21,268)											(21,268)	11,265,933	11,244,665
Donation from shareholders		•	16,413								•			16,413	35	16,448
Decrease in non-controlling interests															(196,381)	(196,381)
BALANCE, DECEMBER 31, 2023	25.932.071	\$ 259,320,710	\$ 69.876.381	\$ 311,146,899	9	\$ 2.846.883.893	\$ 3,158,030,792	\$ (25,316,769)	\$ (4,099,928)	\$ 1.395.875	\$ (293,434)	<u>\$ (28.314.256)</u>	·	<u>\$3,458,913,627</u>	\$ 24,349,220	\$ 3,483,262,847

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$	979,171,324	\$ 1,144,190,718
Adjustments for:	_	, , , , , , , , , , , , , , , , , , , ,	+ -,- : :,-> =,:-=
Depreciation expense		522,932,671	428,498,179
Amortization expense		9,258,250	8,756,094
Expected credit losses recognized on investments in debt instruments		35,745	52,351
Finance costs		11,999,360	11,749,984
Share of profits of associates		(4,655,098)	(7,798,359)
Interest income		(60,293,901)	(22,422,209)
Share-based compensation		483,050	302,348
Loss (gain) on disposal or retirement of property, plant and equipment, net		369,140	(98,856)
Loss (gain) on disposal or retirement of intangible assets, net		(3,045)	6,004
Impairment loss on property, plant and equipment		-	790,740
Gain on financial instruments at fair value through profit or loss, net		(12,355)	· -
Loss on disposal of investments in debt instruments at fair value through		` ' '	
other comprehensive income, net		473,897	410,076
Gain on disposal of investments accounted for using equity method, net		(15,758)	· -
Loss (gain) on foreign exchange, net		(246,695)	10,342,706
Dividend income		(464,094)	(266,767)
Others		(337,935)	138,827
Changes in operating assets and liabilities:			
Financial instruments at fair value through profit or loss		289,570	(1,354,359)
Notes and accounts receivable, net		28,441,987	(32,169,853)
Receivables from related parties		959,507	(868,634)
Other receivables from related parties		(2,896)	(7,444)
Inventories		(29,847,940)	(28,046,827)
Other financial assets		1,878,712	(1,680,611)
Other current assets		(12,530,880)	(4,450,883)
Other noncurrent assets		(720,278)	-
Accounts payable		847,049	7,594,105
Payables to related parties		(76,337)	205,451
Salary and bonus payable		(3,234,946)	12,633,409
Accrued profit sharing bonus to employees and compensation to directors		(11,031,630)	25,223,833
Accrued expenses and other current liabilities		(44,466,734)	46,578,784
Other noncurrent liabilities		13,329,895	101,390,476
Net defined benefit liability	_	(687,223)	(2,538,848)
Cash generated from operations		1,401,842,412	1,697,160,435
Income taxes paid	_	(159,875,065)	(86,561,247)
Net cash generated by operating activities	_	1,241,967,347	_1,610,599,188
CASH FLOWS FROM INVESTING ACTIVITIES Acquisitions of:			
Financial instruments at fair value through profit or loss		(14,142,072)	(125,540)
Financial assets at fair value through other comprehensive income		(62,752,002)	(54,566,725)
Financial assets at amortized cost		(149,387,898)	(183,125,920)
Property, plant and equipment		(949,816,825)	(1,082,672,130)
Intangible assets		(5,518,414)	(6,954,326) (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

		2023		2022
Proceeds from disposal or redemption of:				
Financial assets at fair value through other comprehensive income	\$	35,698,575	\$	44,963,367
Financial assets at amortized cost		134,605,822		62,329,674
Property, plant and equipment		703,904		983,358
Intangible assets		3,078		12,636
Proceeds from return of capital of investments in equity instruments at fair				
value through other comprehensive income		127,963		2,938
Derecognition of hedging financial instruments		68,237		1,684,430
Interest received		55,887,164		18,083,755
Proceeds from government grants - property, plant and equipment		47,544,746		7,046,136
Proceeds from government grants - others		1,152		5,296
Other dividends received		445,129		266,767
Dividends received from investments accounted for using equity method		3,076,482		2,749,667
Increase in prepayments for leases		(63,153)		-
Refundable deposits paid		(4,056,496)		(2,117,041)
Refundable deposits refunded	_	1,454,012	_	505,423
Net cash used in investing activities		(906,120,596)	_(1	1,190,928,235)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in short-term loans		-		(111,959,992)
Increase in hedging financial liabilities - bank loans		27,908,580		-
Proceeds from issuance of bonds		85,700,000		198,293,561
Repayment of bonds		(18,100,000)		(4,400,000)
Proceeds from long-term bank loans		2,450,000		2,670,000
Repayment of long-term bank loans		(1,756,944)		(166,667)
Payments for transaction costs attributable to the issuance of bonds		(88,681)		(414,307)
Treasury stock acquired		-		(871,566)
Repayment of the principal portion of lease liabilities		(2,854,344)		(2,428,277)
Interest paid		(17,358,981)		(12,218,659)
Guarantee deposits received		230,116		271,387
Guarantee deposits refunded		(367,375)		(62,100)
Cash dividends		(291,721,852)		(285,234,185)
Donation from shareholders		16,448		13,225
Increase in non-controlling interests	-	11,048,781		16,263,548
Net cash used in financing activities		(204,894,252)	_	(200,244,032)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH				
EQUIVALENTS		(8,338,829)	_	58,396,970
NET INCREASE IN CASH AND CASH EQUIVALENTS		122,613,670		277,823,891
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,342,814,083	1	1,064,990,192
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$</u>	1,465,427,753	\$ 1	1,342,814,083

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

(Concluded)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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 February 6, 2024.

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, "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of TSMC and its subsidiaries (collectively as the "Company"):

Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company's exposure to Pillar Two income taxes. The requirement that the Company applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments in May 2023. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants"	January 1, 2024

c. The IFRS Accounting Standards issued by IASB, but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets	To be determined by IASB

As of the date the accompanying consolidated financial statements were authorized for issue, 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 MATERIAL ACCOUNTING POLICY INFORMATION

between an Investor and its Associate or Joint Venture"

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 the IFRS Accounting Standards endorsed by the FSC with the effective dates (collectively, "Taiwan-IFRS Accounting Standards").

Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Basis of Consolidation

The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of TSMC and entities controlled by TSMC (its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

- a. the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and
- b. the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

The Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

The subsidiaries in the consolidated financial statements

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

			Establishment	Percentage of		
Name of Investor	Name of Investee	Main Businesses and Products	and Operating Location	December 31, 2023	December 31, 2022	Note
TSMC	TSMC North America	Sales and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	100%	100%	-
	TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	100%	100%	a)
	TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	100%	100%	a)
	TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	100%	100%	a)
	TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	100%	100%	a)
	TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	100%	100%	a)
	TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	Tortola, British Virgin Islands	100%	100%	-
	TSMC Global, Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	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%	-
	TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	100%	100%	-
	VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsin-Chu, Taiwan	67%	68%	b)
	TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	100%	100%	c)
	Japan Advanced Semiconductor Manufacturing, Inc. (JASM)	Manufacturing, sales, testing and computer aided design of integrated circuits and other semiconductor devices	Kumamoto, Japan	71%	71%	d)
	European Semiconductor Manufacturing Company (ESMC) GmbH (ESMC)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Dresden, Germany	100%	100%	a), e)

(Continued)

			Establishment	Percentage of	of Ownership	
Name of Investor	Name of Investee	Main Businesses and Products	and Operating Location	December 31, 2023	December 31, 2022	Note
TSMC	VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in technology start-up companies	Cayman Islands	98%	98%	-
	VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in technology start-up companies	Cayman Islands	98%	98%	-
	Emerging Fund L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	99.9%	99.9%	-
TSMC Partners	TSMC Development, Inc. (TSMC Development)	Investing in companies involved in semiconductor manufacturing	Delaware, U.S.A.	100%	100%	-
	TSMC Technology, Inc. (TSMC Technology)	Engineering support activities	Delaware, U.S.A.	100%	100%	a)
	TSMC Design Technology Canada Inc. (TSMC Canada)	Engineering support activities	Ontario, Canada	100%	100%	a)
VTAF III	Growth Fund Limited (Growth Fund)	Investing in technology start-up companies	Cayman Islands	100%	100%	-
TSMC Development	TSMC Washington, LLC (TSMC Washington)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Washington, U.S.A.	100%	100%	f)

(Concluded)

- Note a: This is an immaterial subsidiary for which the consolidated financial statements are not audited by the Company's independent auditors.
- Note b: As VisEra's employees continue to exercise their employee share options, TSMC's ownership in VisEra continues to decline. This transaction was accounted for as an equity transaction since the transaction did not change TSMC's control over VisEra.
- Note c: 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: TSMC's shareholding and the proportion of voting rights in JASM are 71% and 81%, respectively
- Note e: ESMC was established in June 2023. TSMC sold its 10% shares to Robert Bosch GmbH, Infineon Technologies AG and NXP Semiconductors N.V. in January 2024, respectively. After selling shares, TSMC's shareholding in ESMC decreased from 100% to 70%. This transaction was accounted for as an equity transaction since the transaction did not change TSMC's control over ESMC.
- Note f: WaferTech, LLC was renamed to TSMC Washington, LLC in December 2023.

Foreign Currencies

The financial statements of each individual consolidated entity were expressed in the currency which reflected its primary economic environment (functional currency). The functional currency of TSMC and presentation currency of the consolidated financial statements are both New Taiwan Dollars (NT\$). In preparing the consolidated financial statements, the operating results and financial positions of each consolidated entity are translated into NT\$.

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to noncontrolling interests as appropriate).

Classification of Current and Noncurrent Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement date basis for which financial assets were classified in the same way, respectively. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Category of financial assets and measurement

Financial assets are classified into the following categories: financial assets at FVTPL, investments in debt instruments and equity instruments at FVTOCI, and financial assets at amortized cost.

1) Financial asset at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

2) Investments in debt instruments at FVTOCI

Debt instruments with contractual terms specifying that cash flows are solely payments of principal and interest on the principal amount outstanding, together with objective of collecting contractual cash flows and selling the financial assets, are measured at FVTOCI.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment gains or losses on investments in debt instruments at FVTOCI are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when these debt instruments are disposed.

3) Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity investments that is not held for trading as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the Company's rights clearly represent a recovery of part of the cost of the investment.

4) Measured at amortized cost

Cash and cash equivalents, commercial paper, debt instrument investments, notes and accounts receivable (including related parties), other receivables, refundable deposits and temporary payments (including those classified under other current assets and other noncurrent assets) are measured at amortized cost.

Debt instruments with contractual terms specifying that cash flows are solely payments of principal and interest on the principal amount outstanding, together with objective of holding financial assets in order to collect contractual cash flows, are measured at amortized cost.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss.

b. Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) and for investments in debt instruments that are measured at FVTOCI.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost and investments in debt instruments that are measured at FVTOCI, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

c. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had

been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured either at amortized cost using effective interest method or at FVTPL.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Financial Instruments

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative financial instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge Accounting

a. Fair value hedge

The Company designates certain hedging instruments, such as interest rate futures contracts, to partially hedge against the fair value change caused by interest rates fluctuation in the Company's fixed income investments. Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged items that are attributable to the hedged risk.

b. Cash flow hedge

The Company designates certain hedging instruments, such as forward contracts, to partially hedge its foreign exchange rate risks or interest rate risks associated with certain highly probable forecast transactions (capital expenditures or issuance of debts). The effective portion of changes in the fair value of hedging instruments is recognized in other comprehensive income. When forecast transactions actually take place, the accumulated gains or losses that were recognized in other comprehensive income are transferred from equity to the initial cost of the hedged items, or reclassified to finance costs of hedged items in the same period or periods during which the hedged expected future cash flows affect profit or loss. The gains or losses from hedging instruments relating to the ineffective portion are recognized immediately in profit or loss.

The Company prospectively discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

c. Hedges of net investments in foreign operations

The Company designates certain hedging instruments, such as bank loans denominated in foreign currency, as a hedge of net investments in foreign operations to manage the exchange differences arising on translation of foreign operations due to currency fluctuations. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The gains and losses on the hedging instrument relating to the effective portion of the hedge, which were accumulated in the foreign currency translation reserve, are reclassified to profit or loss on the disposal or partial disposal of a foreign operation.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Investments Accounted for Using Equity Method

Investments accounted for using the equity method are investments in associates.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes its share in the changes in the equities of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the Company ceases to have significant influence over an associate. When the Company retains an interest in the former associate, the Company measures the retained interest at fair value at that date. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Company shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. If the Company's ownership interest in an associate is reduced as a result of disposal, but the investment continues to be an associate, the Company should reclassify to profit or loss only a proportionate amount of the gain or loss previously recognized in other comprehensive income.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

When a consolidated entity transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not owned by the Company.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction, acquisition of the item of property, plant and equipment or borrowing costs eligible for capitalization.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other identical categories of property, plant and equipment, commences when the assets are available for their intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: land improvements - 20 years; buildings (assets used by the Company and assets subject to operating leases) - 10 to 20 years; machinery and equipment (assets used by the Company and assets subject to operating leases) - 5 years; and office equipment - 5 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

For a contract that contains a lease component and non-lease component, the Company may elect to account for the lease and non-lease components as a single lease component.

The Company as lessor

Rental income from operating lease is recognized on a straight-line basis over the term of the lease.

The Company as lessee

Except for payments for low-value asset leases and short-term leases (leases of machinery and equipment and others) which are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or a rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee's incremental borrowing rates.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, or a change in the assessment of an option to purchase an underlying asset, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Intangible Assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Other intangible assets

Other separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives: Technology license fees - the estimated life of the technology or the term of the technology transfer contract; software and system design costs - 3 years or contract period; patent and others - the economic life or contract period. The estimated useful life and amortization method

are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of Tangible Assets, Right-of-use Assets and Intangible Assets

Goodwill

Goodwill is not amortized and instead is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. If the recoverable amount of a cash-generating unit is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Tangible assets, right-of-use assets and other intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets (property, plant and equipment), right-of-use assets and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue Recognition

The Company recognizes revenue when performance obligations are satisfied. The performance obligations are satisfied when customers obtain control of the promised goods, which is generally when the goods are delivered to the customers' specified locations.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund liabilities, which is classified under accrued expenses and other current liabilities.

In principle, payment term granted to customers is due 30 days from the invoice date or 15-30 days from the end of the month of when the invoice is issued. Due to the short term nature of the receivables from sale of goods with the immaterial discounted effect, the Company measures them at the original invoice amounts without discounting.

Employee Benefits

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculations.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan.

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.

Current tax

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire noncurrent assets (mainly including land use right and depreciable assets) are recognized as a deduction from the carrying amount of the related assets and recognized as a reduced depreciation or amortization charge in profit or loss over the contract period or useful lives of the related assets. Government grants that are receivables as compensation for expenses already incurred are deducted from incurred expenses in the period in which they become receivables.

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

In the application of the aforementioned Company's accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Material Accounting Judgments

Revenue Recognition

The Company recognizes revenue when the conditions described in Note 4 are satisfied.

Commencement of Depreciation Related to Property, Plant and Equipment Classified as Equipment under Installation and Construction in Progress (EUI/CIP)

As described in Note 4, commencement of depreciation related to EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner.

Judgments on Lease Terms

In determining a lease term, the Company considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions covered by the optional periods, and the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within the control of the Company occurs.

Key Sources of Estimation and Uncertainty

Estimation of Sales Returns and Allowances

Sales returns and other allowance is estimated and recorded based on historical experience and in consideration of different contractual terms. The amount is deducted from revenue in the same period the related revenue is recorded. The Company periodically reviews the reasonableness of the estimates.

Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses estimate to determine the net realizable value of inventory at the end of each reporting period.

The Company estimates the net realizable value of inventory for normal waste, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions of future demand within a specific time horizon.

Impairment of Tangible Assets, Right-of-use Assets and Intangible Assets Other than Goodwill

In the process of evaluating the potential impairment of tangible assets, right-of-use assets and intangible assets other than goodwill, the Company determines the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of semiconductor industry. Any change in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

Realization of Deferred Income Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

Determination of Lessees' Incremental Borrowing Rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, the Company mainly takes into account the market risk-free rates, the estimated lessee's credit spreads and secured status in a similar economic environment.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash and deposits in banks	\$1,453,101,566	\$1,327,884,602
Money market funds	10,898,720	1,406,792
Repurchase agreements	1,346,719	1,133,310
Government bonds/Agency bonds	50,787	2,451,570
Commercial paper	29,961	9,566,430
Corporate bonds		371,379
	<u>\$1,465,427,753</u>	\$1,342,814,083

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

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Mandatorily measured at FVTPL Convertible preferred stocks Forward exchange contracts Convertible bonds Mutual funds	\$ 13,307,160 701,182 223,454 110,297	\$ - 947,546 122,852
	\$ 14,342,093	\$ 1,070,398
Current Noncurrent	\$ 924,636 13,417,457	\$ 1,070,398
	\$ 14,342,093	\$ 1,070,398
<u>Financial liabilities</u>		
Held for trading Forward exchange contracts	<u>\$ 121,412</u>	<u>\$ 116,215</u>

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

Outstanding forward exchange contracts consisted of the following:

	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2023</u>		
Sell NT\$ Sell US\$ Sell JPY	January 2024 January 2024 to March 2024 January 2024	NT\$ 26,251,763 US\$ 1,112,000 JPY 20,000,000
<u>December 31, 2022</u>		
Sell NT\$ Sell US\$ Sell RMB	January 2023 to March 2023 January 2023 to March 2023 January 2023 to March 2023	NT\$ 79,610,590 US\$ 752,486 RMB 1,448,371

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2023	December 31, 2022
Investments in debt instruments at FVTOCI Corporate bonds Agency mortgage-backed securities Government bonds/Agency bonds Asset-backed securities	\$ 79,605,567 37,959,691 22,338,901 <u>9,898,766</u> 149,802,925	\$ 66,116,166 28,367,926 18,961,888 9,274,697 122,720,677
Investments in equity instruments at FVTOCI Non-publicly traded equity investments Publicly traded stocks	7,208,655 4,727,905 11,936,560	6,159,200 277,866 6,437,066
Current	<u>\$ 161,739,485</u> \$ 154,530,830	\$ 129,157,743 \$ 122,998,543
Noncurrent	7,208,655 \$ 161,739,485	6,159,200 <u>\$ 129,157,743</u>

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

For the years ended December 31, 2023 and 2022, as the Company adjusted its investment portfolio, equity investments designated at FVTOCI were divested for NT\$271,983 thousand and NT\$561,600 thousand, respectively. The related other equity-unrealized gain/loss on financial assets at FVTOCI of NT\$151,944 thousand and NT\$303,242 thousand were transferred to increase retained earnings, respectively.

As of December 31, 2023 and 2022, the cumulative loss allowance for expected credit loss of NT\$ 47,311 thousand and NT\$37,783 thousand was recognized under investments in debt instruments at FVTOCI, respectively. Refer to Note 32 for information relating to the credit risk management and expected credit loss.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Corporate bonds Commercial paper Government bonds/Agency bonds Less: Allowance for impairment loss	\$ 113,851,856 18,387,835 13,803,559 (82,662)	\$ 81,041,056 48,742,817 (56,439)
	<u>\$ 145,960,588</u>	<u>\$ 129,727,434</u>
Current Noncurrent	\$ 66,761,221 79,199,367	\$ 94,600,219 <u>35,127,215</u>
	\$ 145,960,588	<u>\$ 129,727,434</u>

Refer to Note 32 for information relating to credit risk management and expected credit loss for financial assets at amortized cost.

10. HEDGING FINANCIAL INSTRUMENTS

	December 31, 2023	December 31, 2022
Financial assets- current		
Fair value hedges Interest rate futures contracts Financial liabilities- current	<u>\$</u> _	\$ 2,329
Fair value hedges Interest rate futures contracts Hedges of net investments in foreign operations Bank loans	\$ 43,764 <u>27,290,400</u>	\$ 813
	\$ 27,334,164	<u>\$ 813</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 risks.

December 31, 2023

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 48,600	March 2024
Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 3,959,523	\$ 43,764

December 31, 2022

Hedging Instruments	(US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 74,300	March 2023
Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 4,008,179	\$ (1,516)

The effect for the years ended December 31, 2023 and 2022 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness Years Ended December 31	
	2023	2022
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	\$ 20,478	\$ 283,995
Hedged Items		
Financial assets at FVTOCI	(20,478)	(283,995)
	<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 years ended December 31, 2023 and 2022, 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 effect for the years ended December 31, 2023 and 2022 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness		
	Years Ended December 31		
	2023	2022	
Hedging Instruments			
Forward exchange contracts (capital expenditures)	\$ 39,898	\$ -	
Forward interest rate contracts (issuance of debts)	<u>\$</u>	\$ 1,379,119	
Hedged Items			
Forecast transaction (capital expenditures)	<u>\$ (39,898)</u>	\$ -	
Forecast transaction (issuance of debts)	<u>\$ -</u>	<u>\$ (1,379,119</u>)	

Hedges of net investments in foreign operations

TSMC has designated the bank loans denominated in foreign currency as a hedge of net investments in foreign operations to manage its foreign currency risk arising from investment in overseas subsidiaries.

The main source of hedge ineffectiveness in these hedging relationships is driven by the material difference between the notional amount of bank loans denominated in foreign currency and the net investment in foreign operations. No other sources of ineffectiveness have emerged from these hedging relationships during the hedging period. For the year ended December 31, 2023, refer to Note 20 (d) for gain or loss arising from changes in the fair value of hedging instruments.

The following tables summarize the information relating to the hedges of net investments in foreign operations.

December 31, 2023

Hedging Instruments	Contract Amount (In Thousands)	Annual Interest Rate	Maturity	Other Equity (Continuing Hedges)
Bank loans	JPY124,500,000	0%	Due by April 2024	\$ 618,180

Th

The effect for the years ended December 31, 2023 is detailed below:	
	Change in Value Used for Calculating Hedge
	Ineffectiveness
	Year Ended
	December 31,
Hedging Instruments/Hedged Items	2023
Hedging Instruments	
Bank loans	<u>\$ 618,180</u>
Hedged Items	
Net investments in foreign operations	<u>\$ (618,180</u>)

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	December 31, 2023	December 31, 2022
At amortized cost		
Notes and accounts receivable	\$ 196,434,151	\$ 222,761,927
Less: Loss allowance	(531,554)	(331,646)
	195,902,597	222,430,281
At FVTOCI	5,411,317	7,325,606
	<u>\$ 201,313,914</u>	\$ 229,755,887

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 15-30 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

	December 31, 2023	December 31, 2022
Not past due	\$ 183,188,499	\$ 205,053,142
Past due		
Past due within 30 days	18,641,148	24,516,277
Past due over 31 days	15,821	518,114
Less: Loss allowance	(531,554)	(331,646)
	<u>\$ 201,313,914</u>	\$ 229,755,887

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

Movements of the loss allowance for accounts receivable

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 331,646	\$ 347,020	
Provision (Reversal)	199,922	(15,449)	
Effect of exchange rate changes	(14)	<u>75</u>	
Balance, end of year	<u>\$ 531,554</u>	<u>\$ 331,646</u>	

For the years ended December 31, 2023 and 2022, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

	December 31, 2023	December 31, 2022	
Finished goods Work in process Raw materials Supplies and spare parts	\$ 34,511,032 156,498,469 38,818,273 21,169,314	\$ 54,818,402 125,661,912 20,389,115 20,279,719	
	<u>\$ 250,997,088</u>	\$ 221,149,148	

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. The amounts are illustrated below:

	Years Ended	Years Ended December 31		
	2023	2022		
Net inventory losses	<u>\$ 3,494,638</u>	\$ 4,689,112		

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Associates consisted of the following:

		Place of	e of Carrying Amount		% of Ownership and Voting Rights Held by the Company	
Name of Associate	Principal Activities	Incorporation and Operation	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
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	\$ 13,590,430	\$ 13,492,653	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	9,728,801	8,934,731	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	3,759,701	3,528,417	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	2,537,706	1,666,651	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	-	19,053	-	28%
			\$ 29,616,638	\$ 27,641,505		

Due to the decrease in shareholding to 17%, the Company consequently ceased to have significant influence over Mutual-Pak. Therefore, the investment in Mutual-Pak was classified as financial assets at FVTOCI starting November 2023.

As of December 31, 2023 and 2022, no investments in associates are individually material to the Company. Please refer to the consolidated statements of comprehensive income for recognition of share of both profit (loss) and other comprehensive income (loss) of associates that are not individually material.

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

Name of Associate	December 31, 2023	December 31, 2022
GUC	\$ 81,236,875	\$ 29,926,918
VIS	\$ 37,834,215	\$ 35,977,321
Xintec	\$ 14,188,445	\$ 10,716,449

14. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2023	December 31, 2022
Assets used by the Company Assets subject to operating leases	\$3,064,424,259 50,725	\$2,693,815,688 21,282
	<u>\$3,064,474,984</u>	\$2,693,836,970

Assets used by the Company

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2023 Additions (deductions) Disposals or retirements Transfers from right-of-use assets Transfers from assets subject to	\$ 7,661,817 - - -	\$ 637,046,949 182,033,268 (585,487)	\$ 4,295,942,530 1,120,848,716 (28,525,908) 4,444	\$ 85,028,040 18,205,541 (3,325,297)	\$ 1,336,842,608 (423,568,764)	\$ 6,362,521,944 897,518,761 (32,436,692) 4,444
operating leases Transfers to assets subject to	-	-	80,370	-	-	80,370
operating leases Effect of exchange rate changes	(39,820)	(671,755)	(71,078) (3,293,426)	(83,200)	(4,984,093)	(71,078) (9,072,294)
Balance at December 31, 2023	\$ 7,621,997	<u>\$ 817,822,975</u>	\$5,384,985,648	\$ 99,825,084	\$ 908,289,751	<u>\$7,218,545,455</u>
Accumulated depreciation and impairment						
Balance at January 1, 2023 Additions Disposals or retirements Transfers from right-of-use assets Transfers from assets subject to	\$ 556,161 1,315	\$ 342,938,359 45,052,891 (582,993)	\$ 3,264,880,880 463,825,315 (27,407,731) 1,851	\$ 59,540,116 10,586,695 (3,324,247)	\$ 790,740 - - -	\$ 3,668,706,256 519,466,216 (31,314,971) 1,851
operating leases Transfers to assets subject to	-	-	53,537	-	-	53,537
operating leases Effect of exchange rate changes	598	(394,346)	(45,731) (2,299,629)	(52,585)		(45,731) (2,745,962)
Balance at December 31, 2023	\$ 558,074	\$ 387,013,911	\$ 3,699,008,492	\$ 66,749,979	\$ 790,740	<u>\$ 4,154,121,196</u>
Carrying amounts at December 31, 2023	\$ 7,063,923	<u>\$ 430,809,064</u>	<u>\$ 1,685,977,156</u>	<u>\$ 33,075,105</u>	\$ 907,499,011	<u>\$ 3,064,424,259</u>
Cost						
Balance at January 1, 2022 Additions Disposals or retirements Transfers to assets subject to	\$ 6,488,230 816,366	\$ 576,597,777 59,443,801 (236,765)	\$ 3,984,749,236 330,782,690 (25,846,536)	\$ 76,154,170 10,325,337 (1,709,151)	\$ 593,155,733 738,523,914	\$ 5,237,145,146 1,139,892,108 (27,792,452)
operating leases Effect of exchange rate changes	357,221	1,242,136	(65,779) 6,322,919	257,684	5,162,961	(65,779) 13,342,921
Balance at December 31, 2022	\$ 7,661,817	\$ 637,046,949	<u>\$ 4,295,942,530</u>	<u>\$ 85,028,040</u>	<u>\$1,336,842,608</u>	<u>\$ 6,362,521,944</u> (Continued)

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
Accumulated depreciation and impairment						
Balance at January 1, 2022 Additions Disposals or retirements Transfers to assets subject to	\$ 499,826 1,402	\$ 306,165,242 35,982,373 (225,637)	\$ 2,903,539,441 380,216,160 (24,706,719)	\$ 51,826,663 9,216,278 (1,708,639)	\$ - - -	\$ 3,262,031,172 425,416,213 (26,640,995)
operating leases Impairment Effect of exchange rate changes	54,933	1,016,381	(40,266) - 5,872,264	205,814	790,740	(40,266) 790,740 7,149,392
Balance at December 31, 2022	\$ 556,161	\$ 342,938,359	\$ 3,264,880,880	\$ 59,540,116	\$ 790,740	\$ 3,668,706,256
Carrying amounts at December 31, 2022	<u>\$ 7,105,656</u>	<u>\$ 294,108,590</u>	<u>\$ 1,031,061,650</u>	<u>\$ 25,487,924</u>	<u>\$ 1,336,051,868</u>	\$ 2,693,815,688 (Concluded)

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

In the first quarter of 2022, the Company recognized an impairment loss of NT\$790,740 thousand for certain machinery and equipment that were assessed to have no future use, and the recoverable amount 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.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land Buildings Machinery and equipment Office equipment	\$ 37,437,179 2,946,008 41,643 \$ 40,424,830	\$ 38,525,856 3,356,700 2,965 28,615 \$ 41,914,136
		December 31
	Years Ended 2023	December 31 2022
Additions to right-of-use assets		
Additions to right-of-use assets Depreciation of right-of-use assets Land Buildings Machinery and equipment Office equipment	2023	2022

b. Lease liabilities

December 31, 2023	December 31, 2022
\$ 2,810,551 28,681,835 \$ 31,492,386	\$ 2,603,504 29,764,097 \$ 32,367,601
December 31, 2023	December 31, 2022
0.39%-2.30% 0.57%-6.52%	0.39%-2.30% 0.39%-5.63% 0.71% 0.28%-4.71%
	\$ 2,810,551 28,681,835 \$ 31,492,386 December 31, 2023 0.39%-2.30%

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. Other lease information

	Years Ended December 31		
	2023	2022	
Expenses relating to short-term leases	<u>\$ 1,215,147</u>	\$ 4,731,087	
Total cash outflow for leases	\$ 4,916,886	\$ 7,618,290	

16. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
Cost					
Balance at January 1, 2023 Additions Disposals or retirements Effect of exchange rate changes	\$ 5,791,821 - - 4,617	\$ 25,759,019 461,089 - 1,243	\$ 48,675,794 4,947,364 (4,289,185) (16,942)	\$ 11,701,892 621,312 24,230	\$ 91,928,526 6,029,765 (4,289,185) 13,148
Balance at December 31, 2023	\$ 5,796,438	<u>\$ 26,221,351</u>	\$ 49,317,031	<u>\$ 12,347,434</u>	\$ 93,682,254 (Continued)

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
Accumulated amortization and impairment					
Balance at January 1, 2023 Additions Disposals or retirements Effect of exchange rate changes	\$ - - - -	\$ 17,696,437 2,792,353 - 1,280	\$ 38,838,394 5,308,109 (4,289,152) (10,680)	\$ 9,394,540 1,157,788 - 26,441	\$ 65,929,371 9,258,250 (4,289,152) 17,041
Balance at December 31, 2023	<u>\$</u>	\$ 20,490,070	\$ 39,846,671	\$ 10,578,769	\$ 70,915,510
Carrying amounts at December 31, 2023	\$ 5,796,438	\$ 5,731,281	<u>\$ 9,470,360</u>	<u>\$ 1,768,665</u>	\$ 22,766,744
Cost					
Balance at January 1, 2022 Additions Disposals or retirements Effect of exchange rate changes	\$ 5,379,164 - - 412,657	\$ 23,533,959 2,253,095 (29,991) 	\$ 43,650,957 5,078,967 (66,261) 12,131	\$ 11,497,309 203,030 - 1,553	\$ 84,061,389 7,535,092 (96,252) 428,297
Balance at December 31, 2022	\$ 5,791,821	\$ 25,759,019	\$ 48,675,794	<u>\$ 11,701,892</u>	\$ 91,928,526
Accumulated amortization and impairment					
Balance at January 1, 2022 Additions Disposals or retirements Effect of exchange rate changes	\$ - - - -	\$ 14,912,293 2,793,539 (11,351) 	\$ 34,121,578 4,774,522 (66,261) 	\$ 8,205,821 1,188,033 - 686	\$ 57,239,692 8,756,094 (77,612) 11,197
Balance at December 31, 2022	\$ -	\$ 17,696,437	\$ 38,838,394	\$ 9,394,540	\$ 65,929,371
Carrying amounts at December 31, 2022	<u>\$ 5,791,821</u>	\$ 8,062,582	\$ 9,837,400	\$ 2,307,352	\$ 25,999,155 (Concluded)

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 rates of 9.0% and 8.7% in its test of impairment as of December 31, 2023 and 2022, respectively, to reflect the relevant specific risk in the cash-generating unit.

For the years ended December 31, 2023 and 2022, the Company did not recognize any impairment loss on goodwill.

17. BONDS PAYABLE

	December 31, 2023	December 31, 2022
Domestic unsecured bonds	\$ 447,194,000	\$ 379,526,000
Overseas unsecured bonds	476,578,500	476,051,500
Less: Discounts on bonds payable	(2,874,947)	(3,141,061)
Less: Current portion	(6,997,710)	(18,100,000)
	<u>\$ 913,899,843</u>	\$ 834,336,439

The major terms of domestic unsecured bonds are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
NT\$ unsecured bonds					
101-3	-	October 2012 to October 2022	\$ 4,400,000	1.53%	Bullet repayment; interest payable annually
101-4	С	January 2013 to January 2023	3,000,000	1.49%	The same as above
102-1	С	February 2013 to February 2023	3,600,000	1.50%	The same as above
102-2	В	July 2013 to July 2023	3,500,000	1.70%	The same as above
102-4	Е	September 2013 to March 2023	5,400,000	2.05%	The same as above
	F	September 2013 to September 2023	2,600,000	2.10%	The same as above
109-1	A	March 2020 to March 2025	3,000,000	0.58%	The same as above
	В	March 2020 to March 2027	10,500,000	0.62%	The same as above
	C	March 2020 to March 2030	10,500,000	0.64%	The same as above
109-2	A	April 2020 to April 2025	5,900,000	0.52%	The same as above
	В	April 2020 to April 2027	10,400,000	0.58%	The same as above
	C	April 2020 to April 2030	5,300,000	0.60%	The same as above
109-3	A	May 2020 to May 2025	4,500,000	0.55%	The same as above
	В	May 2020 to May 2027	7,500,000	0.60%	The same as above
	С	May 2020 to May 2030	2,400,000	0.64%	The same as above
109-4	A	July 2020 to July 2025	5,700,000	0.58%	Two equal installments in last two years; interest payable annually
	В	July 2020 to July 2027	6,300,000	0.65%	The same as above
	C	July 2020 to July 2030	1,900,000	0.67%	The same as above
109-5	A	September 2020 to September 2025	4,800,000	0.50%	The same as above
		September 2023			(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
109-5	В	September 2020 to September 2027	\$ 8,000,000	0.58%	Two equal installments in last two years; interest payable annually
	C	September 2020 to September 2030	2,800,000	0.60%	The same as above
109-6 (Green bond)	A	December 2020 to December 2025	1,600,000	0.40%	The same as above
(Green bond)	В	December 2020 to December 2027	5,600,000	0.44%	The same as above
	C	December 2020 to December 2030	4,800,000	0.48%	The same as above
109-7	A	December 2020 to December 2025	1,900,000	0.36%	The same as above
	В	December 2020 to December 2027	10,200,000	0.41%	The same as above
	С	December 2020 to December 2030	6,400,000	0.45%	The same as above
110-1	A	March 2021 to March 2026	4,800,000	0.50%	Bullet repayment; interest payable annually
	В	March 2021 to March 2028	11,400,000	0.55%	The same as above
	C	March 2021 to March 2031	4,900,000	0.60%	The same as above
110-2	A	May 2021 to May 2026	5,200,000	0.50%	The same as above
	В	May 2021 to May 2028	8,400,000	0.58%	The same as above
	С	May 2021 to May 2031	5,600,000	0.65%	The same as above
110-3	A	June 2021 to June 2026	6,900,000	0.52%	The same as above
	В	June 2021 to June 2028	7,900,000	0.58%	The same as above
	С	June 2021 to June 2031	4,900,000	0.65%	The same as above
110-4	A	August 2021 to August 2025	4,000,000	0.485%	The same as above
	В	August 2021 to August 2026	8,000,000	0.50%	The same as above
	С	August 2021 to August 2028	5,400,000	0.55%	The same as above
	D	August 2021 to August 2031	4,200,000	0.62%	The same as above
110-6	A	October 2021 to April 2026	3,200,000	0.535%	The same as above
	В	October 2021 to October 2026	6,900,000	0.54%	The same as above
	С	October 2021 to October 2028	4,600,000	0.60%	The same as above
	D	October 2021 to October 2031	1,600,000	0.62%	The same as above
					(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
110-7	A	December 2021 to December 2026	\$ 7,700,000	0.65%	Bullet repayment; interest payable annually
	В	December 2021 to June 2027	3,500,000	0.675%	The same as above
	C	December 2021 to December 2028	5,500,000	0.72%	The same as above
111-1 (Green bond)	A	January 2022 to January 2027	2,100,000	0.63%	The same as above
	В	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
	В	March 2022 to March 2027	9,600,000	0.85%	The same as above
	С	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
111-4 (Green bond)	A	July 2022 to July 2026	1,200,000	1.60%	The same as above
	В	July 2022 to July 2027	10,100,000	1.70%	The same as above
	С	July 2022 to July 2029	1,200,000	1.75%	The same as above
111.5	D	July 2022 to July 2032	1,400,000	1.95%	The same as above
111-5	A	August 2022 to June 2027	2,000,000	1.65%	The same as above
	В	August 2022 to August 2027	8,900,000	1.65%	The same as above
	C D	August 2022 to August 2029 August 2022 to	2,200,000 2,500,000	1.65% 1.82%	The same as above The same as above
111-6	A	August 2022 to August 2032 October 2022 to	5,700,000	1.75%	The same as above
(Green bond)	A	October 2027	3,700,000	1.75/0	The same as above
	В	October 2022 to October 2029	1,000,000	1.80%	The same as above
	C	October 2022 to October 2032	3,500,000	2.00%	The same as above
112-1 (Green bond)	A	March 2023 to March 2028	12,200,000	1.54%	The same as above
,	В	March 2023 to March 2030	2,300,000	1.60%	The same as above
	С	March 2023 to March 2033	4,800,000	1.78%	The same as above
					(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
112-2 (Green bond)	A	May 2023 to May 2028	\$ 13,100,000	1.60%	Bullet repayment; interest payable annually
,	В	May 2023 to May 2030	2,300,000	1.65%	The same as above
	С	May 2023 to May 2033	5,300,000	1.82%	The same as above
112-3	A	June 2023 to June 2028	11,400,000	1.60%	The same as above
	В	June 2023 to June 2030	2,600,000	1.65%	The same as above
	С	June 2023 to June 2033	6,000,000	1.80%	The same as above
112-4	A	August 2023 to August 2028	7,300,000	1.60%	The same as above
	В	August 2023 to August 2030	700,000	1.65%	The same as above
	С	August 2023 to August 2033	7,900,000	1.76%	The same as above
112-5	A	October 2023 to October 2028	4,300,000	1.62%	The same as above
	В	October 2023 to October 2033	5,500,000	1.76%	The same as above
					(Concluded)
			Total Amount	C	D
Issuance	Tranche	Issuance Period	(US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
US\$ unsecured bonds					
109-1	-	September 2020 to September 2060	US\$1,000,000	2.70%	Bullet repayment (callable on the 5th anniversary of the issue date and every anniversary thereafter); interest payable annually
110-5	-	September 2021 to September 2051	1,000,000	3.10%	The same as above
The major terms	of overseas u	insecured bonds are as Total Amount	s follows:		
Issuance P	Pomod	(US\$	Coupon Rate	1	Repayment and
Issuance P	erioa	in Thousands)	Kate]	Interest Payment
September 2020 t September 202		US\$1,000,000	0.75%	time, ir relevan accordi	ayment (callable at any n whole or in part, at the t redemption price ng to relevant ents); interest payable nnually (Continued)

Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
September 2020 to September 2027	US\$ 750,000	1.00%	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 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
July 2022 to July 2027	400,000	4.375%	The same as above
July 2022 to July 2032	600,000	4.625%	The same as above
			(Concluded)

18. LONG-TERM BANK LOANS

	December 31, 2023	December 31, 2022
Unsecured loans Less: Discounts on government grants Less: Current portion	\$ 6,706,389 (27,868) (2,295,556)	\$ 6,013,333 (39,397) (1,213,889)
Loan content Annual interest rate Maturity date	\$ 4,382,965 1.15%-1.35% Due by December 2027	\$ 4,760,047 1.03%-1.23% Due by December 2027

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.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, TSMC and VisEra Tech have made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, TSMC North America, TSMC Europe, TSMC Japan, TSMC JDC, TSMC 3DIC, TSMC China, TSMC Nanjing, TSMC Arizona, JASM, TSMC Technology and TSMC Canada also make monthly contributions at certain percentages of the basic salary of their employees. Accordingly, the Company recognized expenses of NT\$5,365,458 thousand and NT\$4,550,387 thousand for the years ended December 31, 2023 and 2022, respectively.

b. Defined benefit plans

TSMC has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

Amounts recognized in respect of these defined benefit plans were as follows:

	Years Ended December 31			mber 31
		2023		2022
Current service cost	\$	139,101	\$	134,376
Net interest expense		142,291		74,265
Components of defined benefit costs recognized in profit or loss		281,392		208,641
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amounts included in net				
interest expense)		(16,252)		(429,948)
Actuarial loss arising from experience adjustments		68,342		1,413,760
Actuarial (gain) loss arising from changes in financial				
assumptions		571,266		(160,752)
Components of defined benefit costs recognized in other				
comprehensive income	-	623,356		823,060
Total	\$	904,748	\$	1,031,701

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

	Years Ended December 31		
	2023	2022	
Cost of revenue	\$ 182,333	\$ 135,125	
Research and development expenses	76,120	55,632	
General and administrative expenses	19,248	15,129	
Marketing expenses	3,691	2,755	
	<u>\$ 281,392</u>	\$ 208,641	

The amounts arising from the defined benefit obligation of the Company were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation Fair value of plan assets	\$ 17,995,066 (8,737,842)	\$ 17,483,951 (8,162,860)
Net defined benefit liability	\$ 9,257,224	<u>\$ 9,321,091</u>

Movements in the present value of the defined benefit obligation were as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 17,483,951	\$ 16,585,442	
Current service cost	139,101	134,376	
Interest expense	303,970	120,791	
Remeasurement:			
Actuarial loss arising from experience adjustments	68,342	1,413,760	
Actuarial (gain) loss arising from changes in financial			
assumptions	571,266	(160,752)	
Benefits paid from plan assets	(556,455)	(585,343)	
Benefits paid directly by the Company	(15,109)	(24,323)	
Balance, end of year	\$ 17,995,066	<u>\$ 17,483,951</u>	

Movements in the fair value of the plan assets were as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 8,162,860	\$ 5,548,563	
Interest income	161,679	46,526	
Remeasurement:			
Return on plan assets (excluding amounts included in net			
interest expense)	16,252	429,948	
Contributions from employer	953,506	2,723,166	
Benefits paid from plan assets	(556,455)	(585,343)	
Balance, end of year	\$ 8,737,842	\$ 8,162,860	

The fair value of the plan assets by major categories at the end of reporting period was as follows:

	December 31, 2023	December 31, 2022
Cash Equity instruments Debt instruments	\$ 1,351,744 4,998,919 2,387,179	\$ 1,337,893 4,696,909 2,128,058
	<u>\$ 8,737,842</u>	<u>\$ 8,162,860</u>

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	Measure	Measurement Date		
	December 31, 2023	December 31, 2022		
Discount rate	1.40%	1.80%		
Future salary increase rate	4.00%	4.00%		

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
 - Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.5% (and not below 0.0%) in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$757,663 thousand and NT\$766,692 thousand as of December 31, 2023 and 2022, respectively.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Assuming the expected salary rate increases by 0.5% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$735,167 thousand and NT\$746,933 thousand as of December 31, 2023 and 2022, respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Company expects to make contributions of NT\$991,646 thousand to the defined benefit plans in the next year starting from December 31, 2023. The weighted average duration of the defined benefit obligation is 8 years.

20. EQUITY

a. Capital stock

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	28,050,000	28,050,000
Authorized capital	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>
Issued and paid shares (in thousands)	<u>25,932,071</u>	25,930,380
Issued capital	<u>\$ 259,320,710</u>	\$ 259,303,805

The par value of issued common shares is NT\$10 per share. A holder of common shares has one vote for each common share and is entitled to receive dividends.

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

On March 1, 2023 and March 1, 2022, the Company issued employee restricted stock awards (RSAs) for its employees in a total of 2,110 thousand shares and 1,387 thousand shares, respectively, with a par value of NT\$10 per share. The aforementioned issuance of new shares was approved by the relevant authority and the registration has been completed.

During the first quarter of 2023, TSMC reclaimed 419 thousand employee restricted shares that were unvested. On May 9, 2023, TSMC's Board of Directors resolved to cancel the aforementioned shares. Subsequently, TSMC completed the registration for share cancellation. Refer to Note 27 for 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 information.

As of December 31, 2023, TSMC's total issued and outstanding ADSs were 1,063,103 thousand units, representing 5,315,513 thousand common shares.

b. Capital surplus

The categories of uses and the sources of capital surplus based on regulations were as follows:

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Additional paid-in capital	\$ 24,406,854	\$ 24,183,645
From merger	22,803,291	22,803,291
From convertible bonds	8,892,371	8,892,371
From difference between the consideration received and the		
carrying amount of the subsidiaries' net assets during actual		
disposal	8,406,282	8,406,282
Donations - donated by shareholders	11,275	11,275
·		(Continued)

	December 31, 2023	December 31, 2022
May only be used to offset a deficit		
From share of changes in equities of subsidiaries From share of changes in equities of associates Donations - unclaimed dividend May not be used for any purpose	\$ 4,199,936 302,396 70,093	\$ 4,229,892 311,863 53,680
Employee restricted shares	783,883	438,029
	<u>\$ 69,876,381</u>	\$ 69,330,328 (Concluded)

If such capital surplus is distributed as transferred to share capital, it is limited to a certain percentage of the Company's paid-in capital each year.

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 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 an additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of the foreign currency translation reserve, the effectiveness of hedges of net investments in foreign operations, 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 2023, 2022 and 2021 quarterly earnings have been approved by TSMC's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

Resolution Date of TSMC's	Fourth Quarter of 2023	Third Quarter of 2023	Second Quarter of 2023	First Quarter of 2023
Board of Directors in its meeting	February 6, 2024	November 14, 2023	August 8, 2023	May 9, 2023
Special capital reserve Cash dividends to shareholders Cash dividends per share (NT\$)	\$\ 28,020,822 \\$\ 90,762,248 \\$\ 3.50	\$\\\((17,228,363\)\)\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	\$ (6,365,562) \$ 77,796,213 \$ 3.00	\$ 3,273,452 \$ 77,796,213 \$ 3.00

Resolution Date of TSMC's	Fourth Quarter of 2022	Third Quarter of 2022	Second Quarter of 2022	First Quarter of 2022
Board of Directors in its meeting	February 14, 2023	November 8, 2022	August 9, 2022	May 10, 2022
Special capital reserve Cash dividends to shareholders Cash dividends per share (NT\$)	\$ 17,166,163 \$ 71,308,546 \$ 2.75	\$\\\((31,910,353\)\\(\\$\)\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	\$\(\(\frac{12,002,798}{5}\)\(\frac{5}{1308,546}\)\(\frac{5}{2.75}\)	\$\\\((15,541,054\)\\(\\$\)\\\\(71,308,546\)\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Resolution Date of TSMC's	Fourth Quarter of 2021	Third Quarter of 2021	Second Quarter of 2021	First Quarter of 2021
Resolution Date of TSMC's Board of Directors in its meeting				-

The special capital reserve for 2023 is to be presented for approval in TSMC's shareholders' meeting to be held on June 4, 2024 (expected).

The quarterly cash dividends per share is affected by the subsequent number of outstanding ordinary shares, the information of the actual payout is available at the Market Observation Post System website.

d. Others

Changes in others were as follows:

	Year Ended December 31, 2023				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of year	\$ (11,743,301)	\$ (10,056,353)	\$ 1,479,181	\$ (185,153)	\$ (20,505,626)
Exchange differences arising on translation of	(14.255.596)				(14 255 596)
foreign operations Gain (Loss) on hedging instruments	(14,255,586)	-	-	-	(14,255,586)
designated as hedges of net investments in					
foreign operations	618,180	-	-	-	618,180
Unrealized gain (loss) on financial assets at					
FVTOCI		1.052.120			1.052.120
Equity instruments Debt instruments	-	1,953,138 3,639,779	-	-	1,953,138 3,639,779
Cumulative unrealized gain (loss) of equity	-	3,039,779	-	-	3,039,119
instruments transferred to retained					
earnings due to disposal	-	(151,944)	-	-	(151,944)
Cumulative unrealized gain (loss) of debt					
instruments transferred to profit or loss due to disposal		473,897			473,897
Loss allowance adjustments from debt	-	4/3,09/	-	-	473,097
instruments	_	9,525	_	_	9,525
Gain (loss) arising on changes in the fair					
value of hedging instruments and hedged					
item affects profit or loss	-	-	(34,837)	-	(34,837)
Transferred to initial carrying amount of hedged items	_	_	(45,181)	_	(45,181)
Issuance of shares	_	_	(43,101)	(585,968)	(585,968)
Share-based payment expenses recognized	-	-	-	477,687	477,687
Share of other comprehensive income (loss)					
of associates	63,938	32,055	(3,288)	-	92,705
Income tax effect		(25)			(25)
Balance, end of year	<u>\$ (25,316,769</u>)	<u>\$ (4,099,928)</u>	<u>\$ 1,395,875</u>	<u>\$ (293,434)</u>	<u>\$(28,314,256)</u>

	Year Ended December 31, 2022				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of year	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)
Exchange differences arising on translation of foreign operations Unrealized gain (loss) on financial assets at FVTOCI	51,009,722	-	-	-	51,009,722
Equity instruments Debt instruments		(263,380) (10,513,643)	-		(263,380) (10,513,643)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(303,242)	-	-	(303,242)
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	410,076	-	-	410,076
Loss allowance adjustments from debt instruments Gain (loss) arising on changes in the fair	-	909	-	-	909
value of hedging instruments and hedged item affects profit or loss Transferred to initial carrying amount of	-	-	1,329,231	-	1,329,231
hedged items	-	-	(52,929)	-	(52,929)
Issuance of shares	-	-	-	(451,899)	(451,899)
Share-based payment expenses recognized Share of other comprehensive income (loss)	-	-	-	266,746	266,746
of associates	550,338	38,696	76,307	-	665,341
Income tax effect		<u>(79</u>)	6,036		5,957
Balance, end of year	<u>\$(11,743,301</u>)	<u>\$(10,056,353)</u>	<u>\$ 1,479,181</u>	<u>\$ (185,153)</u>	<u>\$ (20,505,626</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 the aforementioned 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. Subsequently, TSMC completed the registration for share cancellation.

21. NET REVENUE

a. Disaggregation of revenue from contracts with customers

	Years Ended December 31		
Product	2023	2022	
Wafer Others	\$1,882,518,080 <u>279,217,761</u>	\$1,991,855,947 272,035,345	
	<u>\$2,161,735,841</u>	\$2,263,891,292	

	Years Ended	Years Ended December 31			
Geography	2023	2022			
Taiwan	\$ 149,777,343	\$ 210,470,783			
United States	1,408,841,921	1,493,328,765			
China	267,154,140	245,168,746			
Japan	132,072,000	119,099,336			
Europe, the Middle East and Africa	117,348,237	123,767,140			
Others	86,542,200	72,056,522			
	\$2,161,735,841	<u>\$2,263,891,292</u>			

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

headquartered.	·		
		Years Ended	December 31
Platform		2023	2022
High Performance Computing		\$ 934,768,625	\$ 932,383,729
Smartphone		814,914,287	888,879,250
Internet of Things		161,916,543	196,114,987
Automotive		133,654,276	116,380,987
Digital Consumer Electronics		46,999,803	56,158,772
Others		69,482,307	73,973,567
		\$2,161,735,841	\$2,263,891,292
		Years Ended	December 31
Resolution		2023	2022
3-nanometer		\$ 108,045,275	\$ -
5-nanometer		629,300,387	508,689,881
7-nanometer		357,247,365	535,153,763
10-nanometer		23,332	24,871
16-nanometer		191,306,073	258,544,274
20-nanometer		10,359,042	8,853,291
28-nanometer		186,924,916	206,611,955
40/45-nanometer		114,667,360	145,546,243
65-nanometer		107,425,400	93,288,614
90-nanometer		25,642,010	40,184,169
0.11/0.13 micron		47,149,333	57,992,328
0.15/0.18 micron		86,614,213	110,571,222
0.25 micron and above		17,813,374	26,395,336
Wafer revenue		<u>\$1,882,518,080</u>	\$1,991,855,947
Contract balances			
	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities (classified under accrued			
expenses and other current liabilities)	<u>\$ 52,736,430</u>	\$ 70,806,617	\$ 39,762,588

b.

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\$69,598,265 thousand and NT\$38,433,111 thousand for the years ended December 31, 2023 and 2022, respectively.

c. Temporary receipts from customers

	December 31, 2023	December 31, 2022
Current portion (classified under accrued expenses and other current liabilities) Noncurrent portion (classified under other noncurrent liabilities)	\$ 114,639,514 163,655,128	\$ 107,723,580 168,399,207
	\$ 278,294,642	\$ 276,122,787

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.

d. Refund liabilities

Estimated sales returns and other allowances is made and adjusted based on historical experience and the consideration of varying contractual terms. As of December 31, 2023 and 2022, the aforementioned refund liabilities amounted to NT\$37,847,605 thousand and NT\$53,078,351 thousand (classified under accrued expenses and other current liabilities), respectively.

22. INTEREST INCOME

	Years Ended December 31		
	2023	2022	
Interest income			
Cash and cash equivalents	\$ 49,740,006	\$ 17,831,257	
Financial assets at amortized cost	6,363,684	2,008,611	
Financial assets at FVTOCI	4,190,211	2,582,341	
	<u>\$ 60,293,901</u>	\$ 22,422,209	

23. FINANCE COSTS

	Years Ended December 31		
	2023	2022	
Interest expense			
Corporate bonds	\$ 17,848,916	\$ 14,116,112	
Lease liabilities	382,041	267,050	
Bank loans	95,366	32,017	
Others	2,755	1,673	
Less: Capitalized interest under property, plant and equipment	(6,329,718)	(2,666,868)	
	\$ 11,999,360	\$ 11,749,984	

Information about capitalized interest is as follows:

	Years Ended	Years Ended December 31		
	2023	2022		
Capitalization rate	1.08%-3.36%	0.56%-3.36%		

24. OTHER GAINS AND LOSSES, NET

	Years Ended December 31		
	2023	2022	
Loss on disposal of financial assets, net Investments in debt instruments at FVTOCI	\$ (473,897)	\$ (410,076)	
Gain on disposal of investments accounted for using equity method, net	15,758	-	
Gain (loss) on financial instruments at FVTPL, net Mandatorily measured at FVTPL	6,523,084	(622,537)	
The accrual of expected credit loss of financial assets Investments in debt instruments at FVTOCI Financial assets at amortized cost	(9,525) (26,220)	(909) (51,442)	
Other gains, net	932,379	72,766	
	\$ 6,961,579	<u>\$ (1,012,198)</u>	

25. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Years Ended December 31		
	2023	2022	
Current income tax expense			
Current tax expense recognized in the current year	\$ 136,931,127	\$ 147,685,403	
Income tax adjustments on prior years	92,331	(563,555)	
Other income tax adjustments	244,358	206,136	
	137,267,816	147,327,984	
Deferred income tax expense (benefit)			
The origination and reversal of temporary differences	3,210,032	(24,714,488)	
Investment tax credits	925,959	4,676,707	
	4,135,991	(20,037,781)	
Income tax expense recognized in profit or loss	\$ 141,403,807	<u>\$ 127,290,203</u>	

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	Years Ended December 31		
	2023	2022	
Income before tax	<u>\$ 979,171,324</u>	\$1,144,190,718	
Income tax expense at the statutory rate	\$ 197,906,699	\$ 231,799,774	
Tax effect of adjusting items:			
Nondeductible (deductible) items in determining taxable			
income	(7,613,159)	12,286,136	
Tax-exempt income	-	(157,955,934)	
Additional income tax under the Alternative Minimum Tax Act	-	61,578,020	
Additional income tax on unappropriated earnings	9,468,943	-	
The origination and reversal of temporary differences	3,210,032	(24,714,488)	
Income tax credits	(61,905,397)	4,654,114	
	141,067,118	127,647,622	
Income tax adjustments on prior years	92,331	(563,555)	
Other income tax adjustments	244,358	206,136	
Income tax expense recognized in profit or loss	<u>\$ 141,403,807</u>	<u>\$ 127,290,203</u>	

For the years ended December 31, 2023 and 2022, the Company applied a tax rate of 20% for entities subject to the R.O.C. Income Tax Law; for other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

b. Deferred income tax balance

The analysis of deferred income tax assets and liabilities was as follows:

	December 31, 2023	December 31, 2022
Deferred income tax assets		
Temporary differences Depreciation Refund liability Unrealized exchange losses Unrealized loss on inventories Net defined benefit liability Deferred compensation cost Investment tax credits Others	\$ 41,094,712 9,414,971 7,100,019 2,771,188 1,729,672 489,609 19,079 1,556,537 \$ 64,175,787	\$ 45,299,310 12,089,451 5,782,345 2,305,328 1,722,005 361,241 945,038 681,124 \$ 69,185,842
<u>Deferred income tax liabilities</u>		
Temporary differences Others	<u>\$ (53,856)</u>	<u>\$ (1,031,383)</u>

	Year Ended December 31, 2023				
		Recogn	nized in	77.00	
	Balance, Beginning of Year	Profit or Loss	Other Comprehensive Income	Effect of Exchange Rate Changes	Balance, End of Year
Deferred income tax assets					
Temporary differences Depreciation Refund liability Unrealized exchange losses Unrealized loss on inventories Net defined benefit liability Deferred compensation cost Investment tax credits Others	\$ 45,299,310 12,089,451 5,782,345 2,305,328 1,722,005 361,241 945,038 681,124 \$ 69,185,842	\$ (4,197,221) (2,673,474) 1,317,674 466,186 (117,004) 129,852 (925,959) 887,134 \$ (5,112,812)	\$ - - 124,671 - (25) \$ 124,646	\$ (7,377) (1,006) - (326) - (1,484) - (11,696) \$ (21,889)	\$ 41,094,712 9,414,971 7,100,019 2,771,188 1,729,672 489,609 19,079 1,556,537 \$ 64,175,787
Deferred income tax liabilities					
Temporary differences Others	<u>\$ (1,031,383)</u>	\$ 976,821	<u>\$ -</u>	<u>\$ 706</u>	<u>\$ (53,856)</u>
			Ended December 31 nized in	, 2022	
	Balance, Beginning of Year	Profit or Loss	Other Comprehensive Income	Effect of Exchange Rate Changes	Balance, End of Year
<u>Deferred income tax assets</u>					
Temporary differences Depreciation Refund liability Unrealized exchange losses Unrealized loss on inventories Net defined benefit liability Investment tax credits Deferred compensation cost Others	\$ 34,720,661 5,986,173 898,998 1,237,086 5,621,745 373,983 315,240 \$ 49,153,886	\$ 10,552,264 6,100,849 5,782,345 1,402,241 (249,116) (4,676,707) (48,180) 334,801 \$ 19,198,497	\$ - - 734,035 - (79) \$ 733,956	\$ 26,385 2,429 4,089 - 35,438 31,162 \$ 99,503	\$ 45,299,310 12,089,451 5,782,345 2,305,328 1,722,005 945,038 361,241 681,124 \$ 69,185,842
Deferred income tax liabilities					
Temporary differences Unrealized exchange gains Others	\$ (706,311) (1,167,566)	\$ 706,311 132,973	\$ - 6,036	\$ - (2,826)	\$ - (1,031,383)

c. The deductible temporary differences for which no deferred income tax assets have been recognized

\$ 839,284

\$ (1,873,877)

As of December 31, 2023 and 2022, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to NT\$52,686,244 thousand and NT\$26,790,935 thousand, respectively.

6,036

d. Unused tax-exemption information

As of December 31, 2022, the profits generated from the following project of TSMC are exempt from income tax for a five-year period:

Tax-exemption Period

\$ (1,031,383)

(2,826)

Construction and expansion of 2009 by TSMC

2018 to 2022

e. The information of unrecognized deferred income tax liabilities associated with investments

As of December 31, 2023 and 2022, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT\$254,182,901 thousand and NT\$222,682,649 thousand, respectively.

f. Income tax examination

The tax authorities have examined income tax returns of TSMC through 2021. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

26. EARNINGS PER SHARE

	Years Ended December 31		
	2023	2022	
Basic EPS Diluted EPS	\$ 32.34 \$ 32.34	\$ 39.20 \$ 39.20	
EPS is computed as follows:			
		December 31	
	2023	2022	
Basic EPS Net income available to common shareholders of the parent Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands) Basic EPS (in dollars)	\$ 838,497,664 25,929,223 \$ 32.34	\$1,016,530,249 25,929,190 \$ 39.20	
Diluted EPS Net income available to common shareholders of the parent Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands) Effects of all dilutive potential common shares (in thousands) Weighted average number of common shares used in the computation of diluted EPS (in thousands) Diluted EPS (in dollars)	\$ 838,497,664 25,929,223 44 25,929,267 \$ 32.34	\$1,016,530,249 25,929,190 193 25,929,383 \$ 39.20	

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment- RSAs

The RSAs in each year are as follows:

	2023 RSAs	2022 RSAs	2021 RSAs
Resolution Date of TSMC's shareholders in its meeting	June 6, 2023	June 8, 2022	July 26, 2021
Resolution Date of TSMC's Board of Directors in	February 6, 2024	February 14, 2023	February 15, 2022
its meeting			
Issuance of stocks (in thousands)	2,960	2,110	1,387
Eligible employees	Executive officers	Executive officers	Executive officers
Grant date/Issuance date	March 1, 2024	March 1, 2023	March 1, 2022

Vesting conditions of the aforementioned arrangement are as follow:

- 1) The RSAs granted to eligible employees can only be vested if
 - the employee remains employed by the Company on the last date of each vesting period;
 - during the vesting period, the employee may not breach any agreement with the Company or violate the Company's work rules; and
 - certain employee performance metrics and 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 TSMC's business performance metrics.
- 3) For eligible executive officers of TSMC: 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 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 and People Development Committee evaluation of TSMC's Environmental, Social, and Governance ("ESG") achievements. The number of shares so calculated should be rounded down to the nearest integral.

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

- 4) Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:
 - During each vesting period, no employee 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.
 - 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 employee'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.
- 5) Details of granted RSAs in each year are as follows:

	2022 RSAs Number of Shares (In Thousands)	2021 RSAs Number of Shares (In Thousands)
Balance, beginning of year	-	1,387
Issuance of stocks	2,110	-
Vested shares	-	(274)
Canceled shares		<u>(419</u>)
Balance, end of year	<u>2,110</u>	<u>694</u>
Weighted-average fair value of RSAs (in dollars)	<u>\$ 277.71</u>	\$ 325.81

The RSAs in each year are measured at fair value at grant date by using the binominal tree approach. Relevant information is as follows:

	2022 RSAs		2021 RSAs	
	March 1, 2023		March 1, 2022	
Stock price at measurement date (in dollars)	\$	511	\$	604
Expected price volatility	29.34%-	32.11%	25.34%	-28.28%
Expected life	1	-3 years		1-3 years
Risk-free interest rate		1.06%		0.57%

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

On February 6, 2024, TSMC's Board of Directors approved the issuance of RSAs for year 2024 of no more than 4,185 thousand common shares. The grants will be made free of charge. The actual number of shares to be issued will be resolved by the Board of Directors after the RSAs is approved at the shareholders' meeting and by the competent authority.

b. Cash-settled share-based payment arrangements

The cash-settled share-based payment arrangements in each year are as follows:

	2023 Plan	2022 Plan	2021 Plan
Resolution Date of TSMC's Board of Directors in its meeting	February 6, 2024	February 14, 2023	February 15, 2022
Issuance of units (in thousands) (Note)	550	400	236
Grant date	March 1, 2024	March 1, 2023	March 1, 2022

Note: 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 RSAs.

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

	Years Ended December 31					
	2023				2022	
	2022 Plan		2021 Plan		2021 Plan	
Stock price at measurement date (in dollars) Expected price volatility Residual life Risk-free interest rate		593 -29.05% 1-3 years 1.15%	\$ 24.76%	593 %-29.05% 1-2 years 1.14%	\$ 28.80%	451 %-32.19% 1-3 years 1.09%

Refer to Note 28 for the compensation costs of the cash-settled share-based payment recognized by TSMC. As of December 31, 2023 and 2022, the liabilities under cash-settled share-based payment arrangement amounted to NT\$62,695 thousand and NT\$30,757 thousand, respectively.

28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

		Years Ended December 31		
		2023	2022	
a.	Depreciation of property, plant and equipment and right-of-use assets			
	Recognized in cost of revenue Recognized in operating expenses Recognized in other operating income and expenses	\$ 492,827,379 30,097,805 7,487 \$ 522,932,671	\$ 399,638,755 28,850,463 8,961 \$ 428,498,179	
b.	Amortization of intangible assets			
	Recognized in cost of revenue Recognized in operating expenses	\$ 6,538,107 2,720,143 \$ 9,258,250	\$ 6,086,246 2,669,848 \$ 8,756,094	
c.	Employee benefits expenses			
	Post-employment benefits Defined contribution plans Defined benefit plans Share-based payments Equity-settled Cash-settled	\$ 5,365,458 281,392 5,646,850 483,050 61,329 544,379	\$ 4,550,387 208,641 4,759,028 302,348 32,704 335,052	
	Other employee benefits	233,517,335	234,367,880	
		\$ 239,708,564	\$ 239,461,960	
	Employee benefits expense summarized by function Recognized in cost of revenue Recognized in operating expenses	\$ 133,334,667 106,373,897 \$ 239,708,564	\$ 139,361,369	

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:

	Years Ended	December 31
	2023	2022
Profit sharing bonus to employees	\$ 50,090,533	\$ 60,702,047

TSMC's profit sharing bonus to employees and compensation to directors for 2023, 2022 and 2021 had been approved by the Board of Directors of TSMC, as illustrated below:

	Years Ended December 31			
	2023	2022	2021	
Resolution Date of TSMC's Board of Directors in its meeting	February 6,	February 14,	February 15,	
	2024	2023	2022	
Profit sharing bonus to employees	\$ 50,090,533	\$ 60,702,047	\$ 35,601,449	
Compensation to directors	\$ 551,955	\$ 690,128	\$ 487,537	

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2023, 2022 and 2021, 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. GOVERNMENT GRANTS

Subsidiaries such as JASM and TSMC Nanjing received subsidies from the governments of Japan and China, respectively, for local plants setup and operation, which were mainly used to subsidize the purchase costs of property, plant and equipment as well as partial costs and expenses incurred from plant construction and production. For the years ended December 31, 2023 and 2022, TSMC received a total of NT\$47,545,898 thousand and NT\$7,051,432 thousand as government grants respectively.

30. CASH FLOW INFORMATION

a. Non-cash transactions

	Years Ended December 31			
		2023		2022
Additions of financial assets at FVTOCI	\$	62,779,060	\$	45,126,181
Discontinuation of significant influence from investment accounted for				
using the equity method		(10,728)		-
Conversion of convertible bonds into equity securities		(145,144)		-
Changes in accrued expenses and other current liabilities	_	128,814	_	9,440,544
Payments for acquisition of financial assets at FVTOCI	\$	62,752,002	\$	54,566,725
Disposal of financial assets at FVTOCI	\$	35,346,897	\$	43,130,926
Changes in other financial assets		351,678		1,832,441
Proceeds from disposal of financial assets at FVTOCI	\$	35,698,575	\$	44,963,367
Additions of property, plant and equipment	\$	897,557,179	\$ 1	,139,892,108
Changes in other financial assets		44,431		5,730,104
Exchange of assets		(78,034)		(275,564)
Changes in payables to contractors and equipment suppliers		40,750,228		(60,638,244)
Changes in accrued expenses and other current liabilities		17,832,841		630,594
Transferred to initial carrying amount of hedged items		39,898		-
Capitalized interests	_	(6,329,718)		(2,666,868)
Payments for acquisition of property, plant and equipment	\$	949,816,825	\$ 1	,082,672,130

b. Reconciliation of liabilities arising from financing activities

		Non-cash Changes				
	Balance as of January 1, 2023	Financing Cash Flow	Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	Balance as of December 31, 2023
Hedging financial liabilities- bank loans Bonds payable Long-term bank loans Lease liabilities	\$ 52,436,439 5,973,936 32,367,601	\$ 27,908,580 67,511,319 693,056 (3,228,219)	\$ (618,180) 587,758 - (31,765)	\$ - 2,002,728	\$ 362,037 11,529 382,041	\$ 27,290,400 920,897,553 6,678,521 31,492,386
Total	<u>\$ 890,777,976</u>	<u>\$ 92,884,736</u>	<u>\$ (62,187)</u>	<u>\$ 2,002,728</u>	<u>\$ 755,607</u>	<u>\$ 986,358,860</u>
				Non-cash Change	es	
	Balance as of January 1, 2022	Financing Cash Flow	Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	Balance as of December 31, 2022
Short-term loans Bonds payable Long-term bank loans Lease liabilities	\$ 114,921,333 614,470,652 3,475,798 22,940,665	\$(111,959,992) 193,479,254 2,503,333 (2,690,784)	\$ (2,372,053) 44,183,113 - 137,196	\$ - - 11,713,474	\$ (589,288) 303,420 (5,195) 267,050	\$ - 852,436,439 5,973,936 32,367,601
Total	\$ 755,808,448	\$ 81,331,811	\$ 41,948,256	<u>\$ 11,713,474</u>	<u>\$ (24,013)</u>	\$ 890,777,976

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

31. CAPITAL MANAGEMENT

The objective of the Company's capital management is to maintain a capital structure that ensures liquidity and supports a solid investment grade credit rating. The capital structure includes both debt and equity. The Company adjusts its capital structure mainly through changes in the level of debt and adjustments of dividend payout to shareholders.

The Company's capital management policy remained unchanged in 2023. TSMC's current credit ratings are AA- from Standard & Poor's and Aa3 from Moody's, same as those as of December 31, 2022.

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

December 31,	December 31,
2023	2022
\$ 14,342,093	\$ 1,070,398
167,150,802	136,483,349
-	2,329
	1,727,306,556
<u>\$2,023,905,526</u>	<u>\$1,864,862,632</u>
\$ 121,412	\$ 116,215
27,334,164	813
1,741,356,555	1,669,270,659
\$1,768,812,131	\$1,669,387,687
	\$ 14,342,093 167,150,802

- 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, refundable deposits and temporary payments (including those classified under other current assets and other noncurrent assets).
- Note 4: Held for trading.
- Note 5: Including 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 and Risk Committee 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 and equity investments 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 and non-derivative financial instruments, such as currency forwards, currency swaps and bank loans denominated in foreign currency, to protect against currency exchange rate risks associated with non-NT dollar-denominated assets and liabilities, certain forecasted transactions, and net investments in foreign operations. 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 years ended December 31, 2023 and 2022, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$891,039 thousand and NT\$1,704,553 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 majority of the Company's fixed income investments are fixed-rate securities, which are classified as financial assets at FVTOCI and amortized cost. Those classified as FVTOCI may have their fair value adversely affected due to an increase in interest rates, but for those classified as amortized cost, their carrying amount will not be affected by changes in interest rates. At the same time, if interest rates fall, cash and cash equivalents 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\$3,841,994 thousand and NT\$3,831,326 thousand for the years ended December 31, 2023 and 2022, respectively.

The majority of the Company's 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 mutual funds and equity price risk arising from financial assets at FVTPL and FVTOCI.

Assuming a hypothetical decrease of 10% in prices of the mutual funds and equity investments at the end of the reporting period, the net income would have decreased by NT\$1,073,397 thousand for the year ended December 31, 2023, and the other comprehensive income would have decreased by NT\$954,925 thousand and NT\$631,530 thousand for the years ended December 31, 2023 and 2022, respectively.

d. Credit risk management

Credit risk refers to the risk that a counterparty may 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 December 31, 2023 and 2022, the Company's ten largest customers accounted for 91% and 82% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

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

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The policy generally requires securities to be

investment grade and limits the amount of credit exposure to any one issuer. The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers.

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

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

For the years ended December 31, 2023 and 2022, the expected credit loss increased NT\$35,751 thousand and NT\$57,936 thousand, respectively. The changes were mainly due to increased investment amount and adjusted investment portfolio.

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>December 31, 2023</u>					
Non-derivative financial liabilities					
Hedging financial liabilities-bank loans Accounts payable (including related	\$ 27,290,400	\$ -	\$ -	\$ -	\$ 27,290,400
parties) Payables to contractors and	57,293,057	-	-	-	57,293,057
equipment suppliers Accrued expenses and other current	171,484,616	-	-	-	171,484,616
liabilities	241,118,948	-	-	-	241,118,948
Bonds payable Long-term bank loans Lease liabilities (including those classified under accrued expenses and other current liabilities)	24,890,500 2,371,296	224,062,937 3,889,029	303,525,276 585,094	583,364,167	1,135,842,880 6,845,419
(Note) Others	3,181,651	5,248,337 165,188,432	4,662,868 6,303,135	21,754,375 <u>2,908,666</u>	34,847,231 174,400,233
	527,630,468	398,388,735	315,076,373	608,027,208	1,849,122,784 (Continued)

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
Derivative financial instruments					
Forward exchange contracts Outflows Inflows	\$ 64,826,427 (65,384,000) (557,573) \$ 527,072,895	\$ - - - - - - - - - - - - - - - - - - -	\$ - 	\$ - - - - \$ 608,027,208	\$ 64,826,427 (65,384,000) (557,573) \$1,848,565,211
December 31, 2022					
Non-derivative financial liabilities					
Accounts payable (including related parties) Payables to contractors and	\$ 56,522,345	\$ -	\$ -	\$ -	\$ 56,522,345
equipment suppliers Accrued expenses and other current	213,499,613	-	-	-	213,499,613
liabilities Bonds payable Long-term bank loans Lease liabilities (including those classified under accrued expenses	219,587,908 34,668,909 1,278,130	94,869,159 3,533,152	320,211,460 1,360,549	625,049,539	219,587,908 1,074,799,067 6,171,831
and other current liabilities) (Note) Others	2,999,840 528,556,745	5,367,809 166,266,718 270,036,838	4,754,007 10,518,481 336,844,497	22,589,117 783,182 648,421,838	35,710,773
Derivative financial instruments					
Forward exchange contracts Outflows Inflows	103,617,399 _(104,600,085) _(982,686)	-		-	103,617,399 (104,600,085) (982,686)
	\$ 527,574,059	\$ 270,036,838	\$ 336,844,497	\$ 648,421,838	\$1,782,877,232 (Concluded)
Note: Information about the maturit	y analysis for lease li	abilities more than 5	years:		
	5-10 Years	10-15 Years	15-20 Years	More Than 20 Years	Total
December 31, 2023					
Lease liabilities	<u>\$ 10,197,521</u>	\$ 7,121,539	<u>\$ 4,117,107</u>	\$ 318,208	<u>\$ 21,754,375</u>
December 31, 2022					
Lease liabilities	\$ 10,241,734	\$ 7,329,012	<u>\$ 4,233,886</u>	<u>\$ 784,485</u>	\$ 22,589,117

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:

		December	r 31, 2023	
•	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mandatorily measured at FVTPL Convertible preferred stocks Forward exchange contracts Convertible bonds Mutual funds	\$ - - - - - - -	\$ - 701,182 - - \$ 701,182	\$ 13,307,160 223,454 110,297 \$ 13,640,911	\$ 13,307,160 701,182 223,454 110,297 \$ 14,342,093
Financial assets at FVTOCI				
Investments in debt instruments Corporate bonds Agency mortgage-backed securities Government bonds/Agency bonds Asset-backed securities Investments in equity instruments Non-publicly traded equity investments Publicly traded stocks Notes and accounts receivable, net	\$ - 22,091,087 - 4,727,905 - \$ 26,818,992	\$ 79,605,567 37,959,691 247,814 9,898,766 	\$ - - 7,208,655 - - \$ 7,208,655	\$ 79,605,567 37,959,691 22,338,901 9,898,766 7,208,655 4,727,905 5,411,317 \$ 167,150,802
Financial liabilities at FVTPL				
Held for trading Forward exchange contracts Hedging financial liabilities	<u> </u>	<u>\$ 121,412</u>	<u>\$</u> _	<u>\$ 121,412</u>
Fair value hedges Interest rate futures contracts	<u>\$ 43,764</u>	<u>\$</u>	<u>\$</u>	<u>\$ 43,764</u>

	December 31, 2022				
E I EVEN	Level 1	Level 2	Level 3	Total	
Financial assets at FVTPL					
Mandatorily measured at FVTPL Forward exchange contracts Convertible bonds	\$ - -	\$ 947,546 	\$ - 122,852	\$ 947,546 122,852	
	<u>\$</u>	<u>\$ 947,546</u>	<u>\$ 122,852</u>	\$ 1,070,398	
Financial assets at FVTOCI					
Investments in debt instruments Corporate bonds Agency mortgage-backed	\$ -	\$ 66,116,166	\$ -	\$ 66,116,166	
securities	-	28,367,926	-	28,367,926	
Government bonds/Agency bonds Asset-backed securities Investments in equity instruments	18,845,577	116,311 9,274,697	-	18,961,888 9,274,697	
Non-publicly traded equity investments Publicly traded stocks Notes and accounts receivable, net	- 277,866 -	- - 7,325,606	6,159,200	6,159,200 277,866 7,325,606	
,	\$ 19,123,443	\$ 111,200,706	\$ 6,159,200	\$ 136,483,349	
Hedging financial assets					
Fair value hedges Interest rate futures contracts	<u>\$ 2,329</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,329</u>	
Financial liabilities at FVTPL					
Held for trading Forward exchange contracts	<u>\$</u> _	<u>\$ 116,215</u>	<u>\$</u>	<u>\$ 116,215</u>	
Hedging financial liabilities					
Fair value hedges Interest rate futures contracts	<u>\$ 813</u>	<u>\$</u>	<u>\$</u>	<u>\$ 813</u>	

Reconciliation of Level 3 fair value measurements of financial assets

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI and financial assets at FVTPL. Reconciliations for the years ended December 31, 2023 and 2022 are as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 6,282,052	\$ 5,887,892	
Additions	14,887,187	715,612	
Recognized in profit or loss	12,355	-	
Recognized in other comprehensive income or loss	262,380	(373,263)	
Disposals and proceeds from return of capital of investments	(127,963)	(359,506)	
Transfers out of level 3 (Note)	-	(139,770)	
Effect of exchange rate changes	(466,445)	551,087	
Balance, end of year	\$ 20,849,566	\$ 6,282,052	

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 mutual funds and 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 December 31, 2023 and 2022, 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\$52,704 thousand and NT48,704 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.

In addition, the fair values of convertible preferred stocks and convertible bonds are prior transaction prices.

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:

	December 31, 2023			
	Carrying		Fair Value	
	Amount	Level 1	Level 2	Total
Financial assets				
Financial assets at amortized costs Corporate bonds	\$ 113,785,324	\$ -	\$ 113,694,397	\$ 113,694,397
Commercial paper Government bonds/Agency	18,371,705	-	18,385,329	18,385,329
bonds	13,803,559	2,751,893	11,053,234	13,805,127
	<u>\$ 145,960,588</u>	\$ 2,751,893	<u>\$ 143,132,960</u>	\$ 145,884,853 (Continued)

	December 31, 2023			
	Carrying	Fair Value		
	Amount	Level 1	Level 2	Total
Financial liabilities				
Financial liabilities at amortized costs Bonds payable	\$ 920,897,553	<u>\$</u>	<u>\$ 849,236,882</u>	\$ 849,236,882 (Concluded)
		Decembe	r 31, 2022	
	Carrying		Fair Value	
	Amount	Level 1	Level 2	Total
Financial assets				
Financial assets at amortized costs				
Corporate bonds	\$ 80,994,958	\$ -	\$ 80,236,142	\$ 80,236,142
Commercial paper	48,732,476	_	48,882,028	48,882,028
	<u>\$ 129,727,434</u>	<u>\$</u>	<u>\$ 129,118,170</u>	<u>\$ 129,118,170</u>
Financial liabilities				
Financial liabilities at amortized costs	\$ 952.426.420	•	¢ 765 201 525	¢ 765 201 525
Bonds payable	<u>\$ 852,436,439</u>	\$ -	<u>\$ 765,301,535</u>	<u>\$ 765,301,535</u>

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of corporate bonds, the Company's bonds payable and agency bonds 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.

33. 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

Related Party Categories		
Associates		
-		

b. Net revenue

			Years Ended December 31	
			2023	2022
	<u>Item</u>	Related Party Categories		
	Net revenue from sale of goods	Associates	<u>\$ 13,406,049</u>	<u>\$ 15,351,465</u>
c.	Purchases			
			Years Ended December 31	
		•	2023	2022
	Related Party Categories			
	Associates		<u>\$ 4,562,206</u>	\$ 6,423,913
d.	Receivables from related parties			
			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name		
	Receivables from related parties	GUC Xintec	\$ 514,819 109,632	\$ 1,471,351 112,607
			\$ 624,451	<u>\$ 1,583,958</u>
	Other receivables from related parties	SSMC VIS	\$ 58,093 13,778	\$ 68,277 669
	parties	Others		<u>29</u>
			<u>\$ 71,871</u>	<u>\$ 68,975</u>
e.	Payables to related parties			
			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name		
	Payables to related parties	Xintec SSMC	\$ 1,020,226 457,348	\$ 1,047,452 385,979
		VIS	66,653	190,587
		Others	22,073	18,619
			<u>\$ 1,566,300</u>	<u>\$ 1,642,637</u>

f. Accrued expenses and other current liabilities

		December 31, 2023	December 31, 2022
<u>Item</u>	Related Party Categories		
Contract liabilities	Associates	\$ 1,666,113	<u>\$ 1,075,659</u>

g. Others

		Years Ended	December 31
		2023	2022
<u>Item</u>	Related Party Categories		
Manufacturing expenses	Associates	\$ 5,043,545	\$ 6,011,522

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:

	Years Ended	December 31
	2023	2022
Short-term employee benefits Post-employment benefits Share-based payments	\$ 3,492,258 3,870 525,808	\$ 4,369,097 3,013 286,227
	<u>\$ 4,021,936</u>	\$ 4,658,337

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

34. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building lease agreements. As of December 31, 2023 and 2022, the aforementioned other financial assets amounted to NT\$124,302 thousand and NT\$129,138 thousand, respectively.

35. 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. In September 2022, Daedalus Prime LLC ("Daedalus") filed complaints in the U.S. International Trade Commission ("ITC") and the U.S. District Court for the Eastern District of Texas alleging that TSMC, TSMC North America, and other companies infringe four U.S. patents. The ITC instituted an investigation in October 2022. In June 2023, Daedalus dropped two of the asserted patents in the ITC. Also in June 2023, Daedalus filed another complaint in the Eastern District of Texas alleging that TSMC infringes five U.S. patents. In September 2023, the ITC granted the parties' joint motion to suspend the procedural schedule while the parties finalize the settlement agreement and then request termination of the ITC Investigation and related litigations. In October 2023, the parties jointly requested the ITC to terminate the investigation and Eastern District of Texas to dismiss the related litigations. In November 2023, the ITC investigation was terminated and the related litigations in the Eastern District of Texas were dismissed.
- d. 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.
- e. TSMC entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.
- f. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.
- g. Amounts available under unused letters of credit as of December 31, 2023 and 2022 were NT\$433,994 thousand and NT\$383,974 thousand, respectively.
- h. The Company entrusted financial institutions to provide performance guarantees mainly for import and export of goods, lease agreement and energy purchase agreement. As of December 31, 2023 and 2022, the aforementioned guarantee amounted to NT\$8,012,973 thousand and NT\$7,623,262 thousand, respectively.

36. 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>December 31, 2023</u>			
<u>Financial assets</u>			
Monetary items USD EUR EUR JPY	\$ 14,756,970 432,124 484,580 13,320,705	30.747 34.175 1.111(Note 2) 0.2192	\$ 453,732,565 14,767,835 16,560,515 2,919,899
Financial liabilities			
Monetary items USD EUR EUR JPY	14,121,653 803,472 482,869 199,911,305	30.747 34.175 1.111(Note 2) 0.2192	434,198,454 27,458,643 16,502,044 43,820,558
<u>December 31, 2022</u>			
<u>Financial assets</u>			
Monetary items USD EUR EUR JPY	15,214,896 8,375 29,161 133,034,271	30.713 32.838 7.432(Note 3) 0.2331	467,295,097 275,006 957,587 31,010,288
<u>Financial liabilities</u>			
Monetary items USD EUR JPY	15,190,659 2,375,378 134,608,488	30.713 32.838 0.2331	466,550,704 78,002,647 31,377,239

- 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 U.S. dollar for which one Euro could be exchanged.
- Note 3: The exchange rate represents the number of RMB for which one Euro could be exchanged.

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the years ended December 31, 2023 and 2022, 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.

37. 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;
- 1. 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.

38. OPERATING SEGMENTS INFORMATION

a. Operating segments, segment revenue and operating results

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.

b. Geographic and major customers' information were as follows:

1) Geographic information

Noncurrent Assets	December 31, 2023	December 31, 2022
Taiwan	\$2,525,608,435	\$2,510,238,722
United States	420,093,092	153,137,833
China	97,268,882	90,349,673
Japan	94,558,890	15,432,491
Europe, the Middle East and Africa	146,247	140,709
Others	435	1,922
	<u>\$3,137,675,981</u>	\$2,769,301,350

Noncurrent assets include property, plant and equipment, right-of-use assets, intangible assets and other noncurrent assets.

2) Major customers representing at least 10% of net revenue

	Years	s Ended	December 31	
	2023		2022	_
	Amount	%	Amount	%
Customer A	\$ 546,550,925	25	\$ 529,649,200	23
Customer B	241,152,357	11	NA (Note)	NA

Note: Revenue less than 10% of the Company's net revenue.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

ing	s Total Amount 's nd 2)	12,725	95,757,396	
Financ	Company's Total Financing Amount Limits (Notes 1 and 2)	\$ 691,782,725	95,75	
Financing Limits	for Each Company's Tota Borrowing Financing Amour Company Limits (Notes 1 and 2) (Notes 1 and 2)	\$ 345,891,363	95,757,396	
72	Value			
Collateral	Item	\$		
	or Bad			
	Allowance fr Debt	\$		
	Reason for Financing Allowance for Bad Debt	Capacity installation	and working capital Operating capital	
_	Transaction Amounts	· ·	,	
	Interest Rate Nature for Financing	The need for short-term	financing The need for short-term	and long-term financing
	Interest Rate		1.30%-1.50%	
Αm	Drawn (Foreign Currencies in Thousands)	· ·	38,151,520	(RMB 8,800,000)
	(Foreign Currencies in Thousands) (Note 3)	\$ 92,241,000	(US\$ 3,000,000) 51,987,670	(RMB 8,800,000)& (US\$ 450,000)
Maximum	Balance for the Period (Foreign Currencies in Thousands) (Note 3)	\$ 92,241,000	(US\$ 3,000,000) 73,510,570	(RMB 8,800,000)& (US\$ 1,150,000)
	Related Party	Yes	Yes	
	Financial Statement Account	ISMC Arizona Other receivables from	TSMC China TSMC Nanjing Other receivables from	related parties
	Counterpa	TSMC Arizona	TSMC Nanjing	
	Financing	TSMC	TSMC China	
	No.	0	-	

Note 1: The amount available for lending to TSMC Arizona from TSMC shall not exceed ten percent (10%) of the net worth of TSMC, and the total amount available for lending from TSMC to borrowers shall not exceed twenty percent (20%) of the net worth of TSMC.

Note 2: The aggregate amount available for lending to TSMC Nanjing from TSMC China shall not exceed the net worth of TSMC China.

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

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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Guarantee Provided to Subsidiaries in Mainland China No No No No No No	
Guarantee Provided by A Subsidiary No No No No No No	
Guarantee Provided by Parent Company Yes Yes Yes Yes No	
Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2) \$1,383,565,451 1,383,565,451 1,383,565,451 1,383,565,451 1,383,565,451	
Ratio of Accumulated Endorsement Guarantee to Net Equity per Latest Financial Statements 0.07% 6.67% 10.70%	
Amount of Endorsement Guarantee Collateralized by Properties	
	(JPY 1,320,000)
Maximum Balance for the Period (Foreign Currencies in Thousands) Ending Balance (Foreign (Note 3) Amount Actually Drawn (US\$ in Thousands) \$ 2,558,559 \$ 2,558,559 \$ 2,558,559 \$ 2,558,559 \$ 2,558,559 \$ 2,558,559 (US\$ 83,213) (US\$ 83,213) (US\$ 83,213) (US\$ 7,500,000) (US\$ 7,500,000) (US\$ 7,500,000) (US\$ 1,203,2420) (US\$ 12,032,420) (US\$ 8,032,420) (US\$ 432,800) - - (US\$ 3,344 289,344 289,344	(JPY 1,320,000) (JPY 1,320,000) (JPY 1,320,000)
Endorsement/ Guarantee Amount Trovided to Each Guaranteed Guaranteed Guaranteed Party (Notes 1 and 2) \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,565,451 \$1,383,563,434	(JPY 1,320,000)
Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Guaranteed Party (Notes I and 2) \$ 1,383,565,451 1,383,565,451 1,383,565,451 1,383,565,451 1,383,565,451	
Nature of Relationship Subsidiary Subsidiary Subsidiary Subsidiary The same parent	company
ee ca	
Guaranteed Party Name Relation TSMC North America Subsidiary TSMC Global Subsidiary TSMC Arizona Subsidiary TSMC Development Subsidiary TSMC Development Subsidiary TSMC Development The same I	
Endorsement/Provider Name Provider Name Name	

Note 1: The total amount of the endorsement/guarantee provided by TSMC to TSMC North America, TSMC Global, TSMC Arizona and TSMC Development shall not exceed forty percent (40%) 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 December 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Note								
Fair Value (Foreign Currencies in Thousands)	430,500	421,211 109,239	6,929,220 5,982,726 1,986,400 997,268 995,420 995,374	3,587	28,969 18,187 13,458	147,353	86,588 76,777 58,554 58,351 58,153	
Fa (Foreig in T	s			\$SO	SSO US\$	ssn us\$	820 820 820 820 820 820 821	ssn ssn ssn
Percentage of Ownership (%)	7	10 6	N N N N N N N N N N N N N N N N N N N	7	0 046	. 9	X X X X X X X X X X X X X X X X X X X	N N N N N N N N N N N N N N N N N N N
Carrying Value Perce (Foreign Currencies Owner in Thousands)	430,500	421,211 109,239	6,924,665 5,976,677 1,985,094 996,260 995,553 994,540	3,587	28,969 18,187 13,458	147,353	86,588 76,777 58,554 58,351 58,153 50,436	36,903 36,903 35,277 30,124 29,015
Carryir (Foreign (in Tho	s		જંજં −ાં	\$SO	US\$ US\$	SSN NS\$	US\$ US\$ US\$ US\$ US\$	0.05 0.05 0.05 0.05 0.05 0.05
Shares/Units (In Thousands)	10,500	21,230 10,442	697 600 200 100 100 100 50	•	60	1,961		
Fina ncial Statement Account	Financial assets at fair value through other comprehensive income		Financial assets at amortized cost " " " " " " " " " "	Financial assets at fair value through Profit or Loss	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income " " " " " " " "	: 2 2 2 2
Relationship with the Company								
Marketable Securities Type and Name	Non-publicly traded equity investments Shin-Etsu Handotai Taiwan Co., Ltd.	United Industrial Gases Co., Ltd. Global Investment Holding Inc. Crimson Asia Capital	Commercial paper Cathay Financial Holding Co., Ltd. Nan Ya Plastics Corporation China Steel Corporation Formosa Plastics Corporation CPC Corporation, Taiwan Formosa Chemicals & Fibre Corporation Taiwan Power Company	Fund Matter Venture Partners Fund I, L.P.	Non-publicly traded equity investments Shanghai Walden Venture Capital Enterprise Walden Technology Ventures Investments II, L.P. The Investments III, L.P.	Publicly traded stocks ARM Holdings plc Movella Holdings Inc.	Corporate bond Bank of America Corporation Morgan Stanley The Goldman Sachs Group, Inc. Wells Fargo & Company JPMorgan Chase & Co.	Suminor Missi Financial Group, Inc. Missubishi UFJ Financial Group, Inc. Barclays PLC HSBC Holdings plc Banco Santander, S.A.
Held Company Name	TSMC			TSMC Parmers			TSMC Global	

						December 31, 2023	31, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units	Carryi	Carrying Value	Percentage of	Fai	Fair Value	Note
				(In Thousands)	in The	in Thousands)	Ownership (%)	in Ti	in Thousands)	
TSMC Global	AbbVie Inc.	•	Financial assets at fair value through other	,	\$SO	26,895	N/A	\$SO	26,895	
	Royal Bank of Canada	1	"	•	\$SO	25,469	N/A	\$SO	25,469	
	CVS Health Corporation		"	1	NS\$	24,591	N/A	NS\$	24,591	
	Lloyds Banking Group plc	1	"	•	ns\$	24,131	N/A	\$SO	24,131	
	BPCE SA	1	"	•	nss	23,875	A/A	SSO .	23,875	
	Oracle Corporation		"		SSO.	23,751	N/A	SSO .	23,751	
	The Toronto-Dominion Bank		"		OS\$	22,568	A/A	SSO.	22,568	
	Capital One Financial Corporation	•	"		CS\$	21,572	A/A	CS\$	21,572	
	Credit Agricole SA London Branch	1	ll l		SSO .	20,395	N/A	SSO .	20,395	
	BNP Paribas SA		"		CSS	20,345	N/A	ns\$	20,345	
	Athene Global Funding		"		ns\$	20,297	N/A	ns\$	20,297	
	Fédération des caisses Desjardins du Québec		"		SSO.	19,320	N/A	\$SO	19,320	
	Equitable Financial Life Global Funding		"		SSO .	18,910	N/A	SSO .	18,910	
	National Securities Clearing Corporation		"	•	ns\$	18,429	N/A	nS\$	18,429	
	AIG Global Funding		"	•	SSO	18,428	N/A	\$SO	18,428	
	Metropolitan Life Global Funding I		"	•	\$SO	18,299	N/A	\$SO	18,299	
	ABN AMRO Bank N.V.		"	•	\$SO	18,247	N/A	\$SO	18,247	
	Principal Life Global Funding II		"	•	\$SO	17,932	N/A	\$SO	17,932	
	Nationwide Building Society		"		\$SO	17,760	N/A	\$SO	17,760	
	Sumitomo Mitsui Trust Bank, Limited		"		NS\$	17,286	N/A	NS\$	17,286	
	Guardian Life Global Funding		"		NS\$	17.140	N/A	NS\$	17,140	
	U.S. Bancorp.		"		nss	16.962	N/A	NS\$	16,962	
	Danske Bank A/S		"		NS\$	16,698	N/A	NS\$	16,698	
	Société Générale Société anonyme		"		US\$	16.589	N/A	US\$	16,589	
	The Bank of Nova Scotia		"		SSO.	16,474	N/A	\$SO	16,474	
	Volkswagen Group of America Finance, LLC		"		SSO.	16,251	N/A	\$SO	16,251	
	The Bank of New York Mellon Corporation		"	•	SSO	16,064	N/A	\$SO	16,064	
	Nomura Holdings, Inc.		"	•	SSO	15,719	N/A	\$SO	15,719	
	Banque Fédérative du Crédit Mutuel		"	•	SSO	14,439	N/A	\$SO	14,439	
	UBS Group AG		"	•	SSO	14,328	N/A	\$SO	14,328	
	Standard Chartered PLC		"	•	\$SO	14,304	N/A	\$SO	14,304	
	Protective Life Global Funding		"	•	\$SO	14,155	N/A	\$SO	14,155	
	American Express Company		"		\$SO	13,685	N/A	\$SO	13,685	
	UnitedHealth Group Incorporated		"	•	\$SO	13,673	N/A	\$SO	13,673	
	Hyundai Capital America		"	•	NS\$	13,567	N/A	NS\$	13,567	
	NTT Finance Corporation		"	•	NS\$	13,544	N/A	NS\$	13,544	
	Amgen Inc.		"	•	ns\$	13,330	N/A	NS\$	13,330	
	AerCap Ireland Capital Designated Activity Company		"	•	NS\$	13,278	N/A	NS\$	13,278	
	Enel Finance International N.V.		"	•	NS\$	13,139	N/A	NS\$	13,139	
	Penske Truck Leasing Co., L.P.		"	•	\$SO	13,095	N/A	\$SO	13,095	
	Intuit Inc.		"	•	SSO	12,686	N/A	\$SO	12,686	
	Pfizer Investment Enterprises Pte. Ltd.	1	"		\$SO	12,590	N/A	\$SO	12,590	
	Apple Inc.	1	"	•	\$SO	12,489	N/A	\$SO	12,489	
	Coöperatieve Rabobank U.A.		"		\$SO	12,434	N/A	\$SO	12,434	
	New York Life Global Funding		"	•	\$SO	12,343	N/A	\$SO	12,343	
	Santander UK Group Holdings plc	1	"		\$SO	12,277	N/A	\$SO	12,277	
	NatWest Markets Plc		"		\$SO	11,873	N/A	\$SO	11,873	
	ING Groep N.V.		"		\$SO	11,773	N/A	\$SO	11,773	
	Nordea Bank Abp		"	•	ns\$	11,677	N/A	NS\$	11,677	

	Note																																																
	T																																																
	Fair Value (Foreign Currencies	In Lnousands)		11,504	11,332	11,317	11,048	11,032	10,970	10,796	10,588	10,584	10,556	10,454	10,338	10,206	6,879	9,866	9,776	9,513	9,332	9,177	9,100	9,049	9,042	8,977	8,951	8,866	8,759	8,451	8,390	8,173	8,065	7.904	7 903	7.863	7,860	7,820	7,770	7,631	7,603	7,511	7,453	7,185	7,032	7,013	6,978	6,807	6,798
	Fair (Foreign (SS11		\$SO	ns\$	SSO.	ns\$	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	SSO.	\$SO	ns\$	\$SO	SSO.	\$SO	\$SO	SSO.	\$SO	\$SO	\$SO	ns\$	\$SO	\$SO	SSO.	SSO.	CSS LIG	620	\$211	SSD	NS\$	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	\$SO	SSO.	CSS C
																																																	_
2023	Percentage of Ownership (%)	, N		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	K/N	V/N	Z Z	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Ψ/N S	V/A
December 31, 2023				11,504	11,332	11,317	11,048	11,032	076,01	10,796	10,588	10,584	10,556	10,454	10,338	10,206	6,879	9,866	9,776	9,513	9,332	9,177	9,100	9,049	9,042	8,977	8,951	8,866	8,759	8,451	8,390	8,173	8,065	7.904	7 903	7.863	7,860	7,820	7,770	7,631	7,603	7,511	7,453	7,185	7,032	7,013	8/6/9	6,807	8629
ď	Carrying Value (Foreign Currencies	m r nousands)								US\$ 10,																								US\$ /,				•											OSS 6.
				n -	n -	n 	<u> </u>	n -	n -	n -	n -	n -	n -	n	n -	n -	n -	n -	n 	n -	n	n	n -	n	n -	n -	n -	n -	n -	n -	n); 	-	-			n -	n -	n -	n -	n -	n -	n -	n	n -	n -	n :	- -	
	Shares/Units (In Thousands)																																																
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	ount	nh other																																															
	Financial Statement Account	lue throus	0																																														
	cial Stateı	s at fair va	ive incom	"	//	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"				"	"	"	"	"	"	"	"	"	"	"	"	//
	Finan	Financial assets at fair value through other	comprehensive income																																														
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	Relationship with the Company																																																
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	Marketable Securities Type and Name				ing				Inc.	uny				ranch				_												o, Inc.		Branch		TUE		2			ion and D)20, Lp		<i>y</i>				nerica LLC			
	Securitie	. Inc.			obal Fund				Holdings,	on Compa		s Inc.		w York Br		p		AB (publ)	oration	tion				Inc.	ompany				Inc.	ices Group	_	lew York]		IC. I PANIZZI	neration I	ation			econstruct	Finance 20		ment Bank	р	C		North Am	pany	al Inc.	
	arketable	ial Groun		nited	Mutual G	Inc.		eal	y Capital	ornia Edis	Inc.	nunication	c.	AG-Ne		oup Limite		elsbanken	pital Corp	d Corpora	pital LLC	ogies, Inc	ation	Scientific	& Light C	unding	Inc.		ernational	ncial Servi	ık Limited	lerland - N	nies, Inc.	cations, in	Theray Ge	tin Corpor	-	on	ank for Re	feco U.S. 1	ion	Develop	ay Limite	inance LL	oration	s Finance	Gas Com	nternation	3
	M	Mizuho Financial Group. Inc.		ASB Bank Limited	Northwestern Mutual Global Funding	Amazon.com, Inc.	ONEOK, Inc.	Bank of Montreal	NextEra Energy Capital Holdings, Inc.	Southern California Edison Company	Ryder System, Inc.	Verizon Communications Inc.	S&P Global Inc.	Deutsche Bank AG - New York Branch	Equifax Inc.	Macquarie Group Limited	AT&T Inc.	Svenska Handelsbanken AB (publ)	John Deere Capital Corporation	Truist Financial Corporation	Haleon US Capital LLC	Roper Technologies, Inc.	Exelon Corporation	Thermo Fisher Scientific Inc.	Florida Power & Light Company	RGA Global Funding	Merck & Co., Inc.	Equinor ASA	Honeywell International Inc.	The PNC Financial Services Group, Inc.	Macquarie Bank Limited	Rabobank Nederland - New York Branch	Lowe's Companies, Inc.	COX COMMUNICATIONS, INC. TOBONTO DOMINION BANK/THE	Constellation Financy Generation 11C	Constendin Energy Seneration	4	Intel Corporation	International Bank for Reconstruction and Development	Great-West Lifeco U.S. Finance 2020, Lp	RTX Corporation	Inter-American Development Bank	Suncorp-Metway Limited	AstraZeneca Finance LLC	Chevron Corporation	Daimler Trucks Finance North America LLC	The East Ohio Gas Company	Philip Morris International Inc.	AstraZeneca PLC
	<u>e</u>	Mis		ASE	Nor	Ame	NO	Ban	Nex	Sout	Ryde	Veri	S&F	Dem	Equi	Mac	AΤδ	Sver	John	Trui	Hale	Rope	Exel	Ther	Flon	RG₽	Men	Edui	Hon	The	Mac	Rab	Low	X OX		Lock	KfW	Intel	Inter	Grea	RTX	Inter	Sunc	Astr.	Che	Dair	The	Phih	Asr.
	pany Nam																																																
	Held Company Name	TSMC Global																																															
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Relationship with the Company

						December 31, 2023	.31, 2023				
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carr. (Foreig	Carrying Value (Foreign Currencies	Percentage of Ownershin (%)	Fair (Foreign	Fair Value (Foreign Currencies	Note	
					in T	in Thousands)	(a.) 1	in Tho	in Thousands)		
TSMC Global	Otis Worldwide Corporation		Financial assets at fair value through other	1	NS\$	4,442	N/A	\$SO	4,442		
	ITC Holdings Corp.		"	1	NS\$	4,411	N/A	\$SO	4,411		
	Citizens Bank, National Association		"	•	NS\$	4,363	N/A	\$SO	4,363		
	Skandinaviska Enskilda Banken AB (publ)		"	•	\$SO	4,343	N/A	\$SO	4,343		
	State Street Corporation		"		\$SO	4,313	N/A	\$SO	4,313		
	Toyota Motor Credit Corporation		"	•	\$SO	4,261	N/A	\$SO	4,261		
	Dollar General Corporation		"	•	\$SO	4,188	N/A	\$SO	4,188		
	Brighthouse Financial Global Funding		"		\$SO	4,132	N/A	\$SO	4,132		
	F&G Global Funding		"	1	\$SO	4,120	N/A	NS\$	4,120		
	JPMORGAN CHASE & CO		"		NS\$	4,114	N/A	NS\$	4,114		
	Public Service Enterprise Group Incorporated		"		NS\$	4,044	N/A	NS\$	4,044		
	Korea Electric Power Corporation		"		NS\$	4,036	N/A	NS\$	4,036		
	Schlumberger Investment SA		"		NS\$	4,028	N/A	nss	4,028		
	AvalonBay Communities. Inc.		: #	•	\$811	4.006	N/A	SSII	4.006		
	Element Fleet Management Corn.		: 1	•	SSII	4.004	N/A	SSII	4.004		
	CNO Global Funding		: #	•	SSII	3.967	N/A	SSII	3.967		
	Lincoln National Corporation			•	USS	3,948	N/A	nss	3,948		
	Monongahela Power Company		"		USS	3,946	N/A	nss	3,946		
	Public Storage	,	"	•	NS\$	3,934	N/A	NS\$	3,934		
	Walmart Inc.		"	•	SSN	3,875	N/A	NS\$	3,875		
	Citibank, N.A.		"	•	\$SO	3,858	N/A	\$SO	3,858		
	Anheuser-Busch Companies, LLC		"	•	\$SO	3,857	N/A	\$SO	3,857		
	B.A.T. International Finance p.l.c.		"	•	NS\$	3,792	N/A	\$SO	3,792		
	Fortinet, Inc.		ll ll		\$SO	3,667	N/A	\$SO	3,667		
	Norsk Hydro ASA		"	,	\$SO	3,666	N/A	\$SO	3,666		
	Appalachian Power Company		"	•	NS\$	3,661	N/A	\$SO	3,661		
	AutoZone, Inc.		#	•	NS\$	3,646	N/A	NS\$	3,646		
	Eversource Energy		"	•	SSO.	3,568	N/A	nS\$	3,568		
	Parker-Hannifin Corporation		"	•	\$SO	3,565	N/A	\$SO	3,565		
	Jackson National Life Global Funding		"		SSO.	3,563	N/A	\$SO	3,563		
	The Israel Electric Corporation Ltd		"	•	ns\$	3,554	N/A	nss	3,554		
	GA Global Funding Trust		"	•	ns\$	3,552	N/A	ns\$	3,552		
	CenterPoint Energy Resources Corp.		ll ll	•	SSO.	3,539	N/A	SSO .	3,539		
	Baxter International Inc.		#		CSS CSS	3,486	N/A	CSS CISS	3,486		
	Kimco Kealty Corporation		# :	'	\$20	3,468	N/A	SSO Tree	3,468		
	Advocate Heatin & Hospitals Corporation		,,		1166	3,444	N/A	1766	2,444		
	Meta Handins, me. Sampra				\$20	3,430	V/N	3511	3,430		
	Boro Warner Inc				\$511	3,426	N/N	\$811	3.426		
	Morean Stanley Bank N A				SSII	3.416	N/N	SSII	3,416		
	B A T Canital Corneration				3511	3 325	₹/Z	3311	3 375		
	E.A. I Capital Corporation Highmark Inc				\$511	3,523	A/N	\$211	3.283		
	Drizer Inc				\$511	3.283	A/N	\$211	3.281		
	Realty Income Cornoration				SSII	3.271	N/A	SSII	3.771		
	Ross Stores. Inc.			•	USS	3,267	N/A	nss	3,267		
	Republic Services, Inc.		"	,	NS\$	3,212	N/A	NS\$	3,212		
	Verisk Analytics, Inc.		"	•	\$SO	3,191	N/A	\$SO	3,191		
	Truist Bank		ll ll		\$SO	3,173	N/A	\$SO	3,173		
	Corebridge Financial, Inc.		11		NS\$	3,120	N/A	\$SO	3,120		
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						December 31, 2023	31, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carryii (Foreign (in Tho	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair (Foreign (in Tho	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Lundin Energy Finance BV		Financial assets at fair value through other		\$SO	3,099	N/A	NS\$	3,099	
	Wells Faroo Bank National Association		comprehensive income		3511	3 008	A/N	3511	3 008	
	Atmos Energy Corporation		: =	•	SSII	3.068	Z Z	SSII	3.068	
	EIDP, Inc.	•	"		NS\$	3,059	N/A	ns\$	3,059	
	Mutual Of Omaha Companies Global Funding		"	1	\$SO	3,057	N/A	\$SO	3,057	
	Nestlé Holdings, Inc.		"	1	\$SO	3,040	N/A	\$SO	3,040	
	CMS Energy Corporation		"	,	SSO	3,017	N/A	\$SO	3,017	
	Johnson & Johnson		"	•	\$SO	3,015	N/A	\$SO	3,015	
	CNA Financial Corporation		"	•	\$SO	2,978	N/A	\$SO	2,978	
	Prologis, L.P.		"	•	\$SO	2,974	N/A	\$SO	2,974	
	Southern California Gas Company		"	•	\$SO	2,929	N/A	\$SO	2,929	
	Rio Tinto Finance (USA) Limited		"	•	SSO	2,900	N/A	\$SO	2,900	
	Xcel Energy Inc.		"	•	\$SO	2,894	N/A	\$SO	2,894	
	Canadian Imperial Bank of Commerce		"		\$SO	2,891	N/A	\$SO	2,891	
	BHP Billiton Finance (USA) Limited	1	"	•	\$SO	2,865	N/A	\$SO	2,865	
	Diageo Capital plc		"	•	\$SO	2,847	N/A	SSO	2,847	
	Novartis Capital Corporation	1	"	•	\$SO	2,810	N/A	\$SO	2,810	
	Baxalta Incorporated		"	•	\$SO	2,750	N/A	SSO	2,750	
	Dominion Energy, Inc.		"	•	\$SO	2,746	N/A	\$SO	2,746	
	7-Eleven, Inc.	1	"	•	\$SO	2,737	N/A	\$SO	2,737	
	Oncor Electric Delivery Company LLC		"	•	\$SO	2,716	N/A	\$SO	2,716	
	Simon Property Group, L.P.		"	•	\$SO	2,692	N/A	\$SO	2,692	
	Weyerhaeuser Company		"	•	\$SO	2,687	N/A	\$SO	2,687	
	National Australia Bank Limited, New York Branch		"	•	SSO	2,647	N/A	\$SO	2,647	
	Eastern Energy Gas Holdings, LLC		"	•	SSO	2,643	N/A	\$SO	2,643	
	Chevron Phillips Chemical Company LLC		"	•	\$SO	2,636	N/A	\$SO	2,636	
	O'Reilly Automotive, Inc.		"		\$SO	2,610	N/A	\$SO	2,610	
	The Estée Lauder Companies Inc.		"	•	\$SO	2,609	N/A	\$SO	2,609	
	Masco Corporation		"	1	\$SO	2,601	N/A	\$SO	2,601	
	The Southern Company	•	"	1	\$SO	2,575	N/A	\$SO	2,575	
	Avangrid, Inc.	•	"	•	\$SO	2,574	N/A	ns\$	2,574	
	Bank of New Zealand	•	"	•	\$SO	2,563	N/A	\$SO	2,563	
	Air Products and Chemicals, Inc.		"	•	\$SO	2,531	N/A	\$SO	2,531	
	Nuveen Finance, LLC	1	"		\$SO	2,460	N/A	\$SO	2,460	
	Coca-Cola Europacific Partners PLC		"		NS\$	2,433	N/A	\$SO	2,433	
	American Electric Power Company, Inc.		"	1	SSO.	2,431	A/A	\$SO	2,431	
	Entergy Texas, Inc.	1	"		US\$	2,427	A/N	ns\$	2,427	
	Workday, Inc.		"		US\$	2,406	A/N	SSO.	2,406	
	CKH America, Inc.		"		US\$	2,400	A/A	SSO.	2,400	
	Swedbank AB (publ)	•	"	•	SSO LIGS	2,399	K S	\$SO	2,399	
	Air Lease Corporation		"	'	\$SO	2,360	N/A	COS	2,360	
	Chevron U.S.A. Inc.		"	1	\$SD	2,349	Ψ/Z Z	\$20	2,349	
	westpac banking Corporation			'	660	2,346	Y/N	600	2,340	
	Lexas Instruments incorporated		"		\$SO	2,344	N/A	680	2,344	
	Yara International ASA		"		\$SO	2,516	A/N	\$SO	2,516	
	Magenan Midstream Farmers, L.F.		, :	•	\$50	2,314	N/A	\$20	2,314	
	GE Realmotate Technologies Inc.				\$50	117,7	N/A	\$20	117,7	
	Cardinal Hanlith Inc				9511	2,200	4/N	9511	007,7	
	Caldina Health, IIIC.				ego.	2,200	O/NI	900	2,200	
									_	(Continued)

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						December 31, 2023	11, 2023				
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carryi (Foreign in Tho	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair (Foreign in Tho	Fair Value (Foreign Currencies in Thousands)	Note	
TSMC Global	ONE Gas, Inc.		Financial assets at fair value through other		\$SO	2,265	N/A	\$SO	2,265		
	Mitsubishi HC Capital Inc.		comprehensive income	,	OSS	2.249	A/N	nss	2,249		
	Alliant Energy Finance, LLC		"	•	SSN	2,230	N/A	\$SO	2,230		
	The Western Union Company		"	•	SSO.	2,187	N/A	NS\$	2,187		
	Georgia-Pacific LLC		"	•	ns\$	2,160	N/A	nS\$	2,160		
	Health Care Service Corporation, a Mutual Legal Reserve	1	ll l	1	\$SO	2,130	N/A	\$SO	2,130		
	American Honda Finance Corporation		"	,	\$SO	2,087	N/A	NS\$	2,087		
	Phillips 66		"	•	\$SO	2,057	N/A	\$SO	2,057		
	Bank of America, National Association		"	•	\$SO	2,036	N/A	\$SO	2,036		
	Pricoa Global Funding I		ll l	,	\$SO	2,019	N/A	\$SO	2,019		
	KODIT Global 2023-1 Co., Ltd.		"	•	\$SO	1,996	N/A	\$SO	1,996		
	Public Service Electric and Gas Company		ll l	•	SSO.	1,986	N/A	\$SO	1,986		
	Mead Johnson Nutrition Company		"		US\$	1,973	Ψ'N S	SSO TIE	1,973		
	Magna International Inc.		#	1	\$SO	1,967	N/A	SSO T	1,967		
	Ubs Group Funding (Jersey) Ltd.		* :	•	\$20	166,1	N/A	\$20	166,1		
	Tueson Electric Fower Company Ourselfon	1 1			1156	1,946	A/N	\$20	1,946		
	Organization Welltower Inc				\$511	1 930	Q A/N	\$20	1 930		
	Gulf Power Company				SSII	1916	A/N	\$511	1 916		
	CSX Corporation		: =	•	SSO	1.911	Z Z	SSO	1.911		
	Shinhan Financial Group Co., Ltd.		"	1	\$SO	1,856	N/A	\$SO	1,856		
	Mitsubishi Corporation		ll l	1	\$SO	1,823	N/A	\$SO	1,823		
	Sprint Spectrum Co Llc		"	1	\$SO	1,812	N/A	\$SO	1,812		
	NBK SPC Limited		"	•	\$SO	1,809	N/A	\$SO	1,809		
	Berkshire Hathaway Energy Company		"	•	\$SO	1,792	N/A	\$SO	1,792		
	CenterPoint Energy Houston Electric, LLC		"	1	US\$	1,785	N/A	ns\$	1,785		
	Mondelez International, Inc.		"	•	SSD Tree	1,750	A/N	\$SO	1,750		
	Kentucky Utilities Company SMDC A viction Conject Eigenee BAC		<u>"</u> "	1	\$20	1,747	N/A	\$50	1,747		
	SMBC Aviation Capital Finance DAC			•	1100	1,747	K/N	\$20	1,747		
	Usara Capitat Corp. Evergy Kansas Central Inc				SSII	1,747	Z Z/Z	\$20	1,747		
	DTE Energy Company	1	: #	•	nss	1.685	Z X	nss	1.685		
	University of California		"	'	\$SO	1,631	N/A	\$SO	1,631		
	CSL Finance plc		"	•	\$SO	1,601	N/A	\$SO	1,601		
	Gulfstream Natural Gas System, L.L.C.	•	"	•	\$SO	1,598	N/A	\$SO	1,598		
	eBay Inc.		"	•	\$SO	1,594	N/A	\$SO	1,594		
	Emerson Electric Co.		ll l	•	US\$	1,576	A/N	SSO .	1,576		
	International Business Machines Corporation		"		US\$	1,570	Ψ'N S	SSO TIE	1,570		
	Burlington Northern Santa Fe, LLC		"	•	SSD Tree	1,566	A/N/A	\$SO	1,566		
	Official Funding LLC Defferies Financial Groun Inc				\$S11	1,543	K & Z	\$20 11SS	1,530		
	Dirke Energy Cornoration		: 3	•	SSII	1.538	A/A	SSII	1.538		
	T-Mobile USA, Inc.	1	: #	•	nss	1.526	Z X	nss	1.526		
	Zoetis Inc.		"	•	SSO.	1,517	N/A	NS\$	1,517		
	APA Infrastructure Limited		ll l	1	\$SO	1,511	N/A	\$SO	1,511		
	Kinder Morgan, Inc.		"	1	\$SO	1,510	N/A	\$SO	1,510		
	Phillips 66 Company		"	•	\$SO	1,495	N/A	\$SO	1,495		
	American International Group, Inc.		"	,	\$SO	1,479	N/A	\$SO	1,479		
						=					7:

ee Corporation on and Name Relationship with the Company and B.V. and B.V.	Financial Statement Account Financial assets at fair value through other comprehensive income "" "" "" "" "" "" "" "" ""	Shares/Units (In Thousands)	(Foreign A) USS USS USS USS USS USS USS U	(Foreign Currents) USS 1,477 USS 1,471 USS 1,445 USS 1,445	Percentage of Ownership (%) N/A N/A N/A N/A N/A N/A N/A N/	(Foreign University of Property Control of Pro	sands) 1,477 1,473 1,473 1,474 1,445 1,445 1,445 1,259 1,259 1,259 1,277 1,205 1,198 1,113 1,113 1,115 1,115 1,116 1,116 1,116 1,117 1,005 1,005 1,005
ration	nancial assets at fair value through other comprehensive income		\$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50	1,477 1,473 1,473 1,448 1,448 1,448 1,445 1,300 1,300 1,205 1,113 1,113 1,111 1,072 1,034	**************************************	800 800 800 800 800 800 800 800 800 800	1,477 1,473 1,473 1,473 1,448 1,445 1,340 1,340 1,330 1,330 1,259 1,259 1,198 1,115 1,113
as North America Inc. ses LLC company rida, LLC Littlies Cooperative Finance Corporation nuche-Tard Inc. p numission and Storage, Inc. norial Services Corporation on prical Services Corporation on proporation on ational Holdings Netherlands B.V. ce PLC rd Life Global Funding II on cris Operating LLC for Inc. ce Railway Company set Limited set Limite			830	1,477 1,473 1,448 1,448 1,448 1,445 1,340 1,300 1,259 1,247 1,247 1,247 1,265 1,113 1,113 1,113 1,072 1,034	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	0.88 0.88 0.88 0.88 0.88 0.88 0.88 0.88	1,477 1,473 1,473 1,473 1,448 1,445 1,340 1,339 1,339 1,339 1,259 1,259 1,198 1,115 1,115 1,113
es North America Inc. ces LLC ces LLC ce Company lorida, LLC Utilities Cooperative Finance Corporation ouche-Tard Inc. unital Storage, Inc. unital Services Corporation companies, Inc. Individual Holdings Netherlands B.V. ce PLC and Life Global Funding II ion lucts Operating LLC trional Inc. Electric & Gas Corporation in Effection, LLC Limited gs Limited gs Limited st Limited company, Inc. st Rai Gas Company, Inc. st Rai Like company B.V.			8	1,473 1,471 1,445 1,448 1,442 1,319 1,300 1,259 1,257 1,113 1,113 1,113 1,072 1,034		0.88 0.88 0.88 0.88 0.88 0.88 0.88 0.88	1,473 1,471 1,448 1,445 1,340 1,340 1,340 1,319 1,227 1,1205 1,119 1,113 1,113 1,113 1,113 1,113 1,072 1,065 1,065 1,026
tice Company Jorida, LLC Utilities Cooperative Finance Corporation Utilities Cooperative Finance Corporation Jup Jup Jorida Lic Jorida Lic Jorida Lic Jorida Lic Jorida Lic Jorida Lic Jorida Sourance Jorida Sourance Jorida Sourance Jorida Sourance Jucis Operating LLC Jucis Operating LC Jucis Operating LLC J			6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1,471 1,445 1,448 1,442 1,340 1,300 1,259 1,257 1,113 1,113 1,113 1,072 1,034		0.000 000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.	1,447 1,448 1,445 1,340 1,340 1,319 1,319 1,227 1,1205 1,113 1,113 1,113 1,113 1,072 1,065 1,026
Florida, LLC auton Foundation Couche-Tard Inc. Jup annial Services Corporation Companies, Inc. ellon Foundation, The Corporation To see PLC and Life Global Funding II ation te Electric & Gas Corporation te Electric & Companies Thinited and Survices Company B.V. Trimited			8	1,448 1,448 1,442 1,340 1,300 1,259 1,247 1,113 1,113 1,113 1,072 1,034	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	8	1,448 1,445 1,442 1,340 1,319 1,300 1,259 1,1205 1,119 1,113 1,113 1,113 1,113 1,072 1,065 1,026
Utilities Cooperative Finance Corporation Couche-Tard Inc. Couche-Tard Inc. Couche-Tard Inc. annel Services Corporation Companies, Inc. companies, Inc. Corporation Corporation Transitional Holdings Netherlands B.V. and Life Global Funding II ation transitional Inc. te Electric & Gas Corporation ation fire Railway Company mited Company B.V. and Gas Company, Inc. company B.V. and Gas Company, Inc.	:		\$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50	1,445 1,340 1,340 1,300 1,259 1,247 1,247 1,113 1,113 1,112 1,072 1,034		888 888 888 888 888 888 888 888 888 88	1,445 1,445 1,340 1,340 1,330 1,259 1,198 1,115 1,1105 1,1
Couche-Tard Inc. oup ransission and Storage, Inc. araisanission and Storage, Inc. companies, Inc. companies, Inc. corporation corporation arion arion arion tet Life Global Funding II arion tet Electric & Gas Corporation ings Limited company B.V. ing Almited corporation corporation control Inc. ing Almited corporation control Inc. corporation corporati			880 880 880 880 880 880 880 880 880 880	1,442 1,340 1,300 1,259 1,247 1,247 1,108 1,113 1,112 1,072 1,034	X X X X X X X X X X X X X X X X X X X	830 830 830 830 830 830 830 830 830 830	1,442 1,340 1,319 1,319 1,229 1,227 1,1205 1,119 1,1115 1,1113 1,
roup Transmission and Storage, Inc. Transmission and Storage, Inc.			830 830 830 830 830 830 830 830 830 830	1,340 1,319 1,300 1,259 1,227 1,227 1,108 1,118 1,113 1,112 1,072 1,065	\$\\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	0.58 0.58 0.58 0.58 0.58 0.58 0.58 0.58	1,340 1,319 1,300 1,259 1,247 1,205 1,119 1,113 1,112 1,113 1,112 1,005 1,034 1,026
Transmission and Storage, Inc. Transmission and Storage, Inc. Transmission and Storage, Inc. Storage Scrices Corporation Storage Storage Storage Tration Tration Transmin Holdings Netherlands B.V. Transmin and Holdings Netherlands B.V. Transmin and Life Global Funding II Transmin and Life Gas Corporation Lique faction LLC Transmin and Company LC Transmin and Company Inc. Transmin and Company B.V. Transmin and Company Inc. Transmin			830 830 830 830 830 830 830 830 830 830	1,319 1,330 1,259 1,247 1,227 1,115 1,115 1,112 1,072 1,065	\$\\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	US\$ US\$ US\$ US\$ US\$	1,319 1,230 1,259 1,247 1,205 1,198 1,115 1,112 1,112 1,072 1,065 1,034 1,034 1,026
inancial Services Corporation se Companies, Inc. Mellon Foundation, The ric Corporation ration name PLC ndard Life Global Funding II rontion plo mutional Inc. ret Limited dings Limited dings Limited e Company B.V. ratural Gas Company, Inc. ret USA), Inc. ret CUSA), Inc.			USS USS USS USS USS USS USS USS USS USS	1,300 1,259 1,227 1,227 1,198 1,115 1,113 1,112 1,072 1,034	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	0.88 0.88 0.88 0.88 0.88	1,300 1,259 1,227 1,227 1,198 1,115 1,112 1,005 1,005 1,026
ns Companies, Inc. Mellon Foundation, The ic Corporation oration anternational Holdings Netherlands B.V. nance PLC and and Life Global Funding II oration and and Life Global Funding II Liquefaction, LLC ver Limited icific Railway Company Limited c Company B.V. and Gas Company, Inc. over K. Inc. over Limited icific Railway Company, Inc. oration and and Gas Company, Inc. oration			USS USS USS USS USS USS USS USS	1,259 1,247 1,227 1,205 1,119 1,115 1,112 1,072 1,065 1,034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	US\$ US\$ US\$ US\$	1,259 1,247 1,227 1,205 1,198 1,115 1,112 1,072 1,065 1,026
Mellon Foundation, The ise Corporation oration nternational Holdings Netherlands B.V. inance PLC and and Life Global Funding II oration oration oration location oration location locat			USS USS USS USS USS USS USS USS	1,247 1,227 1,205 1,198 1,115 1,112 1,072 1,065 1,065	X X X X X X X X X X X X X X X X X X X	US\$ US\$ US\$ US\$	1,247 1,227 1,1205 1,198 1,115 1,1112 1,072 1,065 1,034 1,026
ise Corporation oration nternational Holdings Netherlands B.V. nance PLC and and Life Global Funding II oration polc rotation Polc oration polc oration continue delicitie & Gas Corporation Liquefaction, LLC ranational Inc. State Electric & Gas Corporation Liquefaction, LLC corporation cet Limited dings Limited dings Limited ce Company B.V. Limited ce Company B.V. cet Company B.			USS USS USS USS USS USS	1,227 1,205 1,198 1,115 1,113 1,072 1,065 1,065	<pre></pre>	US\$ US\$ US\$	1,227 1,205 1,198 1,115 1,113 1,112 1,072 1,065 1,034 1,026
nternational Holdings Netherlands B.V. inance PLC and and Life Global Funding II ovation plo conducts Operating LLC			USS USS USS USS USS	1,205 1,198 1,115 1,113 1,112 1,072 1,065 1,034	& & & & & & & & & & & & & & & & & & &	US\$ US\$	1,205 1,198 1,115 1,113 1,112 1,072 1,065 1,026
oration International Holdings Netherlands B.V. Innance PLC andard Life Global Funding II ovarion ple croducts Operating LLC crastional Inc. strate Electric & Gas Corporation t. Lique faction, LLC wer Limited dldings Limited actifc Railway Company Limited Limited ce Company B.V. ce Company B.V. poration nuce (USA), Inc.			USS USS USS USS USS	1,198 1,115 1,113 1,112 1,072 1,065 1,034	N/N	US\$	1,198 1,115 1,113 1,112 1,072 1,065 1,034 1,026
inance PLC inance PLC and and Life Global Funding II overtion poration Products Operating LLC emational Inc. State Electric & Gas Corporation s Lique faction, LLC wer Limited dudings Limited dudings Limited acific Railway Company Limited c Company B.V. works, Inc. inance (USA), Inc.			US\$ US\$ US\$ US\$ US\$	1,115 1,113 1,112 1,072 1,065 1,034	N/A N/A N/A N/A	\$SO	1,115 1,113 1,072 1,065 1,065 1,034 1,026 1,026
inance PLC and and Life Global Funding II poration			US\$ US\$ US\$ US\$	1,113 1,112 1,072 1,065 1,034	N N N N N N N N N N N N N N N N N N N	1100	1,113 1,112 1,072 1,065 1,034 1,026 1,026
andard Life Global Funding II ple Products Operating LLC Froducts Operating LLC State Electric & Gas Corporation s. Lique faction, LLC wer Limited Adings Limited ce Company B.V. Limited ce Company, Inc. words, Inc. In	2 2 2 2		US\$ US\$ US\$ US\$	1,112 1,072 1,065 1,034	N/A N/A N/A	660	1,112 1,072 1,065 1,034 1,026 1,026
poration pulcation Products Operating LLC Products Operating LLC State Electric & Gas Corporation s Liquefaction, LLC wer Limited Julings Limited actific Railway Company ce Company B.V. works, Inc. rowsks, Inc. marginated Cas Company, Inc. marginated Cas Company, Inc.	" "	1 1 1 1	US\$ US\$ US\$	1,072 1,065 1,034	N/A N/A	NS\$	1,072 1,065 1,034 1,026 1,026
Products Operating LLC remaional Inc. State Electric & Gas Corporation s Liquefaction, LLC observed in the company of the company of the company inc. rec Company B.V. stringed observed in the company inc. ce Company, Inc. observed in the company inc.			US\$	1,065	N/A	NS\$	1,065 1,034 1,026 1,026
Products Operating LLC emational Inc. State Electric & Gas Corporation s Liquided cation, LLC addings Limited acific Railway Company Lee Company B.V. studental Gas Company, Inc. tworks, Inc. ms Finance Inc.	"		US\$	1,034		NS\$	1,034 1,026 1,026
emational Inc. State Electric & Gas Corporation s Liquefaction, LLC wer Limited wer Limited dadings Limited - scompany B.V. set Company, Inc tworks, Inc marce (USA), Inc ms Finance Inc.		•	3311	1 00 6	N/A	NS\$	1,026
State Electric & Gas Corporation - s Liquetisation, LLC - wwer Limited - doublings Limited - doublings Limited - doublings Limited - ce Company B.V reaction Railway Company, Inc rowski, Inc ro	"		CO.	1,020	N/A	NS\$	1,026
s Liquefaction, LLC wer Limited Julings Limited - Julings Limited - Jumited - Jumit	"		\$SO	1,026	N/A	\$SO	
wer Limited Judings Limited	"		SSO	1,018	N/A	NS\$	1,018
addings Limited	"		\$SO	1,004	N/A	NS\$	1,004
actific Railway Company	"		ns\$	973	N/A	\$SO	973
o Limited	"		ns\$	626	N/A	\$SO	656
ce Company B.V	"	•	NS\$	926	N/A	\$SO	926
Vatural Gas Company, Inc. tworks, Inc. - rporation - ance (USA), Inc ms Finance Inc.	И	1	\$SO	942	N/A	NS\$	942
tworks, Inc reporation - ance (USA), Inc reparation reparation reparation reparation -	"	•	\$SO	932	N/A	NS\$	932
proration - ance (USA), Inc ms Finance Inc	"		\$SO	926	N/A	\$SO	926
ance (USA), Inc	"		\$SO	923	N/A	NS\$	923
ms Finance Inc.	11		ns\$	917	N/A	SSO	917
	"		SSO LIGS	917	A/N	US\$	716
The Interpublic Group of Companies, Inc.			680	910	N/A	\$20	910
AEF Texas Inc.	"		OS\$	914	A/N	US\$	914
Assurant, Inc.	"		OS\$	914	A/N	US\$	914
Unilever Capital Corporation	"		SSO.	068	N/A	USS	068
Keynolds American Inc.	"		023	688	N/A	CSS LIG	688
County of Palm Beach, Florida	"		SSO.	825	A/N	US\$	\$25
- ranscanada ripelines Limited	"		023	819	N/A	CSS LIG	819
Cubesmart, L. F.	"		022	/84	N/A	\$SO	184
Southwest Gas Corporation	11		ns\$	771	A/A	SSO I	771
Zimmer Biomet Holdings, Inc.	"		ns\$	771	N/A	ns\$	771
BP Capital Markets America, Inc.	"		ns\$	770	N/A	ns\$	770
Niagara Mohawk Power Corporation	"		ns\$	761	N/A	OSS	761
Veralto Corporation	"		CSS	759	N/A	SSO	/59
The Brooklyn Union Gas Company	H H	•	\$SO	755	N/A	ns\$	755

						December 31, 2023	.31. 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carry (Foreign	Carrying Value (Foreign Currencies	Percentage of Ownership (%)	Fair (Foreign	Fair Value (Foreign Currencies	Note
					m :	in Thousands)		ou I II	in Thousands)	
TSMC Global	Mars, Incorporated		Financial assets at fair value through other comprehensive income	1	nS\$	754	N/A	ns\$	754	
	Manufacturers and Traders Trust Company		#	1	\$SO	751	N/A	\$SO	751	
	Consolidated Edison Company of New York, Inc.		"		NS\$	750	N/A	\$SO	750	
	Oklahoma Gas and Electric Company	1	"	•	USS	749	N/A	US\$	749	
	Voya Financial, Inc.		"	•	ns\$	749	N/A	US\$	749	
	Marsh & McLennan Companies, Inc.	ı	"	•	ns\$	747	N/A	\$SO	747	
	TELUS Corporation	1	"	•	\$SO	745	N/A	\$SO	745	
	Waste Management, Inc.		"	•	SSO.	744	N/A	\$SO	744	
	Visa Inc.	1	"	•	\$SO	739	N/A	ns\$	739	
	PACCAR Financial Corp.		"	•	\$SO	738	N/A	\$SO	738	
	Sky Limited		ll l		\$SO	691	N/A	\$SO	691	
	Hyundai Capital Services, Inc.	1	"	•	\$SO	689	N/A	\$SO	689	
	The Allstate Corporation		ll l		\$SO	675	N/A	\$SO	675	
	QNB Finance Ltd.		"	•	\$SO	673	N/A	\$SO	673	
	Sodexo, Inc.		"	•	SSN	672	N/A	NS\$	672	
	Automatic Data Processing, Inc.		"	•	NS\$	649	N/A	NS\$	649	
	L3Harris Technologies, Inc.		"	•	\$SO	617	N/A	\$SO	617	
	Southern Power Company		"	•	\$SO	612	N/A	\$SO	612	
	Burlington Resources Inc.		ll ll	•	\$SO	009	N/A	\$SO	009	
	Starbucks Corporation	ı	"	•	\$SO	594	N/A	\$SO	594	
	Florida Hurricane Catastrophe Fund Finance Corporation	•	"	•	\$SO	593	N/A	\$SO	593	
	Infor, Inc.	•	"	•	\$SO	589	N/A	\$SO	589	
	Columbia Pipelines Holding Company, LLC	•	"	•	\$SO	999	N/A	\$SO	999	
	American Water Capital Corp.		"	•	NS\$	295	N/A	\$SO	562	
	Columbia Pipelines Operating Co. LLC		"	•	\$SO	538	N/A	\$SO	538	
	Shell International Finance B.V.		"	•	NS\$	536	N/A	\$SO	536	
	Arizona Public Service Company		"		\$SO	520	N/A	\$SO	520	
	State of Hawaii		"	•	ns\$	515	N/A	US\$	515	
	Intesa Sanpaolo S.p.A.	1	"	•	USS	512	N/A	US\$	512	
	ConocoPhillips Company	1	"	•	US\$	510	N/A	US\$	510	
	Mississippi Power Company	•	"		USS	510	N/A	USS	510	
	MassMuttal Global Funding II		#		\$SO	200	N/A	\$SO	200	
	westpac Ivew Zealand Limited		, :		\$50	499	N/A	\$20	499	
	Detection THE Conjust of the International Finance B.V.	ı	"		\$511	987	K/N	660	987	
	Commonwealth Bank of Australia				SSII	487	N/A	SSII	487	
	Trane Technologies Luxembourg Finance S.A.		"	•	NS\$	486	N/A	nss.	486	
	Genuine Parts Company				NS\$	480	N/A	nss	480	
	Altria Group, Inc.		"		USS	477	N/A	NS\$	477	
	McCormick & Company, Incorporated		"	•	NS\$	477	N/A	NS\$	477	
	DENSO Corporation	1	"		USS	453	N/A	USS	453	
	Brazos Higher Education Authority Inc	1		•	nss.	444	Z/N	nss	44	
	Pernod Ricard International Finance LLC	•	"	,	NS\$	435	N/A	NS\$	435	
	Aker BP ASA		"	•	\$SO	433	N/A	\$SO	433	
	The Home Depot, Inc.	ı	"	'	\$SO	416	N/A	\$SO	416	
	Target Corporation		"	•	\$SO	412	N/A	\$SO	412	
	National Australia Bank Limited	1	"	•	\$SO	410	N/A	\$SO	410	
	Entergy Corporation	•	"	•	\$SO	395	N/A	\$SO	395	
	GlaxoSmithKline Capital Inc.		"		NS\$	394	N/A	\$SO	394	
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After Incorporated Global Sciences, Inc. Global Sciences, Inc. University of Massachusett Building Authority Burns of Exado de Chile Stein rabite Power Company Perportion, Inc. Proporation Mish America Apartments, L.P. Electricité de Times S.A. Consumers latengy Apri V.H. Nordiscus Corporation Quantifiency Apri V.H. KEG Group INW. RED Group INW. March D'Encouses Medical Center, Inc. Meter political Busin Company And Wisconsis And Corporation County of Neuesch, Corporation Wells burgo of Company Wells burgo & Company Wells burg			N N N N N N N N N N	USS USS USS USS USS USS USS USS	10ds) 332 332 338 338 338 338 338 338 330 330 220 220 220 2214 2214 2214 277 270 252 256 253 256 256 257 271 271 275 256 256 257 275 275 275 275 275 275 275 275 275
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lexas opporation pany cGroup, Inc. Co. ankets Inc. ankets Holdings Inc. ance Corp International Ltd ance North America LLC	- US\$	64	N/A	USS	64
	- US\$	52	NT/A	NS\$	52
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	- nss	25	N/A	SSO	25
Wells Fargo & Company " Morgan Stanley " The Goldman Sachs Group, Inc. - " IPMorgan Case & Co. - " Citigroup Inc. - " Citigroup Global Markets Inc. - " Citigroup Global Markets Holdings Inc. - " Goldman Sachs Finance Cop International Ltd - " Antionwide Building Society - " Daimler Winks Finance North America LLC - "	ssn -	799,449	N/A		800,590
Morgan Stanley The Goldman Sachs Group, Inc. I Photogram Chase & Co. Critigroup of Global Markets Inc. Critigroup Global Markets Holdings Inc. Critigroup Critigroup Critigroup Antinovide Building Society Nationwide Building Society Markets Finance North America LLC Daimler Trivits Finance North America LLC Antinovide Building Society	sso -	619,830	N/A		626,602
The Goldman Sachs Group, Inc. 1.2 1.	sso -	566,880	A/A		570,092
Lityroughan Chase & Co. Citigroup Inc. Citigroup Global Markets Inc. Citigroup Global Markets Holdings Inc. Citigroup Global Markets Holdings Inc. Citigroup Global Markets Holdings Inc. Citigroup Citigroup Nationwide Building Society Nationwide Building Society Daimler Trucks Finance North America LLC .	SSO -	432,811	A/N		418,343
Citigoup Inc. Citigoup Inc. Citigoup Global Markets Inc.	SSO -	391,868	A S		394,331
Critigroup Global Markets Inc. Critigroup Global Markets Holdings Inc. Goldman Sachs Finance Corp International Ltd Critigroup Nationwide Building Society Daimler Trucks Finance North America LLC		140.051	N/A		140.69
Critigoup Otoloai wankes robuings inc. Critigoup Critigoup Nationwide Building Society Daimler Truck Finance North America LLC	\$\$0 -	149,951	N/A	000	149,628
Condition ascus Finance Corp International Edu Critigroup Critigro	\$20 -	99,969	V/V		99,424
Category Nationwide Building Society Daimler Trucks Finance North America LLC .	\$511	19 981	V/N		20.156
Daimer Trucks Finance North America LLC	SSI1 -	10,338	N/A		10.153
	- nss	9,685	N/A		9,633
Great-West Lifeco U.S. Finance 2020, Lp	- nss	9,550	N/A		9,419
Mizuho Financial Group, Inc.	- nss	9,446	N/A		9,562
BNP Paribas SA "	SSO -	9,265	N/A		9,233
Fédération des caisses Desjardins du Québec - "	ssn -	9,185	N/A		880,6
UBS Group AG " "	- ns\$	9,172	N/A		9,095
Nomura Holdings, Inc. "	- ns\$	9,155	N/A		9,031
NongHyup Bank - "	ssn -	8,839	N/A		8,799
Banque Fédérative du Crédit Mutuel - "	ssn -	8,435	N/A		8,442
Canadian Imperial Bank of Commerce . "	- nss	8,417	N/A		8,360
Banco Santander, S.A.	ssn -	8,301	N/A	8 \$SO	8,251
Ventas Realty, Limited Partnership	ssn -	8,279	N/A		8,206

Entire Market above Market abo							December 31, 2023	31, 2023			
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rical LLC	TSMC Global	Enel Finance International N.V. Protective, I fe Global Fundino		Financial assets at amortized cost		\$SIN	8,250	N/A A/A	US\$	8,188	
Part		CRH America, Inc.	•	: =	•	SSO	7.954	N/A	SSO	7,849	
Py Lod		Mercedes-Benz Finance North America LLC		"	•	\$SO	7,916	N/A	\$SO	7,894	
Part		BPCE SA		"	1	\$SO	7,874	N/A	\$SO	7,794	
1. 1. 1. 1. 1. 1. 1. 1.		Sydney Airport Finance Company Pty Ltd		"	'	\$SO	7,727	N/A	\$SO	7,672	
S.A. S.A. S.A. S.A. S.A. S. S.A.		Sumitomo Mitsui Financial Group, Inc.	1	H H	•	SSO.	7,538	Α/N :	SSO TIES	7,515	
100 100		AIG Global Funding Renco Bilhao Vizcove Argentarie S A				\$20	7.043	K N	\$20	7.006	
1.00 1.00		Southern California Edison Company				SSI	5.913	Z Z	SSI	5.924	
1.55 2.54 NA 1.05		NatWest Markets Plc	,		1	\$SO	5,515	N/A	\$SO	5,483	
1.00 1.00		F&G Global Funding		"	•	\$SO	5,511	N/A	\$SO	5,440	
ined incl		ING Groep N.V.	,	"	1	\$SO	5,244	N/A	\$SO	5,307	
ined in the comprehensive income comprehensive income assets at fair value through other comprehensive income assets at fair value through other comprehensive income assets at fair value through other comprehensive income comprehensive income assets at fair value through other comprehensive income comprehensive income comprehensive income assets at fair value through other comprehensive income comprehensi		Athene Global Funding	•	"	•	ns\$	5,122	N/A	\$SO	5,032	
ind ind ind ind ind ind ind ind		Hyundai Capital Services, Inc.	1	"	,	\$SO	5,007	N/A	\$SO	4,964	
ing		Svenska Handelsbanken AB (publ)	1	HI HI	,	ns\$	4,723	N/A	ns\$	4,755	
mach mach mach mach mach mach mach mach		QNB Finance Ltd.	•	"	1	\$SO	4,421	N/A	SSO	4,423	
anch trace to the first and the through other through othe		Summonio Musul Tust Bank, Limited Thords Banking Group ale				\$211	3 070	A/N	\$20	3 949	
nuce, LLC 1.55 3.85.3 NA USS ning 1.55 3.347 NA USS ning USS 3.245 NA USS ning USS 3.245 NA USS ning USS 3.245 NA USS ning USS 2.249 NA USS ning USS 2.174 NA USS sing USS 1.174 NA USS sing USS 1.174 NA USS sing NA USS sociation NA		Deutsche Bank AG - New York Branch	1	: =	•	SSO	3.974	V ×	SSO	3,944	
Inc. 1. 1. 1. 1. 1. 1. 1.		Volkswagen Group of America Finance, LLC	•	"	,	NS\$	3,853	N/A	NS\$	3,803	
ing		Mitsubishi UFJ Financial Group, Inc.		"	•	\$SO	3,747	N/A	\$SO	3,725	
1.05 2.81 NA USS 1.88 NA USS 1.89 NA USS 1.8		Jackson National Life Global Funding	,	"	1	\$SO	3,345	N/A	\$SO	3,276	
1.1		ANZ New Zealand (Int'l) Limited		"		\$SO	3,251	N/A	ns\$	3,216	
1.		Scottish Power Limited	1	"	•	SSO.	3,188	A/N	\$SO	3,197	
1.24 1.24 1.24 1.25		Spectra Energy Partners, LP	1	H H	•	ns\$	2,851	Α/N :	ns\$	2,812	
1,174 1,17		National Bank of Canada	•	"	1	\$20	2,091	N/A	\$50	2,088	
State Funding II		GA Clabal Emdine Tener				9511	1,724	N/A	9511	1,75	
Contact Manager Contact Ma		GA Global Fulluing 1rust Reliance Standard Life Global Funding II				\$20	1,1/4	N/A	\$20	5701	
Primancial assets at fair value through other 105 585 585 585 585 585		Rarclays Bank PI C		: =		SSI	745	Z Z	SSI	447	
Pinancial assets at fair value through other USS 68944 N/A USS		AIA Group Limited		: "	,	\$SO	585	N/A	\$SO	587	
Financial assets at fair value through other											
regage Corporation - USS 350,328 bright N/A bright USS 10,328 bright N/A bright USS 10,328 bright N/A bright USS 10,328 bright N/A bright USS 10,310 bright N/A bright USS 10,310 bright N/A bright USS 11,479 bright N/A bright USS 11,479 bright N/A bright USS 10,65 bright N/A		Agency mortgage-backed securities FEDERAL NATIONAL MORTGAGE ASSOCIATION		Financial assets at fair value through other	,		558,944	N/A	\$SO	658,944	
Financial assets at fair value through other US\$ 255,310 N/A US\$ Comprehensive income US\$		Federal Home Loan Mortrage Cornoration		comprehensive income			350 328	ø Z	3511	350 328	
ccy bonds - Financial assets at fair value through other - USS 718,479 N/A USS rtgage Corporation - USS 6,995 N/A USS - - USS 1,065 N/A USS - - USS 1,065 N/A USS - - USS 135,000 N/A USS - - USS 135,000 N/A USS - - USS 88,940 N/A USS - - USS 9,941 N/A USS - - USS 9,941 N/A USS		Government National Mortgage Association		: 1	ı		225,310	N/A	\$SO	225,310	
rigage Corporation - USS 6,995 N/A USS MORTGAGE ASSOCIATION - USS 1,065 N/A USS h/s - USS 1,065 N/A USS nt of The Treasury - USS 135,000 N/A USS nt of The Treasury - USS 88,940 N/A USS al Mortgage Trust 2016-Bnk1 - USS 9,941 N/A USS orgage Securities Trust 2014-C24 - USS 9,818 N/A USS		Government bond/Agency bonds United States Department of The Treasury	•	Financial assets at fair value through other	ı		718,479	N/A	\$SO	718,479	
- USS 1,065 N/A USS 1,065 N/A USS 1,065 N/A USS N/A US		Federal Home Loan Mortgage Corporation		comprehensive income	'	\$SO	6,995	N/A	\$SO	6,995	
Financial assets at amortized cost Comprehensive income Financial assets at amortized cost Comprehensive income Comprehensive i		FEDERAL NATIONAL MORTGAGE ASSOCIATION		#	,	\$SO	1,065	N/A	\$SO	1,065	
10		Federal Home Loan Banks	1	Financial assets at amortized cost	1		225,000	N/A	\$SO	224,645	
Il Mortgage Trust 2016-Bnk1 - Financial assets at fair value through other - US\$ 9,941 N/A US\$ origage Securities Trust 2014-C24 - US\$ 9,818 N/A US\$		Federal Home Loan Mortgage Corporation [Inited States Department of The Treasury		= =		USS	88 940	e e	US\$	134,845	
I Mortgage Trust 2016-Bnk1 - Financial assets at fair value through other - US\$ 9,941 N/A US\$ comprehensive income ortgage Securities Trust 2014-C24 - US\$ 9,818 N/A US\$		Company of the Compan		:			2				
- USS 9,818 N/A USS		Asset-backed securities Wells Fargo Commercial Mortgage Trust 2016-Bnk1	•	Financial assets at fair value through other comprehensive income	•	\$SO	9,941	N/A	NS\$	9,941	
		JPMBB Commercial Mortgage Securities Trust 2014-C24	•	"	1	\$SO	9,818	N/A	\$SO	9,818	
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Particularity with the Computing Printed Statement Account Statement Account	Marketable Securities Type and Name Relating Toyota Auto Receivables 2022-B Owner Trust Gm Financial Consumer Automobile Receivables Trust 2023-3
. USS 9,665 N/A USS 1058 . USS 7,674 N/A USS 1,069 . USS 7,674 N/A USS 1,069 . USS 6,280 N/A USS 1,069 . USS 6,381 N/A USS 1,069 . USS 6,381 N/A USS 1,069 . USS 6,381 N/A USS 1,069 . USS 6,384 N/A USS 1,069 . USS 5,699 N/A USS 1,069 . USS 5,699 N/A USS 1,069 . USS 5,699 N/A USS 1,069 . USS 5,496 N/A USS 1,069 . USS 6,406 N/A USS 1,069 . U	:023-3
10.83 9,033 N/A USS 10.85 7,674 N/A USS 10.85 7,338 N/A USS 10.85 7,354 N/A USS 10.85 7,069 N/A USS 10.85 6,861 N/A USS 10.85 6,891 N/A USS 10.85 6,992 N/A USS 10.85 5,992 N/A USS	3-3
7,674 N/A USS 7,388 N/A USS 7,069 N/A USS 6,280 N/A USS 6,280 N/A USS 6,135 N/A USS 6,028 N/A USS 6,028 N/A USS 6,028 N/A USS 5,902 N/A USS 5,805 N/A USS 5,805 N/A USS 5,607 N/A USS 5,027 N/A USS 5,027 N/A USS 5,027 N/A USS 4,016 N/A USS 4,017 N/A USS 4,016 N/A USS 4,017 N/A USS 4,010 </td <td></td>	
7,200 NAA USS 7,069 N/A USS 6,280 N/A USS 6,280 N/A USS 6,028 N/A USS 6,028 N/A USS 6,028 N/A USS 5,902 N/A USS 5,840 N/A USS 5,699 N/A USS 5,699 N/A USS 5,699 N/A USS 5,204 N/A USS 6,007 N/A USS 6,007 N/A USS 4,007 N/A USS 4,007 </td <td></td>	
7,069 N/A USS 6,280 N/A USS 6,280 N/A USS 6,131 N/A USS 6,028 N/A USS 5,902 N/A USS 5,805 N/A USS 5,805 N/A USS 5,805 N/A USS 5,244 N/A USS 5,274 N/A USS 5,027 N/A USS 5,027 N/A USS 5,027 N/A USS 4,012 N/A USS 4,012 N/A USS 4,012 N/A USS 3,024 N/A USS 3,023 N/A USS 3,023 </td <td></td>	
6.861 N/A USS 6.280 N/A COSS 6.131 N/A USS 6.131 N/A USS 6.028 N/A USS 6.028 N/A USS 6.202 N/A USS 6.203 N/A USS 6.204 N/A USS 6.201 N/A USS 6	
6,280 N/A USS 6,131 N/A USS 6,028 N/A USS 5,902 N/A USS 5,805 N/A USS 5,805 N/A USS 5,204 N/A USS 5,204 N/A USS 5,172 N/A USS 5,101 N/A USS 5,101 N/A USS 6,101 N/A USS 6,102 N/A USS 6,102 N/A USS 6,101 N/A USS 6,	
6.135 N/A 0.88 6.028 N/A 0.88 6.028 N/A 0.88 5.902 N/A 0.88 5.805 N/A 0.88 5.609 N/A 0.88 5.249 N/A 0.88 5.244 N/A 0.88 5.241 N/A 0.88 5.027 N/A 0.88 5.028 N/A 0.88 5.030 N/A 0.88 5.031 N/A 0.88 5.031 N/A 0.88 5.031 N/A 0.88 5.032 N/A 0.88 5.033 N/A 0.88 5.033 N/A 0.88 5.034 N/A 0.88 5.035 N/A 0.88 5.036 N/A 0.88 5.037 N/A 0.88 5.038 N/A 0.88 5.038 N/A 0.88 5.039 N/A 0.88 5.031 N/A 0.88 5.032 N/A 0.88 5.032 N/A 0.88 5.033 N/A 0.88 5.033 N/A 0.88 5.034 N/A 0.88 5.035 N/A 0.88 5.035 N/A 0.88 5.037 N/A 0.88 5.038 N/A 0.88 5.039 N/A 0.88 5.031 N/A 0.88 5.031 N/A 0.88 5.032 N/A 0.88	
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Proceedings Processive Property Processive Proc							December 31, 2023	31, 2023				
Financial Society of the change of the comprehensive intermed 158 2445 NA 188 2445 N	Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carry (Foreign	ing Value	Percentage of Ownership (%)	Fair (Foreign	Value Currencies	Note	
Outprehenske lincome	TSMC Global	Benchmark 2018-B3 Commercial Mortgage Trust		Financial assets at fair value through other		US\$	2,462	N/A	SSU	2,462		
1,000, 1,000,		Bord Cradit Auto Oumar Truct 2000 Davi		comprehensive income		3511	2115	Š	3511	2115		
188 2348 N/A 188 2348		Ford Creat Auto Owner Trust 2020-Rev1 IPMDB 2017-C7				881	2,413	K/N	8SI1	2,413		
100 100		GS Mortgage Securities Trust 2015-GC32				nS\$	2,368	N/A	nS\$	2,368		
1.0 1.0		Citigroup Commercial Mortgage Trust 2016-C1				USS	2,304	N/A	nss	2,304		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		Citigroup Commercial Mortgage Trust 2015-P1		"	1	US\$	2,174	N/A	NS\$	2,174		
1.00		Wells Fargo Commercial Mortgage Trust 2020-C55	•	"		US\$	2,110	N/A	NS\$	2,110		
1,500 NA 1,5		Citigroup Commercial Mortgage Trust 2015-GC27		"	,	nss.	2,107	N/A	nss.	2,107		
1,000, 1,000,		Mhc Commercial Mortgage Trust 2021-Mhc		: "	•	nss	2.090	A/X	nS\$	2.090		
1,000, 1,000,		Ford Credit Auto Owner Trust 2023-A	1		•	nss	1.992	A/X	SSO	1.992		
1,844 N. A. 1,844 N. A. 1,845 N. A		Renchmark 2018-84 Mortoage Trust	,	: "		8511	1 930	A/N	\$511	1 930		
1,000, 1,000,		Morgan Stanlay Canital I Truct				3511	1,530	A/N	3511	1,230		
1,000, 1,000,		Dolo Truct 2021 NVC				3311	1 82 1	N/A	3511	1,031		
1,24		DOLD HINS 2021-IN I C		,,		9511	1,621	N/A	1166	1,621		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		Wells Energy Communical Marten of Trans 2015 C20		" "		9511	1,030	N/A	\$50	1,630		
1,000, 1,000,		Wells Falgo Collineteral Mongage Thus 2013-C30		**		600	1,7,1	N/A	\$50.1	1,5,1		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		JFMBB Commercial Mortgage Securities Trust 2013-C2/		"	•	SSO.	1,527	N/A	SCO LIGHT	1,527		
1		Hyundai Auto Receivables Trust 2022-A	•	"		023	1,524	N/A	\$\$O	1,524		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		Honda Auto Receivables 2023-1 Owner Trust	•	"		0S\$	1,518	N/A	nS\$	1,518		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		UBS Commercial Mortgage Trust 2018-C11	1	"	1	ns\$	1,495	N/A	NS\$	1,495		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		COMM 2020-CBM Mortgage Trust	1	"	1	ns\$	1,476	N/A	NS\$	1,476		
1,000, 1,000,		Morgan Stanley Capital I Trust 2021-L5	1	"	1	ns\$	1,369	N/A	NS\$	1,369		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		Wells Fargo Commercial Mortgage Trust 2018-C44	•	"	•	ns\$	1,305	N/A	nS\$	1,305		
1.10 1.23 1.24 1.04 1.05 1.1		Wells Fargo Commercial Mortgage Trust 2015-C29		"	•	\$SO	1,243	N/A	\$SO	1,243		
1.05 1.237 NA USS 1.137 NA USS 1.137		Ford Credit Auto Owner Trust 2022-C		"	•	\$SO	1,242	N/A	\$SO	1,242		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		Bank 2019-Bnk17		"	•	\$SO	1,237	N/A	\$SO	1,237		
1,14 N/A USS 1,124 N/A USS 1,124		GM Financial Consumer Automobile Receivables Trust 2023-1		"	•	NS\$	1,219	N/A	NS\$	1,219		
1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		FORD CREDIT AUTO OWNER TRUST 2023-REV2	1	"		NS\$	1,124	N/A	NS\$	1,124		
1.		American Express Credit Account Master Trust		"		\$SO	1,016	N/A	\$SO	1,016		
1.		Morgan Stanley Capital I Trust 2015 - UBS8		"	•	SSO	962	N/A	NS\$	962		
1.		Wells Fargo Commercial Mortgage Trust 2016-LC24	•	"		NS\$	939	N/A	NS\$	939		
1.		Ford Credit Auto Owner Trust 2022-A		"		US\$	887	N/A	NS\$	887		
1.00 1.00		Bank 2023-Bnk45	•	"		NS\$	865	N/A	NS\$	865		
1.00 1.00		Nissan Auto Receivables 2023-A Owner Trust	•	"		NS\$	829	N/A	NS\$	829		
1.00 1.00		Toyota Auto Receivables 2021-D Owner Trust	•	"		NS\$	824	N/A	NS\$	824		
1.00 1.00		Benchmark 2021-B24 Mortgage Trust		"	,	\$SO	818	N/A	NS\$	818		
1.00 1.00		JPMBB Commercial Mortgage Securities Trust 2015-C28		"		\$SO	791	N/A	NS\$	791		
1.00 1.00		COMM Mortgage Trust Series 2015-LC19		"		SSO	778	N/A	NS\$	778		
1.00 1.00		Honda Auto Receivables 2022-2 Owner Trust	1	"	•	\$SO	733	N/A	\$SO	733		
1.00 1.00		Citigroup Commercial Mortgage Trust 2015-GC35		"		NS\$	685	N/A	NS\$	685		
1		Wells Fargo Commercial Mortgage Trust 2017-C40		"		NS\$	642	N/A	NS\$	642		
1.00 1.00		JPMCC Commercial Mortgage Securities Trust 2016 - JP3	1	"		USS	581	N/A	US\$	581		
228		JPMBB Commercial Mortgage Securities Trust 2016-C1	1	: "	•	SSII	574	N/A	SSII	574		
		Wells Fargo Commercial Mortgage Trust 2015-C28	1			SSII	529	N/A	\$511	529		
		Ford Credit Auto Owner Trust 2022-B	1	: *	•	SSII	444	N/A	SSII	44		
NXS3 - USS 239 WA USS		Honda Auto Becaivelles 2021.2 Oumer Trust				3511	107	N/A	3511	1.07		
VXS3 - US\$ 425 N/A US\$ - US\$ 387 N/A US\$ - US\$ 255 N/A US\$ - US\$ 255 N/A US\$ - US\$ 255 N/A US\$		Holida Auto Necelvables 2021-2 Owiel Tiust	•			920	124	A/VI	900	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		
. US\$ 38/ N/A US\$		Citigroup Commercial Mortgage 1rust 2018-C5		#		OS\$	425	N/A	OS\$	425		
- US\$ 255 N/A US\$ - US\$ 239 N/A US\$		Toyota Auto Receivables 2021-C Owner Trust	•	"		CS\$	387	N/A	CS\$	387		
. US\$ 239 N/A US\$		Wells Fargo Commercial Mortgage Trust 2015-NXS3		"		CSS C	255	N/A	ns\$	255		
		Benchmark 2019-B14 Mortgage Trust		"		\$SO	239	N/A	ns\$	239		

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value (Foreign Currenci in Thousands)	Carrymg vaue (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Fair Value eign Currencies (Thousands)	Note
	,	Financial assets at fair value through other		\$SO	176	N/A	NS\$	176	
COMM 2015-CCRE22 Mortgage Trust		comprehensive medine	,	SSO OS	151	N/A	NS\$	151	
GS Mortgage Securities Trust 2014-GC24		"	,	\$SO	149	N/A	\$SO	149	
Morgan Stanley Capital I Trust 2019-H6		"	•	\$SO	133	N/A	\$SO	133	
Wells Fargo Commercial Mortgage Trust 2015-LC20		"	•	NS\$	124	N/A	\$SO	124	
Morgan Stanley Capital I Trust 2019-H7		11	'	NS\$	120	N/A	\$SO	120	
JPMDB Commercial Mortgage Securities Trust 2019-COR6		11	'	NS\$	114	N/A	\$SO	114	
Morgan Stanley Capital I Trust 2018-H3		"	•	NS\$	104	N/A	\$SO	104	
Bank 2019-BNK23		"	•	NS\$	26	N/A	\$SO	76	
Citigroup Commercial Mortgage Trust 2014-GC23		"		SSO OS	83	N/A	\$SO	83	
GS Mortgage Securities Trust 2014-GC26		"	•	\$SO	64	N/A	SSO	4	
CF 2019-CF1 Mortgage Trust		"	1	SSO	50	N/A	US\$	50	
BECMS Mortgage 1rust 2020-C/		"		680	٥/	N/A	620	/6	
Non-publicly traded equity investments Primavera Capital Fund II L.P.		Financial assets at fair value through other comprehensive income	•	NS\$	86,515	4	\$SO	86,515	
Non-publicly traded equity investments 5V Technologies, Inc.		Financial assets at fair value through other	1		1	,			
Aether Systems, Inc.		comprehensive income	1,085			20		•	
Publicly traded stocks Sentelic Corporation	,	Financial assets at fair value through other comprehensive income	913	US\$	2,757	ю	NS\$	2,757	
Non-publicly traded equity investments LiquidLeds Lighting Corp.	,	Financial assets at fair value through other	1,952	US\$	800	41	\$SO	008	
Mutual-Pak		comprehensive income	1,701	NS\$	337	17	NS\$	337	
Neoconix, Inc.		"	4,147	\$SO	174		\$SO	174	
Convertible bonds Movandi Corporation		Financial assets at fair value through Profit or	,	\$SO	4,168	N/A	NS\$	4,168	
Encharge AI, Inc.	•	11	1	\$SO	3,099	N/A	NS\$	3,099	
Non-publicly traded equity investments Astera Labs, Inc.		Financial assets at fair value through other comprehensive income	1,487	NS\$	089'6		\$SO	089'6	
Ayar Labs, Inc.		"	345	\$SO	5,000	1	NS\$	5,000	
Ethernovia Inc.		"	1,021	\$SO	5,000	3	\$SO	5,000	
Empower Semiconductor, Inc.	1	"	898	\$SO	5,000	3	\$SO	5,000	
Lyte AI, Inc.		"	1,128	ns\$	5,000	4	NS\$	5,000	
		"	1,176	SSO .	4,771	2	NS\$	4,771	
SiMa Technologies, Inc.	1	ll l	564	NS\$	4,000	- (NS\$	4,000	
NeuReality Ltd.	•	ll ll	122	SSO .	3,194	61 6	US\$	3,194	
Kinara, Inc.		" .	2,015	\$50	3,000	7 6	SSO 11C\$	3,000	
, me.			3,000	eso NSD	2.833	o –	eso NSS	2,833	
			661.4	200	1,00	•	3	0,0,1	

					December 31, 2023	r 31, 2023		
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Development	Convertible preferred stocks IMS Nanofabrication Global, LLC		Financial assets at fair value through Profit or Loss	1	US\$ 432,795	10	US\$ 432,795	
Growth Fund	Non-publicly traded equity investments Astera Labs, Inc.	,	Financial assets at fair value through other	637	US\$ 4,146	1	US\$ 4,146	
	CNEX Labs, Inc.			33	US\$ 133		US\$ 133	
	Publicly traded stocks Marvell Technology Group Ltd.		Financial assets at fair value through other comprehensive income	30	US\$ 1,786		US\$ 1,786	

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 YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

					Beginning Balance	Balance	Acqu	Acquisition		Dis	Disposal			Ending Balance (Note 1)	nce (Note	91)
Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/U (In Thous	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)	unt eign cies in ands)
TSMC	Non-publicly traded equity. investments TSMC Arizona	Investments accounted for		1	1,270	\$ 25,639,079	9,230	\$ 292,649,510	1	ss.	S	€9	1	10,500	\$ 298,604,975	04,975
	JASM ESMC	using equity method " "			1,020	23,330,125	1,249	82 4		' '		1 1	1 1	2,269	47,08	47,087,140
	Emerging Fund	"	,	1	1	1,760,885	'	(Note 2) 641,536	1	,	(244,376)	76)	1	1	1,90	1,901,742
	Commercial paper Cathay Financial Holding Co.,	Financial assets at amortized			,	,	1,687	16,771,708	066	9,900,000	9,900,000		1	269	6,92	6,924,665
	Nan Ya Plastics Corporation	"			450	4,476,301	1,850	18,413,604	1,700	17,000,000	17,000,000	00	1	009	5,97	5,976,677
	China Steel Corporation	" "	1	1	- 000	1 000 450	200	1,985,566	- 000	- 000 000 6	- 000 000 6	' 8	1	200	1,98	1,985,094
	CPC Corporation, Taiwan				750	7,458,936	150	1,491,352	800	8,000,000	8,000,000	3 8		100	8 8	995,553
	Formosa Chemicals & Fibre	"	ı	1	250	2,485,666	009	5,969,662	750	7,500,000	7,500,000	00	'	100	66	994,540
	Corporation Taiwan Power Company Formosa Petrochemical Corporation	"	1 1	1 1	2,950	29,335,729 2,985,385	550	5,473,392	3,450	34,500,000 3,000,000	34,500,000	00 00	1 1	50	4	498,916
TSMC Partners	Fund Matter Venture Partners Fund I, L.P. (Note 3)	Financial assets at fair value through Profit or Loss	1	1	ı	us\$	1	US\$ 4,200	1	- nss	ns\$	- US\$	1	,	US\$	3,587
	Publicly traded stocks ARM Holdings plc	Financial assets at fair value through other comprehensive income	1		1	- RSS	1,961	US\$ 100,000	1	us\$	US\$	- US\$	1	1,961	US\$ 14	147,353
TSMC Global	Corporate bond Bank of America Corporation	Financial assets at fair value through other	1	1	ı	US\$ 76,626	1	US\$ 32,499	1	US\$ 25,548	US\$ 25,685	85 US\$	(137)	1	NS\$ 8	86,588
	Morgan Stanley	comprehensive meome		,	1			\$SO	1		\$SO		(112)	1		76,777
	The Goldman Sachs Group, Inc. Wells Fargo & Company	" "				US\$ 51,439 US\$ 59,735	' '	US\$ 19,457 US\$ 11,895		USS 14,080 USS 14,783	US\$ 14,166 US\$ 14,824	66 US\$	(86)	' '	c ssn	58,351
	JPMorgan Chase & Co.	"		,	•			\$SO	•		\$SO		(150)	1		58,153
	Citigroup Inc. Sumitomo Mitsui Financial					US\$ 61,493	' '	US\$ 18,408		US\$ 31,203	US\$ 31,317	17 US\$	(114)		USS 5	50,436
	Group, Inc.	:														
	-	-													(Con	(Continued)

					Beginnin	Beginning Balance	Acqui	Acquisition			Disposal	ısal			Endin	Ending Balance (Note 1)	e (Note	1)
Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units in (In Thousands)	Am (For Curred Thous	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)	int ign ies in inds)
TSMC Global	Mitsubishi UFJ Financial Group, Inc.	Financial assets at fair value through other	1		'	US\$ 32,949	,	US\$ 14,983	83	NS\$	12,237	US\$ 1	12,291	OSS (5	(54)	<u> </u>	es ssn	36,903
	Barclays PLC	comprehensive income "	1	1	,		1	(1	- 50	\$SO	3,124				(26)	-	ns\$	35,277
	HSBC Holdings plc	" "				US\$ 32,402	1	US\$ 7,361	61	SSD 11Se	10,731	US\$ 1	10,586 1	US\$ 14	145			30,124
	Lloyds Banking Group plc	: 1:				US\$ 4,730			42	nss US\$	717	US\$			(12)			24,131
	BPCE SA	"	1	1	, ·		1		- 28	\$SO	5,840				(10)	-		23,875
	Oracle Corporation	н :			'	US\$ 21,865	'	US\$ 15,752	52	\$SO	14,576	US\$ 1		() \$SI	(77)	'	SSD ST	23,751
	Capital One rimancial Corporation	"					'		- cc	ŝ	4,232				(77)	'		7/5,17
	Credit Agricole SA London Branch	11			'	US\$ 11,611	1	US\$ 10,744	-	ns\$	2,624	NS\$	2,627	NS\$	(3)	-	ns\$	20,395
	AIG Global Funding Meteoroliton I :fc Clobal Eunding	# "			,	US\$ 8,209	1	US\$ 12,370	- 070	\$SD	2,660	US\$	2,699	E) \$SI	(39)	'	US\$	18,428
	Metropolitan Life Global Funding	"			_	0.53 24,408	1	170,4	-	êg n	11,145				(0)	'		8,299
	ABN AMRO Bank N.V.	"		,			1		000	\$SO	, 6	\$SO			' 9	'		18,247
	Danske Bank A/S The Bank of New York Mellon	" "				US\$ 6,149 US\$ 11,282		US\$ 17,235 US\$ 9,795		SSO OS\$	7,452	us\$	7,260 U 5,250 U	US\$ IS	192 76		nss uss	16,698
	Corporation							,	ţ						9	•		
	Amgen Inc. AerCap Ireland Capital	" "				. 310 US\$ 310		US\$ 18,377 US\$ 12,899	- 66	SSO US\$	5,611	us\$	3,568	US\$	43	' '	uss Uss	13,530
	Designated Activity Company Pfizer Investment Entermises Pte	"				- \$811		1188 12 584	45	\$511		\$511	'	\$511		-	SSII	12 590
	Ltd.									3		3						
	ONEOK, Inc. Credit Suisse AG, New York	# #				- US\$ - 12 688		US\$ 10,733	33	US\$	- 12 569	US\$	1 - 69 2 71	US\$ (1800)	- 6	' '	US\$ 1158	11,048
		:			_			† !										
	Bank of America Corporation	Financial assets at amortized				US\$ 324,757	1	US\$ 669,940		ns\$	202,000	US\$ 20	201,456 U	US\$ 544	4	1	US\$ 79	799,449
	Wells Fargo & Company	"		1	'	(4	,			\$SO	159,000		158,626	US\$ 374	74			619,830
	Morgan Stanley The Goldman Sachs Group Inc	* *				US\$ 60,207		US\$ 502,595	95	NS\$	- 270 500	US\$ 27	1 - 005 076	SSD SSI		1	US\$ 50	566,880
	JPMorgan Chase & Co.		1	,			1		25		322,000				315			391,868
	Citigroup Inc.	"	1	1	<u>'</u>		'	US\$ 232,386	- 98		159,000				388			251,481
	Citigroup Global Markets Inc. Citigroup Global Markets	= =				US\$ 349,886 US\$ 149,951		US\$	1 1	nss:	200,000	US\$ 20 US\$ 5	200,000 50.000	US\$			USS 12 USS 5	149,951
	Holdings Inc.				_													
	Goldman Sachs Finance Corp International Ltd	"				US\$ 149,870	1	ns\$	1	0S\$	50,000	US\$ 5	20,000	NS\$		_	SSO	99,905
	Citigroup	"	1		,	- \$SO	1	US\$ 20,000	- 00	\$SO	1			NS\$		_		19,981
	Jpmorgan LLC	11			•	US\$ 49,984	1	NS\$	1	ns\$	50,000	S \$SI	20,000 1	ns\$,		NS\$,
	Agency mortgage-backed securities																	
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	Financial assets at fair value through other	ı		,	US\$ 463,645	,	US\$ 258,497	76	\$SO	71,635	US\$ 7	72,541	(906) \$SD	(90	-	9 \$SO	658,944
	Federal Home Loan Mortgage	comprehensive income	1		1	US\$ 284,933	1	US\$ 121,863		\$SO	60,277	9 \$SO	1 769,09	US\$ (415)	(2)	-	US\$ 35	350,328
	Corporation Government National Mortgage	"			,	US\$ 175,067	1	US\$ 70,079	- 62	ns\$	23,182	US\$ 2	23,871 U	(689) \$SN	(68	-	US\$ 22	225,310
																	(Con	(Continued)

ncluded)
(Concl

				Beginning Balance	Balance	Acqui	Acquisition			Disposal			Ending F	Ending Balance (Note 1)	Note 1)
	Financial Statement Account	Counterparty	Nature of Relationship	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)
Fin	Government bond/Agency bonds United States Department of The Financial assets at fair value	1	1	ı	US\$ 613,603	-	US\$ 263,657	1	US\$ 177	177,248 US\$	181,715	US\$ (4,467)	(73)	- US\$	718,479
- 0	comprehensive income		1	1	- \$SO	,	NS\$ 9,993	,	US\$ 2	2,994 US\$	3,000	NS\$	(9)	ssn -	6,995
Fin	Financial assets at amortized		1	•	- \$SO	,	US\$ 225,000	1	\$SO	- US\$	1	\$SO	-	NS\$	225,000
,	cost "		1	,	- SSO	,	US\$ 160,000	1	US\$ 25	25,000 US\$	25,000	NS\$	-	NS\$	135,000
	li		1	ı	- \$SO	•	US\$ 88,826	1	US\$	- US\$	1	NS\$	1	\$SO	88,940
Fin th	Financial assets at fair value through other comprehensive income			1	US\$ 9,655	1	. ar	1	6 \$SN	9,794 US\$	10,000	US\$ (20	(206)	- ns	,
Fin	Financial assets at fair value through Profit or Loss	1		,	- ns\$		US\$ 432,795	1	US\$	- US\$,	US\$		- US\$	US\$ 432,795

Note 1: The ending balance includes the realized gain/loss on equity investment, the amortization of premium/discount on bonds investments and other related adjustment.

Note 2: Includes a prepayment for investment of EUR 139,930 thousand.

Note 3: TSMC Partners expects to invest US\$ 20,000 thousand in Matter Venture Partners Fund I based on the resolution of the board of directors. As of the end of this quarter, US\$ 4,200 thousand has been remitted.

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 YEAR ENDED DECEMBER 31, 2023

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

	Other Terms	None
	Purpose of Acquisition	Manufacturing
	Price Reference	Price comparison and price negotiation
party	Amount	N/A
Related Counter	Transfer Date	N A
Prior Transaction of Related Counterparty	Relationships	, X
Prior	Owner	Z Z
	Nature of Relationships	
	Counterparty	ABB Ltd. Accudevice Co., Ltd. Accudevice Co., Ltd. Air Liquide Far Eastern Ltd. Alis Electric Co., Ltd. Ani-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull Technology Corp. Corporation Gorfederate Technology Co., Ltd. Confederate Technology Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Hantech Engineering Co., Ltd. Hantech Engineering Co., Ltd. Hanten Electric Co., Ltd. Hanten Electric Co., Ltd. Henteg Luei Process Industry Co., Ltd.
	Payment Term	Based on the terms in the purchase order
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 1,881,000 (Note)
	Transaction Date	February 14, 2023 (Note)
	Types of Property	Real estate
	Company Name	TSMC

	Other Terms		(Continued)
	Purpose of Acquisition		
	Price Pa Reference Ao		
rparty	Amount		
elated Counte	Transfer Date		
Prior Transaction of Related Counterparty	Relationships 1		
Prior	Owner		
	Nature of Relationships	ټ نو نو نو	
	Counterparty	lngersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) JG Environmental Technology Co., Ltd. JJmn-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Lwk Engineering Co., Ltd. Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. San Fu Chemical Co., Ltd. San Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Son Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Shihlin Electric & Engineering Corporation Siemens Limited Solomon Technology Corporation Swift Engineering Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Trasval Technology Co., Ltd. Trasval Technology Co., Ltd. Trasval Technology Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Versum Bateriale Co., Ltd. Yangtech Engineering Co., Ltd.	
	Payment Term		
Transaction	(Foreign Currencies in Thousands)		
	Transaction Date		
	Types of Property	Real estate	
	Company Name	TSMC	

	ns	ಲ್ಲಿ	(penu
	Other	None	(Continued)
	Purpose of Acquisition	Manufacturing purpose	
	Price Reference	Price comparison and price negotiation	
arty	Amount	₹ Z	
Prior Transaction of Related Counterparty	Transfer Date	₹ Z	
r Transaction of I	Relationships	Ž Ž	
Prio	Owner	₹ Ż	
	Nature of Relationships	•	
	Counterparty	ABB Ltd. Accudevice Co., Ltd. Ari Liquide Far Eastern Ltd. Alis Electric Co., Ltd. Alis Copco Taiwan Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Confederate Technology Co., Ltd. Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fortune Electric Co., Ltd. Hantech Engineering Co., Ltd. Hantech Engineering Co., Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Hisieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Junar-Clean-Air Solution Technology Co., Ltd. Jumr-Clean-Air Solution Tech. Services Co., Ltd. Jumr-Clean-Air Solution Tech. Services Co., Ltd. Jusun Instruments Co., Ltd. Likk Engineering Co., Ltd.	
	Payment Term	Based on the terms in the purchase order	
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 366,000 (Note)	
	Transaction Date	May 9, 2023 (Note)	
	Types of Property	Real estate	
	Company Name	1SMC	

Other	None
Purpose of Acquisition	Manufacturing
Price Reference	Price comparison and price negotiation
Amount	N/A
Transfer Date	X A
ner Relationships Transfer Date An	Y Y
Owner	N/A
Nature of Relationships	,
Counterparty	Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Schneider Electric Taiwan Co., Ltd. Siemens Limited Siemens Limited Solomon Technology Corporation Siemens Limited Solomon Technology Corporation Swift Engineering Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. Trusval Technology Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Ying Pao Technology Inc. 90 counterparties(Note), including: Accudevice Co., Ltd. Air Liquide Far Eastern Ltd. All-Bau AG F.Co. Gewerbepark KG
Payment Term	Based on the terms in the purchase order
Amount (Foreign Currencies in Thousands)	US\$4,363,000 (Note)
Transaction Date	August 8, 2023 (Note)
Types of Property	Real estate Real estate
Company	TSMC

Types of Property	Transaction Date	Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Owner	ner Relationships Transfer Date An	Transfer Date	Amount	Price Reference	Purpose of Acquisition	Other Terms	
				Allis Electric Co., Ltd. Am-Power Machine International Enterprise									
				Areal Holding Gesellschaft mbH, Dresden									
				Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited									
				Chang Chun Petrochemical Co., Ltd.									
				Chen Yuan International Co., Ltd.									
				Chenfull International Co., Ltd.									
				Cheng Deh Fire Protection Industrial Corp.									
				Chien Kuo Construction Co.,									
				China Steel Structure Co.,									
				Ltd. Chun Yuan Steel Industry									
				Co., Ltd. Chung-I in General									
				Contractors, Ltd.									
				Cica-Huntek Chemical Technology Taiwan Co.,									
				Ltd. Confederate Technology Co									
				Ltd.	•								
				Da-Cin Construction Co.,									
				Desiccant Technology									
				Corporation Evergreen Steel Corporation									
				Exyte Taiwan Co., Ltd.									
				Fo Cigaretteniabrik GmbH & Co. KG	2								
				Fortune Electric Co., Ltd.									
				Fu 18u Construction Co., Ltd									
				Hantech Engineering Co.,									
				Ltd.									
				Hsieh Kun Co., Ltd. Hueng Luei Process Industry									
				Co., Ltd.									

	Other Terms	
	Purpose of Acquisition	
	Price I	
ý	Amount Re	
nterpart		
elated Com	Transfer Date	
Prior Transaction of Related Counterparty	Relationships	
Prior	Owner	
	Nature of Relationships	
	Counterparty	higersoll-Rand Southeast Asia (Pie) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates JG Environmental Technology Co., Ltd. JJmn-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kedge Construction Co., Ltd. Kinetics Technology Corporation Lead-Fu Industrials Corporation Mandartech International Corp. Marketech International Corp. San Fu Chemical Co., Ltd. Pan Asia (Engineers & Construction) Co., Ltd. San Fu Chemical Co., Ltd. Schnieder Electric Taiwan Co., Ltd. Schnieder Electric Taiwan Corporation Siemens Limited Solomon Technology Corporation Swift Engineering Co., Ltd. Taiwan Obayashi Corporation TASA Construction
	Payment Term	
Transaction	Amount (Foreign Currencies in Thousands)	
	Transaction Date	
	Types of Property	Real estate
	Company Name	TSMC

	Other	None
	Purpose of Acquisition	Manufacturing
	Price Reference	Price comparison and price negotiation
party	Amount	N/A
telated Counter	Transfer Date	X A
Prior Transaction of Related Counterparty	Relationships Transfer Date	, X
Prior	Owner	N/A
	Nature of Relationships	,
	Counterparty	Taiwan Puritic Corp. Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Unagyih-Tech Industrial Co., Ltd. Versum Materials Taiwan Co., Ltd. Wei Shung Technology Corporation Weltall Technology Corporation Wholetech System Hitech Limited Limited Yangech Engineering Co., Ltd. Yankey Engineering Co., Stim Pao Technology Inc. Zhao-Cheng Corp. 27 counterparties(Note), including: Science and Technology Southern Taiwan Science Park Bureau, Ministry of Science and Technology
	Payment Term	Based on the terms in the purchase order
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 464,000 (Note)
	Transaction Date	Real estate November 14, 2023 (Note)
	Types of Property	Real estate
	Company	TSMC

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.

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 YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

				Trans	Transaction Details	ails	Abnorma	Abnormal Transaction	Notes/Accounts Payable or Receivable	ıble or	
Company Name	Related Party	Nature of Relationships	Purchases/ Sales	Amount (Foreign Currencies in Thousands)	% to Total	Payment Terms	Unit Price	Unit Price Payment Terms	Ending Balance (Foreign Currencies in Thousands)	% to Total	Note
TSMC	TSMC North America	Subsidiary	Sales	\$ 1,459,559,406	99	Net 30 days from invoice date	1		\$ 154,789,324	82	
	JASM	Subsidiary	Sales	356,150	1	(Note) Net 30 days from the end of the month of when invoice is	1		1	1	
	TSMC Arizona	Subsidiary	Sales	145,150	1	issued Net 30 days from the end of the month of when invoice is	1			ı	
	GUC TSMC Nanjing	Associate Subsidiary	Sales Purchases	8,898,237 62,252,516	35	issued Net 30 days from invoice date Net 30 days from the end of the month of when invoice is	1 1	1 1	471,728 (5,064,282)	- 6	
	TSMC China	Subsidiary	Purchases	25,643,202	14	issued Net 30 days from the end of the month of when invoice is	1		(2,312,769)	4	
	TSMC Washington	Indirect subsidiary	Purchases	8,302,902	ν.	issued Net 30 days from the end of the month of when invoice is			(199,158)	1	
	SSMC	Associate	Purchases	3,493,671	2	Issued Net 30 days from the end of the month of when invoice is	1	1	(457,348)	-	
	VIS	Associate	Purchases	1,068,535	-	issued Net 30 days from the end of the month of when invoice is issued	1	ı	(66,653)	1	
TSMC North America	GUC	Associate of TSMC	Sales	3,859,301 (US\$ 124,986)	ı	Net 30 days from invoice date	1	,	43,091 (US\$ 1,401)	1	
VisEra Tech	Xintec	Associate of TSMC	Sales	642,113	6	Net 60 days from the end of the month of when invoice is issued		1	109,632	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 NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL December 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

						Overdue		
Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover Days (Note 1)	Amount	Action Taken	Amounts Received in Subsequent Period	Allowance for Bad Debts
TSMC	TSMC North America JASM GUC	Subsidiary Subsidiary Associate	\$ 158,537,008 416,139 471,728	41 Note 2 36	\$ 114,137		\$ 81,336,750	· · · ·
TSMC North America	TSMC	Parent company	116,051 (US\$ 3,774)	Note 2	•	,	,	1
TSMC JDC	TSMC	Parent company	142,303 (JPY 649,192)	Note 2	•	,	,	,
TSMC China	TSMC	Parent company	2,312,769 (RMR 533,456)	33	ı		,	•
	TSMC Nanjing	The same parent company	00 00	Note 2	·	,	•	ı
TSMC Nanjing	TSMC	Parent company	5,064,282 (RMB 1,168,110)	27		,	,	1
VisEra Tech	Xintec	Associate of TSMC	109,632	63	ı		,	1
TSMC Technology	TSMC	The ultimate parent of the Company	483,851 (US\$ 15,737)	Note 2	•	,	•	1
TSMC Washington	TSMC	The ultimate parent of the Company	199,158 (US\$ 6,477)	23		,	,	ı
	TSMC Development	Parent company	342,004 (US\$ 11,123)	Note 2	•		1	

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars)

			Modern	Inter	Intercompany Transactions		
No.	Company Name	Counterparty	Relationship (Note 1)	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	\$ 1,459,559,406		%89
				Receivables from related parties	154,789,324		3%
				Other receivables from related parties	3,747,684	,	1
				Accrued expenses and other current liabilities	101,055,004	,	2%
				Other noncurrent liabilities	134,052,101	,	2%
		JASM		Other noncurrent assets	12,132,766		1
		TSMC China	-	Purchases	25,643,202	,	1%
		TSMC Nanjing	-	Purchases	62,252,516	,	3%
				Payables to related parties	5,064,282	,	1
		TSMC Technology	-	Research and development expenses	3,855,940	,	1
		TSMC Washington		Purchases	8,302,902	,	
1	TSMC China	TSMC Nanjing	3	Other receivables from related parties	38,395,507	,	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 INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

				Original Investment Amount	Hellt Alliount	Dalahee e	Balance as of December 31, 2023	J. Ly MUMO	Not Income	onare or	
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023 (Foreign Currencies in Thousands)	December 31, 2022 (Foreign Currencies in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)	(Losses) of the Investee (Foreign Currencies in Thousands)	Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
TSMC	TSMC Global	Tortola, British Virgin Islands	Investment activities		\$355,162,309	11	100	\$ 441,225,883	\$ 24,922,961	\$ 24,922,961 Subsidiary	Subsidiary
	1SMC Artzona	Fnoemx, Anzona, U.S.A.	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	529,665,510	37,013,800	10,500	001	278,604,977	(10,924,639)	(10,924,039)	Subsidiary
	TSMC Partners	Tortola, British Virgin Islands	Investing in companies involved in the semiconductor design and manufacturing, and	31,456,130	31,456,130	988,268	100	68,143,719	2,776,792	2,776,792	Subsidiary
	JASM	Kumamoto, Japan	other investment activities Manufacturing, sales, testing and computer-aided design of integrated circuits and other	52,630,042	24,567,085	2,269	71	47,087,140	(2,965,675)	(2,120,037) Subsidiary	Subsidiary
	VIS	Hsin-Chu, Taiwan	semiconductor devices Manufacturing, sales, packaging, testing and	10,180,677	10,180,677	464,223	28	13,590,430	7,370,074	2,082,598	Associate
			computer-aided design of integrated circuits and other semiconductor devices and the								
	VisEra Tech	Hsin-Chu, Taiwan	Research, design, development, manufacturing,	4,224,082	4,224,082	213,619	29	11,261,961	356,080	240,749	Subsidiary
	SSMC	Singapore	Manufacturing and sales of integrated circuits and	5,120,028	5,120,028	314	39	9,728,801	2,040,560	791,533	Associate
	TSMC North America	San Jose, California, U.S.A	other semiconductor devices Sales and marketing of integrated circuits and	333,718	333,718	11,000	100	6,278,751	836,066	836,066	Subsidiary
	ESMC	Dresden, Germany	omer semiconductor devices Manufacturing, sales and testing of integrated	4,814,293	,	100	100	4,768,013	(17,570)	(17,570)	(17,570) Subsidiary
	Xintec	Taoyuan, Taiwan	circuits and other semiconductor devices Wafer level chip size packaging and wafer level	(Note 4) 1,988,317	1,988,317	111,282	41	3,759,701	1,375,774	564,191	Associate
	GUC	Hsin-Chu, Taiwan	post passivation interconnection service Researching, developing, manufacturing, testing	386,568	386,568	46,688	35	2,537,706	3,507,885	1,222,121	Associate
	Emerging Fund	Caxman Islands	and marketing of integrated circuits Investing in technology start-un companies	1.666.585	1.269.425	'	6 66	1.901.742	20.313	20.293	Subsidiary
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	1,144,356	1,144,356	49	100	1,224,449	122,786		Subsidiary
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	- 4	100	592,499	42,865	42,865	Subsidiary
	TSMC JDC	i okonama, Japan Cavman Islands	Engineering support acuvities Investing in technology start-up companies	1.242.679	410,680	CI .	98	257.540	40,787		Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	9	100	130,403	4,084		Subsidiary
	VTAF II TSMC Korea	Cayman Islands Seoul, Korea	Investing in technology start-up companies Customer service and supporting activities	260,300	260,300	- 08	98	117,662	429	421	Subsidiary Subsidiary
FSMC Partners	TSMC Development	Delaware, U.S. A	Investing in companies involved in	18.046.607	18.046.607	,	100	37.841.815	1.191.778		Subsidiary
			semiconductor manufacturing	_	(US\$ 586,939)		-	(US\$1,230,748)	(US		
	TSMC Technology	Delaware, U.S.A	Engineering support activities	439,129 (TISS 14,282)	439,129 (TISS 14,282)	•	100	1,126,524	130,938 (TISS 4.284)	Note 2	Subsidiary
	TSMC Canada	Ontario, Canada	Engineering support activities	70,718		2,300	100	378,925 (US\$ 12,324)	(USS	Note 2	Subsidiary

				Original investment Amount	ment zamonnt	Danance	Dallance as of December 31, 2023	1, 4043	Net Income	Share or	
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, December 31, 2023 (Foreign Currencies in Thousands) Thousands)	December 31, 2022 (Foreign Currencies in Thousands)	Shares (In Thousands)	Shares (In Percentage of Thousands) Ownership	Carrying (Losses) of the Value Investee (Foreign (Foreign Currencies in Currencies in Thousands)	(Losses) of the Investee (Foreign Currencies in Thousands)	Pronts/Losses of Investee (Note 1) (Foreign Currencies in	Note
VTAF III Growth Fund		Cayman Islands	Investing in technology start-up companies	\$ 70,578 \$		'	100	\$ 188,990 \$	\$ (966) \$ (32))	Note 2	Note 2 Subsidiary
Mutual-Pak		New Taipei, Taiwan	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID		(US\$ 1,593)	Note 3	Note 3	Note 3	Note 3	Note 2 Note 3	Note 3
TSMC Development TSMC V	TSMC Washington	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	1	1	293,637	100	5,829,197 171,187 (US\$ 189,586) (US\$ 6,053)	171,187 (US\$ 6,053)	Note 2	Note 2 Subsidiary

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

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

Note 3: Due to the decrease in shareholding to 17%, the Company consequently ceased to have significant influence over Mutual-Pak. Therefore, the investment in Mutual-Pak was classified as financial assets at FVTOCI starting November 2023.

Note 4: Includes a prepayment for investment of EUR 139,930 thousand.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR YEAR ENDED DECEMBER 31, 2023

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

Accumulated	Inward Remittance of Earnings as of December 31, 2023	· · · · · · · · · · · · · · · · · · ·	•
Carrying	Amount as of Balance as of December 31, 2023	\$ 95,419,097	87,625,830
	Share of Profits/Losses	\$ 10,210,745 (Note 2)	21,762,378 (Note 2)
	Percentage of Ownership	100%	100%
	Net Income (Losses) of the Investee Company	\$ 10,118,593	21,755,071
Accumulated	Countow of Investment from Taiwan as of December 31, 2023 (US\$ in Thousands)	\$ 18,939,667 (US\$ 596,000)	30,521,412 (US\$ 1,000,000)
nt Flows	Inflow	· ••	1
Investment Flows	Outflow (US\$ in Thousands)	· ••	ı
Accumulated	Outflow of Investment from Taiwan as of January 1, 2023 (US\$ in Thousands)	\$ 18,939,667 (US\$ 596,000)	30,521,412 (US\$ 1,000,000)
	Method of Investment	(Note 1)	(Note 1)
	Total Amount of Paid-in Capital (RMB in Thousands)	\$ 18,939,667 (RMB 4,502,080)	30,521,412 (RMB 6,650,119)
	Main Businesses and Products	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices
	Investee Company	TSMC China	TSMC Nanjing

ccumulated Investment in Mainland China as of December 31, 2023 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment
\$ 49,461,079	\$ 119,412,667	\$ 2,089,957,708
(US\$ 1,596,000)	(US\$ 3,596,000)	(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 audited 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

	Shares	
Shareholders (Note 1)	Total Shares Owned	Ownership Percentage (Note 2)
ADR-Taiwan Semiconductor Manufacturing Company Ltd.	5,315,513,063	20.50%
National Development Fund, Executive Yuan	1,653,709,980	6.38%

Note 1: Major shareholders shows the list of all shareholders with ownership of 5 percent or greater.

Note 2: The calculation of ownership percentage is rounded to two decimal places.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

Deloitte.

勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Taiwan Semiconductor Manufacturing Company Limited

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2023 is stated as follows:

<u>Property</u>, plant and equipment (PP&E) – commencement of depreciation related to PP&E classified as equipment under installation and construction in progress (EUI/CIP)

Refer to Notes 4, 5 and 13 to the parent company only financial statements.

The Company's evaluation of when to commence depreciation of EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets

to be capable of operating in the intended manner. Changes in these assumptions could have a significant impact on when depreciation is recognized.

Given the subjectivity in determining the date to commence depreciation of EUI/CIP, performing audit procedures to evaluate the reasonableness of the Company's judgments and assumptions required a high degree of auditor judgment. Consequently, the validity of commencement of depreciation related to PP&E classified as EUI/CIP is identified as a key audit matter.

Our audit procedures related to the evaluation of when to commence depreciation of EUI/CIP included the following, among others:

- 1. We read the Company's policy and understood the criteria used to determine when to commence depreciation.
- 2. We tested the effectiveness of the controls over the evaluation of when to commence depreciation of EUI/CIP.
- 3. We sampled the year-end balance of EUI/CIP and performed the following for each selection:
 - a. Evaluated whether the selection did not meet the criteria specified by the Company for commencement of depreciation.
 - b. Observed the assets and evaluated their status.
- 4. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation during the year.
- 5. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation subsequent to year end.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shih Tsung Wu and Shang Chih Lin.

Shall was a Tanahama and Shang Chih Lin.

Deloitte & Touche Taipei, Taiwan

Republic of China

February 6, 2024

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

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

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31,	2023	December 31,	2022
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 718,703,712	15	\$ 628,875,897	14
Financial assets at fair value through profit or loss (Note 7)	624,685	-	552,255	-
Financial assets at amortized cost (Note 8)	18,371,705	-	48,732,476	1
Notes and accounts receivable, net (Note 10)	33,557,279	1	41,311,836	1
Receivables from related parties (Note 30)	155,261,877	3	173,044,812	4
Other receivables from related parties (Note 30)	4,360,322	-	6,357,925	-
Inventories (Notes 5 and 11) Other financial assets	238,259,195 4,321,083	5	208,282,895 2,801,253	5
Other current assets	12,328,706	-	8,591,040	
Other current assets	12,320,700		0,571,010	
Total current assets	1,185,788,564	24	1,118,550,389	25
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income	960,950	- 22	1,014,741	16
Investments accounted for using equity method (Note 12) Property, plant and equipment (Notes 5 and 13)	1,094,695,092	23 50	727,947,169 2,432,675,050	16
Right-of-use assets (Notes 5 and 14)	2,453,465,322 37,872,705	1	39,051,427	55 1
Intangible assets (Notes 5 and 15)	17,684,064	-	21,456,104	1
Deferred income tax assets (Notes 5 and 23)	62,356,061	1	67,708,061	2
Refundable deposits	3,433,404	_	2,095,656	_
Other noncurrent assets (Note 30)	17,823,122	1	11,920,467	
Total noncurrent assets	3,688,290,720	<u>76</u>	3,303,868,675	75
TOTAL	\$ 4,874,079,284	100	\$ 4,422,419,064	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 25,673	_	\$ 17,468	_
Hedging financial liabilities (Notes 9 and 27)	27,290,400	1	-	_
Accounts payable	47,643,493	1	48,732,542	1
Payables to related parties (Note 30)	10,119,695	-	10,051,044	-
Salary and bonus payable	27,754,742	1	31,308,620	1
Accrued profit sharing bonus to employees and compensation to directors (Note 26)	50,642,488	1	61,392,175	1
Payables to contractors and equipment suppliers	84,146,173	2	200,046,018	5
Cash dividends payable (Note 18) Income tax payable (Notes 5 and 23)	168,558,461 98,564,981	3 2	142,617,093 120,077,567	3
Long-term liabilities - current portion (Notes 16 and 27)	6,997,710	_	18,100,000	-
Accrued expenses and other current liabilities (Notes 5, 14, 19, 27 and 30)	241,858,508	5	266,903,073	6
Total current liabilities	763,602,324	16	899,245,600	20
NONCURRENT LIABILITIES Pards growth: Object 16 and 27)	420.960.955	0	261 120 474	0
Bonds payable (Notes 16 and 27) Deferred income tax liabilities (Notes 5 and 23)	439,869,855	9	361,130,474 908,273	8
Lease liabilities (Notes 5, 14 and 27)	26,959,435	-	27,593,900	1
Net defined benefit liability (Note 17)	9,257,224	_	9,321,091	-
Guarantee deposits	915,344	_	885,273	_
Others (Notes 19 and 30)	174,561,475	4	177,681,258	4
Total noncurrent liabilities	651,563,333	13	577,520,269	13
Total liabilities	1,415,165,657		1,476,765,869	33
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Capital stock (Note 18)	259,320,710	5	259,303,805	6
Capital surplus (Note 18)	69,876,381	$\frac{-5}{2}$	69,330,328	<u>6</u> 2
Retained earnings (Note 18)	07,070,301		07,550,520	
Appropriated as legal capital reserve	311,146,899	6	311,146,899	7
Appropriated as special capital reserve	-	-	3,154,310	-
Unappropriated earnings	2,846,883,893	59	2,323,223,479	53
04 47 10	3,158,030,792	65	2,637,524,688	60
Others (Note 18)	(28,314,256)	(1)	(20,505,626)	(1)
Total equity	3,458,913,627	<u>71</u>	2,945,653,195	67
TOTAL	\$ 4,874,079,284	100	<u>\$ 4,422,419,064</u>	100

The accompanying notes are an integral part of the parent company only financial statements.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 19 and 30)	\$ 2,153,285,095	100	\$ 2,252,320,561	100
COST OF REVENUE (Notes 5, 11, 26 and 30)	1,022,660,164	<u>47</u>	951,927,673	42
GROSS PROFIT	1,130,624,931	53	1,300,392,888	58
OPERATING EXPENSES (Notes 5, 26 and 30) Research and development General and administrative Marketing	178,725,098 39,890,037 5,118,396	9 2	160,813,633 42,764,642 6,059,649	7 2 —-
Total operating expenses	223,733,531	11	209,637,924	9
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 13 and 26)	481,455		(8,275)	(1)
INCOME FROM OPERATIONS	907,372,855	42	1,090,746,689	48
NON-OPERATING INCOME AND EXPENSES Share of profits of subsidiaries and associates (Note 12) Interest income (Note 20) Other income Foreign exchange gain (loss), net (Note 32) Finance costs (Note 21) Other gains and losses, net (Note 22) Total non-operating income and expenses	52,587,403 17,825,551 230,801 (3,238,713) (4,600,793) 7,594,132	2 1 - - - - 3	42,415,408 5,957,864 887,958 853,022 (3,240,406) 3,053,281	2 1 - - - - 3
INCOME BEFORE INCOME TAX	977,771,236	45	1,140,673,816	51
INCOME TAX EXPENSE (Notes 5 and 23)	139,273,572	6	124,143,567	6
NET INCOME	838,497,664	39	1,016,530,249	<u>45</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 5, 12, 17, 18 and 23) Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit obligation Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive	(623,356)	-	(823,060)	-
income Gain on hedging instruments	(53,665) 39,898	-	18,979	-
Share of other comprehensive gain/(loss) of subsidiaries and associates Income tax benefit related to items that will not be	2,049,357	-	(127,903)	-
reclassified subsequently	124,646 1,536,880	<u> </u>	733,956 (198,028)	
			(Co	ontinued)

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	\$ (13,645,829)	-	\$ 51,030,928	2
Share of other comprehensive gain/(loss) of subsidiaries and associates Income to a hone-fit related to items that may be	4,120,827	-	(8,244,295)	-
Income tax benefit related to items that may be reclassified subsequently	(9,525,002)		6,036 42,792,669	
Other comprehensive income (loss), net of income tax	(7,988,122)		42,594,641	2
TOTAL COMPREHENSIVE INCOME	<u>\$ 830,509,542</u>	<u>39</u>	<u>\$ 1,059,124,890</u>	<u>47</u>
EARNINGS PER SHARE (NT\$, Note 24) Basic earnings per share Diluted earnings per share	\$ 32.34 \$ 32.34		\$ 39.20 \$ 39.20	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

										Othorn				
	Canital Stock - Common Stock	Common Stock			Retained Earnines	Sarninos	'	Foreign Currency	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other	Outers Gain (Loss) on	Unearned Stock-Based			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Translation Reserve	Comprehensive Income	Hedging Instruments	Employee Compensation	Total	Treasury Stock	Total Equity
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
Appropriations of earnings Special capital reserve Cash dividends to shareholders Total			1 1 1	1 1 1	(56,149,902)	56,149,902 (285,234,185) (229,084,283)	(285,234,185) (285,234,185)	1 1 1	1 1 1				1 1	(285,234,185) (285,234,185)
Netincome			٠	٠	•	1,016,530,249	1,016,530,249			٠	٠	٠		1,016,530,249
Other comprehensive income (loss), net of income tax						(49,572)	(49,572)	51,560,060	(10,327,421)	1,411,574		42,644,213		42,594,641
Total comprehensive income (loss)						1,016,480,677	1,016,480,677	51,560,060	(10,327,421)	1,411,574		42,644,213		1,059,124,890
Share-based payment arrangements	1,387	13,870	438,029					•	•		(185,153)	(185,153)		266,746
Treasury stock acquired	•	•	•	•	•			•	•	•	•	•	(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	•	•		•	,	303,242	303,242	•	(303,242)	,		(303,242)	•	•
Basis adjustment for loss on hedging instruments	•	•			•	•		•	•	(52,929)		(52,929)		(52,929)
Adjustments to share of changes in equities of associates			4,541											4,541
From share of changes in equities of subsidiaries		•	4,115,940								1			4,115,940
Donation from shareholders			13,205							•				13,205
BALANCE, DECEMBER 31, 2022	25,930,380	259,303,805	69,330,328	311,146,899	3,154,310	2,323,223,479	2,637,524,688	(11,743,301)	(10,056,353)	1,479,181	(185,153)	(20,505,626)		2,945,653,195
Appropriations of earnings Special capital reserve Total					(3,154,310)	3,154,310 (317,663,220) (314,508,910)	(317,663,220)							(317,663,220)
Netincome						838,497,664	838,497,664							838,497,664
Other comprehensive income (loss), net of income tax						(484,898)	(484,898)	(13,573,468)	6,108,369	(38,125)		(7,503,224)		(7,988,122)
Total comprehensive income (loss)						838.012.766	838.012.766	(13.573,468)	6,108,369	(38.125)		(7,503,224)		830,509,542
Employee restricted shares retired	(419)	(4,195)	4,195	•		4,614	4,614	•	•				•	4,614
Share-based payment arrangements	2,110	21,100	564,868	•				•	•		(108,281)	(108,281)	•	477,687
Disposal of investments in equity instruments at fair value through other comprehensive income	•	•		•	,	151,944	151,944	•	(151,944)	,		(151,944)	•	•
Basis adjustment for loss on hedging instruments	•		,	•				•	•	(45,181)	,	(45,181)	•	(45,181)
Adjustments to share of changes in equities of associates			(18,155)											(18,155)
From share of changes in equities of subsidiaries	•		(21,268)	•				•	•				•	(21,268)
Donation from shareholders			16,413											16,413
BALANCE, DECEMBER 31, 2023	25,932,071	\$ 259,320,710	\$ 69,876,381	\$ 311,146,899	8	\$ 2,846,883,893	\$ 3,158,030,792	\$ (25,316,769)	\$ (4,099,928)	\$ 1,395,875	\$ (293,434)	\$ (28,314,256)	8	\$ 3,458,913,627

The accompanying notes are an integral part of the parent company only financial statements.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 977,771,236	\$ 1,140,673,816
Adjustments for:	+ /////-,=	+ -, , ,
Depreciation expense	500,300,771	413,595,082
Amortization expense	9,197,976	8,706,961
Expected credit losses recognized on investments in debt instruments	5,789	10,341
Finance costs	4,600,793	3,240,406
Share of profits of subsidiaries and associates	(52,587,403)	(42,415,408)
Interest income	(17,825,551)	(5,957,864)
Share-based compensation	482,302	266,746
Loss (gain) on disposal or retirement of property, plant and equipment, net	76,638	(436,567)
Loss (gain) on disposal or retirement of intangible assets, net	(3,045)	3,720
Impairment loss on property, plant and equipment	-	790,740
Loss (gain) on foreign exchange, net	183,093	9,965,603
Dividend income	(214,911)	(207,028)
Others	(317,394)	131,637
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	(24,326)	(1,025,979)
Notes and accounts receivable, net	7,754,557	4,588,461
Receivables from related parties	17,782,935	(34,692,438)
Other receivables from related parties	2,115,413	(1,074,087)
Inventories	(29,976,300)	(23,123,047)
Other financial assets	(1,019,979)	1,894,328
Other current assets	(7,799,552)	(712,233)
Other noncurrent assets	(720,278)	(8,532,751)
Accounts payable	(1,089,049)	7,528,120
Payables to related parties	67,281	2,362,846
Salary and bonus payable	(3,553,878)	10,494,186
Accrued profit sharing bonus to employees and compensation to directors	(10,749,687)	25,303,189
Accrued expenses and other current liabilities	(42,119,570)	47,110,082
Other noncurrent liabilities	12,836,220	86,831,552
Net defined benefit liability	(687,223)	(2,538,848)
Cash generated from operations	1,364,486,858	1,642,781,566
Income taxes paid	(157,403,955)	(83,364,086)
Net cash generated by operating activities	1,207,082,903	1,559,417,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:	(54.000.505)	(07.740.405)
Financial assets at amortized cost	(51,099,687)	(97,748,105)
Equity interest in subsidiary	(3,359)	(007.574.002)
Property, plant and equipment	(634,971,543)	(897,574,802)
Intangible assets	(4,898,499)	(6,679,871)
Proceeds from disposal or redemption of:	01 000 000	40 100 000
Financial assets at amortized cost	81,900,000	49,190,000
Property, plant and equipment	1,369,856	1,665,212
Intangible assets	3,078	3,750
Proceeds from return of capital of investments in equity instruments at fair	105	2.020
value through other comprehensive income	125	2,938 (Continued)
		(Continued)

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2023	2022
Interest received	\$ 16,851,011	\$ 4,889,786
Other dividends received	214,911	207,028
Dividends received from investments accounted for using equity method	3,849,295	3,248,044
Refundable deposits paid	(1,703,523)	(1,611,716)
Refundable deposits refunded	359,682	406,185
Net cash used in investing activities	(588,128,653)	(944,001,551)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(111,959,992)
Increase in hedging financial liabilities - bank loans	27,908,580	-
Proceeds from issuance of bonds	85,700,000	65,400,000
Repayment of bonds	(18,100,000)	(4,400,000)
Payments for transaction costs attributable to the issuance of bonds	(88,681)	(69,528)
Treasury stock acquired	-	(871,566)
Repayment of the principal portion of lease liabilities	(2,094,258)	(1,848,257)
Interest paid	(4,724,074)	(3,757,985)
Guarantee deposits received	187,164	216,589
Guarantee deposits refunded	(286,036)	(45,643)
Cash dividends	(291,721,852)	(285,234,185)
Payment of partial acquisition of interests in subsidiaries	(326, 167, 994)	(40,421,374)
Proceeds from partial disposal of interests in subsidiaries	244,376	144,505
Donation from shareholders	16,340	13,163
Net cash used in financing activities	(529,126,435)	(382,834,273)
NET INCREASE IN CASH AND CASH EQUIVALENTS	89,827,815	232,581,656
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	628,875,897	396,294,241
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 718,703,712	\$ 628,875,897

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. GENERAL

Taiwan Semiconductor Manufacturing Company Limited (the "Company" or "TSMC"), a Republic of China (R.O.C.) corporation, was incorporated on February 21, 1987. The Company 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, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). On October 8, 1997, the Company 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.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on February 6, 2024.

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, "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company:

Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company's exposure to Pillar Two income taxes. The requirement that the Company applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments in May 2023. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
New, Amended and Revised Standards and Interpretations	by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or	January 1, 2024
Non-current" and "Non-current Liabilities with Covenants"	

c. The IFRS Accounting Standards issued by IASB, but not yet endorsed and issued into effect by the FSC

	Effective Date Issued
New, Amended and Revised Standards and Interpretations	by IASB
_	

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

As of the date the accompanying parent company only financial statements were authorized for issue, 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 MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying parent company only 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 parent company only financial statements shall prevail.

Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

Basis of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in

the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Classification of Current and Noncurrent Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement date basis for which financial assets were classified in the same way, respectively. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Category of financial assets and measurement

Financial assets are classified into the following categories: financial assets at FVTPL, investments in equity instruments at FVTOCI and financial assets at amortized cost.

1) Financial asset at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Any gain or loss arising from

remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

2) Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity investments that is not held for trading as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the Company's rights clearly represent a recovery of part of the cost of the investment.

3) Measured at amortized cost

Cash and cash equivalents, commercial paper, notes and accounts receivable (including related parties), other receivables, refundable deposits and temporary payments (including those classified under other current assets and other noncurrent assets) are measured at amortized cost.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss.

b. Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured either at amortized cost using effective interest method or at FVTPL.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Financial Instruments

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative financial instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge Accounting

a. Cash flow hedge

The Company designates certain hedging instruments, such as forward exchange contracts, to partially hedge its foreign exchange rate risks associated with certain highly probable forecast transactions (capital expenditures). The effective portion of changes in the fair value of hedging instruments is recognized in other comprehensive income. When forecast transactions actually take place, the accumulated gains or losses that were recognized in other comprehensive income are transferred from equity to the initial cost of the hedged items. The gains or losses from hedging instruments relating to the ineffective portion are recognized immediately in profit or loss.

The Company prospectively discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

b. Hedges of net investments in foreign operations

The Company designates certain hedging instruments, such as bank loans denominated in foreign currency, as a hedge of net investments in foreign operations to manage the exchange differences arising on translation of foreign operations due to currency fluctuations. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The gains and losses on the hedging instrument relating to the effective portion of the hedge, which were accumulated in the foreign currency translation reserve, are reclassified to profit or loss on the disposal or partial disposal of a foreign operation.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Investments Accounted for Using Equity Method

Investments accounted for using the equity method include investments in subsidiaries and associates.

Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the subsidiary had directly disposed of the related assets and liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes its share in the changes in the equities of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

When the Company transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not owned by the Company.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction, acquisition of the item of property, plant and equipment or borrowing costs eligible for capitalization.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other identical categories of property, plant and equipment, commences when the assets are available for their intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: buildings (assets used by the Company and assets subject to operating leases) - 10 to 20 years; machinery and equipment (assets used by the Company and assets subject to operating leases) - 5 years; and office equipment - 5 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each

reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

For a contract that contains a lease component and non-lease component, the Company may elect to account for the lease and non-lease components as a single lease component.

The Company as lessor

Rental income from operating lease is recognized on a straight-line basis over the term of the lease.

The Company as lessee

Except for payments for low-value asset leases and short-term leases (leases of machinery and equipment and others) which are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or a rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee's incremental borrowing rates.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, or a change in the assessment of an option to purchase an underlying asset, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Intangible Assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Other intangible assets

Other separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives: Technology license fees - the estimated life of the technology or the term of the technology transfer contract; software and system design costs - 3 years or contract period; patent and others - the economic life or contract period. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of Tangible Assets, Right-of-use Assets and Intangible Assets

Goodwill

Goodwill is not amortized and instead is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units or groups of cash-generating units that are expected to benefit. If the recoverable amount of a cash generating unit is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to such cash-generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Tangible assets, right-of-use assets and other intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets (property, plant and equipment), right-of-use assets and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue Recognition

The Company recognizes revenue when performance obligations are satisfied. The performance obligations are satisfied when customers obtain control of the promised goods which is generally when the goods are delivered to the customers' specified locations.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund liabilities, which is classified under accrued expenses and other current liabilities.

In principle, payment term granted to customers is due 30 days from the invoice date or 15-30 days from the end of the month of when the invoice is issued. Due to the short term nature of the receivables from sale of goods with the immaterial discounted effect, the Company measures them at the original invoice amounts without discounting.

Employee Benefits

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculations.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan.

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.

Current tax

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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

In the application of the aforementioned Company's accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Material Accounting Judgments

Revenue Recognition

The Company recognizes revenue when the conditions described in Note 4 are satisfied.

Commencement of Depreciation Related to Property, Plant and Equipment Classified as Equipment under Installation and Construction in Progress (EUI/CIP)

As described in Note 4, commencement of depreciation related to EUI/CIP involves determining when the assets are available for their intended use. The criteria the Company uses to determine whether EUI/CIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner.

Judgments on Lease Terms

In determining a lease term, the Company considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions covered by the optional periods, and the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within the control of the Company occurs.

Key Sources of Estimation and Uncertainty

Estimation of Sales Returns and Allowances

Sales returns and other allowance is estimated and recorded based on historical experience and in consideration of different contractual terms. The amount is deducted from revenue in the same period the related revenue is recorded. The Company periodically reviews the reasonableness of the estimates.

Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses estimate to determine the net realizable value of inventory at the end of each reporting period.

The Company estimates the net realizable value of inventory for normal waste, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions of future demand within a specific time horizon.

Impairment of Tangible Assets, Right-of-use Assets and Intangible Assets Other than Goodwill

In the process of evaluating the potential impairment of tangible assets, right-of-use assets and intangible assets other than goodwill, the Company determines the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of semiconductor industry. Any change in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

Realization of Deferred Income Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

Determination of Lessees' Incremental Borrowing Rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, the Company mainly takes into account the market risk-free rates, the estimated lessee's credit spreads and secured status in a similar economic environment.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash and deposits in banks	\$ 710,158,232	\$ 618,449,503
Money market funds	7,438,588	-
Repurchase agreements	1,106,892	859,964
Commercial paper	_	9,566,430
	<u>\$ 718,703,712</u>	\$ 628,875,897

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

	December 31, 2023	December 31, 2022
Financial assets		
Mandatorily measured at FVTPL Forward exchange contracts	<u>\$ 624,685</u>	<u>\$ 552,255</u>
Financial liabilities		
Held for trading Forward exchange contracts	<u>\$ 25,673</u>	<u>\$ 17,468</u>

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

Outstanding forward exchange contracts consisted of the following:

	Maturity Date		ract Amount Thousands)
<u>December 31, 2023</u>			
Sell NT\$ Sell US\$	January 2024 January 2024	NT\$ US\$	26,251,763 829,000
<u>December 31, 2022</u>			
Sell NT\$	January 2023 to March 2023	NT\$	79,610,590

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Commercial paper Less: Allowance for impairment loss	\$ 18,387,835 (16,130)	\$ 48,742,817 (10,341)
	<u>\$ 18,371,705</u>	\$ 48,732,476

Refer to Note 29 for information relating to the credit risk management and expected credit loss for financial assets at amortized cost.

9. HEDGING FINANCIAL INSTRUMENTS

	December 31, 2023
Financial liabilities- current	
Hedges of net investments in foreign operations Bank loans	<u>\$ 27,290,400</u>

Cash flow hedge

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

On the basis of economic relationships, the Company expects that the value of forward exchange contracts and the value of hedged transactions will change in opposite directions in response to movements in foreign exchange 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 exchange contracts. No other sources of ineffectiveness emerged from these hedging relationships during the hedging period. For the years ended December 31, 2023, refer to Note 18 (d) for gain or loss arising from changes in the fair value of hedging instruments and the amount transferred to initial carrying amount of hedged items.

The effect of hedging foreign currency risk for the years ended December 31, 2023 is detailed below:

	Change in Value Used for Calculating Hedge Ineffectiveness
Hedging Instruments/Hedged Items	Years Ended December 31, 2023
Hedging Instruments Forward exchange contracts	<u>\$ 39,898</u>
Hedged Items Forecast transaction	<u>\$ (39,898)</u>

Hedges of net investments in foreign operations

The Company has designated the bank loans denominated in foreign currency as a hedge of net investments in foreign operations to manage its foreign currency risk arising from investment in overseas subsidiaries.

The main source of hedge ineffectiveness in these hedging relationships is driven by the material difference between the notional amount of bank loans denominated in foreign currency and the net investment in foreign operations. No other sources of ineffectiveness have emerged from these hedging relationships during the hedging period. For the year ended December 31, 2023, refer to Note 18 (d) for gain or loss arising from changes in the fair value of hedging instruments.

The following tables summarize the information relating to the hedges of net investments in foreign operations.

<u>December 31, 2023</u>

	Contract Amount	Annual		Other Equity (Continuing
Hedging Instruments	(In Thousands)	Interest Rate	Maturity	Hedges)
Bank loans	JPY124,500,000	0%	Due by April 2024	\$ 618,180

The effect for the year ended December 31, 2023 is detailed below:

	Change in Value Used for Calculating Hedge
	Ineffectiveness
Hedging Instruments/Hedged Items	Year Ended December 31, 2023
Hedging Instruments Bank loans	<u>\$ 618,180</u>
Hedged Items Net investments in foreign operations	<u>\$ (618,180</u>)

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	December 31, 2023	December 31, 2022
At amortized cost		
Notes and accounts receivable	\$ 28,676,101	\$ 34,316,916
Less: Loss allowance	(530,139)	(330,686)
	28,145,962	33,986,230
At FVTOCI	5,411,317	7,325,606
	<u>\$ 33,557,279</u>	<u>\$ 41,311,836</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 15-30 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

	December 31, 2023	December 31, 2022
Not past due	\$ 33,618,149	\$ 40,353,856
Past due Past due within 30 days Past due over 31 days	469,269	1,268,778 19,888
Less: Loss allowance	(530,139)	(330,686)
	<u>\$ 33,557,279</u>	<u>\$ 41,311,836</u>

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

Movements of the loss allowance for accounts receivable

	Years Ended December 31		
	2023	2022	
Balance, beginning of year Provision (Reversal)	\$ 330,686 	\$ 345,905 (15,219)	
Balance, end of year	<u>\$ 530,139</u>	\$ 330,686	

For the years ended December 31, 2023 and 2022, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods Work in process Raw materials Supplies and spare parts	\$ 33,839,662 153,362,168 37,279,545 13,777,820	\$ 52,318,299 120,893,772 19,750,618 15,320,206
	<u>\$ 238,259,195</u>	<u>\$ 208,282,895</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. The amounts are illustrated below:

	Years Ended	Years Ended December 31		
	2023	2022		
Net inventory losses	\$ 3,526,480	\$ 4,613,077		

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments accounted for using the equity method consisted of the following:

	December 31, 2023	December 31, 2022
Subsidiaries Associates	\$1,065,078,454 29,616,638	\$ 700,324,717 27,622,452
	<u>\$1,094,695,092</u>	\$ 727,947,169

a. Investments in subsidiaries

Subsidiaries consisted of the following:

		Place of	Carrying	Amount	Percentage of	of Ownership
Subsidiaries	Principal Activities	Incorporation and Operation	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
TSMC Global Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	\$ 441,225,883	\$ 411,992,426	100%	100%
TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, selling and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	298,604,975	25,639,079	100%	100%
TSMC China Company Limited (TSMC China)	Manufacturing, selling, testing and computer-aided design of integrated circuits and other semiconductor devices	Shanghai, China	95,419,097	87,028,722	100%	100%
TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, selling, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	87,625,830	67,385,300	100%	100%
TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the design, manufacture, and other related business in the semiconductor industry and other investment activities	Tortola, British Virgin Islands	68,143,719	63,697,217	100%	100%
Japan Advanced Semiconductor Manufacturing, Inc. (JASM)	Manufacturing, sales, testing and computer aided design of integrated circuits and other semiconductor devices	Kumamoto, Japan	47,087,140	23,330,125	71%	71%
VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsinchu, Taiwan	11,261,961	11,467,860	67%	68%
TSMC North America	Selling and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	6,278,751	5,449,755	100%	100%
European Semiconductor Manufacturing Company (ESMC) GmbH (ESMC)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Dresden, Germany	4,768,013	-	100%	-
Emerging Fund L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	1,901,742	1,760,885	99.9%	99.9%
TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	1,224,449	1,172,706	100%	100%
TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	592,499	527,693	100%	100%
TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	394,191	376,176	100%	100%
VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in new start-up technology companies	Cayman Islands	257,540	246,702	98%	98%
TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	130,403	134,560	100%	100%
VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in new start-up technology companies	Cayman Islands	117,662	71,429	98%	98%
TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	44,599	44,082	100%	100%
			\$ 1,065,078,454	\$ 700,324,717		

The Company continually increased its investment in TSMC Arizona for the amount of NT\$292,649,510 thousand and NT\$15,372,500 thousand in both of 2023 and 2022, respectively. 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.

The Company continually increased its investment in JASM for the amount of NT\$28,062,957 thousand and NT\$23,150,164 thousand in both of 2023 and 2022, respectively. The Company's shareholding and the proportion of voting rights in JASM are 71% and 81%, respectively. The Company increased its investment in JASM for the amount of NT\$11,144,154 thousand in January 2024.

As VisEra employees continue to exercise their employee share options, the Company's ownership in VisEra continues to decline. This transaction was accounted for as an equity transaction since the transaction did not change the Company's control over VisEra.

ESMC was established in June 2023, and the Company continually increased its investment in ESMC for the amount of NT\$4,814,293 thousand. The Company sold its 10% shares to Robert Bosch GmbH, Infineon Technologies AG and NXP Semiconductors N.V. in January 2024. After selling shares, The Company's shareholding in ESMC decreased from 100% to 70%. This transaction was accounted for as an equity transaction since the transaction did not change the Company's control over ESMC.

b. Investments in associates

Associates consisted of the following:

		Place of	Carrying Amount			nip and Voting the Company
Name of Associate	Principal Activities	Incorporation and Operation	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
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	\$ 13,590,430	\$ 13,492,653	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and selling of integrated circuits and other semiconductor devices	Singapore	9,728,801	8,934,731	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	3,759,701	3,528,417	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	2,537,706	1,666,651	35%	35%
			\$ 29,616,638	<u>\$ 27,622,452</u>		

As of December 31, 2023 and 2022, no investments in associates are individually material to the Company. Please refer to the parent company only statements of comprehensive income for recognition of share of both profit (loss) and other comprehensive income (loss) of associates that are not individually material.

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

Name of Associate	December 31, 2023	December 31, 2022
GUC	\$ 81,236,87 <u>5</u>	\$ 29,926,918
VIS	\$ 37,834,215	\$ 35,977,321
Xintec	\$ 14,188,445	\$ 10,716,449

13. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2023	December 31, 2022
Assets used by the Company Assets subject to operating leases	\$2,453,454,729 10,593	\$2,432,657,698 <u>17,352</u>
	\$2,453,465,322	<u>\$2,432,675,050</u>

Assets used by the Company

	Land	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2023 Additions (deductions) Disposals or retirements Transfers from assets subject to	\$ 3,212,000	\$ 588,665,721 170,726,292 (585,487)	\$ 4,073,634,985 1,092,820,315 (34,652,800)	\$ 78,940,726 17,029,650 (3,268,575)	\$ 1,157,545,820 (760,754,707)	\$ 5,901,999,252 519,821,550 (38,506,862)
operating leases Transfers to assets subject to	-	-	80,370	-	-	80,370
operating leases			(71,078)			(71,078)
Balance at December 31, 2023	\$ 3,212,000	<u>\$ 758,806,526</u>	<u>\$ 5,131,811,792</u>	\$ 92,701,801	<u>\$ 396,791,113</u>	<u>\$ 6,383,323,232</u>
Accumulated depreciation and impairment						
Balance at January 1, 2023 Additions Disposals or retirements Transfers from assets subject to	\$ - - -	\$ 315,107,562 42,097,968 (582,993)	\$ 3,098,295,994 445,570,821 (33,138,618)	\$ 55,147,258 9,840,540 (3,268,575)	\$ 790,740 - -	\$ 3,469,341,554 497,509,329 (36,990,186)
operating leases	-	-	53,537	-	-	53,537
Transfers to assets subject to operating leases		<u>-</u> _	(45,731)			(45,731)
Balance at December 31, 2023	<u>\$</u>	\$ 356,622,537	\$ 3,510,736,003	\$ 61,719,223	\$ 790,740	\$ 3,929,868,503
Carrying amounts at December 31, 2023	\$ 3,212,000	\$ 402,183,989	<u>\$ 1,621,075,789</u>	\$ 30,982,578	\$ 396,000,373	<u>\$ 2,453,454,729</u>
Cost						
Balance at January 1, 2022 Additions Disposals or retirements Transfers to assets subject to	\$ 3,212,000	\$ 536,912,374 51,982,217 (228,870)	\$ 3,814,331,964 289,897,592 (30,528,791)	\$ 71,312,061 9,288,321 (1,659,656)	\$ 552,647,944 604,897,876	\$ 4,978,416,343 956,066,006 (32,417,317)
operating leases			(65,780)			(65,780)
Balance at December 31, 2022	\$ 3,212,000	\$ 588,665,721	<u>\$4,073,634,985</u>	<u>\$ 78,940,726</u>	<u>\$1,157,545,820</u>	\$ 5,901,999,252
Accumulated depreciation and impairment						
Balance at January 1, 2022 Additions Disposals or retirements Transfers to assets subject to operating leases Impairment	\$ - - -	\$ 281,421,525 33,911,674 (225,637)	\$ 2,758,724,265 368,684,999 (29,073,004)	\$ 48,300,051 8,506,391 (1,659,184)	\$ - - -	\$ 3,088,445,841 411,103,064 (30,957,825)
	<u>-</u>	<u>-</u>	(40,266)	<u>-</u>	790,740	(40,266) 790,740
Balance at December 31, 2022	\$	\$ 315,107,562	\$ 3,098,295,994	\$ 55,147,258	\$ 790,740	\$ 3,469,341,554
Carrying amounts at December 31, 2022	\$ 3,212,000	<u>\$ 273,558,159</u>	<u>\$ 975,338,991</u>	<u>\$ 23,793,468</u>	<u>\$ 1,156,755,080</u>	\$ 2,432,657,698

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, the Company recognized an impairment loss of NT\$790,740 thousand for certain machinery and equipment that were assessed to have no future use, and the recoverable amount 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 21.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land Buildings Office equipment	\$ 37,039,145 811,037 22,523 \$ 37,872,705	\$ 38,121,835 911,108 18,484 \$ 39,051,427
	Years Ended 2023	December 31 2022
Additions to right-of-use assets	\$ 1,657,886	\$ 11,808,591
Depreciation of right-of-use assets Land Buildings Office equipment	\$ 2,439,615 330,361 16,193 \$ 2,786,169	\$ 2,102,934 365,167 15,728 \$ 2,483,829
b. Lease liabilities		
	December 31, 2023	December 31, 2022
Carrying amounts		
Current portion (classified under accrued expenses and other current liabilities) Noncurrent portion	\$ 2,122,132 26,959,435 \$ 29,081,567	\$ 2,029,362 27,593,900 \$ 29,623,262
Ranges of discount rates for lease liabilities are as follows:		
	December 31, 2023	December 31, 2022
Land Buildings Office equipment	0.39%-2.30% 0.57%-1.76% 0.28%-1.73%	0.39%-2.30% 0.39%-1.76% 0.28%-1.73%

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 22 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. Other lease information

	Years Ended December 31		
	2023	2022	
Expenses relating to short-term leases	<u>\$ 1,212,080</u>	\$ 4,616,518	
Total cash outflow for leases	<u>\$ 4,128,092</u>	\$ 7,037,733	

15. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
Cost					
Balance at January 1, 2023 Additions Disposals or retirements	\$ 1,567,756 - -	\$ 25,706,243 460,032	\$ 47,821,483 4,417,438 (4,289,185)	\$ 11,668,271 548,499	\$ 86,763,753 5,425,969 (4,289,185)
Balance at December 31, 2023	<u>\$ 1,567,756</u>	\$ 26,166,275	<u>\$ 47,949,736</u>	<u>\$ 12,216,770</u>	<u>\$ 87,900,537</u>
Accumulated amortization and impairment					
Balance at January 1, 2023 Additions Disposals or retirements	\$ - - -	\$ 17,643,661 2,792,353	\$ 38,255,701 5,244,804 (4,289,152)	\$ 9,408,287 1,160,819	\$ 65,307,649 9,197,976 (4,289,152)
Balance at December 31, 2023	<u>\$</u>	\$ 20,436,014	\$ 39,211,353	<u>\$ 10,569,106</u>	<u>\$ 70,216,473</u>
Carrying amounts at December 31, 2023	<u>\$ 1,567,756</u>	\$ 5,730,261	<u>\$ 8,738,383</u>	<u>\$ 1,647,664</u>	<u>\$ 17,684,064</u>
Cost					
Balance at January 1, 2022 Additions Disposals or retirements	\$ 1,567,756 - -	\$ 23,483,138 2,253,096 (29,991)	\$ 43,072,450 4,815,294 (66,261)	\$ 11,465,356 202,915	\$ 79,588,700 7,271,305 (96,252)
Balance at December 31, 2022	\$ 1,567,756	\$ 25,706,243	\$ 47,821,483	\$ 11,668,271	\$ 86,763,753
Accumulated amortization andimpairment					
Balance at January 1, 2022 Additions Disposals or retirements	\$ - - -	\$ 14,861,472 2,793,540 (11,351)	\$ 33,599,582 4,722,380 (66,261)	\$ 8,217,246 1,191,041	\$ 56,678,300 8,706,961 (77,612)
Balance at December 31, 2022	<u>\$</u>	\$ 17,643,661	<u>\$ 38,255,701</u>	\$ 9,408,287	<u>\$ 65,307,649</u>
Carrying amounts at December 31, 2022	<u>\$ 1,567,756</u>	\$ 8,062,582	\$ 9,565,782	\$ 2,259,984	<u>\$ 21,456,104</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 rates of 9.0% and 8.7% in its test of impairment as of December 31, 2023 and 2022, respectively, to reflect the relevant specific risk in the cash-generating unit.

For the years ended December 31, 2023 and 2022, the Company did not recognize any impairment loss on goodwill.

16. BONDS PAYABLE

	December 31, 2023	December 31, 2022
Domestic unsecured bonds Less: Discounts on bonds payable Less: Current portion	\$ 447,194,000 (326,435) (6,997,710)	\$ 379,526,000 (295,526) (18,100,000)
	<u>\$ 439,869,855</u>	\$ 361,130,474

The major terms of domestic unsecured bonds are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
NT\$ unsecured bonds					
101-3	-	October 2012 to October 2022	\$ 4,400,000	1.53%	Bullet repayment; interest payable annually
101-4	С	January 2013 to January 2023	3,000,000	1.49%	The same as above
102-1	С	February 2013 to February 2023	3,600,000	1.50%	The same as above
102-2	В	July 2013 to July 2023	3,500,000	1.70%	The same as above
102-4	Е	September 2013 to March 2023	5,400,000	2.05%	The same as above
	F	September 2013 to September 2023	2,600,000	2.10%	The same as above
109-1	A	March 2020 to March 2025	3,000,000	0.58%	The same as above
	В	March 2020 to March 2027	10,500,000	0.62%	The same as above
	С	March 2020 to March 2030	10,500,000	0.64%	The same as above
109-2	A	April 2020 to April 2025	5,900,000	0.52%	The same as above
	В	April 2020 to April 2027	10,400,000	0.58%	The same as above
	С	April 2020 to April 2030	5,300,000	0.60%	The same as above
109-3	A	May 2020 to May 2025	4,500,000	0.55%	The same as above
	В	May 2020 to May 2027	7,500,000	0.60%	The same as above
	С	May 2020 to May 2030	2,400,000	0.64%	The same as above
					(Continued)

(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
109-4	A	July 2020 to July 2025	\$ 5,700,000	0.58%	Two equal installments in last two years; interest payable annually
	В	July 2020 to July 2027	6,300,000	0.65%	The same as above
	C	July 2020 to July 2030	1,900,000	0.67%	The same as above
109-5	A	September 2020 to September 2025	4,800,000	0.50%	The same as above
	В	September 2020 to September 2027	8,000,000	0.58%	The same as above
	C	September 2020 to September 2030	2,800,000	0.60%	The same as above
109-6 (Green bond)	A	December 2020 to December 2025	1,600,000	0.40%	The same as above
(313411 3 3114)	В	December 2020 to December 2027	5,600,000	0.44%	The same as above
	С	December 2020 to December 2030	4,800,000	0.48%	The same as above
109-7	A	December 2020 to December 2025	1,900,000	0.36%	The same as above
	В	December 2020 to December 2027	10,200,000	0.41%	The same as above
	С	December 2020 to December 2030	6,400,000	0.45%	The same as above
110-1	A	March 2021 to March 2026	4,800,000	0.50%	Bullet repayment; interest payable annually
	В	March 2021 to March 2028	11,400,000	0.55%	The same as above
	C	March 2021 to March 2031	4,900,000	0.60%	The same as above
110-2	A	May 2021 to May 2026	5,200,000	0.50%	The same as above
	В	May 2021 to May 2028	8,400,000	0.58%	The same as above
	C	May 2021 to May 2031	5,600,000	0.65%	The same as above
110-3	A	June 2021 to June 2026	6,900,000	0.52%	The same as above
	В	June 2021 to June 2028	7,900,000	0.58%	The same as above
	С	June 2021 to June 2031	4,900,000	0.65%	The same as above
110-4	A	August 2021 to August 2025	4,000,000	0.485%	The same as above
	В	August 2021 to August 2026	8,000,000	0.50%	The same as above
	C	August 2021 to August 2028	5,400,000	0.55%	The same as above
	D	August 2021 to August 2031	4,200,000	0.62%	The same as above
					(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
110-6	A	October 2021 to April 2026	\$ 3,200,000	0.535%	Bullet repayment; interest payable annually
	В	October 2021 to October 2026	6,900,000	0.54%	The same as above
	C	October 2021 to October 2028	4,600,000	0.60%	The same as above
	D	October 2021 to October 2031	1,600,000	0.62%	The same as above
110-7	A	December 2021 to December 2026	7,700,000	0.65%	The same as above
	В	December 2021 to June 2027	3,500,000	0.675%	The same as above
	С	December 2021 to December 2028	5,500,000	0.72%	The same as above
111-1 (Green bond)	A	January 2022 to January 2027	2,100,000	0.63%	The same as above
	В	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
	В	March 2022 to March 2027	9,600,000	0.85%	The same as above
	С	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
111-4 (Green bond)	A	July 2022 to July 2026	1,200,000	1.60%	The same as above
	В	July 2022 to July 2027	10,100,000	1.70%	The same as above
	С	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
111-5	A	August 2022 to June 2027	2,000,000	1.65%	The same as above
	В	August 2022 to August 2027	8,900,000	1.65%	The same as above
	C	August 2022 to August 2029	2,200,000	1.65%	The same as above
	D	August 2022 to August 2032	2,500,000	1.82%	The same as above
111-6 (Green bond)	A	October 2022 to October 2027	5,700,000	1.75%	The same as above
	В	October 2022 to October 2029	1,000,000	1.80%	The same as above
	С	October 2022 to October 2032	3,500,000	2.00%	The same as above
					(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
112-1 (Green bond)	A	March 2023 to March 2028	\$ 12,200,000	1.54%	Bullet repayment; interest payable annually
(В	March 2023 to March 2030	2,300,000	1.60%	The same as above
	С	March 2023 to March 2033	4,800,000	1.78%	The same as above
112-2 (Green bond)	A	May 2023 to May 2028	13,100,000	1.60%	The same as above
	В	May 2023 to May 2030	2,300,000	1.65%	The same as above
	С	May 2023 to May 2033	5,300,000	1.82%	The same as above
112-3	A	June 2023 to June 2028	11,400,000	1.60%	The same as above
	В	June 2023 to June 2030	2,600,000	1.65%	The same as above
	С	June 2023 to June 2033	6,000,000	1.80%	The same as above
112-4	A	August 2023 to August 2028	7,300,000	1.60%	The same as above
	В	August 2023 to August 2030	700,000	1.65%	The same as above
	С	August 2023 to August 2033	7,900,000	1.76%	The same as above
112-5	A	October 2023 to October 2028	4,300,000	1.62%	The same as above
	В	October 2023 to October 2033	5,500,000	1.76%	The same as above
					(Concluded)
Issuance	Tranche	Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
US\$ unsecured bonds					
109-1	-	September 2020 to September 2060	US\$1,000,000	2.70%	Bullet repayment (callable on the 5th anniversary of the issue date and every anniversary thereafter); interest payable annually
110-5	-	September 2021 to September 2051	1,000,000	3.10%	The same as above

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Accordingly, the Company recognized expenses of NT\$4,154,345 thousand and NT\$3,663,757 thousand for the years ended December 31, 2023 and 2022, respectively.

b. Defined benefit plans

The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

Amounts recognized in respect of these defined benefit plans were as follows:

	Years Ended December 31		
	2023	2022	
Current service cost	\$ 139,101	\$ 134,376	
Net interest expense	142,291	74,265	
Components of defined benefit costs recognized in profit or loss	281,392	208,641	
Remeasurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net			
interest expense)	(16,252)	(429,948)	
Actuarial loss arising from experience adjustments	68,342	1,413,760	
Actuarial (gain) loss arising from changes in financial			
assumptions	571,266	(160,752)	
Components of defined benefit costs recognized in other			
comprehensive income	623,356	823,060	
Total	\$ 904,748	<u>\$ 1,031,701</u>	

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

	Years Ended December 31			
	2023	2022		
Cost of revenue	\$ 182,333	\$ 135,125		
Research and development expenses	76,120	55,632		
General and administrative expenses	19,248	15,129		
Marketing expenses	3,691	2,755		
	<u>\$ 281,392</u>	\$ 208,641		

The amounts arising from the defined benefit obligation of the Company were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation Fair value of plan assets	\$ 17,995,066 (8,737,842)	\$ 17,483,951 (8,162,860)
Net defined benefit liability	\$ 9,257,224	\$ 9,321,091

Movements in the present value of the defined benefit obligation were as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 17,483,951	\$ 16,585,442	
Current service cost	139,101	134,376	
Interest expense	303,970	120,791	
Remeasurement:			
Actuarial loss arising from experience adjustments	68,342	1,413,760	
Actuarial (gain) loss arising from changes in financial			
assumptions	571,266	(160,752)	
Benefits paid from plan assets	(556,455)	(585,343)	
Benefits paid directly by the Company	(15,109)	(24,323)	
Balance, end of year	<u>\$ 17,995,066</u>	<u>\$ 17,483,951</u>	

Movements in the fair value of the plan assets were as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 8,162,860	\$ 5,548,563	
Interest income	161,679	46,526	
Remeasurement:			
Return on plan assets (excluding amounts included in net			
interest expense)	16,252	429,948	
Contributions from employer	953,506	2,723,166	
Benefits paid from plan assets	(556,455)	(585,343)	
Balance, end of year	\$ 8,737,842	\$ 8,162,860	

The fair value of the plan assets by major categories at the end of reporting period was as follows:

	December 31, 2023	December 31, 2022
Cash Equity instruments Debt instruments	\$ 1,351,744 4,998,919 2,387,179	\$ 1,337,893 4,696,909 2,128,058
	<u>\$ 8,737,842</u>	<u>\$ 8,162,860</u>

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	Measure	Measurement Date	
	December 31, 2023	December 31, 2022	
Discount rate	1.40%	1.80%	
Future salary increase rate	4.00%	4.00%	

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
 - Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.5% (and not below 0.0%) in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$757,663 thousand and NT\$766,692 thousand as of December 31, 2023 and 2022, respectively.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Assuming the expected salary rate increases by 0.5% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$735,167 thousand and NT\$746,933 thousand as of December 31, 2023 and 2022, respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Company expects to make contributions of NT\$991,646 thousand to the defined benefit plans in the next year starting from December 31, 2023. The weighted average duration of the defined benefit obligation is 8 years.

18. EQUITY

a. Capital stock

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	28,050,000	28,050,000
Authorized capital	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>
Issued and paid shares (in thousands)	<u>25,932,071</u>	25,930,380
Issued capital	<u>\$ 259,320,710</u>	\$ 259,303,805

The par value of issued common shares is NT\$10 per share. A holder of common shares has one vote for each common share and is entitled to receive dividends.

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

On March 1, 2023 and March 1, 2022, the Company issued employee restricted stock awards (RSAs) for its employees in a total of 2,110 thousand shares and 1,387 thousand shares, respectively, with a par value of NT\$10 per share. The aforementioned issuance of new shares was approved by the relevant authority and the registration has been completed.

During the first quarter of 2023, the Company reclaimed 419 thousand employee restricted shares that were unvested. On May 9, 2023, the Company's Board of Directors resolved to cancel the aforementioned shares. Subsequently, the Company completed the registration for share cancellation. Refer to Note 25 for information on RSAs.

On May 10, 2022, the Company's Board of Directors resolved to cancel 1,387 thousand treasury shares. Refer to Note 18(e) for information.

As of December 31, 2023, the Company's total issued and outstanding ADSs were 1,063,103 thousand units, representing 5,315,513 thousand common shares.

b. Capital surplus

The categories of uses and the sources of capital surplus based on regulations were as follows:

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Additional paid-in capital	\$ 24,406,854	\$ 24,183,645
From merger	22,803,291	22,803,291
From convertible bonds	8,892,371	8,892,371
From difference between the consideration received and the		
carrying amount of the subsidiaries' net assets during actual		
disposal	8,406,282	8,406,282
Donations - donated by shareholders	11,275	11,275
-		(Continued)

Mary only be used to offer a deficit	December 31, 2023	December 31, 2022
May only be used to offset a deficit		
From share of changes in equities of subsidiaries From share of changes in equities of associates Donations – unclaimed dividend	\$ 4,199,936 302,396 70,093	\$ 4,229,892 311,863 53,680
May not be used for any purpose		
Employee restricted shares	783,883	438,029
	\$ 69,876,381	\$ 69,330,328 (Concluded)

If such capital surplus is distributed as transferred to share capital, it is limited to a certain percentage of the Company's paid-in capital each year.

c. Retained earnings and dividend policy

The Company'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 the Company's Board of Directors and reported to the Company's shareholders in its meeting. When allocating earnings, the Company 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 the Company'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 Company's Articles of Incorporation.

The Company's Articles of Incorporation also provide that profits of the Company 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 an additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity, such as the accumulated balance of the foreign currency translation reserve, the effectiveness of hedges of net investments in foreign operations, unrealized valuation gain or loss from fair value through other comprehensive income financial assets and 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 2023, 2022 and 2021 quarterly earnings have been approved by the Company's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

Resolution Date of the	Fourth Quarter of 2023	Third Quarter of 2023	Second Quarter of 2023	First Quarter of 2023
Company's Board of Directors in its meeting	February 6, 2024	November 14, 2023	August 8, 2023	May 9, 2023
Special capital reserve Cash dividends to shareholders Cash dividends per share (NT\$)	\$\ 28,020,822 \\$\ 90,762,248 \\$\ 3.50	\$\\\(\frac{\\$(17,228,363)}{\\$90,762,248}\$ \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	\$ (6,365,562) \$ 77,796,213 \$ 3.00	\$ 3,273,452 \$ 77,796,213 \$ 3.00

Resolution Date of the	Fourth Quarter of 2022	Third Quarter of 2022	Second Quarter of 2022	First Quarter of 2022
Company's Board of Directors in its meeting	February 14, 2023	November 8, 2022	August 9, 2022	May 10, 2022
Special capital reserve Cash dividends to shareholders Cash dividends per share (NT\$)	\$ 17,166,163 \$ 71,308,546 \$ 2.75	\$ (31,910,353) \$ 71,308,547 \$ 2.75	\$ (12,002,798) \$ 71,308,546 \$ 2.75	\$\\\(\(\text{15,541,054} \) \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Resolution Date of the	Fourth Quarter of 2021	Third Quarter of 2021	Second Quarter of 2021	First Quarter of 2021
Resolution Date of the Company's Board of Directors in its meeting	•	•	•	•

The special capital reserve for 2023 is to be presented for approval in the Company's shareholders' meeting to be held on June 4, 2024 (expected).

The quarterly cash dividends per share is affected by the subsequent number of outstanding ordinary shares, the information of the actual payout is available at the Market Observation Post System website.

d. Others

Changes in others were as follows:

	Year Ended December 31, 2023				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of year	\$ (11,743,301)	\$ (10,056,353)	\$ 1,479,181	\$ (185,153)	\$ (20,505,626)
Exchange differences arising on translation of					
foreign operations	(14,264,009)	-	-	-	(14,264,009)
Gain (Loss) on hedging instruments designated as hedges of net investments in					
foreign operations	618,180	_	_	_	618,180
Unrealized gain (loss) on financial assets at	,				,
FVTOCI					
Equity instruments	-	(53,665)	-	-	(53,665)
Cumulative unrealized gain (loss) of equity instruments transferred to retained					
earnings due to disposal	_	(151,944)	_		(151,944)
Gain (loss) arising on changes in the fair	_	(131,744)	_	_	(131,544)
value of hedging instruments	-	-	39,898	-	39,898
Transferred to initial carrying amount of					
hedged items	-	-	(45,181)	-	(45,181)
Issuance of shares	-	-	-	(585,968)	(585,968)
Share-based payment expenses recognized Share of other comprehensive income (loss)	-	-	-	477,687	477,687
of subsidiaries and associates	72,361	6,162,059	(78,023)	_	6,156,397
Income tax effect		(25)	(70,023)	_	(25)
		/			/
Balance, end of year	<u>\$ (25,316,769</u>)	<u>\$ (4,099,928)</u>	\$ 1,395,875	<u>\$ (293,434)</u>	<u>\$ (28,314,256)</u>

	Year Ended December 31, 2022				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of year Exchange differences arising on translation of	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)
foreign operations Unrealized gain (loss) on financial assets at FVTOCI	51,030,928	-	-	-	51,030,928
Equity instruments Cumulative unrealized gain (loss) of equity instruments transferred to retained	-	18,979	-	-	18,979
earnings due to disposal Transferred to initial carrying amount of	-	(303,242)	-	-	(303,242)
hedged items	-	-	(52,929)	-	(52,929)
Issuance of shares	-	-	-	(451,899)	(451,899)
Share-based payment expenses recognized Share of other comprehensive income (loss)	-	-	-	266,746	266,746
of subsidiaries and associates	529,132	(10,346,321)	1,405,538	-	(8,411,651)
Income tax effect		(79)	6,036		5,957
Balance, end of year	<u>\$ (11,743,301</u>)	<u>\$ (10,056,353)</u>	<u>\$ 1,479,181</u>	<u>\$ (185,153)</u>	<u>\$ (20,505,626)</u>

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

e. Treasury stock

For the Company's shareholders' interests, the Company's Board of Directors approved a share buyback program on February 15, 2022 to repurchase 1,387 thousand shares. The Company has completed the aforementioned share buyback program during the first quarter of 2022. On May 10, 2022, the Company's Board of Directors resolved to cancel the 1,387 thousand shares. Subsequently, TSMC completed the registration for share cancellation.

19. NET REVENUE

a. Disaggregation of revenue from contracts with customers

	Years Ended Decem		
Product	2023	2022	
Wafer	\$1,881,677,167	\$1,989,174,117	
Others	271,607,928	263,146,444	
	<u>\$2,153,285,095</u>	<u>\$2,252,320,561</u>	
	Years Ended	December 31	
Geography	2023	2022	
Taiwan	\$ 149,777,343	\$ 210,470,783	
United States	1,404,615,395	1,488,848,778	
China	267,154,140	245,168,746	
Japan	132,072,000	119,099,336	
Europe, the Middle East and Africa	117,348,237	123,767,140	
Others	82,317,980	64,965,778	
	\$2,153,285,095	\$2,252,320,561	

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

		Years Ended December 31		
Platform	2023	2022		
High Performance Computing Smartphone Internet of Things Automotive Digital Consumer Electronics Others		\$ 931,334,614 810,053,991 161,685,797 133,741,115 46,994,528 69,475,050	\$ 927,459,536 884,505,210 194,878,453 115,678,391 56,317,962 73,481,009	
		<u>\$2,153,285,095</u>	\$2,252,320,561	
		Years Ended	December 31	
Resolution		2023	2022	
3-nanometer 5-nanometer 7-nanometer 10-nanometer 16-nanometer 20-nanometer 28-nanometer 40/45-nanometer 65-nanometer 90-nanometer 0.11/0.13 micron 0.15/0.18 micron 0.25 micron and above		\$ 106,434,419 628,017,081 357,624,994 28,577 191,789,213 10,379,144 187,423,174 115,017,630 107,582,277 25,772,497 47,043,623 86,716,114 17,848,424	\$ 503,914,841 536,730,486 24,775 258,793,242 8,848,885 206,578,337 145,748,015 93,292,327 40,280,729 57,915,290 110,631,548 26,415,642	
Wafer revenue		\$1,881,677,167	\$1,989,174,117	
Contract balances				
	December 31, 2023	December 31, 2022	January 1, 2022	
Contract liabilities (classified under accrued expenses and other current liabilities)	\$ 47,760,098	\$ 62,380,554	<u>\$ 33,951,838</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.

b.

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$61,349,317 thousand and NT\$33,365,181 thousand for the years ended December 31, 2023 and 2022, respectively.

c. Temporary receipts from customers

	December 31, 2023	December 31, 2022
Current portion (classified under accrued expenses and other current liabilities) Noncurrent portion (classified under other noncurrent liabilities)	\$ 114,639,514 163,655,128	\$ 107,723,580 168,399,207
	\$ 278,294,642	\$ 276,122,787

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.

d. Refund liabilities

Estimated sales returns and other allowances is made and adjusted based on historical experience and the consideration of varying contractual terms. As of December 31, 2023 and 2022, the aforementioned refund liabilities amounted to NT\$36,144,370 thousand and NT\$50,980,669 thousand (classified under accrued expenses and other current liabilities), respectively.

20. INTEREST INCOME

	Years Ended December 31	
	2023	2022
Interest income		
Cash and cash equivalents	\$ 17,414,490	\$ 5,644,170
Financial assets at amortized cost	411,061	313,694
	<u>\$ 17,825,551</u>	\$ 5,957,864

21. FINANCE COSTS

	Years Ended December 31	
	2023	2022
Interest expense		
Corporate bonds	\$ 5,019,826	\$ 3,888,669
Lease liabilities	334,971	231,037
Bank loans	262	279
Others	2,103	1,228
Less: Capitalized interest under property, plant and equipment	(756,369)	(880,807)
	<u>\$ 4,600,793</u>	\$ 3,240,406

Information about capitalized interest is as follows:

	Years Ended	Years Ended December 31	
	2023	2022	
Capitalization rate	1.08%-1.20%	0.72%-1.20%	

22. OTHER GAINS AND LOSSES, NET

	Years Ended December 31	
	2023	2022
Gain on financial instruments at FVTPL, net		
Mandatorily measured at FVTPL	\$ 7,243,770	\$ 2,518,506
The accrual of expected credit loss of financial assets		
Financial assets at amortized cost	(5,789)	(10,341)
Other gains, net	356,151	545,116
	<u>\$ 7,594,132</u>	\$ 3,053,281

23. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Years Ended December 31	
	2023	2022
Current income tax expense Current tax expense recognized in the current year Income tax adjustments on prior years	\$ 134,436,152 34,145	\$ 144,561,484 (489,638)
Other income tax adjustments	234,902 134,705,199	205,529 144,277,375
Deferred income tax expense (benefit) The origination and reversal of temporary differences Investment tax credits	3,623,335 945,038 4,568,373	(24,810,515) <u>4,676,707</u> (20,133,808)
Income tax expense recognized in profit or loss	<u>\$ 139,273,572</u>	<u>\$ 124,143,567</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

follows:	Years Ended December 31
	2023 2022
Income before tax	<u>\$ 977,771,236</u> <u>\$1,140,673,816</u>
Income tax expense at the statutory rate	\$ 195,554,247 \$ 228,134,763
Tax effect of adjusting items:	
Nondeductible (deductible) items in determining taxable	
income	(7,861,524) 12,804,635
Tax-exempt income	- (157,955,934
Additional income tax under the Alternative Minimum Tax Act	- 61,578,020
Additional income tax on unappropriated earnings	9,468,943
The origination and reversal of temporary differences	3,623,335 (24,810,515
Income tax credits	<u>(61,780,476)</u> <u>4,676,707</u>
	139,004,525 124,427,676
Income tax adjustments on prior years	34,145 (489,638
Other income tax adjustments	234,902 205,529
Income tax expense recognized in profit or loss	<u>\$ 139,273,572</u> <u>\$ 124,143,567</u>

For the years ended December 31, 2023 and 2022, the Company applied a tax rate of 20% subject to the R.O.C. Income Tax Law.

b. Deferred income tax balance

The analysis of deferred income tax assets and liabilities was as follows:

	December 31, 2023	December 31, 2022
Deferred income tax assets Temporary differences Depreciation Refund liability Unrealized exchange losses Unrealized loss on inventories Net defined benefit liability Investment tax credits Others	\$ 40,726,261 9,348,138 7,096,229 2,702,288 1,729,672 	\$ 44,989,153 12,002,094 5,779,739 2,260,011 1,722,005 945,038 10,021 \$ 67,708,061
Deferred income tax liabilities Temporary differences Others	<u>\$</u>	<u>\$ (908,273)</u>

		Year Ended De	cember 31, 2023	
		Recogn	nized in	
	Balance, Beginning of Year	Profit or Loss	Other Comprehensive Income	Balance, End of Year
Deferred income tax assets				
Temporary differences	A 44 000 4 7 2	φ (4.2.52.00Ω)	Φ.	A 10 50 50 51
Depreciation	\$ 44,989,153	\$ (4,262,892)	\$ -	\$ 40,726,261
Refund liability	12,002,094	(2,653,956)	-	9,348,138
Unrealized exchange losses	5,779,739	1,316,490	-	7,096,229
Unrealized loss on inventories	2,260,011	442,277	-	2,702,288
Net defined benefit liability	1,722,005	(117,004)	124,671	1,729,672
Investment tax credits	945,038	(945,038)	-	_
Others	10,021	743,477	(25)	753,473
	\$ 67,708,061	<u>\$ (5,476,646)</u>	<u>\$ 124,646</u>	\$ 62,356,061
Deferred income tax liabilities Temporary differences				
Others	<u>\$ (908,273)</u>	\$ 908,273	<u>\$</u> -	<u>\$ -</u>

			cember 31, 2022	
		Recog	nized in	
	Balance,		Other	
	Beginning of		Comprehensive	Balance,
	Year	Profit or Loss	Income	End of Year
	1001	110110 01 2000	meome	Direction 1 cm
Deferred income tax assets				
Temporary differences				
Depreciation	\$ 34,146,437	\$ 10,842,716	\$ -	\$ 44,989,153
Refund liability	5,903,698	6,098,396	-	12,002,094
Unrealized exchange losses	-	5,779,739	_	5,779,739
Unrealized loss on inventories	861,924	1,398,087	_	2,260,011
Net defined benefit liability	1,237,086	(249,116)	734,035	1,722,005
Investment tax credits	5,621,745	(4,676,707)	751,055	945,038
Others	10,100	(4,070,707)	(79)	10,021
Others	10,100	_	<u> (19</u>)	10,021
	\$ 47,780,990	\$ 19,193,115	\$ 733,956	\$ 67,708,061
	Ψ +1,100,220	Ψ 17,173,113	<u>Ψ 733,730</u>	<u>Ψ 07,700,001</u>
Deferred income tax liabilities				
Temporary differences				
Unrealized exchange gains	\$ (706,311)	\$ 706,311	\$ -	\$ -
Others	(1,142,655)	234,382	Ψ _	(908,273)
Others	(1,172,033)	237,302		(700,213)
	\$ (1,848,966)	\$ 940,693	\$ -	\$ (908,273)
	$\frac{\psi}{\psi}$ (1,070,700)	ψ $\sqrt{-0.073}$	Ψ	<u>Ψ (200,413</u>)

Vear Ended December 31, 2022

c. The deductible temporary differences for which no deferred income tax assets have been recognized

As of December 31, 2023 and 2022, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to NT\$52,686,244 thousand and NT\$26,790,935 thousand, respectively.

d. Unused tax-exemption information

As of December 31,2022, the profits generated from the following project of the Company are exempt from income tax for a five-year period:

Tax-exemption Period

Construction and expansion of 2009

2018 to 2022

e. The information of unrecognized deferred income tax liabilities associated with investments

As of December 31, 2023 and 2022, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT\$254,182,901 thousand and NT\$222,682,649 thousand, respectively.

f. Income tax examination

The tax authorities have examined income tax returns of the Company through 2021. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

24. EARNINGS PER SHARE

	Years Ended	Years Ended December 31		
	2023	2022		
Basic EPS Diluted EPS	\$ 32.34 \$ 32.34	\$ 39.20 \$ 39.20		

	Years Ended December 31	
	2023	2022
Basic EPS		
	\$ 838,497,664	\$1,016,530,249
Net income available to common shareholders	<u>\$ 838,497,004</u>	\$1,010,330,249
Weighted average number of common shares outstanding used in	25 020 222	25 020 100
the computation of basic EPS (in thousands)	25,929,223	25,929,190
Basic EPS (in dollars)	<u>\$ 32.34</u>	<u>\$ 39.20</u>
Diluted EPS		
Net income available to common shareholders	\$ 838,497,664	\$1,016,530,249
	<u>Φ 030,477,004</u>	<u>Φ1,010,330,247</u>
Weighted average number of common shares outstanding used in	25 020 222	25 020 100
the computation of basic EPS (in thousands)	25,929,223	25,929,190
Effects of all dilutive potential common shares (in thousands)	44	193
Weighted average number of common shares used in the		
computation of diluted EPS (in thousands)	25,929,267	25,929,383
Diluted EPS (in dollars)	<u>\$ 32.34</u>	\$ 39.20

25. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment- RSAs

The RSAs in each year are as follows:

	2023 RSAs	2022 RSAs	2021 RSAs
Resolution Date of the Company's shareholders in its meeting	June 6, 2023	June 8, 2022	July 26, 2021
Resolution Date of the Company's Board of	February 6, 2024	February 14, 2023	February 15, 2022
Directors in its meeting Issuance of stocks (in thousands) Eligible employees	2,960 Executive officers	2,110 Executive officers	1,387 Executive officers
Grant date/Issuance date	March 1, 2024	March 1, 2023	March 1, 2022

Vesting conditions of the aforementioned arrangement are as follow:

- 1) The RSAs granted to eligible employees can only be vested if
 - the employee remains employed by the Company or the subsidiaries on the last date of each vesting period;
 - during the vesting period, the employee may not breach any agreement with the Company or the subsidiaries or violate the Company's work rules; and
 - certain employee performance metrics and the Company's or the subsidiaries' 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 Company's business performance metrics.

3) For eligible executive officers of the Company: 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 Company'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 and People Development Committee evaluation of the Company's Environmental, Social, and Governance ("ESG") achievements. The number of shares so calculated should be rounded down to the nearest integral.

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

- 4) Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:
 - During each vesting period, no employee 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.
 - 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 employee'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 the Company.
- 5) Details of granted RSAs in each year are as follows:

	2022 RSAs Number of Shares (In Thousands)	2021 RSAs Number of Shares (In Thousands)
Balance, beginning of year	-	1,387
Issuance of stocks	2,110	-
Vested shares	-	(274)
Canceled shares		(419)
Balance, end of year	<u>2,110</u>	<u>694</u>
Weighted-average fair value of RSAs (in dollars)	<u>\$ 277.71</u>	\$ 325.81

The RSAs in each year are measured at fair value at grant date by using the binominal tree approach. Relevant information is as follows:

	2022 RSAs March 1, 2023		2021 RSAs March 1, 2022	
Stock price at measurement date (in dollars)	\$	511	\$	604
Expected price volatility	29.34%-3	2.11%	25.34%-28	8.28%
Expected life	1-3	years	1-3	years
Risk-free interest rate		1.06%	(0.57%

Refer to Note 26 for the compensation costs of the RSAs recognized by the Company.

On February 6, 2024, the Company's Board of Directors approved the issuance of RSAs for year 2024 of no more than 4,185 thousand common shares. The grants will be made free of charge. The actual number of shares to be issued will be resolved by the Board of Directors after the RSAs is approved at the shareholders' meeting and by the competent authority.

b. Cash-settled share-based payment arrangements

The cash-settled share-based payment arrangements in each year are as follows:

	2023 Plan	2022 Plan	2021 Plan
Resolution Date of the Company's Board of	February 6, 2024	February 14,	February 15,
Directors in its meeting Issuance of units (in thousands) (Note)	550	2023 400	2022 236
Grant date	March 1, 2024	March 1, 2023	March 1, 2022

Note: One unit of the right represents a right to the market value of one the Company'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 RSAs.

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

	Years Ended December 31						
	2023				2022		
	2022 Plan 20		2021	2021 Plan		2021 Plan	
Stock price at measurement date (in dollars) Expected price volatility Residual life		593 -29.05% -3 years		593 29.05% 2 years	\$ 28.80%-3	451 32.19% 3 years	
Risk-free interest rate		1.15%		1.14%		1.09%	

Refer to Note 26 for the compensation costs of the cash-settled share-based payment recognized by the Company. As of December 31, 2023 and 2022, the liabilities under cash-settled share-based payment arrangement amounted to NT\$62,695 thousand and NT\$30,757 thousand, respectively.

26. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

		Years Ended December 31		
		2023	2022	
a.	Depreciation of property, plant and equipment and right-of-use assets			
	Recognized in cost of revenue Recognized in operating expenses Recognized in other operating income and expenses	\$ 471,343,567 28,951,931 	\$ 385,647,215 27,939,678 8,189	
		\$ 500,300,771	<u>\$ 413,595,082</u>	

		Years Ended December 31			
		2023	2022		
b.	Amortization of intangible assets				
	Recognized in cost of revenue Recognized in operating expenses	\$ 6,515,540 2,682,436	\$ 6,069,729 2,637,232		
		<u>\$ 9,197,976</u>	\$ 8,706,961		
c.	Employee benefits expenses				
	Post-employment benefits Defined contribution plans Defined benefit plans Share-based payments Equity-settled	\$ 4,154,345	\$ 3,663,757 208,641 3,872,398 266,746		
	Cash-settled	61,329 543,631	32,704 299,450		
	Other employee benefits	195,611,221	209,410,863		
		<u>\$ 200,590,589</u>	\$ 213,582,711		
	Employee benefits expense summarized by function Recognized in cost of revenue Recognized in operating expenses	\$ 122,143,462 	\$ 128,714,551 84,868,160		
		\$ 200,590,589	\$ 213,582,711		

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

The Company 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 parent company only 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:

	Years Ended December 31		
	2023		
Profit sharing bonus to employees	\$ 50,090,533	\$ 60,702,047	

The Company's profit sharing bonus to employees and compensation to directors for 2023, 2022 and 2021 had been approved by the Board of Directors of the Company, as illustrated below:

	Years Ended December 31			
	2023	2022	2021	
Resolution Date of the Company's Board of Directors in its meeting	February 6,	February 14,	February 15,	
	2024	2023	2022	
Profit sharing bonus to employees	\$ 50,090,533	\$ 60,702,047	\$ 35,601,449	
Compensation to directors	\$ 551,955	\$ 690,128	\$ 487,537	

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2023, 2022 and 2021, respectively.

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

27. CASH FLOW INFORMATION

a. Non-cash transactions

	Years Ended December 31		
	2023	2022	
Additions of property, plant and equipment	\$ 519,821,550	\$ 956,066,006	
Exchange of assets	(78,036)	(275,564)	
Changes in payables to contractors and equipment suppliers	115,944,500	(57,334,833)	
Transferred to initial carrying amount of hedged items	39,898	-	
Capitalized interests	(756,369)	(880,807)	
Payments for acquisition of property, plant and equipment	<u>\$ 634,971,543</u>	\$ 897,574,802	

b. Reconciliation of liabilities arising from financing activities

				Non-cash Changes		
	Balance as of January 1, 2023	Financing Cash Flow	Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	Balance as of December 31, 2023
Hedging financial liabilities- bank loans Bonds payable Lease liabilities Total	\$ - 379,230,474 29,623,262 \$ 408,853,736	\$ 27,908,580 67,511,319 (2,429,250) \$ 92,990,649	\$ (618,180) 67,916 	\$ - - - 1,552,584 \$ 1,552,584	\$ - 57,856 334,971 \$ 392,827	\$ 27,290,400 437,067,565 29,081,567 \$ 503,239,532
				Non-cash Changes		
	Balance as of January 1, 2022	Financing Cash Flow	Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	Balance as of December 31, 2022
Short-term loans Bonds payable Lease liabilities	\$ 114,921,333 312,183,409 	\$ (111,959,992) 60,930,472 (2,076,495)	\$ (2,372,053) 6,071,821	\$ - - 11,135,244	\$ (589,288) 44,772 231,037	\$ - 379,230,474
Total	\$ 447,438,218	<u>\$ (53,106,015)</u>	\$ 3,699,768	\$ 11,135,244	\$ (313,479)	\$ 408,853,736

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

28. CAPITAL MANAGEMENT

The objective of the Company's capital management is to maintain a capital structure that ensures liquidity and supports a solid investment grade credit rating. The capital structure includes both debt and equity. The Company adjusts its capital structure mainly through changes in the level of debt and adjustments of dividend payout to shareholders.

The Company's capital management policy remained unchanged in 2023. The Company's current credit ratings are AA- from Standard & Poor's and Aa3 from Moody's, same as those as of December 31, 2022.

29. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	December 31, 2023	December 31, 2022	
Financial assets			
FVTPL (Note 1)	\$ 624,685	\$ 552,255	
FVTOCI (Note 2)	6,372,267	8,340,347	
Amortized cost (Note 3)	944,953,016	903,070,406	
	<u>\$ 951,949,968</u>	<u>\$ 911,963,008</u>	
Financial liabilities			
FVTPL (Note 4)	\$ 25,673	\$ 17,468	
Hedging financial liabilities	27,290,400	-	
Amortized cost (Note 5)	1,124,627,242	1,161,623,982	
	<u>\$1,151,943,315</u>	\$1,161,641,450	

- Note 1: Financial assets mandatorily measured at FVTPL.
- Note 2: Including notes and accounts receivable (net) and equity investments.
- Note 3: Including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (including related parties), other receivables, refundable deposits, and temporary payments (including those classified under other current assets and other noncurrent assets).
- Note 4: Held for trading.
- Note 5: Including accounts payable (including related parties), payables to contractors and equipment suppliers, cash dividends payable, accrued expenses and other current liabilities, bonds payable, 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 and Risk Committee 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 and equity investments 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

dollars, would have an adverse impact on the revenue and operating profit as expressed in NT dollar. The Company uses foreign currency derivative contracts and non-derivative financial instruments, such as currency forwards, currency swaps and bank loans denominated in foreign currency, to protect against currency exchange rate risks associated with non-NT dollar-denominated assets and liabilities, certain forecasted transactions, and net investments in foreign operations. 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 years ended December 31, 2023 and 2022, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$726,145 thousand and NT\$1,649,664 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 bank deposits and bank loans. Changes in interest rates affect the interest earned on the Company's bank deposits, as well as the interest paid on its bank loans. Because all of the Company's bonds issued are fixed-rate and measured at amortized cost, changes in interest rates would not affect the 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 years ended December 31, 2023 and 2022, the other comprehensive income would have decreased by NT\$76,876 thousand and NT\$89,297 thousand, respectively.

d. Credit risk management

Credit risk refers to the risk that a counterparty may 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 December 31, 2023 and 2022, the Company's ten largest customers accounted for 85% and 69% 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 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:

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

For the years ended December 31, 2023 and 2022, the expected credit loss increased NT\$5,789 thousand and NT\$10,341 thousand, respectively. The changes were mainly due to increased investment amount and adjusted investment portfolio.

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 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
December 31, 2023					
Non-derivative financial liabilities					
Hedging financial liabilities-bank loans	\$ 27,290,400) \$ -	\$ -	\$ -	\$ 27,290,400
Accounts payable (including related parties)	57,763,188	-	-	-	57,763,188
Payables to contractors and equipment suppliers Accrued expenses and other current	84,146,173	-	-	-	84,146,173
liabilities	191,976,278		-	-	191,976,278
Bonds payable Lease liabilities (including those classified under accrued expenses and other current liabilities)	12,455,260	96,892,557	190,937,676	222,606,055	522,891,548
(Note)	2,457,570		4,203,205	21,136,670	32,272,546
Others	376,088,869	165,188,432 266,556,090	6,303,135 201,444,016	2,908,666 246,651,391	174,400,233 1,090,740,366
Derivative financial instruments					
Forward exchange contracts					
Outflows Inflows	51,741,020 (52,317,678	<u> </u>	<u> </u>	<u> </u>	51,741,026 (52,317,678)
	(576,652	<u> </u>			(576,652)
	\$ 375,512,21	\$ 266,556,090	<u>\$ 201,444,016</u>	\$ 246,651,391	\$1,090,163,714 (Continued)

		ss Than Year	1	-3 Years		3-5 Years]	More Than 5 Years		Total
December 31, 2022										
Non-derivative financial liabilities										
Accounts payable (including related parties) Payables to contractors and	\$ 5	58,783,586	\$	-	\$	-	\$	-	\$	58,783,586
equipment suppliers Accrued expenses and other current	20	00,046,018		-		-		-		200,046,018
liabilities Bonds payable Lease liabilities (including those classified under accrued expenses		02,361,596 22,247,420		39,372,048		160,243,071		228,241,509		202,361,596 450,104,048
and other current liabilities) (Note) Others	48	2,356,314 - 85,794,934		4,358,739 166,266,719 209,997,506	_	4,163,558 10,518,481 174,925,110		21,795,680 783,181 250,820,370		32,674,291 177,568,381 1,121,537,920
Derivative financial instruments										
Forward exchange contracts Outflows Inflows		74,107,091 74,837,641) (730,550)	_	- - - -	_	- - -	_	- - -	_	74,107,091 (74,837,641) (730,550)
	\$ 48	85,064,384	\$ 2	209,997,506	\$	174,925,110	\$	250,820,370	_	<u>,120,807,370</u> Concluded)

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

	5-10 Years	10-15 Years	15-20 Years	More Than 20 Years	Total
<u>December 31, 2023</u>					
Lease liabilities	\$ 9,629,306	\$ 7,088,110	\$ 4,101,046	\$ 318,208	\$ 21,136,670
December 31, 2022					
Lease liabilities	<u>\$ 9,497,599</u>	\$ 7,291,192	<u>\$ 4,222,404</u>	<u>\$ 784,485</u>	<u>\$ 21,795,680</u>

f. Fair value of financial instruments

1) Fair value measurements recognized in the parent company only 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).

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:

]	December 31, 2023	
	Level 2	Level 3	Total
Financial assets at FVTPL			
Mandatorily measured at FVTPL Forward exchange contracts	<u>\$ 624,685</u>	<u>\$</u>	<u>\$ 624,685</u>
Financial assets at FVTOCI			
Investments in equity instruments Non-publicly traded equity investments Notes and accounts receivable, net	\$ - 5,411,317	\$ 960,950 	\$ 960,950 5,411,317
	\$ 5,411,317	\$ 960,950	\$ 6,372,267
Financial liabilities at FVTPL			
Held for trading Forward exchange contracts	\$ 25,673	<u>\$</u>	<u>\$ 25,673</u>
		December 31, 2022	
	Level 2	Level 3	Total
Financial assets at FVTPL			
Timanetal assets at I V II L			
Mandatorily measured at FVTPL Forward exchange contracts	<u>\$ 552,255</u>	<u>\$</u>	<u>\$ 552,255</u>
Mandatorily measured at FVTPL	<u>\$ 552,255</u>	<u>\$</u>	<u>\$ 552,255</u>
Mandatorily measured at FVTPL Forward exchange contracts	\$ 552,255 \$ - 	\$ 1,014,741 -	\$ 552,255 \$ 1,014,741 7,325,606
Mandatorily measured at FVTPL Forward exchange contracts Financial assets at FVTOCI Investments in equity instruments Non-publicly traded equity investments	\$ -		\$ 1,014,741
Mandatorily measured at FVTPL Forward exchange contracts Financial assets at FVTOCI Investments in equity instruments Non-publicly traded equity investments	\$ - 	\$ 1,014,741 	\$ 1,014,741

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 years ended December 31, 2023 and 2022 were as follows:

	Years Ended December 31		
	2023	2022	
Balance, beginning of year Recognized in other comprehensive income Disposals and proceeds from return of capital of investments	\$ 1,014,741 (53,666) (125)	\$ 998,400 18,979 (2,638)	
Balance, end of year	<u>\$ 960,950</u>	\$ 1,014,741	

Valuation techniques and assumptions used in Level 2 fair value measurement

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

- Forward exchange contracts are measured using forward exchange 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 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.

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 parent company only 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:

	December	r 31, 2023
	Carrying Amount	Level 2 Fair Value
Financial assets		
Financial assets at amortized costs Commercial paper	<u>\$ 18,371,705</u>	\$ 18,385,329 (Continued)

	December 31, 2023		
	Carrying Amount	Level 2 Fair Value	
Financial liabilities			
Financial liabilities at amortized costs Bonds payable	\$ 446,867,565	\$ 418,841,652 (Concluded)	
	December	r 31, 2022	
	Carrying Amount	Level 2 Fair Value	
<u>Financial assets</u>			
Financial assets at amortized costs Commercial paper	\$ 48,732,476	<u>\$ 48,882,028</u>	
Financial liabilities			
Financial liabilities at amortized costs Bonds payable	\$ 379,230,474	<u>\$ 349,956,767</u>	

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair value of the Company's bonds payable is 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.

30. RELATED PARTY TRANSACTIONS

The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

a. Related party name and categories

Related Party Name	Related Party Categories
TSMC China	Subsidiaries
TSMC Nanjing	Subsidiaries
TSMC Arizona	Subsidiaries
VisEra Tech	Subsidiaries
TSMC North America	Subsidiaries
TSMC Europe	Subsidiaries
TSMC JDC	Subsidiaries
TSMC 3DIC	Subsidiaries
JASM	Subsidiaries
TSMC Japan	Subsidiaries
TSMC Korea	Subsidiaries
TSMC Design Technology Canada Inc. (TSMC Canada)	Indirect Subsidiaries
	(Continued)

	Related Party Name			Related Party C	ategories
	TSMC Technology, Inc. (TSMC TSMC Washington, LLC (TSMC GUC VIS SSMC Xintec	C Washington) (Note)		tes tes	
	Note: WaferTech, LLC was rena	med to TSMC Washington,	, LLC ir	December 2023.	(Concluded)
b.	Net revenue				
			_	Years Ended	
				2023	2022
	<u>Item</u>	Related Party Name/Cates	<u>gories</u>		
	Net revenue from sale of goods	TSMC North America Associates Other subsidiaries		\$1,459,559,406 8,903,425 579,810	\$1,538,849,403 11,356,410 187,169
				\$1,469,042,641	\$1,550,392,982
c.	Purchases				
				Years Ended	December 31
			-	2023	2022
	Related Party Categories				
	Subsidiaries Associates			\$ 96,198,620 4,562,206	\$ 81,923,311 6,422,831
				\$100,760,826	\$ 88,346,142
d.	Receivables from related parties				
				December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name/Cates	gories		
	Receivables from related parties	TSMC North America Associates Other subsidiaries		\$ 154,789,324 471,728 825	\$ 171,738,863 1,300,302 5,647
				<u>\$ 155,261,877</u>	<u>\$ 173,044,812</u>
	Other receivables from related parties	TSMC North America Other subsidiaries Associates		\$ 3,747,684 540,767 71,871	\$ 6,184,798 104,640 68,487

\$ 4,360,322

\$ 6,357,925

e. Other noncurrent assets

			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name		
	Temporary payments	JASM	<u>\$12,132,766</u>	\$ 6,925,782
f.	Payables to related parties			
			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name/Categories		
	Payables to related parties	TSMC Nanjing TSMC China Xintec Other subsidiaries Other associates	\$ 5,064,282 2,312,769 1,020,153 1,176,420 546,071 \$ 10,119,695	\$ 4,105,919 2,296,083 1,047,374 2,006,484 595,184 \$ 10,051,044
g.	Accrued expenses and other curr	rent liabilities		
			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name/Categories		
	Other payables and other current liabilities	Subsidiaries Associates	\$ 1,150,882 1,666,113	\$ 961,365 111,834
			\$ 2,816,995	\$ 1,073,199
	Temporary receipts	TSMC North America Associates	\$ 99,904,122 153,735	\$ 97,634,360
			\$100,057,857	\$ 97,634,360
h.	Other noncurrent liabilities			
			December 31, 2023	December 31, 2022
	<u>Item</u>	Related Party Name		
	Temporary receipts	TSMC North America Associates	\$ 134,052,101 153,735	\$ 142,132,113
			<u>\$ 134,205,836</u>	<u>\$ 142,132,113</u>

i. Others

		Years Ended	December 31
		2023	2022
<u>Item</u>	Related Party Categories		
Manufacturing expenses	Associates Subsidiaries	\$ 5,032,445 11,504	\$ 5,997,687 21,662
		\$ 5,043,949	\$ 6,019,349
Research and development expenses	Subsidiaries Associates	\$ 5,865,252 305,073	\$ 5,264,358 258,008
		<u>\$ 6,170,325</u>	\$ 5,522,366

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.

The Company deferred the disposal gain or loss derived from sales of property, plant and equipment to related parties using equity method, and then recognized such gain or loss over the depreciable lives of the disposed assets.

j. Compensation of key management personnel

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

	Years Ended December 31		
	2023	2022	
Short-term employee benefits Post-employment benefits Share-based payments	\$ 3,271,057 3,208 525,808	\$ 4,221,962 2,618 286,227	
	\$ 3,800,073	\$ 4,510,807	

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

31. 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 the Company can use up to 35% of the Company's capacity provided the Company'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. The Company'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, the Company 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, the Company and NXP B.V. currently own approximately 39% and 61% of the SSMC shares, respectively. The Company and NXP B.V. are required, in the aggregate, to purchase at least 70% of SSMC's capacity, but the Company 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. In September 2022, Daedalus Prime LLC ("Daedalus") filed complaints in the U.S. International Trade Commission ("ITC") and the U.S. District Court for the Eastern District of Texas alleging that the Company, TSMC North America, and other companies infringe four U.S. patents. The ITC instituted an investigation in October 2022. In June 2023, Daedalus dropped two of the asserted patents in the ITC. Also in June 2023, Daedalus filed another complaint in the Eastern District of Texas alleging that the Company infringes five U.S. patents. In September 2023, the ITC granted the parties' joint motion to suspend the procedural schedule while the parties finalize the settlement agreement and then request termination of the ITC Investigation and related litigations. In October 2023, the parties jointly requested the ITC to terminate the investigation and Eastern District of Texas to dismiss the related litigations. In November 2023, the ITC investigation was terminated and the related litigations in the Eastern District of Texas were dismissed.
- d. The Company 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.
- e. The Company entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.
- f. The Company entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.
- g. As of the end of reporting period, the Company provided endorsement guarantees of NT\$2,558,559 thousand to its subsidiary, TSMC North America, in respect of providing endorsement guarantees for office leasing contract.
- h. As of the end of reporting period, the Company provided a NT\$230,602,500 thousand endorsement guarantee for its subsidiary, TSMC Global, in respect of its issuance of US dollar-denominated senior unsecured corporate bonds.
- i. As of the end of reporting period, the Company provided a NT\$369,960,818 thousand endorsement guarantee for its subsidiary, TSMC Arizona, in respect of its issuance of US dollar-denominated senior unsecured corporate bonds and operation needs.
- j. The Company entrusted financial institutions to provide performance guarantees mainly for import and export of goods, lease agreement and energy purchase agreement. As of December 31, 2023 and 2022, the aforementioned guarantee amounted to NT\$8,012,973 thousand and NT\$7,623,262 thousand, respectively.

32. 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)	Carrying Amount (In Thousands)
<u>December 31, 2023</u>			
Financial assets			
Monetary items USD EUR JPY	\$ 13,930,953 408,480 7,683,178	30.747 34.175 0.2192	\$ 428,335,022 13,959,812 1,684,153
Financial liabilities			
Monetary items USD EUR JPY	13,381,760 778,452 194,498,358	30.747 34.175 0.2192	411,448,963 26,603,608 42,634,040
<u>December 31, 2022</u>			
Financial assets			
Monetary items USD EUR JPY	13,953,942 7,863 124,526,582	30.713 32.838 0.2331	428,567,422 258,211 29,027,146
Financial liabilities			
Monetary items USD EUR JPY	14,450,017 2,352,220 125,984,842	30.713 32.838 0.2331	443,803,373 77,242,213 29,367,067

Note: Exchange rate represents the number of NT dollar for which one foreign currency could be exchanged.

Please refer to the parent company only statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the years ended December 31, 2023 and 2022, respectively. Since there were varieties of foreign currency transactions of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

33. ADDITIONAL DISCLOSURES

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

- 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 9;
- j. Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in mainland China): See Table 8 attached;
- k. 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 9 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 Note 30.
- 1. Information of major shareholder

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 10 attached.

34. OPERATING SEGMENTS INFORMATION

The Company has provided the operating segments disclosure in the consolidated financial statements.

Taiwan Semiconductor Manufacturing Company Limited and Investees

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	+			
Financing	ompany's Total ancing Amoun Limits Notes 1 and 2)	691,782,725	95,757,396	
	2 E	\$		
inancing Limits	for Each Company's Total Borrowing Financing Amount Company Limits (Notes 1 and 2) (Notes 1 and 2)	\$ 345,891,363	95,757,396	
¥		-		
Collateral	Value	s >		
Colla	Item			
	for Bad			
	Allowance	\$		
	ancing	ation	capital al	
	Reason for Financing Allowance for Bad Debt	Capacity installation	and working capital Operating capital	
		-		
	Transaction Amounts	\$		
	ncing	tem	·term	
	r Finar	short-	r short- term	
	ture fo	The need for short-term	financing ne need for shor and long-term financing	0
	Na	The 1	The an	
	Interest Rate Nature for Financing	,	1.30%-1.50% The need for short-term and long-term financine	
mount Actually Drawn (Foreign Currencies in Thousands)			_	
			38,151,520 MB 8,800,000	
Ā		↔	æ	
0000	rencies nds)	000,	(US\$ 3,000,000) (US\$ 5,000,000) 73,510,570 (RMB 8,800,000)& 45,610,510 (US\$ 4,800,000)& (US\$ 1,50,000) (US\$ 4,600,000)&	(000,
Ending Balance Foreign Currencies in Thousands) (Note 3)		92,241	3,00C 51,987 8,800 450	2
	_	\$	(US\$	*
_	Balance for the Period (Foreign Currencies in nousands) (Note 3)	00.	300) 300) 300)	()
wimun	Balance for the Period (Foreign Currencies in housands) (Note 3)	2,241,0	3,000,0 3,510,5 8,800,0 1 150 0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Ma	Balar Periot Curr housan	3 6.	US\$ 7. RMB 8	2
	Related Party T	Yes \$	Yes	
	ent	m	ш	
	Statem ount	ables fro	rties ables fre rties	
	ancial Acc	receiva	related parties ther receivables related parties	
	IZ II	Other	relk Other rela	
Counterparty Financial Statement Account		ISMC Arizona Other receivables from	Nanjing	
		TSMC #	TSMC	
ing uny			ina	
Financing Company		TSMC	TSMC China TSMC Nanjing Other receivables from related parties	
	o c	0 T.	-	
	~			

Note 1: The amount available for lending to TSMC Arizona from TSMC shall not exceed ten percent (10%) of the net worth of TSMC, and the total amount available for lending from TSMC to borrowers shall not exceed twenty percent (20%) of the net worth of TSMC.

Note 2: The aggregate amount available for lending to TSMC Nanjing from TSMC China shall not exceed the net worth of TSMC China.

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 Investees

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Guarantee Provided to Subsidiaries in Mainland China	No		No		No		No		No	
	Guarantee Provided by A Subsidiary	No		No		No		No		No	
	Guarantee Provided by Parent Company	Yes		Yes		Yes		Yes		No	
	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	\$1,383,565,451		1,383,565,451		1,383,565,451		1,383,565,451		326,007	
Patio of	Amount of Accumulated Cadorsement/ Endorsement/ Guarantee to Net Properties Latest Financial Statements	0.07%		%29.9		10.70%		,		0.01%	
	<u> </u>	\$		1		1		1		1	
	Amount Actually Drawn (US\$ in Thousands)	\$ 2,558,559 \$ 2,558,559	(US\$ 83,213)	230,602,500	(US\$ 7,500,000)	246,972,818	(US\$ 8,032,420)	•		289,344	(JPY 1,320,000)
	Ending Balance (Foreign Currencies in Thousands) (Note 3)	\$ 2,558,559	US\$ 83,213) (US\$ 83,213) (US\$ 83,213)	230,602,500	Ĭ)	369,960,818	(US\$12,032,420) (US\$ 8,032,420)	1		289,344	(JPY 1,320,000) (JPY 1,320,000) (JPY 1,320,000)
Moximum	Balance for the Period (Foreign Currencies in Thousands)	\$ 2,558,559	(US\$ 83,213)	230,602,500	(US\$ 7,500,000)	369,960,818	(US\$12,032,420)	13,307,302	(US\$ 432,800)	289,344	(JPY 1,320,000)
Limits on	Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2)	\$ 1,383,565,451		1,383,565,451		1,383,565,451		1,383,565,451		326,007	
Party	Nature of Relationship	Subsidiary		Subsidiary		Subsidiary		Subsidiary		The same parent	company
Guaranteed Party	Name	TSMC North America Subsidiary		TSMC Global		TSMC Arizona		TSMC Development Subsidiary		TSMC JDC	
	Endorsement/ Guarantee Provider	0 TSMC								TSMC Japan TSMC JDC	
	No.	0									

Note 1: The total amount of the endorsement/guarantee provided by TSMC to TSMC North America, TSMC Global, TSMC Arizona and TSMC Development shall not exceed forty percent (40%) 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 Investees

MARKETABLE SECURITIES HELD
December 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

					De	December 31, 2023				
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	ncies Percentage of Ownership (%)	_	Fair Value (Foreign Currencies in Thousands)	ies Note	
TSMC	Non-publicly traded equity investments Shin-Etsu Handotai Taiwan Co., Ltd.		Financial assets at fair value through other	10,500	\$ 430,500	00	€9	430,500		
	United Industrial Gases Co., Ltd.		comprenensive income	21,230	421,211			421,211		
	Giobal Investment Holding Inc. Crimson Asia Capital	1 1	1 1	10,442	109,	39 0 - 1		109,239		
	Commercial paper Cathay Financial Holding Co Ltd.	,	Financial assets at amortized cost	269	6,924,665			6,929,220		
	Nan Ya Plastics Corporation	1	#	009	5,976,677			5,982,726		
	China Steel Corporation	1	# :	200	1,985,094			1,986,400		
	Formosa Plastics Corporation CPC Comoration Taiwan		" "	001	996,260	60 N/A N/A		997,268		
	Formosa Chemicals & Fibre Corporation	•		100	994,540			995,374		
	Taiwan Power Company		"	50	498,916	16 N/A		498,921		
TSMC Partners	Fund Matter Venture Partners Fund I, L.P.		Financial assets at fair value through Profit or Loss	1	US\$ 3,	73,587	<u> </u>	US\$ 3,587		
	Non-publicly traded equity investments Shanghai Walden Venture Capital Enterprise	•	Financial assets at fair value through other	,	US\$ 28,969	9 69	n	US\$ 28,969		
	Walden Technology Ventures Investments II, L.P.		comprehensive income	1			n			
	Walden Technology Ventures Investments III, L.P. Tela Innovations		"	6,942	US\$ 13,458	- 22	<u> </u>	US\$ 13,458		
	Publicly traded stocks ARM Holdings plc	,	Financial assets at fair value through other	1,961	US\$ 147,353	53	n	US\$ 147,353		
	Movella Holdings Inc.		comprehensive income	3,095	US\$ 1,873	73 6	<u> </u>	US\$ 1,873		
TSMC Global	Corporate bond Bank of America Corporation		Financial assets at fair value through other	1	US\$ 86,588	88 N/A	n 	US\$ 86,588		
	Morgan Stanley The Goldman Sachs Groun Inc		# # # # # # # # # # # # # # # # # # #		US\$ 76,777	77 N/A 54 N/A	D 1	US\$ 76,777		
	Wells Fargo & Company	•	"	ı			n —			
	JPMorgan Chase & Co.		"	1			D ;			
	Cingroup inc. Sumitomo Mitsui Financial Group. Inc.				US\$ 50,436	30 N/A N/A N/A		US\$ 50,450 US\$ 45,172		
	Mitsubishi UFJ Financial Group, Inc.	1	"	1			n			
	Barclays PLC		"	1			n			
	HSBC Holdings plc	ı	#		US\$ 30,124	24 N/A		US\$ 30,124		
	Dalico Salitatidei, S.A.		"				0			

Marky law, Authorised Security Cross Authorised Security of Company Principle Security Security Authorised Security Auth	Held Company Name TSMC Global	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carry (Foreign	ing Value Currencies	Percentage of	Fai	r Value Currencies	Note
Financial social of the unique through other US 2,688 N/A					·		(Pro-	OWHEISHIP (70)		(Process	More
Confidential to thorse Control to the control t		львуї пс.		Financial assets at fair value through other		NS\$	26,895	N/A	SSU US\$	26,895	
October	-	-		comprehensive income					6		
Confece Confect Confece Confece Confece Confece Confece Confece Confece Confec		Koyal Bank of Canada		" :	1	\$SO	25,469	N/A	SSO 1158	25,469	
outdoor. outdoo		VS Health Corporation				1100	24,391	N/A	660	24,391	
Condece	_	JOYUS DAIRKING Group pic		, .		1166	24,131	K/N	\$50	24,131	
triangle of the control of the contr		Omolo Companion	1		'	116.6	23,07.2	V/N	1166	23,673	
ting to Opeloce to Cost 21,572 to Opeloce to Opelo		Oracie Cotpotation			'	9311	23,731	N/A	\$50	23,731	
ted of Ordece infinite		I ne Toronto-Dominion Bank			'	660	22,308	N/A	660	22,308	
of Outlookee	. ,	apital One Financial Corporation			•	660	21,21,2	N/A	620	275,12	
ted to the control of		Credit Agricole SA London Branch	ı	"	•	CS\$	20,395	N/A	SSO OS	20,395	
inting inting		3NP Paribas SA		"	•	NS\$	20,345	N/A	NS\$	20,345	
Decided		Athene Global Funding		"	•	ns\$	20,297	N/A	SSO	20,297	
Integration		'édération des caisses Desjardins du Québec	•	"	•	NS\$	19,320	N/A	NS\$	19,320	
ration		Equitable Financial Life Global Funding		"	'	\$SO	18,910	N/A	\$SO	18,910	
1.85 18.249 NA USS U		National Securities Clearing Corporation		"	•	\$SO	18,429	N/A	\$SO	18,429	
1	7	AIG Global Funding		"	•	NS\$	18,428	N/A	\$SO	18,428	
ted	,-	Metropolitan Life Global Funding I		"		USS	18,299	N/A	USS	18,299	
ted USS 1792 NA USS red USS 17760 NA USS red USS 17260 NA USS red USS 17260 NA USS red	7	ABN AMRO Bank N.V.	1	"		USS	18.247	N/A	USS	18,247	
red		Principal Life Global Funding II		*	•	\$511	17 932	A/N	\$511	17 932	
ted		Nationwide Building Society	,	: =	'	8811	17.760	. ∀.N	\$511	17.760	
ance, LLC		Numitomo Mitsui Trust Bank Limited	,		'	\$511	17.286	1 /N	\$511	17.286	
mee, LLC		Tuendian I ifa Clobal Eunding		: =		3511	17 140	V/N	3311	17 140	
muce, LLC		To Descent	•		•	9011	16.063	V/N	9311	16.063	
ance, LLC		J.S. Bancorp.			•	660	10,902	N/A	\$20	10,902	
ance, LLC		Janske Bank A/S		"		CSS	16,698	N/A	0.23	16,698	
ance, LLC		société Générale Société anonyme		"	•	ns\$	16,589	N/A	\$SO	16,589	
ance LLC - US 16,251 N/A USS 16,270 Poration - US 16,251 N/A USS 16,270 Poration - USS 1		The Bank of Nova Scotia		"		nS\$	16,474	N/A	\$SO	16,474	
Protection		lolkswagen Group of America Finance, LLC	1	"	•	NS\$	16,251	N/A	\$SO	16,251	
Activity Company Activity Activity Company Act		The Bank of New York Mellon Corporation	•	"	•	NS\$	16,064	N/A	\$SO	16,064	
Activity Company Activity Com		Vomura Holdings, Inc.		"	'	nS\$	15,719	N/A	\$SO	15,719	
Activity Company Activity Activity Company Activity Act		Sanque Fédérative du Crédit Mutuel		"	•	NS\$	14,439	N/A	SSO O	14,439	
Activity Company Activity Com	<u>ت. </u>	JBS Group AG	•	"		US\$	14,328	N/A	US\$	14,328	
Activity Company		Standard Chartered PLC		=		1158	14.304	A/N	SSII	14.304	
Activity Company		Profective Life Global Funding	1	: 8	'	SSII	14.155	N/A	\$511	14.155	
Activity Company		American Express Company		=	'	\$511	13 685	N/A	\$511	13,685	
Activity Company Activity Act		InitedHealth Group Incomporated	1	: 8	'	SSII	13.673	N/A	SSII	13.673	
Activity Company		Tyundai Canital America			'	\$511	13.567	N/A	SSII	13.567	
Activity Company		VIT Finance Corporation		: "	,	nss	13,544	N/A	nS\$	13,544	
Activity Company	7	Amgen Inc.		"		US\$	13,330	N/A	NS\$	13,330	
Ltd	7	AerCap Ireland Capital Designated Activity Company		"	•	\$SO	13,278	N/A	\$SO	13,278	
Ltd		Enel Finance International N.V.		"		NS\$	13,139	N/A	\$SO	13,139	
Ltd		enske Truck Leasing Co., L.P.		"	1	\$SO	13,095	N/A	\$SO	13,095	
Ltd		ntuit Inc.	1	"	•	NS\$	12,686	N/A	SSO OS	12,686	
- USS 12,489 N/A USS - USS 12,434 N/A USS - USS 12,434 N/A USS - USS 12,343 N/A USS - USS 12,343 N/A USS - USS 11,373 N/A USS - USS 11,773 N/A USS		fizer Investment Enterprises Pte. Ltd.		"	'	NS\$	12,590	N/A	\$SO	12,590	
- USS 12,434 N/A USS - USS 12,343 N/A USS - USS 12,277 N/A USS - USS 11,873 N/A USS - USS 11,873 N/A USS - USS 11,873 N/A USS	•	Apple Inc.	1	"	•	NS\$	12,489	N/A	SSO OS	12,489	
- USS 12,343 N/A USS - USS 12,743 N/A USS - USS 11,873 N/A USS - USS 11,873 N/A USS - USS 11,773 N/A USS		Coöperatieve Rabobank U.A.		"	'	\$SO	12,434	N/A	\$SO	12,434	
. USS 12.77 N/A USS 1.873 N/A USS 1.874 N/A		New York Life Global Funding		"	•	\$SO	12,343	N/A	\$SO	12,343	
- USS 11,873 N/A USS 11,773 N/A USS		santander UK Group Holdings plc		"	'	\$SO	12,277	N/A	NS\$	12,277	
. USS 11,773 N/A USS 11,773 N/A USS 11,773 N/A 11,98		NatWest Markets Plc		"	'	\$SO	11,873	N/A	\$SO	11,873	
8811 4/8 22911 8811 -	~~	NG Groep N.V.		"	•	\$SO	11,773	N/A	\$SO	11,773	
620 A/VI /0,11 620 -	.4	Nordea Bank Abp		"	•	NS\$	11,677	N/A	NS\$	11,677	

						December 31, 2023	31, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carryir (Foreign (in Tho	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair (Foreign in Tho	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Mizuho Financial Group, Inc.	,	Financial assets at fair value through other	1	\$SO	11,665	N/A	\$SO	11,665	
	ASB Bank Limited		comprehensive income	,	\$511	11.504	A/N	\$811	11.504	
	Northwestern Mutual Global Funding		: "	•	nss	11.332	N/N	ns\$	11,332	
	Amazon.com, Inc.		"	•	NS\$	11,317	N/A	NS\$	11,317	
	ONEOK, Inc.		"	•	NS\$	11.048	N/A	USS	11.048	
	Bank of Montreal		"	•	NSS	11,032	N/A	nss	11.032	
	NextEra Energy Capital Holdings, Inc.		"	•	nss	10,970	N/A	nss	10,970	
	Southern California Edison Company			,	nss.	10,796	N/A	nss.	10,796	
	Ryder System. Inc.			•	SSII	10.588	A/N	SSII	10.588	
	Verizon Communications Inc.			'	\$811	10.584	N/A	\$511	10.584	
	S&P Global Inc.		: =	'	SSII	10.556	A/A	SSII	10.556	
	Deutsche Bank AG - New York Branch		: =	,	nss	10.454	N/N	nss.	10.454	
	Equifax Inc.			,	nss	10,338	N/A	nss.	10,338	
	Macauarie Group Limited			,	SSI	10.206	A/N	SSI1	10,206	
	AT&T Inc.			,	nss	9.879	N/A	nss	9.879	
	Svenska Handelshanken AB (mihl)	,	: =		3511	9 866	A/N	\$511	9 866	
	John Deere Canital Comoration		: =	•	8811	977.6	A/N	\$511	9776	
	Truict Einancial Comparation		: 3		3511	0 513	V/A	3311	0.513	
	Haloon IIS Canital I I		: =		3511	0 332	A/N	\$511	9 332	
	Roner Technologies Inc			•	\$811	9 177	A/N	\$511	9 177	
	Evelon Comoration				3511	0 100	V/N	3511	0,100	
	Thornto Eighor Scientific Inc			•	9511	9,100	N/A	9511	9,100	
	The fine result of the second				600	9,049	N/A	600	9,049	
	Florida Power & Light Company		# :	1	550	2,042	A/N	\$20	9,042	
	NOA GIODAI FUIIGIIIB			•	660	0,977	N/A	600	0,977	
	Merck & Co., Inc.			•	660	16,60	N/A	\$60	8,931	
	Equinor ASA			•	\$20	8,800	N/A	\$50	8,800	
	Honeywell International Inc.			•	\$20	6,739	N/A	\$50	8,739	
	The FINC Financial Services Group, Inc.			•	\$20	8,451	N/A	\$50	8,451	
	Macquarie Bank Limited			•	680	8,390	N/A	\$50	8,390	
	Kabobank Inederland - Inew Tork Branch			•	550	0,1/3	N/A	660	6,1/3	
	Lowes Companies, inc.		"	1	680	8,005	N/A	0.55	8,065	
	Cox Communications, Inc.		"	•	022	7,964	N/A	0.53	4,964	
	TORON IO-DOMINION BAINK THE		# ·	'	\$20	666,7	N/A	\$20	666,7	
	Constellation Energy Generation, LLC			•	660	7,903	N/A	\$20	7,903	
	Lockneed Marun Corporation	1		•	\$20	7 860	K/N	\$20	7.860	
	Intel Comoration			•	SSII	7.820	A/N	\$511	7.820	
	International Bank for Reconstruction and Development		: =	'	SSII	077.7	A/N	SSII	7.770	
	Great-West Lifeco U.S. Finance 2020, Lp		"		NS\$	7,631	N/A	NS\$	7,631	
	RTX Corporation		"	•	NS\$	7,603	N/A	NS\$	7,603	
	Inter-American Development Bank		"	•	\$SO	7,511	N/A	\$SO	7,511	
	Suncorp-Metway Limited		"	1	NS\$	7,453	N/A	NS\$	7,453	
	AstraZeneca Finance LLC		"	•	\$SO	7,185	N/A	NS\$	7,185	
	Chevron Corporation		"	•	SSO.	7,032	N/A	\$SO	7,032	
	Daimler Trucks Finance North America LLC		"	•	SSO.	7,013	N/A	\$SO	7,013	
	The East Ohio Gas Company		"	'	NS\$	8/6,9	N/A	NS\$	6,978	
	Philip Morris International Inc.		"	•	\$SO	6,807	N/A	\$SO	6,807	
	AstraZeneca PLC		"	•	NS\$	86,798	N/A	NS\$	6,798	
	Fiserv, Inc.		"	•	\$SO	6,745	N/A	NS\$	6,745	
										:
										(Continued)

ratage of (Foreign Currencies ship (%)) A							December 31, 2023	31, 2023				Г
Profice Life County learning Profice County learning Profice Life County learning Profice Life County learning Profice Life County learning Profice County learning Prof	npany Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carr (Foreig	ying Value n Currencies	Percentage of Ownership (%)	Fair (Foreign	Value Currencies	Note	
Lundon Branch Telephone Telepho		acific Life Global Funding II		Financial assets at fair value through other		US\$	6,726	N/A	NI III	6,726		
Linding a fraction fr				comprehensive income				į				
State Note No. 1988 State No. 1989 State No.	<u> </u>	BS AG, London Branch	1	"	1	SSO	6,595	N/A	\$SO	6,595		
blate because the control of the con	> 2	/EC Energy Group, Inc. Let Towner Global Funding	1		•	1156	6550	N/A	\$20	6,550		
State of the company STATE OF	<u> </u>	oche Holdings. Inc.		. 1		SSI	6.539	N/A	SSI	6.539		
the School Congration i.e. Sc	. Σ	IPLX L.P	,		•	SSII	6.514	N/A	SSII	6.514		
Complex F. 1055 6.477 NA 105 Chough of Companies F. 1055 6.39 NA 105 Chough of Companies F. 1055 6.34 NA 105 Of Interactive School,	Ē	idelity National Information Services. Inc.			•	US\$	6,498	N/A	NSS USS	6,498		
Companies Comp		he Charles Schwab Cornoration	,		•	\$511	6.437	N/A	SSII	6.437		
Companie P LDS 6.34 NA LDS ropezation - 1155 6.34 NA LDS ropezation - 1155 6.34 NA LDS ropezation - 1155 5.945 NA LDS robustable Networking - 1155 5.946 NA LDS richall, Inc. - 1155 5.946 NA LDS richall, Inc. - 1155 5.946 NA LDS richall, Inc. - 1155 5.946 NA LDS Black Companie - 1155 5.977 NA LDS Black Companie - 1155 5.977 NA LDS Black Companie - 1155 5.977 NA LDS Six Francis Location - 1155 NA LDS Copposition - 1155 S.977 NA LDS Copposition - <td>× Z</td> <td>atWest Group plc</td> <td>,</td> <td>: "</td> <td>'</td> <td>USS</td> <td>6,360</td> <td>N/A</td> <td>nss</td> <td>6.360</td> <td></td> <td></td>	× Z	atWest Group plc	,	: "	'	USS	6,360	N/A	nss	6.360		
by ordinating a company by the factor of the factor of the company by the factor of the factor of the factor of the company by the factor of the factor	. ≪	meren Comoration			,	USS	6,304	A/N	USS	6.304		
Prest Company Public Prest Company Pu	. [ake-Two Interactive Software. Inc.	,	: "	'	USS	6,237	N/A	nss	6.237		
Part	<u>и</u>	aton Corporation	,	: "	'	USS	6,218	N/A	nss	6.218		
State Stat		eorgia Power Company	,	: *	•	SSII		N/A	SSII	060.9		
Height the Company Principle of the Company Pr	J	congra i orici company				\$511		N/A	3311	5 085		
trienalic hier. base of company plants hier. base of company hier. base of company hier. base of company plants hier. base of company hier. base of company hier. base of company h	1 11	darance Health Inc			•	1166		V/N	3311	5,014		
Heather Lands and Canada and Cana	1 -	levalice freatul, IIIc.		*		500		N/A	920	7,914		
Bath of Comparison To Comparison T	4	ntercontinental Exchange, Inc.	,	"		0.55		N/A	0.25	2,906		
Bask of Community 1985 5778 NA USS	A	meriprise Financial, Inc.		"		ns\$		N/A	nss	5,837		
SS, SS, FAREADER P. S. 5777 NAA USS TO, PORTING P. S. 5777 NAA USS Ground Manner P. S. 5787 NAA USS Ground Manner P. S. 577 NA USS Ground Manner P. S. 577 NA USS Mind Comparities P. S. 577 NA USS Mind Comparities P. S. 577 NA USS Mind Comparities P. S. 577 NA USS MIN A. S. 577 NA USS S. 577 NA USS MIN A. S. 577 P. S. 577 NA USS S. 577 NA USS MIN A. S. 577 P. S. 577 P. S. 577 NA USS S. 579 NA USS MIN A. S. 577 P. S. 577 P. S. 577 NA USS S. 578 NA USS M. A. S. 577 P. S. 577 P. S. 577 NA USS S. 578 NA USS M. D. S. 577 P. S. 577 P. S. 577 NA	Z	ational Bank of Canada		"	•	NS\$		N/A	NS\$	5,783		
NSA Framec LLC NSA Framec LLC NSA Framec LLC NSA Framec LLC NSA Framec LLC USS 5650 NAA USS USS 5675 NAA USS USS 5670	H	ifth Third Bancorp		"		NS\$		N/A	ns\$	5,777		
Corporation N USS SSSS NA USS Limited N USS SSST NA USS Composition N USS SSST NA USS Death (ASA) N USS SSST NA USS Composition N USS SSST NA USS Composition N USS SSSG NA USS Composition N USS SSSG NA USS Airbort France Company N USS SSSG NA USS Airbort France Company N USS SSSG NA USS Airbort France Company N USS SSSG NA USS Airbort France Direct N <td>E</td> <td>RAC USA Finance LLC</td> <td>•</td> <td>"</td> <td>•</td> <td>SSN</td> <td></td> <td>N/A</td> <td>NS\$</td> <td>5,722</td> <td></td> <td></td>	E	RAC USA Finance LLC	•	"	•	SSN		N/A	NS\$	5,722		
Corporation N USS 5.572 NA USS Limited Holdings CAA. - USS 5.547 NA USS MACAA. - USS 5.547 NA USS MACAA. - USS 5.549 NA USS MACAA. - USS 5.549 NA USS MACAA. - USS 5.549 NA USS MACAA. - USS 5.540 NA USS MACAA. - USS<	Š	centre Group Trust 1	•	"	i	SSN		N/A	NS\$	5,685		
iii Global Holdings S.C.A. ii Global Holdings S.C.A. ii Global Holdings S.C.A. ii Global Holdings S.C.A. II S. 5.572 NA D. 10.8 Line internation II S. 5.572 NA D. 10.8 Line internation II S. 5.573 NA D. 10.8 Line internation II S. 5.573 NA D. 10.8 Line internation II S. 5.574 II S. 5.574 II S. 5.57 II S. 5.53 II S. 5.53 II S. 5.34	Š	tryker Corporation	•	"	i	NS\$		N/A	NS\$	5,630		
Limited but we	2	fedtronic Global Holdings S.C.A.	,	"		NS\$		N/A	NS\$	5,572		
manner 2010	Z	BN Co Limited	,	"		USS		N/A	USS	5.537		
Pank (New Castle) " USS \$440 N/A USS and ASA - USS \$440 N/A USS and ASA - USS \$440 N/A USS comportation - USS \$349 N/A USS portation - USS \$340 N/A USS Alpinote Trimace Company Py Lid - USS \$360 N/A USS Alpinote Trimace Company - USS \$360 N/A USS Alpinote Trimace Company - USS \$400 N/A USS Alpinote Trima	15	/PP Finance 2010	,	"		US\$		N/A	NS\$	5,537		
nk SAA nk ASA 1 USS 5,421 N/A USS Corporation USS 5,349 N/A USS Corporation USS 5,348 N/A USS Power Company USS 5,348 N/A USS portion or USS 5,348 N/A USS portion or USS 5,348 N/A USS Ariport Finance Company Py Ltd USS 5,316 N/A USS Ariport Finance Company Py Ltd USS 5,160 N/A USS Ariport Finance Company Py Ltd USS 5,160 N/A USS Ariport Finance Company Py Ltd USS 5,10 N/A USS Ariport Finance Company N/A USS Ariport Finance Company	Q	iscover Bank (New Castle, Delaware)		"		SSII		A/N	SSII	5.440		
Composition		NR Bank ASA	,	. =		\$511	5 471	. ∀/N	\$511	5 421		
10.50 10.5	1 (omeast Commission				3511		1/N	3511	5 369		
Description	םע	onicasi Colporanon				110.0		N/A	9311	5,360		
1 1 1 1 1 1 1 1 1 1	ц.	xxon Mobil Corporation				660	5,309	N/A	660	5,509		
1.05 2,1-20 NAA USS NAA USS Airport Finance Company Py Ltd	∢ ι	Jabama Power Company		"		US\$		N/A	0.55	5,348		
non Corporation non Corpor	ц.	ox Corporation	,	"		0.55		N/A	0.25	5,320		
Airport Finance Company Py Ltd 1 USS 5,160 N/A USS Belectic and Power Company - USS 5,075 N/A USS Financie and Power Company - USS 5,071 N/A USS Financie and Power Company - USS 5,021 N/A USS sealty, Limited Partnership - USS 5,010 N/A USS ealty, Limited Partnership - USS 4,918 N/A USS e Inc. - USS 4,918 N/A USS e Inc. - USS 4,812 N/A USS c Inc. - USS 4,812 N/A USS c Opporation - USS 4,822 N/A USS c Opporation - USS 4,822 N/A USS d Vision Squibb Company - USS 4,829 N/A USS d Vision Squibb Company - USS 4,564 N/A USS d Vision Squibb Company - USS 4,564 N/A USS d	~	IcKesson Corporation		11	•	US\$	5,316	N/A	CSS	5,316		
Electric and Power Company	S.	ydney Airport Finance Company Pty Ltd		"	•	ns\$		N/A	ns\$	5,160		
Financieringsmaatschappij NV. USS 5,063 N/A USS st Arklines Co. - USS 5,021 N/A USS set Arklines Co. - USS 5,010 N/A USS et alty, Limited Partnership - USS 4,918 N/A USS et lnc. - USS 4,842 N/A USS et lnc. - USS 4,842 N/A USS et lnc. - USS 4,842 N/A USS d coporation - USS 4,842 N/A USS d coporation - USS 4,786 N/A USS d coporation - USS 4,786 N/A USS d coporation - USS 4,786 N/A USS d coporation - USS 4,604 N/A USS d coporation - USS 4,604 N/A USS d coporation <td>></td> <td>irginia Electric and Power Company</td> <td></td> <td>"</td> <td></td> <td>ns\$</td> <td></td> <td>N/A</td> <td>nS\$</td> <td>5,075</td> <td></td> <td></td>	>	irginia Electric and Power Company		"		ns\$		N/A	nS\$	5,075		
st Arithines Co. " USS 5.021 N/A USS cealty, Limited Partnership - USS 5.010 N/A USS e Inc. - USS 4.918 N/A USS e Inc. - USS 4.812 N/A USS Soporation - USS 4.812 N/A USS Copporation - USS 4.812 N/A USS Copporation - USS 4.812 N/A USS Avers Saland (Intl) Limited - USS 4.689 N/A USS Myers Squibb Company - USS 4.604 N/A USS Ld. - USS 4.603 N/A USS Ld. - USS 4.604 N/A USS Inc. - USS 4.604 N/A USS Inc. - USS 4.604 N/A USS Inc. -	S	iemens Financieringsmaatschappij N.V.		"		NS\$	5,063	N/A	\$SO	5,063		
Really, Limited Partnership . USS 5,010 N/A USS e Inc. .	Ñ	outhwest Airlines Co.	,	"	•	NS\$		N/A	NS\$	5,021		
e Inc. I USS 4,918 N/A USS Ide Finance Inc. I USS 4,842 N/A USS Ide Corporation I USS 4,842 N/A USS Ide Corporation I USS 4,842 N/A USS Myers Squibb Company I USS 4,604 N/A USS Ide Corporation I I USS 4,604 N/A USS Ide Corporation I	>	entas Realty, Limited Partnership		ll ll	•	SSO.		N/A	\$SO	5,010		
1	Z	iSource Inc.		ll ll	•	SSO.	4,918	N/A	\$SO	4,918		
Ad Finance Inc. I USS 4,812 N/A USS Corporation - USS 4,786 N/A USS Corporation - USS 4,689 N/A USS Myers Squibb Company - USS 4,604 N/A USS Ld. - USS 4,603 N/A USS Ld. - USS 4,604 N/A USS Lid. - USS 4,604 N/A USS Inc. - USS 4,604 N/A USS Inc. - USS 4,504 N/A USS Inc. - USS 4,504 N/A USS Inc. - USS 4,437 N/A USS Antural Resources Company - USS 4,435 N/A USS	0	GI Inc.		"		SSN	4,842	N/A	NS\$	4,842		
Corporation " - USS 4,786 N/A USS w. Zealand (Int!) Limited - USS 4,689 N/A USS Ayers Squibb Company - USS 4,604 N/A USS Ltd. - USS 4,564 N/A USS sint Energy, Inc. - USS 4,564 N/A USS ney Inc. - USS 4,457 N/A USS Natural Resources Company - USS 4,455 N/A USS	В	rookfield Finance Inc.		"	•	SSN	4,812	N/A	NS\$	4,812		
W. Zealand (Intl) Limited " USS 4,689 N/A USS Myers Squibb Company - USS 4,604 N/A USS Myers Squibb Company - USS 4,604 N/A USS Ltd. - USS 4,604 N/A USS Ltd. - USS 4,504 N/A USS s Inc. - USS 4,504 N/A USS s Inc. - USS 4,554 N/A USS next Inc. - USS 4,457 N/A USS Natural Resources Company - USS 4,455 N/A USS	H	EICO Corporation		"		USS	4.786	N/A	USS	4.786		
Wyers Squibb Company " USS 4,604 N/A USS Ud. " USS 4,604 N/A USS Lid. " USS 4,603 N/A USS Lid. " USS 4,564 N/A USS In no. " USS 4,564 N/A USS In no. " " USS N/A USS In no. " " USS 4,565 N/A USS Natural Resources Company " " USS 4,455 N/A USS	<	NZ New Zealand (Int'l) Limited	,	**	•	\$511	4.689	N/A	\$811	4.689		
Ltd	. #	ristol-Myers Squibb Company			1	SSII	4,604	A/N	SSII	4.604		
Ltd	=	P Inc.	,	**	,	\$511	4.603	N/A	\$811	4.603		
ss Company	Z	intrien I td	,	: =		\$511	4 564	A/N	\$811	4 564		
ss Company - USS 4,455 N/A USS - USS - USS 4,455 N/A USS - USS	; <u>p</u>	utitori Lita:		2 2		3311	1,534	V/N	9311	1,304		
ss Company	<u> </u>	noringe inc.				S C C C C C C C C C C C C C C C C C C C	4,333	N/A	660	4,333		
- USS 4,457 N/A USS 4,455 N/A USS 4,455 N/A USS	<u>:</u> ر	enterPoint Energy, Inc.	•	"	•	023	6,505	N/A	022	4,500		
- US\$ 4.455 N/A US\$	>_	/. P. Carey Inc.		11		US\$	4,457	N/A	SSO	4,457		
	<u>P</u>	ioneer Natural Resources Company		"	•	ns\$	4,455	N/A	ns\$	4,455		
												\neg

						December 31, 2023	31, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carry (Foreign	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair (Foreign	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Otis Worldwide Corporation		Financial assets at fair value through other		\$SO	4,442	N/A	\$SO	4,442	
			comprehensive income				į			
	ITC Holdings Corp.	1	ll l		US\$	4,411	Ψ/N	US\$	4,411	
	Citizens Bank, National Association		#	•	\$20	4,363	N/A	0.55 1.15	4,363	
	Skato Stand Damourica		,, :	•	\$20	4,543	K/N	\$50	4,545	
	Touch Motor Conformation				9511	1,515	V/N	9311	4,313	
	Toyota Motor Credit Corporation				1100	4,201	A/N	1166	4,201	
	Donal General Corporation Decomplement Englished Funding		, :	•	9511	4,100	A/N	9311	4,100	
	Dirginiouse Financial Orogan Funding	1		'	1166	4,132	V/N	9311	4,132	
	TOWN CHASE & CO				3511	4,120	V/N	9511	4,120	
	Dublic Comitor Entermies Group Incompanied	•		•	9511	4,114	V/N	9311	+,114	
	rublic Service Emerphise Group incorporated		, :		9511	4,044	K/N	\$20	4,044	
	Schlimberger Investment SA				\$511	4,036	4/N	\$511	4,030	
	AvalonBay Communities Inc	,	: =		\$511	4 006	Y/N	\$511	4 006	
	Element Fleet Management Corn.		: =	,	nss.	4.004	N/A	SSO	4.004	
	CNO Global Funding				USS	3,967	N/N	nss	3,967	
	Lincoln National Corporation		: #	•	USS	3,948	N/N	nss	3,948	
	Monongahela Power Company	•	"		US\$	3,946	N/A	NS\$	3,946	
	Public Storage		"	•	\$SO	3,934	N/A	\$SO	3,934	
	Walmart Inc.		"		NS\$	3,875	N/A	NS\$	3,875	
	Citibank, N.A.		"	,	NS\$	3,858	N/A	\$SO	3,858	
	Anheuser-Busch Companies, LLC		"		\$SO	3,857	N/A	\$SO	3,857	
	B.A.T. International Finance p.l.c.		"	•	\$SO	3,792	N/A	\$SO	3,792	
	Fortinet, Inc.	1	"	•	ns\$	3,667	N/A	\$SO	3,667	
	Norsk Hydro ASA		"	1	\$SO	3,666	N/A	\$SO	3,666	
	Appalachian Power Company	•	"	•	ns\$	3,661	N/A	\$SO	3,661	
	AutoZone, Inc.		"		ns\$	3,646	N/A	\$SO	3,646	
	Eversource Energy		"		ns\$	3,568	N/A	\$SO	3,568	
	Parker-Hannifin Corporation		"		ns\$	3,565	N/A	NS\$	3,565	
	Jackson National Life Global Funding		"		ns\$	3,563	N/A	NS\$	3,563	
	The Israel Electric Corporation Ltd		"	•	US\$	3,554	N/A	\$SO	3,554	
	GA Global Funding Trust		"		US\$	3,552	N/A	ns\$	3,552	
	CenterPoint Energy Resources Corp.		"	1	US\$	3,539	N/A	\$SO	3,539	
	Baxter International Inc.	•	"	•	US\$	3,486	N/A	0.55	3,486	
	Almoo Kealty Corporation Advocate Health & Hoenitals Communion			' '	\$20	3,408	K X	\$20	3,408	
	Meta Platforms. Inc		: 2		8811	3 430	N/A	\$511	3.430	
	Sempra			,	nS\$	3.429	N/N	SSO	3.429	
	BorgWarner Inc.		"	,	\$SO	3,426	N/A	NS\$	3,426	
	Morgan Stanley Bank, N.A.		"	•	\$SO	3,416	N/A	\$SO	3,416	
	B.A.T Capital Corporation		"	•	\$SO	3,325	N/A	\$SO	3,325	
	Highmark Inc.		"	•	US\$	3,283	N/A	\$SO	3,283	
	Pfizer Inc.		"	•	\$SO	3,281	N/A	\$SO	3,281	
	Realty Income Corporation		"	1	NS\$	3,271	N/A	\$SO	3,271	
	Ross Stores, Inc.		"	•	ns\$	3,267	N/A	\$SO	3,267	
	Republic Services, Inc.		"	1	ns\$	3,212	N/A	NS\$	3,212	
	Verisk Analytics, Inc.		"	'	NS\$	3,191	N/A	SSO .	3,191	
	Truist Bank	•	"		US\$	3,173	N/A	US\$	3,173	
	Corebridge Financial, Inc.		"		0SS	3,120	N/A	\$SO	3,120	
										.,

						December 51, 2025		
Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carryii (Foreign	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	alue irrencies ands)
		Financial assets at fair value through other	,	\$SO	2,265	N/A	US\$	2,265
	,	comprehensive income	•	USS	2.249	N/A	ns\$	2.249
	,	"	,	NS\$	2,230	N/A	NS\$	2,230
		H H	'	\$SO	2,187	N/A	\$SO	2,187
	•	"	1	\$SO	2,160	N/A	\$SO	2,160
Health Care Service Corporation, a Mutual Legal Reserve		"	1	\$SO	2,130	N/A	\$SO	2,130
Company American Honda Finance Comparation	,	=		\$511	2.087	N/A	8511	2.087
	,	: *		3311	2 057	V/N	\$511	2 057
Limites ov Bank of America National Accociation				3311	2.036	N/A	\$511	2,037
sociation			'	1100	2,030	A/N	9311	2,030
-		*	'	600	2,019	N/A	0.55	2,019
KODII Giobal 2023-1 Co., Ltd.		11	'	0.23	1,996	N/A	ns\$	1,996
Public Service Electric and Gas Company		"	'	ûS.	1,986	N/A	nss	1,986
Mead Johnson Nutrition Company		"	•	\$SO	1,973	N/A	\$SO	1,973
		"	•	\$SO	1,967	N/A	SSO	1,967
UBS Group Funding (Jersey) Ltd.		"	•	\$SO	1,951	N/A	SSO.	1,951
Tucson Electric Power Company		"	•	\$SO	1,948	N/A	\$SO	1,948
		"		\$SO	1,943	N/A	NS\$	1,943
		"	•	\$SO	1,930	N/A	NS\$	1,930
		"		\$SO	1,916	N/A	US\$	1,916
		"		NS\$	1.911	N/A	US\$	1.911
Shinhan Financial Group Co Ltd.		"	'	NS\$	1.856	N/A	nss.	1.856
	,	: =	,	SSII	1.823	N/N	SSII	1.823
		: =		\$511	1 812	₹/N	\$511	1 812
				9311	1,012	V V	\$50	1,012
Dodeching Hothoway Drown Commen			•	9311	1,307	V/N	\$50	1,007
y company			'	927	1,792	N/A	920	1,722
CenterPoint Energy Houston Electric, LLC		**		\$20	1,785	N/A	620	1,785
Mondelez International, Inc.		"		OS\$	1,759	N/A	US\$	1,759
Kentucky Umittes Company		**		\$20	05/1	N/A	620	1,700
SMBC Aviation Capital Finance DAC		11		0.23	1,747	N/A	ns\$	1,747
		"	•	ns\$	1,747	N/A	nss	1,747
Evergy Kansas Central, Inc.		"	•	nS\$	1,692	N/A	nss.	1,692
		"		\$SO	1,685	N/A	\$SO	1,685
		"	•	ns\$	1,631	N/A	\$SO	1,631
		"	'	nS\$	1,601	N/A	\$SO	1,601
Gulfstream Natural Gas System, L.L.C.		"		\$SO	1,598	N/A	\$SO	1,598
	•	"	•	\$SO	1,594	N/A	\$SO	1,594
		"		\$SO	1,576	N/A	\$SO	1,576
International Business Machines Corporation		"	•	\$SO	1,570	N/A	\$SO	1,570
Burlington Northern Santa Fe, LLC		Н	1	\$SO	1,566	N/A	\$SO	1,566
		"		\$SO	1,556	N/A	\$SO	1,556
Jefferies Financial Group Inc.		"		\$SO	1,543	N/A	NS\$	1,543
		"	,	\$SO	1,538	N/A	NS\$	1,538
		"	,	\$SO	1,526	N/A	NS\$	1,526
		"	•	NS\$	1,517	N/A	NS\$	1,517
		"		\$SO	1,511	N/A	US\$	1,511
Kinder Morgan, Inc.	,	"	,	NS\$	1,510	N/A	NS\$	1,510
		"	'	\$SO	1,495	N/A	NS\$	1,495
American International Group, Inc.		"	'	\$SO	1,479	N/A	NS\$	1,479
				_				

						December 31, 2023	31, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units	Carryi (Foreign	Carrying Value (Foreign Currencies	Percentage of	Fair (Foreign (Fair Value (Foreign Currencies	Note
				(In I nousands)	in The	in Thousands)	Ownership (%)	in Tho	in Thousands)	
TSMC Global	Essex Portfolio, L.P.		Financial assets at fair value through other commentative income	1	\$SO	1,477	N/A	\$SO	1,477	
	Microchip Technology Incorporated		"	1	\$SO	1,477	N/A	\$SO	1,477	
	Amcor Flexibles North America Inc.	1	11	1	\$SO	1,473	N/A	NS\$	1,473	
	Wipro IT Services LLC		"		\$SO	1,471	N/A	\$SO	1,471	
	NSTAR Electric Company		"	•	SSO.	1,455	N/A	ns\$	1,455	
	Duke Energy Florida, LLC		"		NS\$	1,448	N/A	NS\$	1,448	
	National Rural Utilities Cooperative Finance Corporation	1	"	•	\$SO	1,445	N/A	\$SO	1,445	
	Alimentation Couche-Tard Inc.	1	#	•	SS C	1,442	A/N	CSS	1,442	
	The Cigna Group	1	#	•	CS\$	1,340	A/N	CSS	1,340	
	Eastern Gas Transmission and Storage, Inc.		"	•	SSO.	1,319	N/A	\$SO	1,319	
	Caterpillar Financial Services Corporation	1	"	•	SSO.	1,300	N/A	\$SO	1,300	
	The Williams Companies, Inc.	1	"	1	\$SO	1,259	N/A	\$SO	1,259	
	Andrew W. Mellon Foundation, The		"	•	\$SO	1,247	N/A	ns\$	1,247	
	Union Pacific Corporation		"	•	\$SO	1,227	N/A	\$SO	1,227	
	Ecolab Inc.		"		\$SO	1,205	N/A	ns\$	1,205	
	Sysco Corporation	1	"	1	\$SO	1,198	N/A	\$SO	1,198	
	Mondelez International Holdings Netherlands B.V.		11	•	Ω	1,115	N/A	NS\$	1,115	
	Ferguson Finance PLC	•	"	•	Ω	1,113	N/A	NS\$	1,113	
	Reliance Standard Life Global Funding II	1	11	•	\$SO	1,112	N/A	\$SO	1,112	
	Nucor Corporation	1	11	•	\$SO	1,072	N/A	NS\$	1,072	
	AIB Group plc	•	"	•	Ω	1,065	N/A	\$SO	1,065	
	Enterprise Products Operating LLC	•	"	•	NS\$	1,034	N/A	ns\$	1,034	
	Lennox International Inc.		"		\$SO	1,026	N/A	ns\$	1,026	
	New York State Electric & Gas Corporation	1	"		\$SO	1,026	N/A	ns\$	1,026	
	Sabine Pass Liquefaction, LLC	1	"		\$SO	1,018	N/A	SSO	1,018	
	Scottish Power Limited		"	•	SSO.	1,004	N/A	ns\$	1,004	
	Suntory Holdings Limited	1	"		\$SO	973	N/A	SSO	973	
	Canadian Pacific Railway Company	1	"	•	NS\$	626	N/A	ns\$	959	
	AIA Group Limited		"	•	ns\$	926	N/A	ns\$	926	
	LYB Finance Company B.V.	1	"		0S\$	942	N/A	\$SO	942	
	Piedmont Natural Gas Company, Inc.		"		\$SO	932	N/A	\$SO	932	
	Juniper Networks, Inc.	1	#	•	SS C	926	A/N	CSS	926	
	Lennar Corporation	•	"		SSO LISS	923	N/A	SSO LISE	923	
	Amcor Finance (USA), Inc.	1	" :		\$20	716	N/A	\$20	917	
	DAE 3 ystems Finance inc. The Interpublic Group of Companies Inc				\$211	916	K/N	\$20	916	
	AEP Texas Inc.		: =	•	nss	914	N/A	nS\$	914	
	Assurant, Inc.		"	1	NS\$	914	N/A	NS\$	914	
	Unilever Capital Corporation		"	•	SSO.	068	N/A	SSO O	890	
	Reynolds American Inc.	1	"	•	\$SO	688	N/A	\$SO	688	
	County of Palm Beach, Florida	1	#	•	\$SO	825	N/A	\$SO	825	
	TransCanada PipeLines Limited	1	11	•	\$SO	819	N/A	\$SO	819	
	CubeSmart, L.P.	•	"	•	Ω	784	N/A	\$SO	784	
	Southwest Gas Corporation	•	"	•	Ω	771	N/A	\$SO	771	
	Zimmer Biomet Holdings, Inc.	•	"	•	NS\$	771	N/A	ns\$	771	
	BP Capital Markets America, Inc.	1	"	•	\$SO	770	N/A	NS\$	770	
	Niagara Mohawk Power Corporation	ı	"		\$SO	761	N/A	\$SO	761	
	Veralto Corporation		"	•	\$SO	759	N/A	\$SO	759	
	The Brooklyn Union Gas Company	ı	"		\$SO	755	N/A	\$SO	755	

					December	December 31, 2023	=		
Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units	Carr; (Foreign	Carrying Value (Foreign Currencies	Percentage of	Fair Value (Foreign Curre	alue ırrencies	Note
			(In Inousands)	in	in Thousands)		in Thousands)	sands)	
Mars, Incorporated		Financial assets at fair value through other		\$SO	754	N/A	\$SO	754	
Manufacturers and Traders Trust Company	,	comprehensive income		8811	751	Z	\$511	751	
Consolidated Edison Company of New York. Inc.	,	: #		SSO	750	Z/X	SSI	750	
Oklahoma Gas and Electric Company				\$511	749	Z A	\$511	749	
Vova Financial Inc	,			\$511	749	N/A	\$511	740	
March & McIennan Companies Inc	,			\$511	747	N/A	\$511	747	
maish e metalinan companies, me.		2		9011	1 4	NI/A	9311	145	
Menoration Inc				1100	, t	N/A	9311	5 + 1	
waste ivianagement, inc.			•	660	7 6	N/A	0.55	† ·	
Visa Inc.		ll l		CSS	739	N/A	SSO	739	
PACCAR Financial Corp.	•	"		\$SO	738	N/A	\$SO	738	
Sky Limited	•	"	•	NS\$	691	N/A	\$SO	691	
Hyundai Capital Services, Inc.		ll ll		\$SO	689	N/A	NS\$	689	
The Allstate Corporation		"		SSO OS	675	N/A	NS\$	675	
ONB Finance Ltd.	•	"		SSO 1	673	N/A	nss	673	
Sodavo Inc	,	: 3		\$511	672	N/A	\$511	677	
.0, IIIC.				920	2/0	N/N	0.50	2/0	
Automatic Data Processing, Inc.		"		0.23	649	N/A	SSO OS	649	
L3Harris Technologies, Inc.		"		ns\$	617	N/A	ns\$	617	
Southern Power Company		"		\$SO	612	N/A	NS\$	612	
Burlington Resources Inc.	•	"		NS\$	009	N/A	NS\$	009	
Starbucks Corporation	,	"		US\$	594	N/A	US\$	594	
Florida Hurricane Catastronhe Fund Finance Cornoration	,	*		\$511	503	A/N	\$511	503	
infor Inc				3311	580	C 4/N	\$50	580	
				920	707	U/N	0.00	707	
Columbia Pipelines Holding Company, LLC	•	"		CSS	996	A/A	OS\$	996	
American Water Capital Corp.		"		0.25	295	N/A	SSO	295	
Columbia Pipelines Operating Co. LLC	•	"	•	NS\$	538	N/A	\$SO	538	
Shell International Finance B.V.		ll ll		\$SO	536	N/A	SSO	536	
Arizona Public Service Company		"		\$SO	520	N/A	ns\$	520	
State of Hawaii		"		USS	515	N/A	USS	515	
Intera Sannaolo S n A		. 3		\$511	512	N/A	3511	512	
- Philli- C				9011	21.5	NI/A	951	210	
Conocor nilips Company	•	"		0.55	015	N/A	620	510	
Mississippi Power Company		"		0.23	210	N/A	680	010	
MassMutual Global Funding II		"		ÛS\$	206	N/A	nS\$	206	
Westpac New Zealand Limited		"		\$SO	499	N/A	ns\$	499	
Deutsche Telekom International Finance B.V.	,	"		USS	496	N/A	US\$	496	
Haleon IIK Canital plc	,	*		\$511	488	A/N	\$511	488	
Commonwealth Bank of Australia	,			\$511	487	Z Z	\$311	487	
Trane Technologies I uxembourg Finance S A	,	: =		\$511	486	Z Z	\$511	486	
Gennine Parts Company	,	: =		\$511	480	Z	\$311	480	
Altria Group Inc	,	: =		\$511	477	Z Z	\$511	477	
McCormick & Company Incompared	,	: 3		\$511	777	N/A	\$511	777	
DENSO Company, incorporated		2 1		3311	153	N/A	9511	1 2 3	
Conporation		"		900		V/N	900		
Brazos Higher Education Authority Inc	•	"		0.55	444	A/X	\$20	4 6	
Fernod Kicard International Finance LLC	•	"		0.55	455	N/A	0.53	435	
Aker BP ASA		"		0.23	433	N/A	S\$0	433	
The Home Depot, Inc.		"		NS\$	416	N/A	\$SO	416	
Farget Corporation		"	•	\$SO	412	N/A	NS\$	412	
National Australia Bank Limited		"	•	\$SO	410	N/A	ns\$	410	
Entergy Corporation	,	"		USS	395	N/A	US\$	395	
GlaxoSmithKline Capital Inc.	,	"	•	\$511	394	N/A	SSII	394	
)		-	-		

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Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	(Foreign (Carrying value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair value (Foreign Currencies in Thousands)	ame urrencies sands)	Note
Enel Finance International N.V. Protective Life Global Fundine	1 1	Financial assets at amortized cost	1 1	\$SO	8,250	N/A A/A	\$SII	8,188	
CRH America, Inc.	,		'	\$SO	7,954	N/A	\$SO	7,849	
Mercedes-Benz Finance North America LLC		"	1	\$SO	7,916	N/A	\$SO	7,894	
BPCE SA		"	1	SSO.	7,874	N/A	\$SO	7,794	
Sydney Airport Finance Company Pty Ltd		#	'	SSO	17.17	K %	SSO	7,672	
Sumitomo Mitsui Financial Group, Inc.	•	# :	1	\$50	7,538	A/N	\$20	cIC,/	
AIG Global Funding Banco Rilhao Vizcava Argantaria S A				820	7,480	N/A	680	7.006	
Southern California Edison Company		: =		SSII	5.913	Y N	SSII	5.924	
NatWest Markets Plc		: =	,	SSO	5.515	K/Z	SSN	5,483	
F&G Global Funding	,	"	'	NS\$	5,511	N/A	SSO	5,440	
ING Groep N.V.		"	1	\$SO	5,244	N/A	NS\$	5,307	
Athene Global Funding		#	•	NS\$	5,122	N/A	NS\$	5,032	
Hyundai Capital Services, Inc.		"	1	\$SO	5,007	N/A	SSO.	4,964	
Svenska Handelsbanken AB (publ)	,	#	'	\$SO	4,723	N/A	NS\$	4,755	
ONB Finance Ltd.		#	•	nss	4,421	N/A	NS\$	4,423	
Sumitomo Mitsui Trust Bank. Limited			,	nss.	4.165	A/X	OSS	4.120	
Lloyds Banking Group plc			'	SSII	3.979	N/A	\$511	3.949	
Deutsche Bank AG - New York Branch	,	: *		\$511	3 974	A/N	\$511	3 944	
Volkswagen Group of America Finance 11 C	,	: =		\$511	3 853	A/N	\$511	3 803	
Volkswagen Group of America Finance, EEC				9311	2,633	V/N	9511	3,003	
Transism of Financial Gloup, me.				980	7,747	W/W	920	3,123	
Jackson National Life Global Funding	,	#	•	SSO.	3,345	A/N	SSO .	3,276	
ANZ New Zealand (Int1) Limited		#		0.23	3,251	N/A	SSO C	3,216	
Scottish Power Limited		11	•	US\$	3,188	A/A	nss.	3,197	
Spectra Energy Partners, LP		#	•	\$SO	2,851	N/A	SSO.	2,812	
National Bank of Canada	,	"	•	\$SO	2,091	N/A	\$SO	2,088	
Georgia-Pacific LLC	,	"	•	\$SO	1,254	N/A	\$SO	1,253	
GA Global Funding Trust	,	"		US\$	1.174	N/A	US\$	1.175	
Reliance Standard Life Global Funding II		-	'	\$511	1.083	N/A	\$511	1.075	
Barclays Bank DI C		: "		\$511	745	A/N	\$511	744	
Date Lays Daily 1 LC		2 2		9311	585	V/N	9511	1 0 0	
a Group Emilied			•	ego.	000	W/NI	ego.	100	
Agency mortgage-backed securities		Diagnostial according the realist threated other		3511	0 0 2 2	S.N.	3311	250 052	
		comprehensive income	1		1	TAIL T		1	
Federal Home Loan Mortgage Corporation		"	•	\$SO	350,328	N/A		350,328	
Government National Mortgage Association		"	•	\$SO	225,310	N/A	US\$ 2	225,310	
Government bond/Agency bonds									
United States Department of The Treasury		Financial assets at fair value through other	'	\$SO	718,479	N/A	US\$ 7	718,479	
Federal Home I can Mortgage Compration		comprehensive income		3511	900 9	ø/Z	\$511	900 9	
FEDERAL NATIONAL MORTGAGE ASSOCIATION				\$511	1 065	e/N	\$511	1 065	
Federal Home I can Banks		Hinancial accate at amortizad coet		3311	200,1	A/N		27.4 64.5	
Federal Home Loan Mortgage Cornoration				SSI	135,000	Z Z	1158	134.845	
United States Department of The Treasury		"		NS\$	88,940	N/A		89,501	
<u>Asset-backed securities</u> Wells Fargo Commercial Mortgage Trust 2016-Bnk1		Financial assets at fair value through other	,	NS\$	9,941	N/A	NS\$	9,941	
		comprehensive income							
JPMBB Commercial Mortgage Securities Trust 2014-C24		"		SSO	9,818	N/A	SSO.	9,818	

						December 31, 2023	31, 2023				Г
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units	Carry	Carrying Value	Percentage of	Fair (Foreign	Fair Value	Note	
				(In Thousands)	in Th	in Thousands)	Ownership (%)	in The	in Thousands)		
TSMC Global	Toyota Auto Receivables 2022-B Owner Trust		Financial assets at fair value through other comprehensive income		NS\$	9,665	N/A	\$SO	9,665		
	Gm Financial Consumer Automobile Receivables Trust 2023-3			1	\$SO	9,033	N/A	\$SO	9,033		
	Ford Credit Auto Owner Trust 2021-Rev2		"	•	\$SO	7,674	N/A	NS\$	7,674		
	Hyundai Auto Receivables Trust 2021-C		"	•	ns\$	7,388	N/A	\$SO	7,388		
	Toyota Auto Loan Extended Note Trust 2023-1		"		NS\$	7,351	N/A	\$SO	7,351		
	Citigroup Commercial Mortgage Trust 2015-GC33		"		NS\$	7,069	N/A	\$SO	7,069		
	Ford Credit Auto Owner Trust 2020-REV2		"	•	\$SO	6,861	N/A	\$SO	6,861		
	Hyundai Auto Receivables Trust 2023-B		"	i	ûS\$	6,280	N/A	ns\$	6,280		
	BBCMS Mortgage Trust 2020-C8		"	1	NS\$	6,135	N/A	NS\$	6,135		
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	•	ll ll	•	Ω	6,131	N/A	\$SO	6,131		
	Honda Auto Receivables 2023-2 Owner Trust		"	i	Ω	6,028	N/A	\$SO	6,028		
	Morgan Stanley Capital I Trust 2021-L6	•	ll ll	•	Ω	5,902	N/A	\$SO	5,902		
	Bank 2020-BNK26	•	ll ll	•	Ω	5,840	N/A	\$SO	5,840		
	Hudson Yards 2016-10HY Mortgage Trust		H H	i	Ω	5,805	N/A	\$SO	5,805		
	Benchmark 2019-B11 Mortgage Trust		HI HI	•	\$SO	5,699	N/A	\$SO	5,699		
	Citigroup Commercial Mortgage Trust 2021-PRM2		"	•	\$SO	5,502	N/A	\$SO	5,502		
	Bank 2021-bnk33		"	•	\$SO	5,496	N/A	\$SO	5,496		
	Benchmark 2019-B12 Mortgage Trust		"		\$SO	5,351	N/A	\$SO	5,351		
	Bank 2023-BNK46		"	'	SSO	5,244	N/A	\$SO	5,244		
	Benchmark 2023-B39 Mortgage Trust		"	•	\$SO	5,208	N/A	NS\$	5,208		
	MSWF Commercial Mortgage Trust 2023-1		"	•	\$SO	5,172	N/A	\$SO	5,172		
	BBCMS 2018-Tall Mortgage Trust		"		ns\$	5,101	N/A	NS\$	5,101		
	Wells Fargo Commercial Mortgage Trust 2016-C35	•	ll ll	•	Ω	5,027	N/A	\$SO	5,027		
	Wells Fargo Commercial Mortgage Trust 2021-C59		"	•	\$SO	4,815	N/A	\$SO	4,815		
	CSAIL 2018-CX11		"	•	\$SO	4,777	N/A	\$SO	4,777		
	Bank 2017-Bnk6		"	•	Ω S\$	4,772	N/A	\$SO	4,772		
	Morgan Stanley Capital I Trust 2016 - BNK2 Fund		"	,	\$SO	4,676	N/A	\$SO	4,676		
	GM Financial Revolving Receivables Trust 2021-1		"	,	\$SO	4,526	N/A	\$SO	4,526		
	Bank 2017-BNK9	•	ll l		\$SO	4,162	N/A	\$SO	4,162		
	Benchmark 2023-V3 Mortgage Trust		"	•	\$SO	4,119	N/A	\$SO	4,119		
	Bank 2017 - BNK7		"	•	\$SO	4,063	N/A	\$SO	4,063		
	MRCD 2019-Prkc Mortgage Trust		"	•	\$SO	4,025	N/A	\$SO	4,025		
	Msbam 2016-C29		H H	•	\$SO	4,010	N/A	\$SO	4,010		
	Five 2023-V1 Mortgage Trust		"	i	Ω	4,002	N/A	\$SO	4,002		
	Citigroup Commercial Mortgage Trust 2014-GC21		"	'	\$SO	3,779	N/A	\$SO	3,779		
	JPMCC 2017-JP7		"		ns\$	3,738	N/A	\$SO	3,738		
	Bmw Vehicle Owner Trust 2023-A		"	•	\$SO	3,636	N/A	\$SO	3,636		
	Citigroup Commercial Mortgage Trust 2019-Gc43		"	,	\$SO	3,214	N/A	\$SO	3,214		
	BANK 2017-BNK5	•	ll l		\$SO	3,132	N/A	\$SO	3,132		
	Honda Auto Receivables 2021 - 4 Owner Trust		"		\$SO	3,081	N/A	\$SO	3,081		
	Bank 2019-Bnk22		"	•	NS\$	3,057	N/A	\$SO	3,057		
	Msbam 2016-C31		"	,	\$SO	3,023	N/A	\$SO	3,023		
	Commerce 2015-CCRE24 Mortgage Trust	•	"		NS\$	2,991	N/A	\$SO	2,991		
	WFRBS Commercial Mortgage Trust 2014-C25		"	i	NS\$	2,932	N/A	\$SO	2,932		
	Bmo 2023-C5 Mortgage Trust		"	i	NS\$	2,806	N/A	\$SO	2,806		
	Sreit Commercial Mortgage Trust 2021-Mfp		"	•	\$SO	2,729	N/A	\$SO	2,729		
	Benchmark 2019-B15 Mortgage Trust		"	,	\$SO	2,574	N/A	\$SO	2,574		
	DCENT_23-2		H H	i	Ω	2,521	N/A	\$SO	2,521		
	Toyota Auto Receivables 2023-C Owner Trust		"	1	\$SO	2,519	N/A	\$SO	2,519		
											\neg
										.,	,

						December 31, 2023	11, 2023			
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Valu (Foreign Curren in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair (Foreign in Tho	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Benchmark 2018-B3 Commercial Mortgage Trust		Financial assets at fair value through other	1	\$SO	2,462	N/A	\$SO	2,462	
	Ford Credit Auto Owner Trust 2020-Rev1			•	NS\$	2,415	N/A	NS\$	2,415	
	JPMDB 2017-C7		"	,	\$SO	2,415	N/A	\$SO	2,415	
	GS Mortgage Securities Trust 2015-GC32		11	•	\$SO	2,368	N/A	\$SO	2,368	
	Citigroup Commercial Mortgage Trust 2016-C1		#	•	\$SO	2,304	N/A	\$SO	2,304	
	Citigroup Commercial Mortgage Trust 2015-P1		"	•	\$SO	2,174	N/A	\$SO	2,174	
	Wells Fargo Commercial Mortgage Trust 2020-C55		"		\$SO	2,110	N/A	\$SO	2,110	
	Citigroup Commercial Mortgage Trust 2015-GC27		"		\$SO	2,107	N/A	\$SO	2,107	
	Mhc Commercial Mortgage Trust 2021-Mhc		"	•	\$SO	2,090	N/A	\$SO	2,090	
	Ford Credit Auto Owner Trust 2023-A		ll ll	•	\$SO	1,992	N/A	\$SO	1,992	
	Benchmark 2018-B4 Mortgage Trust	,	#	•	\$SO	1,930	N/A	\$SO	1,930	
	Morgan Stanley Capital I Trust	,	#	•	\$SO	1,844	N/A	\$SO	1,844	
	Dolp Trust 2021-NYC		"	•	\$SO	1,821	N/A	\$SO	1,821	
	CGCMT 2017-P8 Mortgage Trust		#	•	\$SO	1,630	N/A	\$SO	1,630	
	Wells Fargo Commercial Mortgage Trust 2015-C30		#	•	\$SO	1,574	N/A	\$SO	1,574	
	JPMBB Commercial Mortgage Securities Trust 2015-C27		#	•	\$SO	1,527	N/A	\$SO	1,527	
	Hyundai Auto Receivables Trust 2022-A		#	•	\$SO	1,524	N/A	\$SO	1,524	
	Honda Auto Receivables 2023-1 Owner Trust		"		\$SO	1,518	N/A	\$SO	1,518	
	UBS Commercial Mortgage Trust 2018-C11		#	•	\$SO	1,495	N/A	\$SO	1,495	
	COMM 2020-CBM Mortgage Trust		"	•	\$SO	1,476	N/A	\$SO	1,476	
	Morgan Stanley Capital I Trust 2021-L5	,	#	•	\$SO	1,369	N/A	\$SO	1,369	
	Wells Fargo Commercial Mortgage Trust 2018-C44		#	•	\$SO	1,305	N/A	\$SO	1,305	
	Wells Fargo Commercial Mortgage Trust 2015-C29		#	•	\$SO	1,243	N/A	\$SO	1,243	
	Ford Credit Auto Owner Trust 2022-C		"	•	\$SO	1,242	N/A	\$SO	1,242	
	Bank 2019-Bnk17		"	•	\$SO	1,237	N/A	\$SO	1,237	
	GM Financial Consumer Automobile Receivables Trust 2023-1		"		\$SO	1,219	N/A	\$SO	1,219	
	FORD CREDIT AUTO OWNER TRUST 2023-REV2		u u	•	\$SO	1,124	N/A	\$SO	1,124	
	American Express Credit Account Master Trust		"	•	ns\$	1,016	A/A	ns\$	1,016	
	Morgan Stanley Capital 1 Trust 2015 - UBS8		H H	•	SSO	962	Ψ/N :	SSO	396	
	Wells Fargo Commercial Mortgage Trust 2016-LC24		#		SSO STE	939	A/N	SSO 1108	939	
	Ford Credit Auto Owner Trust 2022-A		"		\$SO	/88	N/A	\$SO	/88/	
	Bank 2023-Bnk43		"		\$20 213	865	N/A	0.23	865	
	Nissan Auto Receivables 2023-A Owner Irust Tougta Auto Beggingling 2021 D Owner Trust	•	" "	•	\$20	628	N/A	\$20	829	
	Dough and 2021 P24 Manager Truck		" "		\$2D	0.24	W/N	\$20	010	
	Deficilinate 2021-D24 Mottgage 110st IPMBB Commercial Mortgage Securities Trust 2015-C28				\$811	791	K N	\$811	791	
	COMM Mortgage Trust Series 2015-LC19			,	SSO	778	N V	SSO	778	
	Honda Auto Receivables 2022-2 Owner Trust	,	"	•	\$SO	733	N/A	SSO	733	
	Citigroup Commercial Mortgage Trust 2015-GC35		"	•	\$SO	685	N/A	\$SO	685	
	Wells Fargo Commercial Mortgage Trust 2017-C40		H H	•	\$SO	642	N/A	\$SO	642	
	JPMCC Commercial Mortgage Securities Trust 2016 - JP3		"	•	\$SO	581	N/A	\$SO	581	
	JPMBB Commercial Mortgage Securities Trust 2016-C1		"	•	\$SO	574	N/A	\$SO	574	
	Wells Fargo Commercial Mortgage Trust 2015-C28		"		\$SO	529	N/A	\$SO	529	
	Ford Credit Auto Owner Trust 2022-B		"		\$SO	444	N/A	ns\$	4 4 4	
	Honda Auto Receivables 2021-2 Owner Trust		"	•	\$SO	427	N/A	\$SO	427	
	Citigroup Commercial Mortgage Trust 2018-C5		"		\$SO	425	N/A	\$SO	425	
	Toyota Auto Receivables 2021-C Owner Trust		"	•	\$SO	387	N/A	\$SO	387	
	Wells Fargo Commercial Mortgage Trust 2015-NXS3		"	•	\$SO	255	N/A	\$SO	255	
	Benchmark 2019-B14 Mortgage Trust		#		SSO	239	N/A	SSO.	239	
										(Continued)

	USS 151 USS 149 USS 133 USS 124 USS 120 USS 104 USS 97 USS 83 USS 64 USS 83 USS 64 USS 83 USS 83 USS 83 USS 83 USS 104 USS 83 USS 104 USS 84,515	USS 151 USS 149 USS 133 USS 120 USS 114 USS 97 USS 83 USS 86,515 USS 86,515 USS 80,515	USS 151 USS 133 USS 124 USS 120 USS 114 USS 83 USS 83 USS 86,515 USS 86,515 USS 86,515 USS 800 USS 337 USS 800	USS 151 USS 149 USS 114 USS 114 USS 114 USS 114 USS 86,515 USS 800 USS 337 USS 800 USS 337 USS 800	USS 151 USS 149 USS 120 USS 114 USS 114 USS 114 USS 114 USS 86,515 USS 86,515 USS 86,515 USS 86,515 USS 8000 USS 337 USS 86,515 USS 8000 USS 8000	USS 151 USS 149 USS 124 USS 120 USS 124 USS 120 USS 114 USS 86,515 USS 86,515 USS 86,515 USS 337 USS 3,099 USS 5,000 USS 5,000	USS 151 USS 149 USS 120 USS 120 USS 114 USS 114 USS 114 USS 86,515 USS 86,515 USS 3,009 USS 5,000 USS 6,000 USS 6,000 U	151 149 1124 1124 1124 1124 1124 1124 1133 114 1149 114 1149 114 114 114 1
\$\$0	\$30 \$30 \$30 \$30 \$30 \$30 \$30 \$30 \$30 \$30	\$\$0.00 \$\$	\$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	\$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	\$\$30 \$\$30 \$\$30 \$\$30 \$\$30 \$\$30 \$\$30 \$\$30	\$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50	\$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50 \$\$50	
							1,08 1,17 1,17 1,12 1,12 1,12 1,17 1,17	1,085 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021 1,021
" " " " " " " " " " " " " " " " " " "	" " " " " " " " " " " " " " " " " " "	"" "" "" "" "" "" "" "" "" "" "" "" ""	Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income " " " " " " " " " " " " "	Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through Profit or Loss " Financial assets at fair value through other comprehensive income " Financial assets at fair value through other comprehensive income " Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income	5	5	\bar{\chi}{\chi}
"" "" "" "" "" "" "" "" "" "" "" "" ""	Financial assets at fair value comprehensive income comprehensive income comprehensive at fair value comprehensive at fair value Financial assets at fair value .	Financial assets at fair value comprehensive income comprehensive income comprehensive income Financial assets at fair value comprehensive income Financial assets at fair value comprehensive income "" Financial assets at fair value comprehensive income "" ""	Financial assets at fair value comprehensive income comprehensive income comprehensive income Financial assets at fair value comprehensive income Financial assets at fair value comprehensive income Financial assets at fair value Financial assets at fair value Comprehensive income Financial assets at fair value Loss "	Financial assets at fair value Comprehensive income Comprehensive income Comprehensive income Financial assets at fair value Loss Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income	Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income Comprehensive income Financial assets at fair value Loss Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income	Financial assets at fair value comprehensive income Financial assets at fair value comprehensive income Comprehensive income Financial assets at fair value Loss Financial assets at fair value Comprehensive income "" "" "" "" "" "" "" "" ""	Financial assets at fair value comprehensive income	Financial assets at fair value Comprehensive income Comprehensive income Comprehensive income Comprehensive income Comprehensive income Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income Financial assets at fair value Comprehensive income
PIAMDS Commercial Morgage Securites I rust 2019-COR6 Morgan Stanley Capital I Trust 2018-H3 Bank 2019-BNK23 Citigroup Commercial Morgage Trust 2014-GC23 GS Mortgage Securities Trust 2014-GC26 CF 2019-CF1 Mortgage Trust BBCMS Morgage Trust 2020-C7 Non-publicly traded equity investments Primavera Capital Fund III.P.	PayADB Commercial Morgage Securities Trust 2019-COR6 Morgan Stanley Capital I Trust 2018-H3 Bank 2019-BNK23 Citigroup Commercial Morgage Trust 2014-GC26 GS Mortgage Securities Trust 2014-GC26 CF 2019-CF1 Mortgage Trust 2020-C7 Non-publicly traded equity investments Primavera Capital Fund II L.P. Achter Systems, Inc. Publicly traded stocks Publicly traded stocks Sonetial Commontain	I Mortgage Securites 1 rust 2019-COKo ital I Trust 2018-H3 al Mortgage Trust 2014-GC23 ties Trust 2014-GC26 gage Trust rust 2020-C7 equity investments und II L. P. c. c. c. c. symmetric state of the symm	Mortgage Securites Inst 2019-COK0 Inst 2018-H3	Montable Commercial Morgage Securities I rust 2019-COR6 Morgan Stanley Capital I Trust 2018-H3 Bank 2019-BANK23 Citigroup Commercial Morgage Trust 2014-GC26 GE Nortgage Securities Trust 2014-GC26 GE Nortgage Trust 2020-C7 Son-publicy traded equity investments Frimavera Capital Fund II L.P. Non-publicy traded equity investments Non-publicy traded equity investments Non-publicy traded equity investments Systems, Inc. Acher Systems, Inc. Liquid.eds Lighting Corp. Mutual-Pak Norconix, Inc. Convertible bonds Movandi Corporation Encharge AI, Inc. Non-publicy traded equity investments All Inc. Convertible bonds Movandi Corporation Factual Labs, Inc.	aid Morgage Securities Inst 2019-COKO pital I Trust 2018-H3 id Morgage Tunst 2014-GC23 dites Trust 2014-GC26 gage Trust Trust 2020-C7 I equity investments nc. :: :: :: :: :: :: :: :: :: :: :: :: ::	Morgane Systems Inst 2019-COR6 Morgane Sandies Acquites Trust 2018-H3 Bank 2019-BNK23 Citigroup Commercial Mortgage Trust 2014-GC23 GS Mortgage Securities Trust 2014-GC26 GS Mortgage Securities Trust 2014-GC26 GS Mortgage Trust 2020-C7 SON-publicly traded equity investments Frimavera Capital Fund II L.P. Acher Systems, Inc. Publicly traded equity investments Sentelic Corporation LiquidLeds Lighting Corp. Munal-Pak Neoconix, Inc. Convertible bonds Movandi Corporation Encharge AI, Inc. Shyar Labs, Inc. Encharge AI, Inc.	Havid Standey Capital Trust 2019-COR6 Morgan Standey Capital Trust 2018-H3 Bank 2019-BNK3 Citigroup Commercial Mortgage Trust 2014-GC23 GS Mortgage Securities Trust 2014-GC26 GS Mortgage Trust 12014-GC26 GS Mortgage Trust 2020-C7 Non-publicly traded equity investments Frimavera Capital Fund IIIP. Non-publicly traded equity investments Non-publicly traded equity investments SY Technologies, Inc. Aether Systems, Inc. Publicly traded equity investments LiquidLeds Lighting Corp. Mutual-Pak Neoconix, Inc. Convertible bonds Mon-publicly traded equity investments Ayar Labs, Inc. Encharge AI, Inc. Non-publicly traded equity investments Ayar Labs, Inc. Encharge AI, Inc. Liye AI, Inc. Enghower Semiconductor, Inc. EdgeQ, Inc. SiMa Technologies, Inc.	Mortgage Securities Inist 2019-LOKo 11 Trust 2018-H3 Mortgage Trust 2014-GC23 s Trust 2010-C7 st Trust st 2020-C7 pulty investments orp. luity investments orp. ory. ory. c
						origage Thus 2014-GC23 Thus 12014-GC26 Thus 12014-GC26 Thus 12020-C7 Ty investments P. Ty investments Ty invest	origage Thus 2014-GC23 Thus 12014-GC26 Thus Tours and Thus Tours and Tours a	origage Thus 2014-GC25 Thus t 2014-GC26 Thus t 2020-C7 ty investments Ty investments P. Ty investments Ty investments Thus the state of
						ty investments ty investments p. ty investments ty investments ty investments ty investments ty investments the first contact of the first contact	ty investments p. ty investments p. ty investments p. ty investments ty investments ty investments triple in the second s	y investments y investments p. ty investments y. investments
						y investments p. c.	ty investments p. ty investments ty investments ty investments ty investments ty investments	ty investments p

					December 31, 2023	. 31, 2023		
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Development	Convertible preferred stocks IMS Nanofabrication Global, LLC		Financial assets at fair value through Profit or Loss	,	US\$ 432,795	10	US\$ 432,795	
Growth Fund	Non-publicly traded equity investments Astera Labs, Inc.		Financial assets at fair value through other	637	US\$ 4,146	,	US\$ 4,146	
	CNEX Labs, Inc.		comprehensive income	33	US\$ 133		US\$ 133	
	Publicly traded stocks Marvell Technology Group Ltd.		Financial assets at fair value through other comprehensive income	30	US\$ 1,786	•	US\$ 1,786	
								(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Investees

MARKETABLE SECURTIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Amount In Thousands In Indianappel In Thousands In Indianappel In Indianappel In India					,	Beginning Balance	Balance	Acquisition	ition		Di	Disposal			Ending Balance (Note 1)	nce (Note 1)
\$ 1,263,9079 9,230 \$ 2,92,649,510 \$ 5 \$ 5 \$ 5 \$ 5,986 \$ 470	Marketable Securities Financial Statement Counterparty Relationship (In	Counterparty Relationship	Nature of Relationship		S II	thares/Units	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying V (Foreign Currencie Thousand		n/Loss on bisposal Foreign rencies in ousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies Thousands
1.760.885	Non-publicly traded equity investments TSMC Arizona Investments accounted for	Investments accounted for		1		1,270		9,230	\$ 292,649,510	1	·	89	<i>⇔</i>	1	10,500	\$ 298,604,9
1.760.885	JASM using equity method	using equity method				1,020	23,330,125	1,249	28,062,957	1				1	2,269	47,087,1
1,760,885	ESMC "	- "		,		1	1	100	4,814,293	•			,	1	100	4,768,0
4.476,301 1.687 16,771,708 990 9,900,000 9,900,000 6,900,000 5.9 1,990,459 1,885 18,413,604 1,700 17,000,000 17,000,000 2,000,000 100 99 1,990,459 100 9,94,402 20 2,000,000 2,000,000 100 9 2,485,666 600 5,965,662 75 7,500,000 3,000,000 100 9 29,335,729 55 5,473,392 3450 3,600,000 3,000,000 1,500,000 100 9 USS 1,981 4,200 3,000,000 3,000,000 1,5	Emerging Fund " -					•	1,760,885	1	641,536	1		(244,	376)	1	1	1,901,7
4476,501 1,880 18413.604 1,700 17,000,000 17,000,000 - - 600 5,99 1,990,459 100 94402 200 2,000,000 - - 200 1,9 1,990,459 100 94402 20 2,000,000 - - 100 9 2,485,666 600 5,964,662 750 7,500,000 - - 100 9 2,985,385 5.0 5,473,392 3450 34,500,000 34,500,000 - - - 50 4 1/8\$ - 1,885,473 - - 1,800,000 -	ercial paper Financial Holding Co., Fi	Financial assets at amortized				'	,	1,687	16,771,708	066	9,900,000		000	1	269	6,924,6
1.994.49 1.994.402 2.00 2.000.000 2.000.000 3.450.000	Ltd. Nan Ya Plastics Corporation "			,		450	4,476,301	1,850	18,413,604	1,700	17,000,000		000	1	009	5,976,6
1,990,459 109 994,402 200 2,000,000 2,000,000 - 109 994,402 200 8,000,000 - 109 99 99,402 100 99 99 99,402 100 99 99 99 99,402 100 99 99 99 99 99 99 99 99 99 99 99 99 99 99 90	China Steel Corporation "		1	,		1	1	200	1,985,566	1			-	•	200	1,985,0
7,488,936 150 1,491,352 800 8,000,000 8,000,000 - 100 9 29,335,729 550 5,473,392 3,450 3,450,000 3,000,000 - - 100 9 29,335,729 550 5,473,392 3,450 3,450,000 3,000,000 - - 50 - - 9 4 USS - - 300 3,000,000 3,000,000 - </td <td>Formosa Plastics Corporation</td> <td>- "</td> <td>1</td> <td>1</td> <td>_</td> <td>200</td> <td>1,990,459</td> <td>100</td> <td>994,402</td> <td>200</td> <td>2,000,000</td> <td></td> <td>000</td> <td>•</td> <td>100</td> <td>996,2</td>	Formosa Plastics Corporation	- "	1	1	_	200	1,990,459	100	994,402	200	2,000,000		000	•	100	996,2
2,485,666 600 5,969,662 750 7,500,000 7,500,000 7,500,000 9 29,335,729 550 5,473,392 3450 34,500,000 34,500,000 - - 50 4 USS - USS 4,200 - USS - 1,961 USS 1,000 - - 1,961 USS 1,000 - - USS - USS </td <td>CPC Corporation, Taiwan</td> <td>- "</td> <td>1</td> <td>1</td> <td></td> <td>750</td> <td>7,458,936</td> <td>150</td> <td>1,491,352</td> <td>800</td> <td>8,000,000</td> <td></td> <td>000</td> <td>1</td> <td>100</td> <td>995,5</td>	CPC Corporation, Taiwan	- "	1	1		750	7,458,936	150	1,491,352	800	8,000,000		000	1	100	995,5
29,335,729 556 5,473,392 3,450,000 34,500,000 3,500,000 3,500,000 - - 50 - - 50 - - 50 -	Formosa Chemicals & Fibre	- "		,	_	250	2,485,666	009	5,969,662	750	7,500,000		000	'	100	994,5
USS	Corporation Taiwan Power Company "	- "		,		2,950	29,335,729	550	5,473,392	3,450	34,500,000		000	1	50	498,9
USS - - USS - USS - - USS -	Formosa Petrochemical " Corporation		1			300	2,985,385	1	1	300	3,000,000		000	1	1	
USS	Fund Matter Venture Partners Fund I, Financial assets at fair value L.P. (Note 3) through Profit or Loss	Financial assets at fair value rhrough Profit or Loss				1		ı		1	NS\$	US\$	- US\$			
USS 76,626 - USS 25,548 USS 25,685 USS (137) - USS USS 83,242 - USS 19,579 - USS 14,080 USS 14,166 USS (112) - USS USS 59,735 - USS 14,783 USS 14,166 USS (41) - USS USS 50,629 - USS 14,783 USS 14,824 USS (41) - USS USS 50,629 - USS 19,193 USS 19,334 USS (14) - USS USS 61,493 - USS 18,408 - USS 13,171 USS (114) - USS USS 22,091 - USS 5,907 USS 6,079 USS (172) - USS	Publicly traded stocks Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income				1		1,961	US\$ 100,000	,			- US\$		1,961	
83.242 - USS 19.579 - USS 28.500 USS 28.612 USS (112) - USS 51.439 - USS 19.457 - USS 14,080 USS 14,166 USS (80) - USS 59,735 - USS 11,895 - USS 14,783 USS 14,824 USS (41) - USS 50,639 - USS 19,193 USS 19,343 USS (14) - USS 61,493 - USS 18,093 USS 31,317 USS (14) - USS 27,658 - USS 25,091 USS 5,907 USS 6,079 USS (172) - USS	Corporate bond Bank of America Corporation Financial assets at fair value - hrough other corporation incomes	Financial assets at fair value - hrough other concernable concernable concernable control of the		1		1		1		1		NS\$			1	
59,735 - USS 19,478 USS 14,108 USS (80) - USS 50,735 - USS 11,895 - USS 14,783 USS 14,824 USS - USS 50,629 - USS 24,942 - USS 19,193 USS 19,343 USS (130) - USS 27,658 - USS 22,091 USS 5,907 USS 6,079 USS (172) - USS			1	,		•		1		1		\$SI			1	
59,735 - USS 11,895 - USS 14,783 USS 14,824 USS (41) - USS 50,629 - USS 24,942 - USS 19,193 USS 19,343 USS (150) - USS 61,493 - USS 18,408 - USS 31,203 USS 6,079 USS (14) - USS 27,658 - USS 22,091 - USS 5,907 USS 6,079 USS (172) - USS	The Goldman Sachs Group, Inc.	- "			-			'		1		0.23			1	
50,629 - USS 24,942 - USS 19,133 USS (150) - USS 61,493 - USS 13,03 USS 31,317 USS (144) - USS 27,658 - USS 22,091 - USS 6,079 USS (172) - USS	Wells Fargo & Company "	- "				1		•		1		ns\$			1	
61,493 - US\$ 18,408 - US\$ 31,203 US\$ 31,317 US\$ (114) - US\$ 22,091 - US\$ 5,907 US\$ 6,079 US\$ (172) - US\$	JPMorgan Chase & Co.	- "			_	'		'		•		NS\$			1	
27,658 - US\$ 22,091 - US\$ 5,907 US\$ 6,079 US\$ (172) - US\$ US\$	Citigroup Inc.	- "		,	_	1		•		1		ns\$	_		1	
	Sumitomo Mitsui Financial " Group, Inc.	- "				1		1		1		\$SO			1	

					Beginnin	Beginning Balance	Acqui	Acquisition			Disposal	sal			Ending Balance (Note 1)	Balance	Note 1	1)
Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units in (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)	ign ies in nds)
TSMC Global	Mitsubishi UFJ Financial Group, Inc.	Financial assets at fair value through other			,	US\$ 32,949	,	US\$ 14,983		US\$	12,237	US\$ 12	12,291 U	US\$ (54)	4)	ŭ .	0S\$ 36	36,903
	Barclays PLC	comprehensive income			1	US\$ 11,263	1	US\$ 26,220	0.	NS\$	3,124		3,150 U	US\$ (26)	9)	- U.		35,277
	HSBC Holdings plc	"				(4.)	1			\$SO	10,731				2	<u>i</u>		30,124
	CVS Health Corporation	"			1		'		-	\$SO	7,017				(6	<u>-</u>		24,591
	Lloyds Banking Group plc	"	1			US\$ 10,533		US\$ 13,842	Z1 ×	SSI	717	SSD .	729 U	US\$ (12)	3 (2)	j <u>i</u>	US\$ 24	24,131
	Oracle Corporation								0 21	SSN NS\$	14,576	_			9 6	5 5		23,751
	Capital One Financial	"			1					NS\$	4,232				, F	ŭ -		21,572
	Corporation Credit Agricole SA London	"			1	US\$ 11,611	1	US\$ 10,744	4	\$SO	2,624	ns\$	2,627 U	(S) \$SI	3)	n -	US\$ 20	20,395
	Branch AIG Global Funding				'	8209		11S\$ 12.370	0.	\$811	2.660			65) \$S11	6	- 11		18.428
	Metropolitan Life Global Funding	: "			1	US\$ 24,408	1			\$SO		US\$ 1	U,199 U	US\$ (56)	9	ň -	US\$ 18	18,299
	I ABN AMRO Bank N.V.	"			,	- \$SO	1	US\$ 17,900	00	\$SO	1					ŭ.		18,247
	Danske Bank A/S	"	1		•		1	_		NS\$				_	2	j ;		16,698
	The Bank of New York Mellon Cornoration	"	1		•	US\$ 11,282	1	US\$ 9,795		ns\$	5,326	nss ;	5,250 U	OSS 76	9	<u> </u>	0S\$ 16	16,064
	Amgen Inc.	"			•	US\$ 310				\$SO	5,611		5,568 U	US\$ 43	3	ŭ ·		13,330
	AerCap Ireland Capital	"	1		1	- SSO		US\$ 12,899	- 60	\$SO	1	NS\$	- ٦	- \$SD	_	<u>-</u>	US\$ 13	13,278
	Pfizer Investment Enterprises Pte.	"			•	- \$SO		US\$ 12,584	4:	\$SO	1	\$SO	- ۲	- \$SN		ŭ -	US\$ 12	12,590
	Ltd. ONEOK, Inc.	"	,			- nss	1	US\$ 10,733		NS\$	1	ns\$	٠	- \$SN		ŭ	US\$ 11	11,048
	Credit Suisse AG, New York	#			•	US\$ 12,688		ns\$	1	\$SO	12,569		14,369 U	US\$ (1,800)	((ű -		
	Bank of America Corporation	Financial assets at amortized			,	US\$ 324,757		US\$ 669,940	- 0;	us\$	202,000	US\$ 20	201,456 U	US\$ 544	4	ň	667 \$SU	799,449
	Wells Fargo & Company	cost "				US\$ 274,713		US\$ 499,184	4	US\$	159,000	US\$ 158	158,626 U	US\$ 374	+	Ď	US\$ 619	619,830
	Morgan Stanley	"					1									ă		566,880
	The Goldman Sachs Group, Inc.	#	1		•	US\$ 440,655			- 23		270,500	US\$ 27(1.2	Ď	US\$ 432	432,811
	Citigroup Inc.	* *						US\$ 232,386	<u> </u>	uss 1	322,000 159.000		321,083 U	US\$ 388	2 ~	<u> </u>		251,481
	Citigroup Global Markets Inc.	"		,	•		•		1		200,000				,	Ď		149,951
	Citigroup Global Markets	"			1	US\$ 149,951	,	NS\$	1	NS\$	20,000	US\$ 50	50,000 U	- \$SD		Ħ	66 \$SD	896'66
	Goldman Sachs Finance Corp	"	,		,	US\$ 149,870		NS\$	1	\$SO	50,000	US\$ 50	50,000 U	- \$SO		ň	66 \$SN	506,66
	International Ltd Citigroun	-			'	- SSI1	1	115\$ 20.000	9	\$\$11	'	SSII	-	SSI1		511	61 \$SI1	19.981
	Jpmorgan LLC	"			•	US\$ 49,984	1		1	\$SO	50,000		50,000 U			ő		. '
	Agency mortgage-backed																	
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	Financial assets at fair value through other	1		•	US\$ 463,645	1	US\$ 258,497		\$SO	71,635	US\$ 72	72,541 U	(906) \$SN	(6	'n ·	NS\$ 658	658,944
	Federal Home Loan Mortgage	comprehensive income			1	US\$ 284,933		US\$ 121,863		\$SO	60,277	9 \$SN	60,692 U	US\$ (415)	3)	- O	US\$ 350	350,328
	Corporation Government National Mortgage	"		1	•	US\$ 175,067	1	US\$ 70,079	- 6	\$SO	23,182	US\$ 23	23,871 U	(689) \$SN	<u> </u>	on .	US\$ 225	225,310
	ASSOCIATION																	
																	(Conti	(Continued)

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(Con

Ending Balance (Note 1)	Gain/Loss on		Disposal Shares/Units (Foreign Currencies in Thousands) USS (4,467)	Disposal Shares/Units (Foreign Currencies in Thousands) USS (4.467) - USS (6)	Disposal Shares/Units (Foreign Thousands) Thousands) USS (4,467) USS (6)	Disposal Shares/Units (Foreign Thousands) Thousands) USS (4.467) USS (6) USS	Disposal (Foreign Thousands) Currencies in Thousands) US\$ (4,467)	Disposal Currencies in Thousands Currencies in Thousands Thousands
Coin/L	Amount Carrying Value Garinoss (Foreign Foreign Dispose Currencies in Currencies in Currenci Thousands) Thousands			US\$	US\$ US\$ US\$	US\$	US\$ US\$ US\$ US\$, SSU
Amount (Foreign Currencies in Thousands)	-	- US\$ 177,248 US\$	_	2,994	2,994	2,994	25,000	44
Amount (Foreign Shares/Units Currencies in (In Thousands) US\$ 263.657					US\$ 225,000 - I	1 1	- 160,000 - 88,826	160,000 - 88,826
Shares/Units (Fore (In Thousands) Curren Thouse	- US\$ 26		- US\$	- US\$ 22		- US\$ 16	SSN NS\$	US\$ US\$
nount oreign encies in usands) 613,603			- \$SI	- \$SI		- \$Sſ		9,65
Shares/Units (Fo (In Thousands) Curre Thou	\$SO		- US\$	- nss	_	- US\$	- US\$	- US\$
Nature of Share				1	_			
Counterparty Re		1	ı					
ement	Account	Financial assets at fair value through other	comprehensive income	Financial accete at amortized	I maneral assets at announced	COSt "	COST "	cost " " Financial assets at fair value through other comprehensive income
	Marketable Securities Type and Name	Government bond/Agency bonds United States Department of The Financial assets at fair value Treasury through other	Federal Home Loan Mortgage	Corporation Federal Home Loan Banks		Federal Home Loan Mortgage	Federal Home Loan Mortgage Corporation United States Department of The Treasury	he
	Company Name	TSMC Global G	щ	ц		Щ	R P	. C C

Note 1: The ending balance includes the realized gain/loss on equity investment, the amortization of premium/discount on bonds investments and other related adjustment.

Note 3: TSMC Partners expects to invest US\$ 20,000 thousand in Matter Venture Partners Fund I based on the resolution of the board of directors. As of the end of this quarter, US\$ 4,200 thousand has been remitted.

Note 2: Includes a prepayment for investment of EUR 139,930 thousand.

Taiwan Semiconductor Manufacturing Company Limited and Investees

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Other	None	(Continued)
))
	Purpose of Acquisition	Manufacturing purpose	
	Price Reference	Price comparison and price negotiation	
party	Amount	N/A	
Related Counter	Transfer Date	Υ X	
Prior Transaction of Related Counterparty	Relationships	K Z	
Prior	Owner	N/A	
	Nature of Relationships	•	
	Counterparty	ABB Ltd. Accudevice Co., Ltd. Ari Liquide Far Eastern Ltd. Alis Electric Co., Ltd. Ani-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan 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. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Confederate Technology Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Hantech Engineering Co., Ltd. Fortune Electric Co., Ltd. Hantech Engineering Co., Ltd. Hantech Ltd. Hantech Ltd. Hueng Luei Process Industry Co., Ltd.	
	Payment Term	Based on the terms in the purchase order	
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 1,881,000 (Note)	
	Transaction Date	Real estate February 14, 2023 (Note)	
	Types of Property	Real estate	
	Company Types of Name Property	TSMC	

			(pai
	Other		(Continued)
	Purpose of Acquisition		
	Price Reference		
arty	Amount		
elated Countery	Transfer Date		
Prior Transaction of Related Counterparty	Relationships		
Prior 1	Owner		
	Nature of Relationships		
	Counterparty	higersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) JG Environmental Technology Co., Ltd. JJmn-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Jusun Instruments Co., Ltd. Corporation L&K Engineering Co., Ltd. Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Schneider Electric Taiwan Co., Ltd. Schneider Electric Taiwan Co., Ltd. Schneider Electric Co., Ltd. Schneider Electric Co., Ltd. Schneider Electric Co., Ltd. Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Techgo Industrial Co., Ltd. Teckgo Industrial Co., Ltd. Teckgo Industrial Co., Ltd. Teckgo Industrial Co., Ltd. Unelectra International Corp. Und. Versum Materials Taiwan Co., Ltd. Versum Materials Taiwan Co., Ltd. Weltall Technology Corporation Wholetech System Hitech Limited Ltd. Yankey Engineering Co., Ltd.	
	Payment Term	I R R IZ Z COMO W WE EEED DD V V V V V	
Transaction	Amount (Foreign Currencies in Thousands)		
	Transaction Date		
	Types of Property	Real estate	
	Company Name	TSMC	

			(P
	Other	None	(Continued)
	Purpose of Acquisition	Manufacturing purpose	
	Price Reference	Price comparison and price negotiation	
oarty	Amount	₹ Z	
elated Counter	Transfer Date	₹ Ż	
Prior Transaction of Related Counterparty	Relationships	K Z	
FIIOL	Owner	₹ Z	
	Nature of Relationships		
	Counterparty	ABB Ltd. Accudevice Co., Ltd. Ari Liquide Far Eastern Ltd. Alis Electric Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Chenfull International Co., Ltd. Corporation Industrial Corp. Cica-Hunek Chemical Technology Taiwan Co., Ltd. Desiccant Technology Corporation Exyte Taiwan Co., Ltd. Hantech Electric Co., Ltd. Hantech Engineering Co., Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hsieh Kun Co., Ltd. Hsieh Kun Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Jumr-Clean-Air Solution Technology Co., Ltd. Jumr-Clean-Air Solution Technology Corporation Lex Engineering Co., Ltd.	
	Payment Term	Based on the terms in the purchase order	
Lansaction	Amount (Foreign Currencies in Thousands)	US\$ 366,000 (Note)	
	Transaction Date	May 9, 2023 (Note)	
	Types of Property	Real estate	
	Company Name	TSWC	

	Other Terms	None
	Purpose of Acquisition	Manufacturing
	Price Reference	Price comparison and price negotiation
party	Amount	N/A
Prior Transaction of Related Counterparty	Transfer Date	N/A
Transaction of	Relationships	N/A
Prior	Owner	₹ Ż
	Nature of Relationships	,
	Counterparty	Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Schneider Electric Taiwan Co., Ltd. Shillin Electric Raimen Engineering Corporation Siemens Limited Solomon Technology Corporation Swift Engineering Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. Trusval Technology Co., Ltd. Trusval Technology Co., Ltd. Undectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Arankey Engineering Co., Ltd. All-Bau AG + Co. Gewerbepark KG
	Payment Term	Based on the terms in the purchase order
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 4,363,000 (Note)
	Transaction Date	August 8, 2023 (Note)
	Types of Property	Real estate
	Company Name	TSMC

	Other Terms	
	Purpose of Acquisition	
	Price Reference	
party	Amount	
elated Counter	Transfer Date	
Prior Transaction of Related Counterparty	Relationships	
Prior	Owner	
	Nature of Relationships	
	Counterparty	higersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates J.G. Environmental Technology Co., Ltd. J.Bur-Clean-Air Solution Technology Co., Ltd. Liste Engineering Co., Ltd. Corporation Lead-Fu Industrials Corporation Corp. Mandartech Interiors Inc. Mandartech Interiors Inc. Mandartech Interiors Inc. Mandartech Interiors Inc. Mandartech Interiors Co., Ltd. Corp. San Fu Chemical Co., Ltd. San Fu Chemical Co., Ltd. Schneider Electric Re Construction Co., Ltd. Schneider Electric Re Solomon Technology Corporation Siemens Limited Solomon Technology Corporation TaxsA Construction Corporation TaxSA Construction Corporation TaxSA Construction
	Payment Term	
Transaction	Amount (Foreign Currencies in Thousands)	
	Transaction Date	
	Types of Property	Real estate
	Company Name	TSMC

	Other Terms	None
	Purpose of Acquisition	Manufacturing
	Price Reference	Price I comparison and price negotiation
party	Amount	N, A
Related Counter	Transfer Date	N/A
Prior Transaction of Related Counterparty	Relationships	N/A
Prior	Owner	∀ Ż
	Nature of Relationships	
	Counterparty	Taiwan Puritic Corp. Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Undectra International Corp. United Integrated Services Co., Ltd. Wei Shung Technology Corporation Weir Shung Technology Corporation Weltall Technology Corporation Timited Limited Yangetech Engineering Co., Ltd. Yankey Engineering Corp. Ltd. Yankey Engineering Corp. Ltd. Yankey Bureauties(Note), including: Science Park Bureaut, Ministry of Science and Technology Science and Technology
	Payment Term	Based on the terms in the purchase order
Transaction	Amount (Foreign Currencies in Thousands)	US\$ 464,000 (Note)
	Transaction Date	Real estate Real estate November 14, 2023 (Note)
	Types of Property	Real estate
	Company Name	TSMC

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.

Taiwan Semiconductor Manufacturing Company Limited and Investees

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

				Transaction Details	Details	Abnorn	Abnormal Transaction	Notes/Accounts Payable or Receivable	able or	
_	Nature of Relationships	Purchases/ Sales	Amount (Foreign Currencies in Thousands)	encies % to Total	to Payment Terms	Unit Price	Payment Terms	Unit Price Payment Terms (Foreign Currencies in Thousands)	% to Total	Note
TSMC North America	Subsidiary	Sales	\$ 1,459,559,406	9,406 66	Net 30 days from invoice date	· •	1	\$ 154,789,324	82	
	Subsidiary	Sales	35	356,150	Net 30 days from the end of the month of when invoice is	he -	1	1		
	Subsidiary	Sales	14.	145,150	issued Net 30 days from the end of the month of when invoice is		1	1	1	
	Associate Subsidiary	Sales Purchases	8,898,237 62,252,516		žž	e - hee -	1 1	471,728 (5,064,282)	- 6	
	Subsidiary	Purchases	25,643,202	3,202 14	ž	he -	1	(2,312,769)	4	
TSMC Washington	Indirect subsidiary	Purchases	8,30	8,302,902	issued Net 30 days from the end of the month of when invoice is	he -		(199,158)	1	
	Associate	Purchases	3,49	3,493,671	issued Net 30 days from the end of the month of when invoice is	he -	,	(457,348)	-	
	Associate	Purchases	1,06	1,068,535	issued 1 Net 30 days from the end of the month of when invoice is issued		1	(66,653)	1	
	Associate of TSMC	Sales	3,85 (US\$ 12.	3,859,301 124,986)	- Net 30 days from invoice date	ا •		43,091 (US\$ 1,401)	1	
	Associate of TSMC	Sales	64;	642,113	9 Net 60 days from the end of the month of when invoice is issued		1	109,632	12	

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

Taiwan Semiconductor Manufacturing Company Limited and Investees

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL December 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Allowance for Bad Debts	· · · ·	ı	ı	ı	1	ı	1	ı	ı	ı
	Amounts Received in Subsequent Period	\$ 81,336,750	1	1	1	1	1	•	1	1	1
Overdue	Action Taken					•	ı	1			
	Amount	\$ 114,137	•	•	•	1	1	1	,	,	
	Turnover Days (Note 1)	41 Note 2 36	Note 2	Note 2	33	Note 2	27	63	Note 2	23	Note 2
	Ending Balance (Foreign Currencies in Thousands)	\$ 158,537,008 416,139 471,728	116,051 (US\$ 3,774)	142,303 (JPY 649,192)	2,312,769 (RMB 533,456)	38,395,507 (RMB 8,856,278)	5,064,282 (RMB 1,168,110)	109,632	483,851 (US\$ 15,737)	199,158 (US\$ 6,477)	342,004 (US\$ 11,123)
	Nature of Relationships	Subsidiary Subsidiary Associate	Parent company	Parent company	Parent company	The same parent company	Parent company	Associate of TSMC	The ultimate parent of the Company	The ultimate parent of the Company	Parent company
	Related Party	TSMC North America JASM GUC	TSMC	TSMC	TSMC	TSMC Nanjing	TSMC	Xintec	TSMC	TSMC	TSMC Development
	Company Name	TSMC	TSMC North America	TSMCJDC	TSMC China		TSMC Nanjing	VisEra Tech	TSMC Technology	TSMC Washington	

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 Investees

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA) FOR THE YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Note	Subsidiary Subsidiary	Subsidiary	ubsidiary	Associate	Subsidiary	Associate	Subsidiary	ubsidiary	Associate	Associate	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Share of	Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	\$ 24,922,961 (10,924,639)	2,776,792	(2,120,037) Subsidiary	2,082,598	240,749	791,533	836,066	(17,570) Subsidiary	564,191	1,222,121 Associate			42,865		_	_	1,792 S	Note 2	Note 2	Note 2
Not Income	(Losses) of the Investee (Foreign Currencies in Thousands)	\$ 24,922,961 (10,924,639)	2,776,792	(2,965,675)	7,370,074	356,080	2,040,560	836,066	(17,570)	1,375,774	3,507,885	20,313	122,786	42,865	6,619	4,084	429	1,792	1,191,778	. =	(US\$ 4,284) 49,846 (US\$ 1,596)
31, 2023	Carrying Value (Foreign Currencies in Thousands)	\$ 441,225,883 298,604,975	68,143,719	47,087,140	13,590,430	11,261,961	9,728,801	6,278,751	4,768,013	3,759,701	2,537,706	1,901,742	1,224,449	394.191	257,540	130,403	117,662	44,599	37,841,815	126,524	(US\$ 36,638) (US\$ 378,925 (US\$ 12,324) (US\$
Balance as of December 31, 2023	Percentage of Ow nership	100	100	71	28	19	39	100	100	41	35	6.66	100	001	86	100	86	100	100	100	100
Balance	Shares (In Thousands)	11 10,500	988,268	2,269	464,223	213,619	314	11,000	100	111,282	46,688		49	- 15	'	9	1	80	1		2,300
tment Amount	December 31, 2022 (Foreign Currencies in Thousands)	\$355,162,309 37,015,800	31,456,130	24,567,085	10,180,677	4,224,082	5,120,028	333,718	1	1,988,317	386,568	1,269,425	1,144,356	15,749	1,239,621	83,760	260,300	13,656	18,046,607	4	(US\$ 14,282) 70,718 (US\$ 2,300)
Original Investment Amount	December 31, 2023 (Foreign Currencies in Thousands)	\$ 355,162,309 329,665,310	31,456,130	52,630,042	10,180,677	4,224,082	5,120,028	333,718	4,814,293	(Note 4) 1,988,317	386,568	1,666,585	1,144,356	15,/49	1,242,679	83,760	260,300	13,656	18,046,607	0 4	(US\$ 14,282) 70,718 (US\$ 2,300)
	Main Businesses and Products	Investment activities Manufacturing, sales and testing of integrated	circuits and other semiconductor devices Investing in companies involved in the semiconductor design and manufacturing, and	other investment activities Manufacturing, sales, testing and computer-aided design of integrated circuits and other	semiconductor devices Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits	and other senaconductor devices and the manufacturing and design service of masks Research, design, development, manufacturing, sales, markaring and test of color filter.	Manufacturing and sales of integrated circuits and	other semiconductor devices Sales and marketing of integrated circuits and	Manufacturing, sales and testing of integrated	circuits and other semiconductor devices Wafer level chip size packaging and wafer level	post passivation interconnection service Researching, developing, manufacturing, testing	Investing in technology start-up companies	Engineering support activities	Customer service and supporting activities Engineering support activities	Investing in technology start-up companies	Customer service and supporting activities	Investing in technology start-up companies	Customer service and supporting activities	Investing in companies involved in	Semiconductor manuacuming Engineering support activities	Engineering support activities
	Location	Tortola, British Virgin Islands Phoenix, Arizona, U.S.A.	Tortola, British Virgin Islands	Kumamoto, Japan	Hsin-Chu, Taiwan	Hsin-Chu, Taiwan	Singapore	San Jose, California, U.S.A	Dresden, Germany	Taoyuan, Taiwan	Hsin-Chu, Taiwan	Cayman Islands	Yokohama, Japan	Amsterdam, the Netherlands Yokohama. Janan	Cayman Islands	Yokohama, Japan	Cayman Islands	Seoul, Korea	Delaware, U.S.A	Delaware, U.S.A	Ontario, Canada
	Investee Company	TSMC Global TSMC Arizona	TSMC Parmers	JASM	VIS	Vis Era Tech	SSMC	TSMC North America	ESMC	Xintec	GUC	Emerging Fund	TSMC 3DIC	TSMC Europe	VTAFIII	TSMC Japan	VTAF II	TSMC Korea	TSMC Development	TSMC Technology	TSMC Canada
	Investor Company	TSMC																	TSMC Partners		

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				Original Invest	Original Investment Amount	Balance a	Balance as of December 31, 2023	11, 2023	Mot Income	Share of	
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023 (Foreign Currencies in Thousands)	Jecember 31, December 31, 2022 (Foreign (Foreign Currencies in Thousands)	Shares (In Percentage of Thousands) Ownership	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)	Carrying (Losses) of the Value Investee (Foreign (Foreign Currencies in Thousands)	Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
VTAFIII	Growth Fund	Cayman Islands	Investing in technology start-up companies	\$ 70,578 \$	\$ 67,504	-	100	\$ 188,990 \$			Note 2 Subsidiary
	Mutual-Pak	New Taipei, Taiwan	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching developing and testing of BEID	(US\$ 2,295) (US\$ Note 3 (US\$	(US\$ 2,195) 48,991 (US\$ 1,593)	Note 3	Note 3	(US\$ 6,147) (US\$ Note 3	(US\$ (32)) Note 3	Note 2 Note 3	fote 3
TSMC Development	TSMC Washington	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	1	,	293,637	100	5,829,197 (US\$ 189,586) (US\$ 6,053)	171,187 (US\$ 6,053)	Note 2	Note 2 Subsidiary

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

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

Note 3: Due to the decrease in shareholding to 17%, the Company consequently ceased to have significant influence over Mutual-Pak. Therefore, the investment in Mutual-Pak was classified as financial assets at FVTOCI starting November 2023.

Note 4: Includes a prepayment for investment of EUR 139,930 thousand.

Taiwan Semiconductor Manufacturing Company Limited and Investees

INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR YEAR ENDED DECEMBER 31, 2023

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

Accumulated	Inward Remittance of Earnings as of December 31, 2023	. ↔	•
Carrying	Amount as of Balance as of December 31, 2023	\$ 95,419,097	87,625,830
	Share of Profits/Losses	\$ 10,210,745 (Note 2)	21,762,378 (Note 2)
	Percentage of Ownership	100%	000%
	Net Income (Losses) of the Investee Company	\$ 10,118,593	21,755,071
Accumulated	Investment from Taiwan as of December 31, 2023 (US\$ in Thousands)	\$ 18,939,667 (US\$ \$96,000)	30,521,412 (US\$ 1,000,000)
nt Flows	Inflow	€	
Investment Flows	Outflow (US\$ in Thousands)	· •	1
Accumulated	Outflow of Investment from Taiwan as of January 1, 2023 (US\$ in Thousands)	\$ 18,939,667 (US\$ 596,000)	30,521,412 (US\$ 1,000,000)
	Method of Investment	Note 1	Note 1
	Total Amount of Paid-in Capital (RMB in Thousands)	\$ 18,939,667 (RMB 4,502,080)	30,521,412 (RMB 6,650,119)
	Main Businesses and Products	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices
	Investee Company	TSMC China	TSMC Nanjing

Upper Limit on Investment	\$ 2,089,957,708 (Note 3)
Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	\$ 119,412,667 (US\$ 3,596,000)
Accumulated Investment in Mainland China as of December 31, 2023 (US\$ in Thousands)	\$ 49,461,079 (US\$ 1,596,000)

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 audited 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 DECEMBER 31, 2023

	Shares	
Shareholders (Note 1)	Total Shares Owned	Ownership Percentage (Note 2)
ADR-Taiwan Semiconductor Manufacturing Company Ltd.	5,315,513,063	20.50%
National Development Fund, Executive Yuan	1,653,709,980	6.38%

Note 1: Major shareholders shows the list of all shareholders with ownership of 5 percent or greater.

Note 2: The calculation of ownership percentage is rounded to two decimal places.

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Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF CASH AND CASH EQUIVALENTS DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description		Amount
Cash			
Petty cash		\$	400
Cash in banks			
Checking accounts and demand deposits			4,044,596
Foreign currency deposits	Including US\$1,572,022 thousand @30.747, JPY7,103,748 thousand @0.2192 and EUR7,299 thousand @34.175		50,141,558
Time deposits	From 2023.08.02 to 2024.05.31, interest rates at 0.84%-5.99%, including NT\$483,710,492 thousand, US\$5,157,940 thousand @30.747 and EUR400,000 thousand @34.175	6	55,971,678
Cash equivalents			
Money market funds Repurchase agreements	Expired by 2024.01.29, interest rates at 5.95%		7,438,588 1,106,892
Total		\$ 7	18,703,712

Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE, NET DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client A	\$ 13,304,349
Client B	5,770,773
Client C	2,393,706
Client D	2,271,656
Others (Note)	10,346,934
	34,087,418
Less: Allowance for doubtful accounts	(530,139)
Total	\$ 33,557,279

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF RECEIVABLES FROM RELATED PARTIES DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Client Name	Amount
TSMC North America	\$ 154,789,324
Others (Note)	472,553
Total	\$ 155 261 877

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT OF INVENTORIES DECEMBER 31, 2023

	Amount				
Item	Cost	Net Realizable Value			
Finished goods	\$ 33,839,662	\$ 98,436,995			
Work in process	153,362,168	592,888,207			
Raw materials	37,279,545	37,279,545			
Supplies and spare parts	13,777,820	13,777,820			
Total	\$ 238,259,195	\$ 742,382,567			

Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Collateral		Nil	Nii	Nil	Nil	Nil	Nil	Nii	Nil	Nil		Nil	Nil	Nii	Nil	Nil	Nii	Nil			Nii	Nii	E :	Z :	Z	
ulue or Value	Total Amount		\$ 441,225,883	298,642,301	68,199,776	47,211,905	37,834,215	59,065,654	9,514,817	6,278,751	4,768,013		14,188,445	81,236,875	1,224,449	592,499	394,191	130,403	44,599	1,070,552,776		95,757,396	87,656,880	1,901,742	234,205	185,661,639	\$1,256,214,415
Market Value or Net Assets Value	Unit Price (NT\$)		•				82 (Note 1)	277 (Note 1)					128 (Note 1)	1,740 (Note 1)	•			•	•			,					
23	Amount		\$ 441,225,883	298,604,975	68,143,719	47,087,140	13,590,430	11,261,961	9,728,801	6,278,751	4,768,013		3,759,701	2,537,706	1,224,449	592,499	394,191	130,403	44,599	909,373,221		95,419,097	87,625,830	1,901,742	257,540	117,662	\$1,094,695,092
Balance, December 31, 2023	%		100	100	100	71	28	19	39	100	100		41	35	100	100	100	100	100			100	100	6666	86	86	
	Shares (In Thousands)		=	10,500	988,268	2,269	464,223	213,619	314	11,000	100		111,282	46,688	49		15	9	80			,					
Increase (Decrease) in Using the Equity Method	(Note 2)		\$ 29,233,457	(19,683,614)	4,446,502	(4,305,942)	777,779	(205,899)	794,070	828,996	(46,280)		231,284	871,055	51,743	64,806	18,015	(4,157)	517	12,392,330		8,390,375	20,240,530	(256,303)	7,780	46,233 28,428,615	\$ 40,820,945
nvestment	Amount		· •			•		•	•													•		(244,376)	•	(244,376)	\$ (244,376)
Decrease in Investment	Shares (In Thousands)								•										•			•		•	,		
Investment	Amount		· •	292,649,510		28,062,957		•	•		4,814,293	(Note 3)			•			•		325,526,760		,		641,536	3,058	644,594	\$ 326,171,354
Additions in Investment	Shares (In Thousands)			9,230		1,249			•		100								•			,			•		
ary 1, 2023	Amount		\$ 411,992,426	25,639,079	63,697,217	23,330,125	13,492,653	11,467,860	8,934,731	5,449,755			3,528,417	1,666,651	1,172,706	527,693	376,176	134,560	44,082	571,454,131		87,028,722	67,385,300	1,760,885	246,702	156,493,038	\$ 727,947,169
Balance, January 1, 2023	Shares (In Thousands)		11	1,270	988,268	1,020	464,223	213,619	314	11,000			111,282	46,688	49		15	9	08						•		
	Investees	Stocks	TSMC Global	TSMC Arizona	TSMC Partners	JASM	VIS	VisEra Tech	SSMC	TSMC North America	ESMC		Xintec	GUC	TSMC 3DIC	TSMC Europe	TSMC JDC	TSMC Japan	TSMC Korea	Subtotal	Capital	TSMC China	TSMC Nanjing	Emerging Fund	VTAFIII	VIAFII Subtotal	Total

Note 1: The unit price is calculated by closing price of the Taipei Exchange or the TWSE as of December 29,2023.

Note 2: Mainly including share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates, cash dividends received from subsidiaries and associates, etc.

Note 3: Includes a prepayment for investment of EUR 139,930 thousand.

STATEMENT OF RIGHT-OF-USE ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

Item	Land	Buildings	Office Equipment	Total
Cost	ф. 44.10 7 .061	4. 1.51.6.500	Φ 51.051	4.7.055.402
Balance at January 1, 2023	\$ 44,197,961	\$ 1,716,590	\$ 51,851	\$ 45,966,402
Additions Deductions	1,391,105 (34,180)	246,426 (149,481)	20,355 (14,023)	1,657,886 (197,684)
Deductions	(34,100)	(149,401)	(14,023)	(197,004)
Balance at December 31, 2023	<u>\$ 45,554,886</u>	<u>\$ 1,813,535</u>	\$ 58,183	<u>\$ 47,426,604</u>
Accumulated depreciation				
Balance at January 1, 2023	\$ 6,076,126	\$ 805,482	\$ 33,367	\$ 6,914,975
Additions	2,439,615	330,361	16,193	2,786,169
Deductions		(133,345)	(13,900)	(147,245)
Balance at December 31, 2023	\$ 8,515,741	\$ 1,002,498	\$ 35,660	\$ 9,553,899
Carrying amounts at December 31,				
2023	<u>\$ 37,039,145</u>	<u>\$ 811,037</u>	<u>\$ 22,523</u>	<u>\$ 37,872,705</u>

STATEMENT OF ACCOUNTS PAYABLES DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

	Vendor Name	Amount
Vendor A		\$ 2,483,914
Others (Note)		 45,159,579
Total		\$ 47,643,493

Note: The amount of individual vendor included in others does not exceed 5% of the account balance

STATEMENT OF PAYABLES TO RELATED PARTIES DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
TSMC Nanjing	\$ 5,064,282
TSMC China	2,312,769
Xintec	1,020,153
Others (Note)	1,722,491
Total	\$10,119,69 <u>5</u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

STATEMENT OF PAYABLES TO CONTRACTORS AND EQUIPMENT SUPPLIERS DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Vendor A	\$ 15,937,674
Vendor B	5,751,033
Vendor C	5,334,257
Others (Note)	57,123,209
Total	<u>\$ 84,146,173</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

STATEMENT OF ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Amount
Temporary receipts from customers	\$ 114,639,514
Contract liabilities	47,760,098
Refund liability	36,144,370
Others (Note)	43,314,526
Total	<u>\$ 241,858,508</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF BONDS PAYABLE DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

Interest Coupon Sanance Date Payment Date Rate (%) Total		Total	Total Amount	Repayment Paid	Amount Balance, End of Year	Premiums (Discounts)	Carrying Value	Unamortized Repayment	Collateral
On 01.04 annually	1.49			3,000,000	∞	· ·	· •	Bullet repayment	Ē
2013.02.06 On 02.06 annually 1.50	1.50		3,600,000	3,600,000		1	1	Bullet repayment	N
2013.07.16 On 07.16 annually 1.70	1.70		3,500,000	3,500,000				Bullet repayment	Nii
2013.09.25 On 09.25 annually 2.05 2013.09.25 On 09.25 annually 2.10	2.05		5,400,000 2,600,000	5,400,000 2,600,000				Bullet repayment Bullet repayment	E E
2020.03.23 On 03.23 annually 0.58 2020.03.23 On 03.23 annually 0.62 2020.03.23 On 03.23 annually 0.64	0.58 0.62 0.64		3,000,000 10,500,000 10,500,000	1 1 1	3,000,000 10,500,000 10,500,000	(764) (5,075) (6,844)	2,999,236 10,494,925 10,493,156	Bullet repayment Bullet repayment Bullet repayment	<u> </u>
2020.04.15 On 04.15 annually 0.52 2020.04.15 On 04.15 annually 0.58 2020.04.15 On 04.15 annually 0.60	0.52 0.58 0.60		5,900,000 10,400,000 5,300,000	1 1 1	5,900,000 10,400,000 5,300,000	(1,570) (5,038) (3,447)	5,898,430 10,394,962 5,296,553	Bullet repayment Bullet repayment Bullet repayment	B B B
2020.05.29 On 05.29 annually 0.55 2020.05.29 On 05.29 annually 0.60 2020.05.29 On 05.29 annually 0.64	0.55 0.60 0.64		4,500,000 7,500,000 2,400,000	1 1 1	4,500,000 7,500,000 2,400,000	(1,333) (3,832) (1,624)	4,498,667 7,496,168 2,398,376	Bullet repayment Bullet repayment Bullet repayment	E E E
2020.07.14 On 07.14 annually 0.58 2020.07.14 On 07.14 annually 0.65 2020.07.14 On 07.14 annually 0.67	0.58 0.65 0.67		5,700,000 6,300,000 1,900,000		5,700,000 6,300,000 1,900,000	(1,374) (3,093) (1,277)	5,698,626 6,296,907 1,898,723	Two equal installments in last two years Two equal installments in last two years Two equal installments in last two years	<u> </u>
2020.09.03 On 09.03 annually 0.50 2020.09.03 On 09.03 annually 0.58 2020.09.03 On 09.03 annually 0.60	0.50 0.58 0.60		4,800,000 8,000,000 2,800,000	1 1 1	4,800,000 8,000,000 2,800,000	(1,313) (4,077) (1,911)	4,798,687 7,995,923 2,798,089	Two equal installments in last two years Two equal installments in last two years Two equal installments in last two years	<u> </u>
2020.12.02 On 12.02 annually 0.40 2020.12.02 On 12.02 annually 0.44 2020.12.02 On 12.02 annually 0.48	0.40 0.44 0.48		1,600,000 5,600,000 4,800,000	1 1 1	1,600,000 5,600,000 4,800,000	(575) (3,342) (3,688)	1,599,425 5,596,658 4,796,312	Two equal installments in last two years Two equal installments in last two years Two equal installments in last two years	<u> </u>
2020.12.29 On 12.29 amusully 0.36 2020.12.29 On 12.29 amusully 0.41 2020.12.29 On 12.29 amusully 0.45 2020.09.22 On 09.22 amusully 2.70	0.36 0.41 0.45 2.70		1,900,000 10,200,000 6,400,000 30,747,000		1,900,000 10,200,000 6,400,000 30,747,000	(5,678) (5,678) (4,557) (30,365)	1,899,348 10,194,322 6,395,443 30,716,635	Two equal installments in last two years Two equal installments in last two years Two equal installments in last two years Buller repayment (callable on the 5th anniversary of the issue date and every anniversary thereafter)	Z
2021.03.30 On 03.30 annually 0.50 2021.03.30 On 03.30 annually 0.55 2021.03.30 On 03.30 annually 0.60	0.50 0.55 0.60		4,800,000 11,400,000 4,900,000	1 1 1	4,800,000 11,400,000 4,900,000	(2,229) (7,163) (3,685)	4,797,771 11,392,837 4,896,315	Bullet repayment Bullet repayment Bullet repayment	<u> </u>
2021.05.03 On 05.03 annually 0.50 2021.05.03 On 05.03 annually 0.58 2021.05.03 On 05.03 annually 0.65	0.50 0.58 0.65		5,200,000 8,400,000 5,600,000	1 1 1	5,200,000 8,400,000 5,600,000	(2,516) (5,402) (4,272)	5,197,484 8,394,598 5,595,728	Bullet repayment Bullet repayment Bullet repayment	<u> </u>
2021.06.25 On 06.25 annually 0.52 2021.06.25 On 06.25 annually 0.58 2021.06.25 On 06.25 annually 0.65	0.52 0.58 0.65		6,900,000 7,900,000 4,900,000		6,900,000 7,900,000 4,900,000	(3,545) (5,246) (3,797)	6,896,455 7,894,754 4,896,203	Bullet repayment Bullet repayment Bullet repayment	Nil Nil Nil (Continued)

Collateral	Z Z Z Z Z	EZ EZ EZ	N N N	II II	II II II II	IZ IZ IZ	II II II II		IZ Z Z	II II II	N. I.	II II II	N N			(Concluded)
Unamortized Repayment	Bullet repayment Bullet repayment Bullet repayment Bullet repayment Bullet repayment anniversary of the issue date and every anniversary thereafter)	Bullet repayment Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment Bullet repayment	Bullet repayment Bullet repayment			
Carrying Value	\$ 3,998,334 7,995,701 5,396,346 4,196,711 30,716,837	3,198,332 6,896,037 4,596,741 1,598,708	7,695,291 3,497,732 5,495,944	2,098,430 3,297,072	2,998,091 9,593,495 1,598,738 6,095,373	1,199,189 10,092,426 1,198,992 1,398,733	1,998,496 8,893,192 2,198,127 2,497,714	5,695,1 <i>57</i> 999,066 3,496,528	12,188,924 2,297,809 4,795,257	13,088,114 2,297,826 5,294,831	11,389,504 2,597,520 5,994,119	7,292,979 699,308 7,892,102	4,295,673 5,494,350	446,867,565	(6,997,710)	\$ 439,869,855
Premiums (Discounts)	\$ (1,666) (4,299) (3,654) (3,289) (30,163)	(1,668) (3,963) (3,259) (1,292)	(4,709) (2,268) (4,056)	(1,570) (2,928)	(1,909) (6,505) (1,262) (4,627)	(811) (7,574) (1,008) (1,267)	(1,504) (6,808) (1,873) (2,286)	(4,843) (934) (3,472)	(11,076) (2,191) (4,743)	(11,886) (2,174) (5,169)	(10,496) (2,480) (5,881)	(7,021) (692) (7,898)	(4,327) (5,650)	\$ (326,435)		
Amount Balance, End of Year	\$ 4,000,000 8,000,000 5,400,000 4,200,000 30,747,000	3,200,000 6,900,000 4,600,000 1,600,000	7,700,000 3,500,000 5,500,000	2,100,000 3,300,000	3,000,000 9,600,000 1,600,000 6,100,000	1,200,000 10,100,000 1,200,000 1,400,000	2,000,000 8,900,000 2,200,000 2,500,000	5,700,000 1,000,000 3,500,000	12,200,000 2,300,000 4,800,000	13,100,000 2,300,000 5,300,000	11,400,000 2,600,000 6,000,000	7,300,000 700,000 7,900,000	4,300,000 5,500,000	\$ 447,194,000		
Repayment Paid	· · · · · ·		1 1 1					1 1 1	1 1 1	1 1 1	1 1 1			\$ 18,100,000		
Total Amount	\$ 4,000,000 8,000,000 5,400,000 4,200,000 30,747,000	3,200,000 6,900,000 4,600,000 1,600,000	7,700,000 3,500,000 5,500,000	2,100,000 3,300,000	3,000,000 9,600,000 1,600,000 6,100,000	1,200,000 10,100,000 1,200,000 1,400,000	2,000,000 8,900,000 2,200,000 2,500,000	5,700,000 1,000,000 3,500,000	12,200,000 2,300,000 4,800,000	13,100,000 2,300,000 5,300,000	11,400,000 2,600,000 6,000,000	7,300,000 700,000 7,900,000	4,300,000 5,500,000	\$ 465,294,000		
Coupon Rate (%)	0.485 0.50 0.55 0.62 3.10	0.535 0.54 0.60 0.62	0.65 0.675 0.72	0.63	0.84 0.85 0.90 1.50	1.60 1.70 1.75 1.95	1.65 1.65 1.65 1.82	1.75 1.80 2.00	1.54 1.60 1.78	1.60 1.65 1.82	1.60 1.65 1.80	1.60 1.65 1.76	1.62			
Interest Payment Date	On 08.19 annually On 08.19 annually On 08.19 annually On 08.19 annually On 09.23 annually	On 10.05 annually On 10.05 annually On 10.05 annually On 10.05 annually	On 12.09 annually On 12.09 annually On 12.09 annually	On 01.12 annually On 01.12 annually	On 03.29 annually On 03.29 annually On 03.29 annually On 05.20 annually	On 07.27 annually On 07.27 annually On 07.27 annually On 07.27 annually	On 08.25 annually On 08.25 annually On 08.25 annually On 08.25 annually	On 10.20 annually On 10.20 annually On 10.20 annually	On 03.28 annually On 03.28 annually On 03.28 annually	On 05.03 annually On 05.03 annually On 05.03 annually	On 06.01 annually On 06.01 annually On 06.01 annually	On 08.16 annually On 08.16 annually On 08.16 annually	On 10.16 annually On 10.16 annually			
Issuance Date	2021.08.19 2021.08.19 2021.08.19 2021.08.19 2021.09.23	2021.10.05 2021.10.05 2021.10.05 2021.10.05	2021.12.09 2021.12.09 2021.12.09	2022.01.12 2022.01.12	2022.03.29 2022.03.29 2022.03.29 2022.05.20	2022.07.27 2022.07.27 2022.07.27 2022.07.27	2022.08.25 2022.08.25 2022.08.25 2022.08.25	2022.10.20 2022.10.20 2022.10.20	2023.03.28 2023.03.28 2023.03.28	2023.05.03 2023.05.03 2023.05.03	2023.06.01 2023.06.01 2023.06.01	2023.08.16 2023.08.16 2023.08.16	2023.10.16 2023.10.16			
Trustee	Taipei Fubon Commercial Bank Co., Ltd. Mega International Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd.			
Bonds Name	Domestic unsecured bonds-110-4 -A -B -C -C -D Domestic US\$ unsecured bonds-110-5	Domestic unsecured bonds-110-6 -A -B -C -D	Domestic unsecured bonds-110-/ -A -B -C	Domestic unsecured bonds-111-1 -A -B	Donestic unsecured bonds-111-2 - A - B - B - C - C - C - C - C - C - C - C - C - C	Donestic unsecured bonds-111.4 -A -B -C -D	Donestic unsecured bonds-111-5 -A -B -C -D	Domestic unsecured bonds-111-6 -A -B -C	Donestic unsecured bonds-112-1 -A -B -C	Donestic unsecured bonds-112-2 -A -B -C -C	Donestic unsecured bonds-112-5 -A -B -C	Pollestic directired bolius-112-4 -A -C -C	Politeste uliscelled bollds-112-5 -A -B	TOTAL	Less: Current portion	

STATEMENT OF LEASE LIABILITIES DECEMBER 31, 2023

Item	Description	Lease Term	Discount Rate (%)	Balance, End of Year
Land	Mainly for the use of plants and offices	1 to 22 years	0.39-2.30	\$ 28,270,257
Buildings	Mainly for the use of offices	1 to 12 years	0.57-1.76	786,879
Office equipment	For operation use	3 to 5 years	0.28-1.73	24,431
				29,081,567
Less: Current portion				(2,122,132)
Noncurrent portion				\$ 26,959,435

STATEMENT OF NET REVENUE FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Shipments (Piece) (Note)	Amount
Wafer Other	12,002,177	\$ 1,881,677,167 271,607,928
Net revenue		\$2,153,285,095

Note: 12-inch equivalent wafers.

STATEMENT OF COST OF REVENUE FOR THE YEAR ENDED DECEMBER 31, 2023

Item	Amount
Raw materials used	
Balance, beginning of year	\$ 19,750,618
Raw material purchased	77,523,097
Raw materials, end of year	(37,279,545)
Transferred to manufacturing or operating expenses	(12,675,412)
Others	(298,749)
Subtotal	47,020,009
Direct labor	22,193,265
Manufacturing expenses	940,590,841
Manufacturing cost	1,009,804,115
Work in process, beginning of year	120,893,772
Work in process, end of year	(153,362,168)
Transferred to manufacturing or operating expenses	(81,911,749)
Cost of finished goods	895,423,970
Finished goods, beginning of year	52,318,299
Finished goods purchased	102,104,249
Finished goods, end of year	(33,839,662)
Transferred to manufacturing or operating expenses	(18,172,008)
Scrapped	(624,073)
Subtotal	997,210,775
Others	25,449,389
Total	\$ 1,022,660,164

STATEMENT OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	General and Administrative Expenses	Selling Expenses
Payroll and related expense	\$ 57,108,147	\$ 17,846,942	\$ 3,492,038
Consumables	64,582,650	876,655	27
Depreciation expense	26,887,243	2,037,370	27,318
Repair and maintenance expense	8,650,513	2,725,617	5,899
Management fees of the Science Park Administration	-	3,875,748	-
Patents	-	3,133,290	-
Commission	-	-	1,285,238
Others (Note)	21,496,545	9,394,415	307,876
Total	\$178,725,098	\$ 39,890,037	\$ 5,118,396

Note: The amount of each item in others does not exceed 5% of the account balance.

Taiwan Semiconductor Manufacturing Company Limited

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

		Year Ended Dec	Year Ended December 31, 2023			Year Ended December 31, 2022	ember 31, 2022	
	Classified as	Classified as Operating	Classified as Other Operating Income		Classified as	Classified as Operating	Classified as Other Operating Income	
	Cost of Revenue	Expenses	and Expenses	Total	Cost of Revenue	Expenses	and Expenses	Total
Labor cost								
Salary and bonus	\$ 110,396,275	\$ 71,163,228	· *	\$ 181,559,503	\$ 118,078,587	\$ 78,041,998	- \$	\$ 196,120,585
Labor and health insurance	5,713,655	3,410,394	•	9,124,049	5,422,819	3,306,536	•	8,729,355
Pension	2,874,410	1,561,049	•	4,435,459	2,507,996	1,364,188	•	3,872,184
Board compensation	•	635,477	•	635,477	•	743,990	•	743,990
Others	3,159,122	1,676,979	1	4,836,101	2,705,149	1,411,448	1	4,116,597
	\$ 122,143,462	\$ 78,447,127	\$	\$ 200,590,589	\$ 128,714,551	\$ 84,868,160	\$	\$ 213,582,711
Depreciation	\$ 471,343,567	\$ 28,951,931	\$ 5,273	\$ 500,300,771	\$ 385,647,215	\$ 27,939,678	\$ 8,189	\$ 413,595,082
Amortization	\$ 6,515,540	\$ 2,682,436	\$	\$ 9,197,976	\$ 6,069,729	\$ 2,637,232	\$	\$ 8,706,961

Note 1: For the year of 2023 and 2022, the Company had average 66,336 and 61,777 employees, respectively, which included 9 non-employee directors for both years.

Average labor cost for the years ended December 31, 2023 and 2022 were NT\$3,015 thousand and 3,446 thousand, respectively Note 2: Note 3: A verage salary and bonus for the years ended December 31, 2023 and 2022 were NT\$2,737 thousand and 3,175 thousand, respectively. The average salary and bonus for the years ended December 31, 2023 and 2022 were NT\$2,737 thousand and 3,175 thousand, respectively. The average salary and bonus decreased by 13.80% year over year.

The Company did not have supervisors for the years ended December 31, 2023 and 2022. Therefore, there was no compensation to the supervisor. Note 4:

The Company's compensation policies: The Company's employees are entitled to a comprehensive compensation and benefits program above the industry average. The compensation program includes a monthly salary, business performance based on quarterly business results, a profit sharing bonus based on annual profits, and a subsidy based on Employee Stock Purchase Plan. The Company determines the amount of the business performance bonus and profit sharing based on operating results and industry practice in the R.O.C.. The amount and distribution of the bonus and profit sharing are recommended by the Compensation and People Development Committee to the Board of Directors for approval. individual rewards are based on each employee's job responsibility, contribution and performance. Note 5:

The total compensation paid to the executive officers is decided based on their job responsibility, contribution, company performance and projected future risks the Company will face. It is reviewed by the Compensation and People Development Committee then submitted to the Board of Directors for approval Note 6:

According to the Company's Articles of Incorporation, the Board of Directors is authorized to determine the salary for the Chairman, Vice Chairman and Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas. The Articles of Incorporation also provide that the compensation to directors shall be no more than 0.3% of annual profits and directors who also serve as executive officers of the Company are not entitled to receive compensation to directors. The distribution of compensation to Directors" based on the following principles: (1) directors who also serve as executive officers of the Company are not entitled to receive compensation; (2) the compensation for independent directors may be higher than the other directors, as all independent directors also serve as members of the Audit and Risk Committee and the Compensation and People Development Committee and thus participate in the discussions as well as resolutions of related committee meetings in accordance with the charter of each committee; and (3) the compensation for overseas independent directors may be higher than domestic independent directors. Note 7: