

**Taiwan Semiconductor Manufacturing
Company Limited and Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (collectively, the “Company”) as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, of changes in equity, and of cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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



Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2021



Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 747,982,082	24	\$ 660,170,647	24	\$ 467,613,443	19
Financial assets at fair value through profit or loss (Note 7)	58,325	-	2,259,412	-	788,526	-
Financial assets at fair value through other comprehensive income (Note 8)	122,794,529	4	122,448,453	5	129,403,588	5
Financial assets at amortized cost (Note 9)	-	-	6,597,992	-	7,210,148	-
Hedging financial assets (Note 10)	310	-	47	-	-	-
Notes and accounts receivable, net (Note 11)	177,475,493	6	145,480,272	5	148,708,055	6
Receivables from related parties (Note 31)	784,397	-	558,131	-	891,691	-
Other receivables from related parties (Note 31)	1,711,652	-	50,645	-	2,581,070	-
Inventories (Note 12)	170,438,686	6	137,353,407	5	85,788,094	4
Other financial assets (Note 32)	12,450,123	-	10,676,111	1	10,436,627	1
Other current assets	7,408,426	-	6,590,191	-	6,610,338	-
Total current assets	<u>1,241,104,023</u>	<u>40</u>	<u>1,092,185,308</u>	<u>40</u>	<u>860,031,580</u>	<u>35</u>
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	5,389,958	-	4,514,940	-	4,300,519	-
Financial assets at amortized cost (Note 9)	4,336,636	-	4,372,207	-	1,640,558	-
Investments accounted for using equity method (Note 13)	19,336,878	1	18,841,061	1	16,975,748	1
Property, plant and equipment (Note 14)	1,722,679,133	56	1,555,589,120	56	1,493,560,950	61
Right-of-use assets (Note 15)	32,619,272	1	27,728,382	1	21,036,894	1
Intangible assets (Note 16)	26,535,043	1	25,768,179	1	27,395,600	1
Deferred income tax assets (Note 4)	36,180,371	1	25,958,184	1	20,493,373	1
Refundable deposits	2,513,142	-	1,343,001	-	1,502,926	-
Other noncurrent assets	2,120,733	-	4,411,023	-	1,726,374	-
Total noncurrent assets	<u>1,851,711,166</u>	<u>60</u>	<u>1,668,526,097</u>	<u>60</u>	<u>1,588,632,942</u>	<u>65</u>
TOTAL	<u>\$ 3,092,815,189</u>	<u>100</u>	<u>\$ 2,760,711,405</u>	<u>100</u>	<u>\$ 2,448,664,522</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 17 and 29)	\$ 139,380,910	5	\$ 88,559,026	3	\$ 169,546,950	7
Short-term bills payable (Notes 18 and 29)	-	-	-	-	6,493,398	-
Financial liabilities at fair value through profit or loss (Note 7)	1,828,338	-	94,128	-	1,543,265	-
Hedging financial liabilities (Note 10)	10,216	-	1,169	-	14,839	-
Accounts payable	39,725,757	1	38,987,284	1	38,100,739	2
Payables to related parties (Note 31)	1,504,156	-	2,107,718	-	1,433,005	-
Salary and bonus payable	17,148,913	1	20,071,241	1	14,747,716	1
Accrued profit sharing bonus to employees and compensation to directors and supervisors (Note 28)	52,328,940	2	35,681,046	1	40,028,506	2
Payables to contractors and equipment suppliers	107,146,153	3	157,804,961	6	97,739,201	4
Cash dividends payable (Note 21)	136,134,497	4	129,651,902	5	129,651,902	5
Income tax payable (Note 4)	40,022,662	1	53,909,313	2	33,020,177	1
Long-term liabilities - current portion (Notes 19 and 29)	-	-	2,600,000	-	12,800,000	1
Accrued expenses and other current liabilities (Notes 15, 22, 29 and 31)	112,518,405	4	87,683,260	3	69,676,030	3
Total current liabilities	<u>647,748,947</u>	<u>21</u>	<u>617,151,048</u>	<u>22</u>	<u>614,795,728</u>	<u>26</u>
NONCURRENT LIABILITIES						
Bonds payable (Notes 19 and 29)	410,464,857	13	254,105,084	9	82,439,681	3
Long-term bank loans (Notes 20 and 29)	3,171,331	-	1,967,611	-	-	-
Deferred income tax liabilities (Note 4)	2,142,797	-	1,729,941	-	354,306	-
Lease liabilities (Notes 15 and 29)	21,030,441	1	20,560,649	1	19,164,873	1
Net defined benefit liability (Note 4)	11,285,520	1	11,914,074	1	8,381,192	-
Guarantee deposits	392,398	-	265,599	-	171,622	-
Others	2,608,325	-	2,395,400	-	2,143,738	-
Total noncurrent liabilities	<u>451,095,669</u>	<u>15</u>	<u>292,938,358</u>	<u>11</u>	<u>112,655,412</u>	<u>4</u>
Total liabilities	<u>1,098,844,616</u>	<u>36</u>	<u>910,089,406</u>	<u>33</u>	<u>727,451,140</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock (Note 21)	259,303,805	8	259,303,805	9	259,303,805	11
Capital surplus (Note 21)	64,753,836	2	56,347,243	2	56,339,981	2
Retained earnings (Note 21)						
Appropriated as legal capital reserve	311,146,899	10	311,146,899	11	311,146,899	13
Appropriated as special capital reserve	48,392,823	2	42,259,146	2	24,873,338	1
Unappropriated earnings	1,366,782,481	44	1,235,280,036	45	1,105,471,753	45
	<u>1,726,322,203</u>	<u>56</u>	<u>1,588,686,081</u>	<u>58</u>	<u>1,441,491,990</u>	<u>59</u>
Others (Note 21)	(58,594,043)	(2)	(54,679,873)	(2)	(36,757,795)	(2)
Equity attributable to shareholders of the parent	<u>1,991,785,801</u>	<u>64</u>	<u>1,849,657,256</u>	<u>67</u>	<u>1,720,377,981</u>	<u>70</u>
NON - CONTROLLING INTERESTS	<u>2,184,772</u>	<u>-</u>	<u>964,743</u>	<u>-</u>	<u>835,401</u>	<u>-</u>
Total equity	<u>1,993,970,573</u>	<u>64</u>	<u>1,850,621,999</u>	<u>67</u>	<u>1,721,213,382</u>	<u>70</u>
TOTAL	<u>\$ 3,092,815,189</u>	<u>100</u>	<u>\$ 2,760,711,405</u>	<u>100</u>	<u>\$ 2,448,664,522</u>	<u>100</u>

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 22, 31 and 36)	\$ 372,145,122	100	\$ 310,698,367	100	\$ 734,555,352	100	\$ 621,295,550	100
COST OF REVENUE (Notes 12, 28 and 31)	<u>185,910,987</u>	<u>50</u>	<u>146,005,542</u>	<u>47</u>	<u>358,545,998</u>	<u>49</u>	<u>295,818,544</u>	<u>48</u>
GROSS PROFIT BEFORE REALIZED (UNREALIZED) GROSS PROFIT ON SALES TO ASSOCIATES	186,234,135	50	164,692,825	53	376,009,354	51	325,477,006	52
REALIZED (UNREALIZED) GROSS PROFIT ON SALES TO ASSOCIATES	<u>(37,317)</u>	<u>-</u>	<u>(69,034)</u>	<u>-</u>	<u>26,894</u>	<u>-</u>	<u>(76,707)</u>	<u>-</u>
GROSS PROFIT	<u>186,196,818</u>	<u>50</u>	<u>164,623,791</u>	<u>53</u>	<u>376,036,248</u>	<u>51</u>	<u>325,400,299</u>	<u>52</u>
OPERATING EXPENSES (Notes 28 and 31)								
Research and development	30,873,376	8	24,893,043	8	61,629,734	8	49,861,926	8
General and administrative	7,826,613	2	6,894,405	2	14,350,858	2	12,797,466	2
Marketing	<u>1,883,434</u>	<u>1</u>	<u>1,733,261</u>	<u>1</u>	<u>3,714,664</u>	<u>1</u>	<u>3,184,363</u>	<u>-</u>
Total operating expenses	<u>40,583,423</u>	<u>11</u>	<u>33,520,709</u>	<u>11</u>	<u>79,695,256</u>	<u>11</u>	<u>65,843,755</u>	<u>10</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 15 and 28)	<u>53,810</u>	<u>-</u>	<u>(8,544)</u>	<u>-</u>	<u>(135,597)</u>	<u>-</u>	<u>59,631</u>	<u>-</u>
INCOME FROM OPERATIONS (Note 36)	<u>145,667,205</u>	<u>39</u>	<u>131,094,538</u>	<u>42</u>	<u>296,205,395</u>	<u>40</u>	<u>259,616,175</u>	<u>42</u>
NON-OPERATING INCOME AND EXPENSES								
Share of profits of associates	1,171,888	-	678,757	-	2,439,000	-	1,404,725	-
Interest income (Note 23)	1,428,681	1	2,478,362	1	2,889,585	-	5,467,431	1
Other income	349,186	-	233,415	-	657,270	-	343,924	-
Foreign exchange gain, net (Note 34)	649,882	-	2,779,312	1	6,123,871	1	3,155,103	-
Finance costs (Note 24)	<u>(1,134,399)</u>	<u>-</u>	<u>(409,145)</u>	<u>-</u>	<u>(1,906,494)</u>	<u>-</u>	<u>(939,709)</u>	<u>-</u>
Other gains and losses, net (Note 25)	<u>1,258,632</u>	<u>-</u>	<u>(456,601)</u>	<u>-</u>	<u>(1,953,163)</u>	<u>-</u>	<u>(501,833)</u>	<u>-</u>
Total non-operating income and expenses	<u>3,723,870</u>	<u>1</u>	<u>5,304,100</u>	<u>2</u>	<u>8,250,069</u>	<u>1</u>	<u>8,929,641</u>	<u>1</u>
INCOME BEFORE INCOME TAX	149,391,075	40	136,398,638	44	304,455,464	41	268,545,816	43
INCOME TAX EXPENSE (Notes 4 and 26)	<u>14,909,359</u>	<u>4</u>	<u>15,506,124</u>	<u>5</u>	<u>30,234,999</u>	<u>4</u>	<u>30,590,409</u>	<u>5</u>
NET INCOME	<u>134,481,716</u>	<u>36</u>	<u>120,892,514</u>	<u>39</u>	<u>274,220,465</u>	<u>37</u>	<u>237,955,407</u>	<u>38</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 26)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	926,525	-	22,337	-	817,336	-	(21,710)	-
Loss on hedging instruments	-	-	-	-	(41,416)	-	(42,749)	-
Share of other comprehensive income (loss) of associates	<u>(3,645)</u>	<u>-</u>	<u>(152)</u>	<u>-</u>	<u>4,502</u>	<u>-</u>	<u>(3,469)</u>	<u>-</u>
Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>(74)</u>	<u>-</u>	<u>352</u>	<u>-</u>	<u>(55,845)</u>	<u>-</u>	<u>466</u>	<u>-</u>
Total	<u>922,806</u>	<u>-</u>	<u>22,537</u>	<u>-</u>	<u>724,577</u>	<u>-</u>	<u>(67,462)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(10,901,084)	(3)	(14,725,220)	(5)	(3,095,279)	-	(11,690,196)	(2)
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	(124,148)	-	2,909,147	1	(1,790,169)	-	2,698,399	1
Share of other comprehensive loss of associates	<u>(99,112)</u>	<u>-</u>	<u>(89,950)</u>	<u>-</u>	<u>(73,657)</u>	<u>-</u>	<u>(176,309)</u>	<u>-</u>
Total	<u>(11,124,344)</u>	<u>(3)</u>	<u>(11,906,023)</u>	<u>(4)</u>	<u>(4,959,105)</u>	<u>-</u>	<u>(9,168,106)</u>	<u>(1)</u>
Other comprehensive loss for the period, net of income tax	<u>(10,201,538)</u>	<u>(3)</u>	<u>(11,883,486)</u>	<u>(4)</u>	<u>(4,234,528)</u>	<u>-</u>	<u>(9,235,568)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 124,280,178</u>	<u>33</u>	<u>\$ 109,009,028</u>	<u>35</u>	<u>\$ 269,985,937</u>	<u>37</u>	<u>\$ 228,719,839</u>	<u>37</u>
NET INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 134,358,942	36	\$ 120,822,193	39	\$ 274,049,435	37	\$ 237,808,913	38
Non-controlling interests	<u>122,774</u>	<u>-</u>	<u>70,321</u>	<u>-</u>	<u>171,030</u>	<u>-</u>	<u>146,494</u>	<u>-</u>
	<u>\$ 134,481,716</u>	<u>36</u>	<u>\$ 120,892,514</u>	<u>39</u>	<u>\$ 274,220,465</u>	<u>37</u>	<u>\$ 237,955,407</u>	<u>38</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 124,157,722	33	\$ 108,937,736	35	\$ 269,815,033	37	\$ 228,572,728	37
Non-controlling interests	<u>122,456</u>	<u>-</u>	<u>71,292</u>	<u>-</u>	<u>170,904</u>	<u>-</u>	<u>147,111</u>	<u>-</u>
	<u>\$ 124,280,178</u>	<u>33</u>	<u>\$ 109,009,028</u>	<u>35</u>	<u>\$ 269,985,937</u>	<u>37</u>	<u>\$ 228,719,839</u>	<u>37</u>
EARNINGS PER SHARE (NT\$, Note 27)								
Basic earnings per share	<u>\$ 5.18</u>		<u>\$ 4.66</u>		<u>\$ 10.57</u>		<u>\$ 9.17</u>	
Diluted earnings per share	<u>\$ 5.18</u>		<u>\$ 4.66</u>		<u>\$ 10.57</u>		<u>\$ 9.17</u>	

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

	Equity Attributable to Shareholders of the Parent							Others				Non-controlling Interests	Total Equity		
	Capital Stock - Common Stock		Capital Surplus	Retained Earnings			Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total			Total	
	Shares (In Thousands)	Amount		Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings									Total
BALANCE, JANUARY 1, 2021	25,930,380	\$ 259,303,805	\$ 56,347,243	\$ 311,146,899	\$ 42,259,146	\$ 1,235,280,036	\$ 1,588,686,081	\$ (57,001,627)	\$ 2,321,754	\$ -	\$ -	\$ (54,679,873)	\$ 1,849,657,256	\$ 964,743	\$ 1,850,621,999
Appropriations of earnings	-	-	-	-	6,133,677	(6,133,677)	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(136,134,497)	(136,134,497)	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Cash dividends to shareholders	-	-	-	-	-	(142,268,174)	(136,134,497)	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Total	-	-	-	-	6,133,677	(142,268,174)	(136,134,497)	-	-	-	-	-	(136,134,497)	-	(136,134,497)
Net income for the six months ended June 30, 2021	-	-	-	-	-	274,049,435	274,049,435	-	-	-	-	-	274,049,435	171,030	274,220,465
Other comprehensive loss for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	-	(3,168,898)	(1,024,088)	(41,416)	-	(4,234,402)	(4,234,402)	(126)	(4,234,528)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	274,049,435	274,049,435	(3,168,898)	(1,024,088)	(41,416)	-	(4,234,402)	269,815,033	170,904	269,985,937
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(278,816)	(278,816)	-	278,816	-	-	278,816	-	-	-
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	41,416	-	41,416	41,416	-	41,416
Adjustments to share of changes in equities of associates	-	-	311	-	-	-	-	-	-	-	-	-	311	-	311
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	8,406,282	-	-	-	-	-	-	-	-	-	8,406,282	1,045,516	9,451,798
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	3,454	3,454
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	155	155
BALANCE, JUNE 30, 2021	25,930,380	\$ 259,303,805	\$ 64,753,836	\$ 311,146,899	\$ 48,392,823	\$ 1,366,782,481	\$ 1,726,322,203	\$ (60,170,525)	\$ 1,576,482	\$ -	\$ -	\$ (58,594,043)	\$ 1,991,785,801	\$ 2,184,772	\$ 1,993,970,573
BALANCE, JANUARY 1, 2020	25,930,380	\$ 259,303,805	\$ 56,339,709	\$ 311,146,899	\$ 10,675,106	\$ 1,011,512,974	\$ 1,333,334,979	\$ (26,871,400)	\$ (692,959)	\$ (3,820)	\$ (190)	\$ (27,568,369)	\$ 1,621,410,124	\$ 685,302	\$ 1,622,095,426
Appropriations of earnings	-	-	-	-	14,198,232	(14,198,232)	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(129,651,902)	(129,651,902)	-	-	-	-	-	(129,651,902)	-	(129,651,902)
Cash dividends to shareholders	-	-	-	-	-	(143,850,134)	(129,651,902)	-	-	-	-	-	(129,651,902)	-	(129,651,902)
Total	-	-	-	-	14,198,232	(143,850,134)	(129,651,902)	-	-	-	-	-	(129,651,902)	-	(129,651,902)
Net income for the six months ended June 30, 2020	-	-	-	-	-	237,808,913	237,808,913	-	-	-	-	-	237,808,913	146,494	237,955,407
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	-	(11,866,395)	2,672,959	(42,749)	-	(9,236,185)	(9,236,185)	617	(9,235,568)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	237,808,913	237,808,913	(11,866,395)	2,672,959	(42,749)	-	(9,236,185)	228,572,728	147,111	228,719,839
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	46,569	-	46,569	46,569	-	46,569
Adjustments to share of changes in equities of associates	-	-	272	-	-	-	-	-	-	-	190	190	462	-	462
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	2,988	2,988
BALANCE, JUNE 30, 2020	25,930,380	\$ 259,303,805	\$ 56,339,981	\$ 311,146,899	\$ 24,873,338	\$ 1,105,471,753	\$ 1,441,491,990	\$ (38,737,795)	\$ 1,980,000	\$ -	\$ -	\$ (36,757,795)	\$ 1,720,377,981	\$ 835,401	\$ 1,721,213,382

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 304,455,464	\$ 268,545,816
Adjustments for:		
Depreciation expense	200,697,053	136,065,309
Amortization expense	4,008,423	3,364,420
Expected credit losses recognized (reversal) on investments in debt instruments	(3,284)	188
Finance costs	1,906,494	939,709
Share of profits of associates	(2,439,000)	(1,404,725)
Interest income	(2,889,585)	(5,467,431)
Discounts on short-term loans	(283,707)	-
Share-based compensation	3,454	2,988
Loss (gain) on disposal or retirement of property, plant and equipment, net	10,581	(6,290)
Loss on disposal or retirement of intangible assets, net	1,228	-
Impairment loss on property, plant and equipment	274,388	-
Loss on financial instruments at fair value through profit or loss, net	-	3,434
Gain on disposal of investments in debt instruments at fair value through other comprehensive income, net	(169,334)	(926,919)
Unrealized (realized) gross profit on sales to associates	(26,894)	76,707
Gain on foreign exchange, net	(7,684,209)	(2,916,873)
Dividend income	(348,146)	(341,797)
Gain on lease modification	-	(3)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	3,895,618	(53,699)
Notes and accounts receivable, net	(31,995,213)	(11,310,413)
Receivables from related parties	(226,266)	(29,621)
Other receivables from related parties	(36,224)	(10,813)
Inventories	(33,085,279)	(2,806,898)
Other financial assets	(4,302,494)	1,618,067
Other current assets	(835,489)	(1,363,358)
Accounts payable	738,473	(478,898)
Payables to related parties	(603,562)	(1,895)
Salary and bonus payable	(2,922,328)	(1,524,637)
Accrued profit sharing bonus to employees and compensation to directors and supervisors	16,647,894	16,379,603
Accrued expenses and other current liabilities	25,071,000	8,356,817
Net defined benefit liability	(628,554)	(801,304)
Cash generated from operations	469,230,502	405,907,484
Income taxes paid	(53,975,304)	(32,543,083)
Net cash generated by operating activities	<u>415,255,198</u>	<u>373,364,401</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through other comprehensive income	\$(151,585,404)	\$ (123,362,626)
Financial assets at amortized cost	-	(1,366,370)
Property, plant and equipment	(414,999,829)	(319,258,103)
Intangible assets	(4,123,566)	(8,487,562)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	148,593,456	126,227,986
Financial assets at amortized cost	6,581,175	-
Property, plant and equipment	116,857	182,002
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	62,837	-
Derecognition of hedging financial instruments	143,672	(339,255)
Interest received	3,040,052	5,959,214
Proceeds from government grants - property, plant and equipment	-	475,703
Proceeds from government grants - others	-	20,077
Other dividends received	318,746	406,277
Dividends received from investments accounted for using equity method	233,439	233,439
Increase in prepayments for leases	(1,200,000)	-
Refundable deposits paid	(1,553,689)	(120,582)
Refundable deposits refunded	<u>369,842</u>	<u>686,368</u>
Net cash used in investing activities	<u>(414,002,412)</u>	<u>(318,743,432)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	55,624,096	52,578,588
Proceeds from short-term bills payable	-	7,485,303
Repayments of short-term bills payable	-	(1,000,000)
Proceeds from issuance of bonds	157,809,507	60,000,000
Repayment of bonds	(2,600,000)	(21,600,000)
Proceeds from long-term bank loans	1,210,000	-
Payments for transaction costs attributable to the issuance of bonds	(278,805)	(62,063)
Repayment of the principal portion of lease liabilities	(985,283)	(1,412,758)
Interest paid	(1,046,295)	(1,196,001)
Guarantee deposits received	151,226	21,177
Guarantee deposits refunded	(35,358)	(7,702)
Cash dividends	(129,651,902)	(129,651,902)
Disposal of ownership interests in subsidiaries (without losing control)	9,451,798	-
Increase in non-controlling interests	<u>155</u>	<u>-</u>
Net cash generated (used) in financing activities	<u>89,649,139</u>	<u>(34,845,358)</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2021	2020
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ <u>(3,090,490)</u>	\$ <u>(7,561,504)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,811,435	12,214,107
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>660,170,647</u>	<u>455,399,336</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 747,982,082</u>	<u>\$ 467,613,443</u>

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

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

(Reviewed, Not Audited)

1. GENERAL

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

On September 5, 1994, TSMC's shares were listed on the Taiwan Stock Exchange (TWSE). On October 8, 1997, TSMC listed some of its shares of stock on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADSs).

The address of its registered office and principal place of business is No. 8, Li-Hsin Rd. 6, Hsinchu Science Park, Taiwan. The principal operating activities of TSMC's subsidiaries are described in Note 4.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were reported to the Board of Directors and issued on August 10, 2021.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

- b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2022

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued 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
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2020.

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

Statement of Compliance

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

Basis of Consolidation

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

The basis of preparation and the basis for the consolidated financial statements applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2020.

The subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note
				June 30, 2021	December 31, 2020	June 30, 2020	
TSMC	TSMC North America	Sales and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	100%	100%	100%	-
	TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	100%	100%	100%	a)
	TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	100%	100%	100%	a)

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note	
				June 30, 2021	December 31, 2020	June 30, 2020		
TSMC	TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	100%	100%	100%	a)	
	TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	100%	-	-	a), b)	
	TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	100%	100%	100%	a)	
	TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	Tortola, British Virgin Islands	100%	100%	100%	a)	
	TSMC Global, Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	100%	100%	100%	-	
	TSMC China Company Limited (TSMC China)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Shanghai, China	100%	100%	100%	-	
	TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	100%	100%	100%	-	
	VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsin-Chu, Taiwan	73%	87%	87%	c)	
	TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	100%	100%	-	a), d)	
	VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)	
	VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)	
	Emerging Fund L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	99.9%	-	-	a), e)	
	TSMC Partners	TSMC Development, Inc. (TSMC Development)	Investing in companies involved in semiconductor manufacturing	Delaware, U.S.A.	100%	100%	100%	-
		TSMC Technology, Inc. (TSMC Technology)	Engineering support activities	Delaware, U.S.A.	100%	100%	100%	a)
TSMC Design Technology Canada Inc. (TSMC Canada)		Engineering support activities	Ontario, Canada	100%	100%	100%	a)	
InvestStar Semiconductor Development Fund, Inc. (ISDF)		Investing in technology start-up companies	Cayman Islands	-	-	97%	a), f)	
TSMC Development	InvestStar Semiconductor Development Fund, Inc. (II) LDC. (ISDF II)	Investing in technology start-up companies	Cayman Islands	-	-	97%	a), f)	
	WaferTech, LLC (WaferTech)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Washington, U.S.A.	100%	100%	100%	-	
VTAF III	Growth Fund Limited (Growth Fund)	Investing in technology start-up companies	Cayman Islands	100%	100%	100%	a)	

(Concluded)

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

Note b: TSMC 3DIC is established in March 2021.

Note c: To facilitate VisEra's IPO in Taiwan, 39,501 thousand common shares of VisEra at a price of NTS\$240 were sold by TSMC and an increase of NTS\$8,406,282 thousand in capital surplus was recognized. TSMC's shareholding in VisEra decreased from 87% to 73%. This disposal was accounted for as an equity transaction since the transaction did not change TSMC's control over VisEra.

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

Note e: Emerging fund is established in January 2021.

Note f: ISDF and ISDF II have completed the liquidation procedures in November 2020.

Retirement Benefits

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

Taxation

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

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

The Company has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Cash and deposits in banks	\$ 745,313,161	\$ 653,580,548	\$ 461,491,815
Government bonds	2,668,921	3,716,119	2,545,192
Repurchase agreements	-	1,750,443	1,665,004
Commercial paper	-	1,123,537	1,911,432
	<u>\$ 747,982,082</u>	<u>\$ 660,170,647</u>	<u>\$ 467,613,443</u>

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

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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
Mandatorily measured at FVTPL			
Forward exchange contracts	\$ 58,325	\$ 2,259,412	\$ 754,789
Agency mortgage-backed securities	-	-	33,737
	<u>\$ 58,325</u>	<u>\$ 2,259,412</u>	<u>\$ 788,526</u>

Financial liabilities

Held for trading			
Forward exchange contracts	\$ 1,828,338	\$ 94,128	\$ 1,543,265

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

Outstanding forward exchange contracts consisted of the following:

	Maturity Date	Contract Amount (In Thousands)	
<u>June 30, 2021</u>			
Sell NT\$	July 2021 to September 2021	NT\$	153,952,400
Sell US\$	July 2021 to September 2021	US\$	1,738,658
<u>December 31, 2020</u>			
Sell NT\$	January 2021 to March 2021	NT\$	144,697,981
Sell US\$	January 2021 to March 2021	US\$	1,176,858
<u>June 30, 2020</u>			
Sell NT\$	July 2020 to December 2020	NT\$	205,770,311
Sell US\$	July 2020 to September 2020	US\$	574,977

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2021	December 31, 2020	June 30, 2020
Investments in debt instruments at FVTOCI			
Corporate bonds	\$ 58,907,886	\$ 56,593,623	\$ 59,747,143
Agency bonds/Agency mortgage-backed securities	32,188,798	43,977,113	48,777,759
Government bonds	24,121,903	13,459,503	10,054,530
Asset-backed securities	<u>7,523,443</u>	<u>8,368,264</u>	<u>10,824,156</u>
	<u>122,742,030</u>	<u>122,398,503</u>	<u>129,403,588</u>
Investments in equity instruments at FVTOCI			
Non-publicly traded equity investments	5,389,958	4,514,940	4,300,519
Publicly traded stocks	<u>52,499</u>	<u>49,950</u>	<u>-</u>
	<u>5,442,457</u>	<u>4,564,890</u>	<u>4,300,519</u>
	<u>\$ 128,184,487</u>	<u>\$ 126,963,393</u>	<u>\$ 133,704,107</u>
Current	\$ 122,794,529	\$ 122,448,453	\$ 129,403,588
Noncurrent	<u>5,389,958</u>	<u>4,514,940</u>	<u>4,300,519</u>
	<u>\$ 128,184,487</u>	<u>\$ 126,963,393</u>	<u>\$ 133,704,107</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 from investments held at the end of the reporting period.

As of June 30, 2021 and 2020, the cumulative loss allowance for expected credit loss of NT\$33,850 thousand and NT\$34,670 thousand was recognized under investments in debt instruments at FVTOCI, respectively. Refer to Note 30 for information relating to the credit risk management and expected credit loss.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
Corporate bonds	\$ 4,338,802	\$ 10,977,298	\$ 8,854,016
Less: Allowance for impairment loss	<u>(2,166)</u>	<u>(7,099)</u>	<u>(3,310)</u>
	<u>\$ 4,336,636</u>	<u>\$ 10,970,199</u>	<u>\$ 8,850,706</u>
Current	\$ -	\$ 6,597,992	\$ 7,210,148
Noncurrent	<u>4,336,636</u>	<u>4,372,207</u>	<u>1,640,558</u>
	<u>\$ 4,336,636</u>	<u>\$ 10,970,199</u>	<u>\$ 8,850,706</u>

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

10. HEDGING FINANCIAL INSTRUMENTS

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets - current</u>			
Fair value hedges			
Interest rate futures contracts	<u>\$ 310</u>	<u>\$ 47</u>	<u>\$ -</u>
<u>Financial liabilities - current</u>			
Fair value hedges			
Interest rate futures contracts	<u>\$ 10,216</u>	<u>\$ 1,169</u>	<u>\$ 14,839</u>
<u>Fair value hedge</u>			

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 will change in opposite directions in response to movements in interest rates.

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

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

June 30, 2021

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 74,200	September 2021

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 5,707,978	\$ 9,906

December 31, 2020

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 88,700	March 2021

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 6,198,683	\$ 1,122

June 30, 2020

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 123,900	September 2020

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 8,786,706	\$ 14,839

The effect for the six months ended June 30, 2021 and 2020 is detailed below:

Hedging Instruments/Hedged Items	Increase (Decrease) in Value Used for Calculating Hedge Ineffectiveness Six Months Ended June 30	
	2021	2020
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	\$ 134,956	\$ (365,368)
Hedged Items		
Financial assets at FVTOCI	<u>(134,956)</u>	<u>365,368</u>
	<u>\$ -</u>	<u>\$ -</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. For the six months ended June 30, 2021 and 2020, refer to Note 21(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 for the six months ended June 30, 2021 and 2020 is detailed below:

Hedging Instruments/Hedged Items	Increase (Decrease) in Value Used for Calculating Hedge Ineffectiveness	
	Six Months Ended June 30	
	2021	2020
Hedging Instruments		
Forward exchange contracts	<u>\$ (41,416)</u>	<u>\$ (42,749)</u>
Hedged Items		
Forecast transaction (capital expenditures)	<u>\$ 41,416</u>	<u>\$ 42,749</u>

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2021	December 31, 2020	June 30, 2020
At amortized cost			
Notes and accounts receivable	\$ 174,586,830	\$ 142,771,597	\$ 145,152,748
Less: Loss allowance	<u>(291,142)</u>	<u>(246,626)</u>	<u>(340,179)</u>
	174,295,688	142,524,971	144,812,569
At FVTOCI	<u>3,179,805</u>	<u>2,955,301</u>	<u>3,895,486</u>
	<u>\$ 177,475,493</u>	<u>\$ 145,480,272</u>	<u>\$ 148,708,055</u>

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

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

Aging analysis of notes and accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Not past due	\$ 169,954,907	\$ 140,933,622	\$ 141,251,503
Past due			
Past due within 30 days	7,811,444	4,784,425	7,765,468
Past due 31-60 days	220	8,708	27,860
Past due 61-120 days	64	48	1,767
Past due over 121 days	-	95	1,636
Less: Loss allowance	<u>(291,142)</u>	<u>(246,626)</u>	<u>(340,179)</u>
	<u>\$ 177,475,493</u>	<u>\$ 145,480,272</u>	<u>\$ 148,708,055</u>

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

Movements of the loss allowance for accounts receivable

	Six Months Ended June 30	
	2021	2020
Balance, beginning of period	\$ 246,626	\$ 325,325
Provision	44,524	15,157
Effect of exchange rate changes	<u>(8)</u>	<u>(303)</u>
Balance, end of period	<u>\$ 291,142</u>	<u>\$ 340,179</u>

For the six months ended June 30, 2021 and 2020, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Finished goods	\$ 21,358,612	\$ 21,705,625	\$ 6,765,349
Work in process	126,550,888	91,672,870	56,598,373
Raw materials	12,991,522	14,715,963	15,050,270
Supplies and spare parts	<u>9,537,664</u>	<u>9,258,949</u>	<u>7,374,102</u>
	<u>\$ 170,438,686</u>	<u>\$ 137,353,407</u>	<u>\$ 85,788,094</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:

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Inventory losses (reversal of write-down of inventories)	<u>\$ (469,648)</u>	<u>\$ 457,684</u>	<u>\$ (946,047)</u>	<u>\$ 273,683</u>

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Associates consisted of the following:

Name of Associate	Principal Activities	Place of Incorporation and Operation	Carrying Amount			% of Ownership and Voting Rights Held by the Company		
			June 30, 2021	December 31, 2020	June 30, 2020	June 30, 2021	December 31, 2020	June 30, 2020
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	\$ 8,702,574	\$ 9,029,890	\$ 8,200,184	28%	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	6,409,172	5,900,245	5,759,008	39%	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	2,898,577	2,554,123	1,968,939	41%	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	1,300,841	1,328,620	1,018,510	35%	35%	35%
Mutual-Pak Technology Co., Ltd. (Mutual-Pak)	Manufacturing of electronic parts, wholesaling and retailing of electronic materials, and researching, developing and testing of RFID	New Taipei, Taiwan	<u>25,714</u>	<u>28,183</u>	<u>29,107</u>	28%	28%	28%
			<u>\$19,336,878</u>	<u>\$18,841,061</u>	<u>\$16,975,748</u>			

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

Name of Associate	June 30, 2021	December 31, 2020	June 30, 2020
VIS	<u>\$ 54,778,372</u>	<u>\$ 53,849,925</u>	<u>\$ 36,116,588</u>
GUC	<u>\$ 19,282,086</u>	<u>\$ 15,827,184</u>	<u>\$ 11,788,684</u>
Xintec	<u>\$ 18,806,645</u>	<u>\$ 20,420,233</u>	<u>\$ 12,463,576</u>

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2021	December 31, 2020	June 30, 2020
Assets used by the Company	\$1,722,112,116	\$1,554,585,938	\$1,493,522,951
Assets subject to operating leases	<u>567,017</u>	<u>1,003,182</u>	<u>37,999</u>
	<u>\$1,722,679,133</u>	<u>\$1,555,589,120</u>	<u>\$1,493,560,950</u>

a. Assets used by the Company

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 3,942,625	\$ 522,447,474	\$ 3,607,005,732	\$ 68,862,648	\$ 223,965,360	\$ 4,426,223,839
Additions	2,587,183	34,524,307	217,478,898	3,799,491	108,588,607	366,978,486
Disposals or retirements	-	(19,921)	(6,882,015)	(124,755)	-	(7,026,691)
Transfers from assets subject to operating leases	-	35,478	656,218	-	-	691,696
Transfers to assets subject to operating leases	-	-	(244,579)	-	-	(244,579)
Effect of exchange rate changes	(16,125)	86,018	672,170	(7,391)	(81,621)	653,051
Balance at June 30, 2021	<u>\$ 6,513,683</u>	<u>\$ 557,073,356</u>	<u>\$ 3,818,686,424</u>	<u>\$ 72,529,993</u>	<u>\$ 332,472,346</u>	<u>\$ 4,787,275,802</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 506,129	\$ 271,799,471	\$ 2,555,529,969	\$ 43,802,332	\$ -	\$ 2,871,637,901
Additions	667	16,942,317	178,535,517	3,863,440	-	199,341,941
Disposals or retirements	-	(17,118)	(6,695,391)	(123,997)	-	(6,836,506)
Transfers from assets subject to operating leases	-	15,646	197,639	-	-	213,285
Transfers to assets subject to operating leases	-	-	(68,279)	-	-	(68,279)
Impairment	-	-	274,388	-	-	274,388
Effect of exchange rate changes	(3,750)	21,534	590,342	(7,170)	-	600,956
Balance at June 30, 2021	<u>\$ 503,046</u>	<u>\$ 288,761,850</u>	<u>\$ 2,728,364,185</u>	<u>\$ 47,534,605</u>	<u>\$ -</u>	<u>\$ 3,065,163,686</u>
Carrying amounts at January 1, 2021	<u>\$ 3,436,496</u>	<u>\$ 250,648,003</u>	<u>\$ 1,051,475,763</u>	<u>\$ 25,060,316</u>	<u>\$ 223,965,360</u>	<u>\$ 1,554,585,938</u>
Carrying amounts at June 30, 2021	<u>\$ 6,010,637</u>	<u>\$ 268,311,506</u>	<u>\$ 1,090,322,239</u>	<u>\$ 24,995,388</u>	<u>\$ 332,472,346</u>	<u>\$ 1,722,112,116</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 3,991,798	\$ 438,075,063	\$ 2,886,622,968	\$ 54,611,364	\$ 528,295,086	\$ 3,911,596,279
Additions (deductions)	-	66,843,789	575,722,091	9,268,143	(374,596,112)	277,237,911
Disposals or retirements	-	(19,785)	(3,060,141)	(114,216)	-	(3,194,142)
Transfers from assets subject to operating leases	-	22,323	-	-	-	22,323
Effect of exchange rate changes	(14,536)	(1,126,851)	(3,760,480)	(125,392)	(140,092)	(5,167,351)
Balance at June 30, 2020	<u>\$ 3,977,262</u>	<u>\$ 503,794,539</u>	<u>\$ 3,455,524,438</u>	<u>\$ 63,639,899</u>	<u>\$ 153,558,882</u>	<u>\$ 4,180,495,020</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 538,690	\$ 243,059,390	\$ 2,278,265,943	\$ 37,418,395	\$ -	\$ 2,559,282,418
Additions	791	13,167,675	118,235,125	3,172,208	-	134,575,799
Disposals or retirements	-	(15,805)	(2,891,975)	(113,295)	-	(3,021,075)
Transfers from assets subject to operating leases	-	8,196	-	-	-	8,196
Effect of exchange rate changes	(10,057)	(612,952)	(3,175,406)	(74,854)	-	(3,873,269)
Balance at June 30, 2020	<u>\$ 529,424</u>	<u>\$ 255,606,504</u>	<u>\$ 2,390,433,687</u>	<u>\$ 40,402,454</u>	<u>\$ -</u>	<u>\$ 2,686,972,069</u>
Carrying amounts at January 1, 2020	<u>\$ 3,453,108</u>	<u>\$ 195,015,673</u>	<u>\$ 608,357,025</u>	<u>\$ 17,192,969</u>	<u>\$ 528,295,086</u>	<u>\$ 1,352,313,861</u>
Carrying amounts at June 30, 2020	<u>\$ 3,447,838</u>	<u>\$ 248,188,035</u>	<u>\$ 1,065,090,751</u>	<u>\$ 23,237,445</u>	<u>\$ 153,558,882</u>	<u>\$ 1,493,522,951</u>

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

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

b. Assets subject to operating leases

	Buildings	Machinery and Equipment	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 227,529	\$ 1,199,011	\$ 1,426,540
Transfers to assets used by the Company	(35,478)	(656,218)	(691,696)
Transfers from assets used by the Company	<u>-</u>	<u>244,579</u>	<u>244,579</u>
Balance at June 30, 2021	<u>\$ 192,051</u>	<u>\$ 787,372</u>	<u>\$ 979,423</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 201,366	\$ 221,992	\$ 423,358
Additions	632	133,422	134,054
Transfers to assets used by the Company	(15,646)	(197,639)	(213,285)
Transfers from assets used by the Company	<u>-</u>	<u>68,279</u>	<u>68,279</u>
Balance at June 30, 2021	<u>\$ 186,352</u>	<u>\$ 226,054</u>	<u>\$ 412,406</u>
Carrying amounts at January 1, 2021	<u>\$ 26,163</u>	<u>\$ 977,019</u>	<u>\$ 1,003,182</u>
Carrying amounts at June 30, 2021	<u>\$ 5,699</u>	<u>\$ 561,318</u>	<u>\$ 567,017</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 562,610	\$ -	\$ 562,610
Transfers to assets used by the Company	<u>(22,323)</u>	<u>-</u>	<u>(22,323)</u>
Balance at June 30, 2020	<u>\$ 540,287</u>	<u>\$ -</u>	<u>\$ 540,287</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ 499,066	\$ -	\$ 499,066
Additions	11,418	-	11,418
Transfers to assets used by the Company	<u>(8,196)</u>	<u>-</u>	<u>(8,196)</u>
Balance at June 30, 2020	<u>\$ 502,288</u>	<u>\$ -</u>	<u>\$ 502,288</u>
Carrying amounts at January 1, 2020	<u>\$ 63,544</u>	<u>\$ -</u>	<u>\$ 63,544</u>
Carrying amounts at June 30, 2020	<u>\$ 37,999</u>	<u>\$ -</u>	<u>\$ 37,999</u>

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

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

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	\$ 22,011	\$ 149,120	\$ 17,612
Year 2	8,496	16,992	16,992
Year 3	<u>-</u>	<u>-</u>	<u>8,496</u>
	<u>\$ 30,507</u>	<u>\$ 166,112</u>	<u>\$ 43,100</u>

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Land	\$ 30,256,923	\$ 25,141,908	\$ 18,459,364
Buildings	2,323,733	2,544,742	2,346,438
Machinery and equipment	3,905	-	193,952
Office equipment	<u>34,711</u>	<u>41,732</u>	<u>37,140</u>
	<u>\$ 32,619,272</u>	<u>\$ 27,728,382</u>	<u>\$ 21,036,894</u>
		Six Months Ended June 30	
		2021	2020
Additions to right-of-use assets		<u>\$ 6,220,076</u>	<u>\$ 5,510,956</u>
	Three Months Ended June 30	Six Months Ended June 30	
	2021	2021	2020
Depreciation of right-of-use assets			
Land	\$ 454,014	\$ 313,083	\$ 899,416
Buildings	157,499	142,335	310,629
Machinery and equipment	135	290,928	135
Office equipment	<u>5,367</u>	<u>5,980</u>	<u>10,878</u>
	<u>\$ 617,015</u>	<u>\$ 752,326</u>	<u>\$ 1,221,058</u>
Income from subleasing right-of-use assets (classified under other operating income and expenses, net)	<u>\$ 20,248</u>	<u>\$ 19,011</u>	<u>\$ 37,923</u>

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Current portion (classified under accrued expenses and other current liabilities)	\$ 1,861,281	\$ 1,828,025	\$ 1,984,818
Noncurrent portion	<u>21,030,441</u>	<u>20,560,649</u>	<u>19,164,873</u>
	<u>\$ 22,891,722</u>	<u>\$ 22,388,674</u>	<u>\$ 21,149,691</u>

Ranges of discount rates for lease liabilities are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	0.39%-2.14%	0.48%-2.14%	0.48%-2.14%
Buildings	0.39%-3.88%	0.54%-3.88%	0.54%-3.88%
Machinery and equipment	0.71%	-	3.24%
Office equipment	0.28%-3.88%	0.28%-3.88%	0.43%-3.88%

c. Material terms of right-of-use assets

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

The Company leases machinery and equipment for use in operation with lease terms of 2 years. The Company has purchase options to acquire certain leasehold machinery and equipment at the end of the lease terms. As of September 30, 2020, the aforementioned lease contract with purchase option has expired.

d. Subleases

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

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

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	<u>\$ 64,991</u>	<u>\$ 144,099</u>	<u>\$ 52,211</u>

e. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	<u>\$ 1,309,473</u>	<u>\$ 786,725</u>	<u>\$ 2,588,882</u>	<u>\$ 1,754,838</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 33,445</u>	<u>\$ 49,309</u>	<u>\$ 101,017</u>	<u>\$ 97,154</u>
			Six Months Ended June 30	
			2021	2020
Total cash outflow for leases			<u>\$ 3,660,126</u>	<u>\$ 3,568,815</u>

16. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
<u>Cost</u>					
Balance at January 1, 2021	\$ 5,436,602	\$ 22,161,712	\$ 36,238,967	\$ 11,277,701	\$ 75,114,982
Additions	-	1,004,974	3,708,226	90,702	4,803,902
Disposals or retirements	-	-	(13,779)	-	(13,779)
Effect of exchange rate changes	(28,244)	1,071	2,079	185	(24,909)
Balance at June 30, 2021	<u>\$ 5,408,358</u>	<u>\$ 23,167,757</u>	<u>\$ 39,935,493</u>	<u>\$ 11,368,588</u>	<u>\$ 79,880,196</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2021	\$ -	\$ 12,226,066	\$ 30,111,759	\$ 7,008,978	\$ 49,346,803
Additions	-	1,334,121	2,068,523	605,779	4,008,423
Disposals or retirements	-	-	(12,551)	-	(12,551)
Effect of exchange rate changes	-	1,071	1,266	141	2,478
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 13,561,258</u>	<u>\$ 32,168,997</u>	<u>\$ 7,614,898</u>	<u>\$ 53,345,153</u>
Carrying amounts at January 1, 2021	<u>\$ 5,436,602</u>	<u>\$ 9,935,646</u>	<u>\$ 6,127,208</u>	<u>\$ 4,268,723</u>	<u>\$ 25,768,179</u>
Carrying amounts at June 30, 2021	<u>\$ 5,408,358</u>	<u>\$ 9,606,499</u>	<u>\$ 7,766,496</u>	<u>\$ 3,753,690</u>	<u>\$ 26,535,043</u>
<u>Cost</u>					
Balance at January 1, 2020	\$ 5,693,376	\$ 15,854,951	\$ 33,024,010	\$ 8,302,996	\$ 62,875,333
Additions	-	6,035,171	1,292,039	2,863,032	10,190,242
Disposals or retirements	-	-	(48,828)	-	(48,828)
Effect of exchange rate changes	(75,905)	(3,352)	(17,300)	(1,334)	(97,891)
Balance at June 30, 2020	<u>\$ 5,617,471</u>	<u>\$ 21,886,770</u>	<u>\$ 34,249,921</u>	<u>\$ 11,164,694</u>	<u>\$ 72,918,856</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2020	\$ -	\$ 9,823,770	\$ 26,502,067	\$ 5,896,468	\$ 42,222,305
Additions	-	1,021,932	1,856,243	486,245	3,364,420
Disposals or retirements	-	-	(48,828)	-	(48,828)
Effect of exchange rate changes	-	(3,352)	(10,321)	(968)	(14,641)
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 10,842,350</u>	<u>\$ 28,299,161</u>	<u>\$ 6,381,745</u>	<u>\$ 45,523,256</u>
Carrying amounts at January 1, 2020	<u>\$ 5,693,376</u>	<u>\$ 6,031,181</u>	<u>\$ 6,521,943</u>	<u>\$ 2,406,528</u>	<u>\$ 20,653,028</u>
Carrying amounts at June 30, 2020	<u>\$ 5,617,471</u>	<u>\$ 11,044,420</u>	<u>\$ 5,950,760</u>	<u>\$ 4,782,949</u>	<u>\$ 27,395,600</u>

The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Company used annual discount rate of 8.0% in its test of impairment as of December 31, 2020 to reflect the relevant specific risk in the cash-generating unit.

17. SHORT-TERM LOANS

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured loans			
Amount	<u>\$ 139,380,910</u>	<u>\$ 88,559,026</u>	<u>\$ 169,546,950</u>
Loan content			
US\$ (in thousands)	\$ -	\$ 200,000	\$ 1,642,000
EUR (in thousands)	4,195,819	2,398,000	3,579,000
JPY (in thousands)	-	-	10,000,000
Annual interest rate	(0.25)% - 0.01%	(0.54)% - 0.33%	(0.15)% - 0.83%
Maturity date	Due by September 2021	Due by February 2021	Due by September 2020

18. SHORT-TERM BILLS PAYABLE

	June 30, 2020
Commercial papers	\$ 6,500,000
Less: Discounts on commercial papers	<u>(6,602)</u>
	<u>\$ 6,493,398</u>
Annual interest rate	0.45% - 0.52%

19. BONDS PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2020
Domestic unsecured bonds	\$ 230,389,000	\$ 173,197,000	\$ 95,300,000
Overseas unsecured bonds	181,278,500	84,291,000	-
Less: Discounts on bonds payable	(1,202,643)	(782,916)	(60,319)
Less: Current portion	<u>-</u>	<u>(2,600,000)</u>	<u>(12,800,000)</u>
	<u>\$ 410,464,857</u>	<u>\$ 254,105,084</u>	<u>\$ 82,439,681</u>

The Company issued domestic unsecured bonds for the six months ended June 30, 2021, the major terms are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
<u>NT\$ unsecured bonds</u>					
110-1	A	March 2021 to March 2026	\$ 4,800,000	0.50%	Bullet repayment; interest payable annually
	B	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
	B	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
	B	June 2021 to June 2028	7,900,000	0.58%	The same as above
	C	June 2021 to June 2031	4,900,000	0.65%	The same as above

The major terms of overseas unsecured bonds are as follows:

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

20. LONG-TERM BANK LOANS

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured loans	\$ 3,210,000	\$ 2,000,000	\$ -
Less: Discounts on government grants	<u>(38,669)</u>	<u>(32,389)</u>	<u>-</u>
	<u>\$ 3,171,331</u>	<u>\$ 1,967,611</u>	<u>\$ -</u>
Loan content			
Annual interest rate	0.4%-0.6%	0.4%	-
Maturity date	Due by March 2026	Due by September 2025	-

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.

21. EQUITY

a. Capital stock

	June 30, 2021	December 31, 2020	June 30, 2020
Authorized shares (in thousands)	<u>28,050,000</u>	<u>28,050,000</u>	<u>28,050,000</u>
Authorized capital	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>	<u>\$ 280,500,000</u>
Issued and paid shares (in thousands)	<u>25,930,380</u>	<u>25,930,380</u>	<u>25,930,380</u>
Issued capital	<u>\$ 259,303,805</u>	<u>\$ 259,303,805</u>	<u>\$ 259,303,805</u>

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

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

As of June 30, 2021, 1,064,288 thousand ADSs of TSMC were traded on the NYSE. The number of common shares represented by the ADSs was 5,321,442 thousand shares (one ADS represents five common shares).

b. Capital surplus

	June 30, 2021	December 31, 2020	June 30, 2020
Additional paid-in capital	\$ 24,184,939	\$ 24,184,939	\$ 24,184,939
From merger	22,804,510	22,804,510	22,804,510
From convertible bonds	8,892,847	8,892,847	8,892,847
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	8,406,282	-	-
From share of changes in equities of subsidiaries	121,843	121,843	121,843
From share of changes in equities of associates	302,837	302,526	302,506
Donations	<u>40,578</u>	<u>40,578</u>	<u>33,336</u>
	<u>\$ 64,753,836</u>	<u>\$ 56,347,243</u>	<u>\$ 56,339,981</u>

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

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of 2021, 2020 and 2019 quarterly earnings have been approved by TSMC's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

Resolution Date of TSMC's Board of Directors in its meeting	Second Quarter of 2021 August 10, 2021	First Quarter of 2021 June 9, 2021
Special capital reserve	\$ 10,201,220	\$ (6,287,050)
Cash dividends to shareholders	\$ 71,308,546	\$ 71,308,546
Cash dividends per share (NT\$)	\$ 2.75	\$ 2.75

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

Resolution Date of TSMC's Board of Directors in its meeting	Fourth Quarter of 2019 February 11, 2020	Third Quarter of 2019 November 12, 2019	Second Quarter of 2019 August 13, 2019	First Quarter of 2019 June 5, 2019
Special capital reserve	\$ 16,893,073	\$ 3,289,166	\$ (3,338,190)	\$ (4,723,939)
Cash dividends to shareholders	\$ 64,825,951	\$ 64,825,951	\$ 64,825,951	\$ 51,860,761
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.0

d. Others

Changes in others were as follows:

	Six Months Ended June 30, 2021				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (57,001,627)	\$ 2,321,754	\$ -	\$ -	\$ (54,679,873)
Exchange differences arising on translation of foreign operations	(3,095,241)	-	-	-	(3,095,241)
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	817,424	-	-	817,424
Debt instruments	-	(1,622,452)	-	-	(1,622,452)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	278,816	-	-	278,816
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	(169,334)	-	-	(169,334)
Loss allowance adjustments from debt instruments	-	1,617	-	-	1,617

(Continued)

Six Months Ended June 30, 2021					
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Gain (loss) arising on changes in the fair value of hedging instruments	\$ -	\$ -	\$ (41,416)	\$ -	\$ (41,416)
Transferred to initial carrying amount of hedged items	-	-	41,416	-	41,416
Share of other comprehensive income (loss) of associates	(73,657)	4,502	-	-	(69,155)
Income tax effect	-	(55,845)	-	-	(55,845)
Balance, end of period	<u>\$ (60,170,525)</u>	<u>\$ 1,576,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,594,043)</u> (Concluded)

Six Months Ended June 30, 2020					
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (26,871,400)	\$ (692,959)	\$ (3,820)	\$ (190)	\$ (27,568,369)
Exchange differences arising on translation of foreign operations	(11,690,086)	-	-	-	(11,690,086)
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	(22,437)	-	-	(22,437)
Debt instruments	-	3,625,573	-	-	3,625,573
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	(926,919)	-	-	(926,919)
Loss allowance adjustments from debt instruments	-	(255)	-	-	(255)
Gain (loss) arising on changes in the fair value of hedging instruments	-	-	(42,749)	-	(42,749)
Transferred to initial carrying amount of hedged items	-	-	46,569	-	46,569
Share of other comprehensive income (loss) of associates	(176,309)	(3,469)	-	-	(179,778)
Share of unearned stock-based employee compensation of associates	-	-	-	190	190
Income tax effect	-	466	-	-	466
Balance, end of period	<u>\$ (38,737,795)</u>	<u>\$ 1,980,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,757,795)</u>

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

e. Employee restricted stock awards

The issuance of employee restricted stock awards of no more than 2,600 thousand common shares has been approved by TSMC's shareholders' meeting held on July 26, 2021. The grants will be made free of charge.

22. NET REVENUE

a. Disaggregation of revenue from contracts with customers

Product	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Wafer	\$ 332,005,700	\$ 275,306,030	\$ 654,477,956	\$ 546,955,842
Others	<u>40,139,422</u>	<u>35,392,337</u>	<u>80,077,396</u>	<u>74,339,708</u>
	<u>\$ 372,145,122</u>	<u>\$ 310,698,367</u>	<u>\$ 734,555,352</u>	<u>\$ 621,295,550</u>
Geography	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Taiwan	\$ 41,751,615	\$ 27,697,800	\$ 99,480,649	\$ 57,932,878
United States	218,814,409	178,101,996	456,177,680	349,676,085
China	55,029,691	65,066,251	78,239,433	133,559,658
Europe, the Middle East and Africa	25,148,209	17,213,445	45,022,267	34,532,690
Japan	19,424,581	16,702,803	34,380,749	33,966,408
Others	<u>11,976,617</u>	<u>5,916,072</u>	<u>21,254,574</u>	<u>11,627,831</u>
	<u>\$ 372,145,122</u>	<u>\$ 310,698,367</u>	<u>\$ 734,555,352</u>	<u>\$ 621,295,550</u>

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

Platform	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Smartphone	\$ 157,744,895	\$ 145,843,876	\$ 320,952,692	\$ 297,775,153
High Performance Computing	143,391,014	104,115,544	271,234,401	197,109,154
Internet of Things	29,391,787	25,265,823	59,514,518	51,861,636
Automotive	16,395,914	11,392,379	31,001,454	24,454,106
Digital Consumer Electronics	13,540,616	14,213,141	28,954,701	29,790,979
Others	<u>11,680,896</u>	<u>9,867,604</u>	<u>22,897,586</u>	<u>20,304,522</u>
	<u>\$ 372,145,122</u>	<u>\$ 310,698,367</u>	<u>\$ 734,555,352</u>	<u>\$ 621,295,550</u>
Resolution	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
5-nanometer	\$ 61,189,745	\$ -	\$ 106,802,946	\$ -
7-nanometer	101,327,247	100,229,077	212,348,622	195,936,641
10-nanometer	171,448	724,040	628,486	2,003,537
16-nanometer	45,342,157	48,709,060	90,649,739	100,128,339
20-nanometer	1,329,397	2,243,613	2,530,800	4,096,381
28-nanometer	37,518,815	38,479,201	74,182,990	76,479,155
40/45-nanometer	23,604,843	26,050,830	46,795,800	52,145,084
65-nanometer	16,335,174	15,576,755	31,958,401	31,560,957
90-nanometer	9,031,280	7,628,781	17,755,720	15,300,250
0.11/0.13 micron	9,307,618	7,575,474	18,005,084	14,597,903
0.15/0.18 micron	20,997,915	21,626,179	41,607,465	43,279,180
0.25 micron and above	<u>5,850,061</u>	<u>6,463,020</u>	<u>11,211,903</u>	<u>11,428,415</u>
Wafer revenue	<u>\$ 332,005,700</u>	<u>\$ 275,306,030</u>	<u>\$ 654,477,956</u>	<u>\$ 546,955,842</u>

b. Contract balances

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Contract liabilities (classified under accrued expenses and other current liabilities)	<u>\$ 28,707,650</u>	<u>\$ 13,775,088</u>	<u>\$ 9,652,577</u>	<u>\$ 6,784,323</u>

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

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$1,790,629 thousand and NT\$539,843 thousand for the three months ended June 30, 2021 and 2020, respectively; and NT\$10,804,405 thousand and NT\$4,009,761 thousand for the six months ended June 30, 2021 and 2020, respectively.

23. INTEREST INCOME

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2021	2020	2021	2020
Interest income				
Bank deposits	\$ 708,406	\$ 1,459,001	\$ 1,339,467	\$ 3,372,072
Financial assets at FVTPL	-	1,182	-	1,768
Financial assets at FVTOCI	548,760	820,923	1,175,467	1,704,899
Financial assets at amortized cost	<u>171,515</u>	<u>197,256</u>	<u>374,651</u>	<u>388,692</u>
	<u>\$ 1,428,681</u>	<u>\$ 2,478,362</u>	<u>\$ 2,889,585</u>	<u>\$ 5,467,431</u>

24. FINANCE COSTS

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2021	2020	2021	2020
Interest expense				
Corporate bonds	\$ 1,083,200	\$ 220,213	\$ 1,798,304	\$ 388,655
Lease liabilities	47,150	60,160	96,927	128,375
Bank loans	3,964	121,131	11,093	414,197
Others	<u>85</u>	<u>7,641</u>	<u>170</u>	<u>8,482</u>
	<u>\$ 1,134,399</u>	<u>\$ 409,145</u>	<u>\$ 1,906,494</u>	<u>\$ 939,709</u>

25. OTHER GAINS AND LOSSES, NET

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Gain on disposal of financial assets, net				
Investments in debt instruments at FVTOCI	\$ 166,348	\$ 747,507	\$ 169,334	\$ 926,919
Gain (loss) on financial instruments at FVTPL, net				
Mandatorily measured at FVTPL	955,618	(1,416,828)	(2,398,909)	(1,507,791)
The reversal (accrual) of expected credit loss of financial assets				
Investments in debt instruments at FVTOCI	(1,861)	1,881	(1,617)	255
Financial assets at amortized cost	4,648	(443)	4,901	(443)
Other gains, net	<u>133,879</u>	<u>211,282</u>	<u>273,128</u>	<u>79,227</u>
	<u>\$ 1,258,632</u>	<u>\$ (456,601)</u>	<u>\$ (1,953,163)</u>	<u>\$ (501,833)</u>

26. INCOME TAX

- a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Current income tax expense				
Current tax expense recognized in the current period	\$ 19,420,622	\$ 16,787,405	\$ 39,877,578	\$ 33,174,751
Income tax adjustments on prior years	158,443	47,228	158,443	75,630
Other income tax adjustments	<u>31,501</u>	<u>(112,723)</u>	<u>69,886</u>	<u>(79,462)</u>
	<u>19,610,566</u>	<u>16,721,910</u>	<u>40,105,907</u>	<u>33,170,919</u>
Deferred income tax benefit				
The origination and reversal of temporary differences	(3,383,430)	(1,215,786)	(7,238,311)	(2,580,510)
Investment tax credits	<u>(1,317,777)</u>	<u>-</u>	<u>(2,632,597)</u>	<u>-</u>
	<u>(4,701,207)</u>	<u>(1,215,786)</u>	<u>(9,870,908)</u>	<u>(2,580,510)</u>
Income tax expense recognized in profit or loss	<u>\$ 14,909,359</u>	<u>\$ 15,506,124</u>	<u>\$ 30,234,999</u>	<u>\$ 30,590,409</u>

b. Income tax expense recognized in other comprehensive income

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2021	2020	2021	2020
Deferred income tax benefit (expense) Related to unrealized gain/loss on investments in equity instruments at FVTOCI	\$ (74)	\$ 352	\$ (55,845)	\$ 466

c. Income tax examination

The tax authorities have examined income tax returns of TSMC through 2019. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

27. EARNINGS PER SHARE

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2021	2020	2021	2020
Basic EPS	\$ 5.18	\$ 4.66	\$ 10.57	\$ 9.17
Diluted EPS	\$ 5.18	\$ 4.66	\$ 10.57	\$ 9.17

EPS is computed as follows:

	Amounts (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS (NT\$)
<u>Three months ended June 30, 2021</u>			
Basic/Diluted EPS			
Net income available to common shareholders of the parent	\$ 134,358,942	25,930,380	\$ 5.18
<u>Three months ended June 30, 2020</u>			
Basic/Diluted EPS			
Net income available to common shareholders of the parent	\$ 120,822,193	25,930,380	\$ 4.66
<u>Six months ended June 30, 2021</u>			
Basic/Diluted EPS			
Net income available to common shareholders of the parent	\$ 274,049,435	25,930,380	\$ 10.57
<u>Six months ended June 30, 2020</u>			
Basic/Diluted EPS			
Net income available to common shareholders of the parent	\$ 237,808,913	25,930,380	\$ 9.17

28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
a. Depreciation of property, plant and equipment and right-of-use assets				
Recognized in cost of revenue	\$ 94,713,022	\$ 62,604,362	\$ 186,947,097	\$ 123,444,346
Recognized in operating expenses	6,949,727	6,371,650	13,615,902	12,609,545
Recognized in other operating income and expenses	<u>61,437</u>	<u>5,556</u>	<u>134,054</u>	<u>11,418</u>
	<u>\$ 101,724,186</u>	<u>\$ 68,981,568</u>	<u>\$ 200,697,053</u>	<u>\$ 136,065,309</u>
b. Amortization of intangible assets				
Recognized in cost of revenue	\$ 1,394,961	\$ 1,279,576	\$ 2,681,865	\$ 2,174,974
Recognized in operating expenses	<u>686,011</u>	<u>614,108</u>	<u>1,326,558</u>	<u>1,189,446</u>
	<u>\$ 2,080,972</u>	<u>\$ 1,893,684</u>	<u>\$ 4,008,423</u>	<u>\$ 3,364,420</u>
c. Employee benefits expenses				
Post-employment benefits				
Defined contribution plans	\$ 943,574	\$ 658,511	\$ 1,713,829	\$ 1,339,335
Defined benefit plans	<u>48,121</u>	<u>51,227</u>	<u>96,232</u>	<u>102,442</u>
	991,695	709,738	1,810,061	1,441,777
Other employee benefits	<u>38,417,965</u>	<u>33,212,840</u>	<u>75,682,063</u>	<u>65,000,511</u>
	<u>\$ 39,409,660</u>	<u>\$ 33,922,578</u>	<u>\$ 77,492,124</u>	<u>\$ 66,442,288</u>
Employee benefits expense summarized by function				
Recognized in cost of revenue	\$ 23,513,793	\$ 20,037,035	\$ 46,320,240	\$ 39,481,535
Recognized in operating expenses	<u>15,895,867</u>	<u>13,885,543</u>	<u>31,171,884</u>	<u>26,960,753</u>
	<u>\$ 39,409,660</u>	<u>\$ 33,922,578</u>	<u>\$ 77,492,124</u>	<u>\$ 66,442,288</u>

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

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

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit sharing bonus to employees	<u>\$ 8,020,534</u>	<u>\$ 8,109,389</u>	<u>\$ 16,358,834</u>	<u>\$ 15,963,305</u>

TSMC's profit sharing bonus to employees and compensation to directors for 2020 and 2019 had been approved by the Board of Directors of TSMC, as illustrated below:

	<u>Years Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Resolution Date of TSMC's Board of Directors in its meeting	February 9, 2021	February 11, 2020
Profit sharing bonus to employees	<u>\$ 34,753,184</u>	<u>\$ 23,165,745</u>
Compensation to directors	<u>\$ 509,753</u>	<u>\$ 360,404</u>

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2020 and 2019, respectively.

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

29. CASH FLOW INFORMATION

a. Non-cash transactions

	<u>Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>
Additions of financial assets at FVTOCI	\$ 148,920,027	\$ 128,557,706
Conversion of convertible bonds into equity securities	-	(120,548)
Changes in accrued expenses and other current liabilities	<u>2,665,377</u>	<u>(5,074,532)</u>
Payments for acquisition of financial assets at FVTOCI	<u>\$ 151,585,404</u>	<u>\$ 123,362,626</u>
Disposal of financial assets at FVTOCI	\$ 145,602,717	\$ 127,700,730
Changes in other financial assets	<u>2,990,739</u>	<u>(1,472,744)</u>
Proceeds from disposal of financial assets at FVTOCI	<u>\$ 148,593,456</u>	<u>\$ 126,227,986</u>
Additions of property, plant and equipment	\$ 366,978,486	\$ 277,237,911
Changes in other financial assets	364,946	461,899
Changes in payables to contractors and equipment suppliers	47,697,813	41,604,862
Transferred to initial carrying amount of hedged items	<u>(41,416)</u>	<u>(46,569)</u>
Payments for acquisition of property, plant and equipment	<u>\$ 414,999,829</u>	<u>\$ 319,258,103</u>

(Continued)

	Six Months Ended June 30	
	2021	2020
Additions of intangible assets	\$ 4,803,902	\$ 10,190,242
Changes in other financial assets	2,442	5,635
Changes in account payable	-	191,429
Changes in accrued expenses and other current liabilities	<u>(682,778)</u>	<u>(1,899,744)</u>
Payments for acquisition of intangible assets	<u>\$ 4,123,566</u>	<u>\$ 8,487,562</u>
		(Concluded)

b. Reconciliation of liabilities arising from financing activities

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

	Balance as of January 1, 2020	Financing Cash Flow	Non-cash changes			Balance as of June 30, 2020
			Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	
Short-term loans	\$ 118,522,290	\$ 52,578,588	\$ (1,553,928)	\$ -	\$ -	\$ 169,546,950
Short-term bills payable	-	6,485,303	-	-	8,095	6,493,398
Bonds payable	56,900,000	38,337,937	-	-	1,744	95,239,681
Lease liabilities	<u>17,316,917</u>	<u>(1,573,933)</u>	<u>(29,490)</u>	<u>5,307,822</u>	<u>128,375</u>	<u>21,149,691</u>
Total	<u>\$ 192,739,207</u>	<u>\$ 95,827,895</u>	<u>\$ (1,583,418)</u>	<u>\$ 5,307,822</u>	<u>\$ 138,214</u>	<u>\$ 292,429,720</u>

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

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
FVTPL (Note 1)	\$ 58,325	\$ 2,259,412	\$ 788,526
FVTOCI (Note 2)	131,364,292	129,918,694	137,599,593
Hedging financial assets	310	47	-
Amortized cost (Note 3)	<u>944,073,720</u>	<u>826,293,705</u>	<u>636,689,032</u>
	<u>\$1,075,496,647</u>	<u>\$ 958,471,858</u>	<u>\$ 775,077,151</u>
Financial liabilities			
FVTPL (Note 4)	\$ 1,828,338	\$ 94,128	\$ 1,543,265
Hedging financial liabilities	10,216	1,169	14,839
Amortized cost (Note 5)	<u>919,869,533</u>	<u>748,129,332</u>	<u>596,415,133</u>
	<u>\$ 921,708,087</u>	<u>\$ 748,224,629</u>	<u>\$ 597,973,237</u>

Note 1: Financial assets mandatorily measured at FVTPL.

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

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

Note 4: Held for trading.

Note 5: Including short-term loans, short-term bills payable, 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 and guarantee deposits.

b. Financial risk management objectives

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

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

c. Market risk

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

Foreign currency risk

Substantially all the Company's sales are denominated in U.S. dollars and over half of its capital expenditures are denominated in currencies other than NT dollars, primarily in U.S. dollars, Japanese yen and Euros. As a result, any significant fluctuations to its disadvantage in the exchanges rate of NT dollar against such currencies, in particular a weakening of U.S. dollar against NT dollar, would have an adverse impact on the revenue and operating profit as expressed in NT dollars. The Company uses foreign currency derivative contracts, such as currency forwards or currency swaps, to protect against currency exchange rate risks associated with non-NT dollar-denominated assets and liabilities and certain forecasted transactions. These hedges reduce, but do not entirely eliminate, the effect of foreign currency exchange rate movements on the assets and liabilities.

Based on a sensitivity analysis performed on the Company's total monetary assets and liabilities for the six months ended June 30, 2021 and 2020, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$519,643 thousand and NT\$1,066,845 thousand for the six months ended June 30, 2021 and 2020, respectively, after taking into account hedges and offsetting positions.

Interest rate risk

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

The Company's cash and cash equivalents as well as fixed income investments in both fixed- and floating-rate securities carry a degree of interest rate risk. The majority of the Company's fixed income investments are fixed-rate securities, which are classified as financial assets at FVTOCI, and may have

their fair value adversely affected due to a rise in interest rates. At the same time, if interest rates fall, cash and cash equivalents as well as floating-rate securities may generate less interest income than expected. The Company has entered and may in the future enter into interest rate futures to partially hedge the interest rate risk on its fixed income investments. However, these hedges can offset only a small 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\$3,713,054 thousand and NT\$3,152,977 thousand for the six months ended June 30, 2021 and 2020, respectively.

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

Other price risk

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

Assuming a hypothetical decrease of 10% in prices of the equity investments at the end of the reporting period for the six months ended June 30, 2021 and 2020, the other comprehensive income would have decreased by NT\$532,912 thousand and NT\$419,261 thousand, respectively.

d. Credit risk management

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

Business related credit risk

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

As of June 30, 2021, December 31, 2020 and June 30, 2020, the Company's ten largest customers accounted for 78%, 79% and 78% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

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

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer. The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial

recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers.

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

Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss	0-0.1%
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 six months ended June 30, 2021 and 2020, the expected credit loss decreased NT\$3,563 thousand and NT\$545 thousand, respectively. The changes were mainly due to investment portfolio adjustment.

e. Liquidity risk management

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

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

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>June 30, 2021</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 139,286,411	\$ -	\$ -	\$ -	\$ 139,286,411
Accounts payable (including related parties)	41,229,913	-	-	-	41,229,913
Payables to contractors and equipment suppliers	107,146,153	-	-	-	107,146,153
Accrued expenses and other current liabilities	81,877,944	-	-	-	81,877,944
Bonds payable	4,695,789	31,393,955	111,057,181	321,209,197	468,356,122
Long-term bank loans	15,145	1,711,443	1,529,118	-	3,255,706
Lease liabilities (including those classified under accrued expenses and other current liabilities)	2,056,447	3,547,598	3,254,813	15,437,513	24,296,371
	<u>376,307,802</u>	<u>36,652,996</u>	<u>115,841,112</u>	<u>336,646,710</u>	<u>865,448,620</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	202,441,828	-	-	-	202,441,828
Inflows	(201,256,293)	-	-	-	(201,256,293)
	<u>1,185,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,185,535</u>
	<u>\$ 377,493,337</u>	<u>\$ 36,652,996</u>	<u>\$ 115,841,112</u>	<u>\$ 336,646,710</u>	<u>\$ 866,634,155</u>

(Continued)

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>December 31, 2020</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 88,557,526	\$ -	\$ -	\$ -	\$ 88,557,526
Accounts payable (including related parties)	41,095,002	-	-	-	41,095,002
Payables to contractors and equipment suppliers	157,804,961	-	-	-	157,804,961
Accrued expenses and other current liabilities	71,995,747	-	-	-	71,995,747
Bonds payable	5,327,971	27,631,589	59,986,812	207,152,135	300,098,507
Long-term bank loans	8,000	847,389	1,170,944	-	2,026,333
Lease liabilities (including those classified under accrued expenses and other current liabilities)	<u>2,024,212</u>	<u>3,566,719</u>	<u>3,198,845</u>	<u>15,067,857</u>	<u>23,857,633</u>
	<u>366,813,419</u>	<u>32,045,697</u>	<u>64,356,601</u>	<u>222,219,992</u>	<u>685,435,709</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	177,764,155	-	-	-	177,764,155
Inflows	<u>(181,457,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,457,960)</u>
	<u>(3,693,805)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,693,805)</u>
	<u>\$ 363,119,614</u>	<u>\$ 32,045,697</u>	<u>\$ 64,356,601</u>	<u>\$ 222,219,992</u>	<u>\$ 681,741,904</u>
<u>June 30, 2020</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loans	\$ 169,558,535	\$ -	\$ -	\$ -	\$ 169,558,535
Short-term bills payable	6,500,000	-	-	-	6,500,000
Accounts payable (including related parties)	39,533,744	-	-	-	39,533,744
Payables to contractors and equipment suppliers	97,739,201	-	-	-	97,739,201
Accrued expenses and other current liabilities	57,970,002	-	-	-	57,970,002
Bonds payable	13,589,809	17,774,765	20,217,199	47,452,174	99,033,947
Lease liabilities (including those classified under accrued expenses and other current liabilities)	<u>2,201,266</u>	<u>3,403,416</u>	<u>3,110,103</u>	<u>14,029,185</u>	<u>22,743,970</u>
	<u>387,092,557</u>	<u>21,178,181</u>	<u>23,327,302</u>	<u>61,481,359</u>	<u>493,079,399</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	222,691,323	-	-	-	222,691,323
Inflows	<u>(223,703,226)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(223,703,226)</u>
	<u>(1,011,903)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,011,903)</u>
	<u>\$ 386,080,654</u>	<u>\$ 21,178,181</u>	<u>\$ 23,327,302</u>	<u>\$ 61,481,359</u>	<u>\$ 492,067,496</u>

(Concluded)

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>June 30, 2021</u>					
Lease liabilities	<u>\$ 7,658,578</u>	<u>\$ 5,300,326</u>	<u>\$ 2,290,803</u>	<u>\$ 187,806</u>	<u>\$ 15,437,513</u>
<u>December 31, 2020</u>					
Lease liabilities	<u>\$ 7,401,969</u>	<u>\$ 5,253,877</u>	<u>\$ 2,255,185</u>	<u>\$ 156,826</u>	<u>\$ 15,067,857</u>
<u>June 30, 2020</u>					
Lease liabilities	<u>\$ 6,919,805</u>	<u>\$ 4,969,639</u>	<u>\$ 2,135,897</u>	<u>\$ 3,844</u>	<u>\$ 14,029,185</u>

f. Fair value of financial instruments

1) Fair value measurements recognized in the consolidated balance sheets

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

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

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

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

Fair value hierarchy

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

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 58,325	\$ -	\$ 58,325
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 58,907,886	\$ -	\$ 58,907,886
Agency bonds/Agency mortgage-backed securities	-	32,188,798	-	32,188,798
Government bonds	24,041,328	80,575	-	24,121,903
Asset-backed securities	-	7,523,443	-	7,523,443
Investments in equity instruments				
Non-publicly traded equity investments	-	-	5,389,958	5,389,958
Publicly traded stocks	52,499	-	-	52,499
Notes and accounts receivable, net	-	3,179,805	-	3,179,805
	<u>\$ 24,093,827</u>	<u>\$ 101,880,507</u>	<u>\$ 5,389,958</u>	<u>\$ 131,364,292</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ 310	\$ -	\$ -	\$ 310

(Continued)

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 1,828,338	\$ -	\$ 1,828,338
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	\$ 10,216	\$ -	\$ -	\$ 10,216 (Concluded)
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 2,259,412	\$ -	\$ 2,259,412
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 56,593,623	\$ -	\$ 56,593,623
Agency bonds/Agency mortgage-backed securities	-	43,977,113	-	43,977,113
Government bonds	13,279,154	180,349	-	13,459,503
Asset-backed securities	-	8,368,264	-	8,368,264
Investments in equity instruments				
Non-publicly traded equity investments	-	-	4,514,940	4,514,940
Publicly traded stocks	49,950	-	-	49,950
Notes and accounts receivable, net	-	2,955,301	-	2,955,301
	<u>\$ 13,329,104</u>	<u>\$ 112,074,650</u>	<u>\$ 4,514,940</u>	<u>\$ 129,918,694</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ 47	\$ -	\$ -	\$ 47
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ -	\$ 94,128	\$ -	\$ 94,128
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	\$ 1,169	\$ -	\$ -	\$ 1,169

Because certain equity investment's quoted price (unadjusted) in active markets became available in the fourth quarter of 2020, its fair value hierarchy was transferred from Level 2 to Level 1.

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 754,789	\$ -	\$ 754,789
Agency mortgage-backed securities	-	33,737	-	33,737
	<u>\$ -</u>	<u>\$ 788,526</u>	<u>\$ -</u>	<u>\$ 788,526</u>
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 59,747,143	\$ -	\$ 59,747,143
Agency bonds/Agency mortgage-backed securities	-	48,777,759	-	48,777,759
Government bonds	9,909,343	145,187	-	10,054,530
Asset-backed securities	-	10,824,156	-	10,824,156
Investments in equity instruments				
Non-publicly traded equity investments	-	65,364	4,235,155	4,300,519
Notes and accounts receivable, net	-	3,895,486	-	3,895,486
	<u>\$ 9,909,343</u>	<u>\$ 123,455,095</u>	<u>\$ 4,235,155</u>	<u>\$ 137,599,593</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,543,265</u>	<u>\$ -</u>	<u>\$ 1,543,265</u>
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 14,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,839</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 six months ended June 30, 2021 and 2020 are as follows:

	Six Months Ended June 30	
	2021	2020
Balance, beginning of period	\$ 4,514,940	\$ 4,208,900
Additions	153,680	141,974
Recognized in profit or loss	-	(3,821)
Recognized in other comprehensive income or loss	814,395	(48,976)
Disposals and proceeds from return of capital of investments	(62,837)	-
Effect of exchange rate changes	<u>(30,220)</u>	<u>(62,922)</u>
Balance, end of period	<u>\$ 5,389,958</u>	<u>\$ 4,235,155</u>

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, government bonds and non-publicly traded equity investments - equity

investments trading on the Emerging Stock Board are determined by quoted market prices provided by third party pricing services.

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

The asset approach takes into account the net asset value measured at the fair value by independent parties. On June 30, 2021, December 31, 2020 and June 30, 2020, 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\$46,218 thousand, NT\$39,006 thousand and NT\$35,044 thousand, respectively, if discounts for lack of marketability increase by 1%.

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

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

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

Fair value hierarchy

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

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

	December 31, 2020	
	Carrying Amount	Level 2 Fair Value
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	\$ <u>10,970,199</u>	\$ <u>11,053,550</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	\$ <u>256,705,084</u>	\$ <u>257,551,196</u>
	June 30, 2020	
	Carrying Amount	Level 2 Fair Value
<u>Financial assets</u>		
Financial assets at amortized costs		
Corporate bonds	\$ <u>8,850,706</u>	\$ <u>8,919,878</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized costs		
Bonds payable	\$ <u>95,239,681</u>	\$ <u>96,053,314</u>
Short-term bills payable	<u>6,493,398</u>	<u>6,491,858</u>
	<u>\$ 101,733,079</u>	<u>\$ 102,545,172</u>

Valuation techniques and assumptions used in Level 2 fair value measurement

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

The fair value of the Company's short-term bills payable is determined by the present value of future cash flows based on the discounted curves that are derived from the quoted market prices.

31. RELATED PARTY TRANSACTIONS

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

a. Related party name and categories

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

b. Net revenue

<u>Item</u>	<u>Related Party Categories</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net revenue from sale of goods	Associates	<u>\$ 1,816,016</u>	<u>\$ 1,864,528</u>	<u>\$ 3,447,107</u>	<u>\$ 3,681,927</u>
Net revenue from royalties	Associates	<u>\$ 52,972</u>	<u>\$ 51,822</u>	<u>\$ 104,954</u>	<u>\$ 103,369</u>

c. Purchases

<u>Related Party Categories</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Associates	<u>\$ 2,006,612</u>	<u>\$ 2,018,917</u>	<u>\$ 3,903,133</u>	<u>\$ 3,733,250</u>

d. Receivables from related parties

<u>Item</u>	<u>Related Party Name/Categories</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
		<u>2021</u>	<u>2020</u>	<u>2020</u>
Receivables from related parties	GUC	\$ 675,490	\$ 370,643	\$ 792,557
	Xintec	<u>108,907</u>	<u>187,488</u>	<u>99,134</u>
		<u>\$ 784,397</u>	<u>\$ 558,131</u>	<u>\$ 891,691</u>
Other receivables from related parties	VIS	\$ 1,639,722	\$ 4,311	\$ 1,505,369
	SSMC	48,879	45,291	1,075,495
	Others	<u>23,051</u>	<u>1,043</u>	<u>206</u>
	<u>\$ 1,711,652</u>	<u>\$ 50,645</u>	<u>\$ 2,581,070</u>	

e. Payables to related parties

<u>Item</u>	<u>Related Party Name/Categories</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
		<u>2021</u>	<u>2020</u>	<u>2020</u>
Payables to related parties	Xintec	\$ 727,551	\$ 1,358,624	\$ 534,092
	SSMC	412,226	400,819	514,797
	VIS	334,046	311,406	307,524
	Others	<u>30,333</u>	<u>36,869</u>	<u>76,592</u>
	<u>\$ 1,504,156</u>	<u>\$ 2,107,718</u>	<u>\$ 1,433,005</u>	

f. Accrued expenses and other current liabilities

		June 30, 2021	December 31, 2020	June 30, 2020
<u>Item</u>	<u>Related Party Categories</u>			
Contract liabilities	Associates	<u>\$ 333,101</u>	<u>\$ -</u>	<u>\$ -</u>

g. Others

		<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Item</u>	<u>Related Party Categories</u>				
Manufacturing expenses	Associates	<u>\$ 949,613</u>	<u>\$ 864,671</u>	<u>\$ 2,566,519</u>	<u>\$ 1,821,957</u>
Research and development expenses	Associates	<u>\$ 39,202</u>	<u>\$ 65,667</u>	<u>\$ 81,920</u>	<u>\$ 87,269</u>
General and administrative expenses	Other related parties	<u>\$ 35,000</u>	<u>\$ 30,000</u>	<u>\$ 70,000</u>	<u>\$ 60,000</u>

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

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

h. Compensation of key management personnel

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

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 689,912	\$ 649,062	\$ 1,302,471	\$ 1,207,363
Post-employment benefits	<u>776</u>	<u>655</u>	<u>1,495</u>	<u>1,307</u>
	<u>\$ 690,688</u>	<u>\$ 649,717</u>	<u>\$ 1,303,966</u>	<u>\$ 1,208,670</u>

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

32. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building construction, building lease agreements and energy purchase agreements. As of June 30, 2021, December 31, 2020 and June 30, 2020, the aforementioned other financial assets amounted to NT\$264,553 thousand, NT\$135,375 thousand and NT\$116,961 thousand, respectively.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. Under a technical cooperation agreement with Industrial Technology Research Institute, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity provided TSMC's outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. As of June 30, 2021, 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 June 30, 2021.
- c. TSMC entered into long-term purchase agreements of materials and supplies with multiple suppliers. The relative minimum purchase quantity and price are specified in the agreements.
- d. TSMC entered into a long-term purchase agreement of equipment. The relative purchase quantity and price are specified in the agreement.
- e. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative purchase period, quantity and price are specified in the agreements.
- f. Amounts available under unused letters of credit as of June 30, 2021, December 31, 2020 and June 30, 2020 were NT\$137,772 thousand, NT\$56,194 thousand and NT\$58,858 thousand, respectively.

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

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

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
<u>June 30, 2021</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 7,172,316	27.889	\$ 200,028,730
USD	1,749,810	6.461(Note 2)	48,800,457
EUR	6,811	33.219	226,248
JPY	22,225,973	0.2526	5,614,281
<u>Financial liabilities</u>			
Monetary items			
USD	7,022,872	27.889	195,860,888
EUR	4,287,817	33.219	142,436,982
JPY	78,286,201	0.2526	19,775,094
<u>December 31, 2020</u>			
<u>Financial assets</u>			
Monetary items			
USD	6,984,545	28.097	196,244,748
USD	785,171	6.540(Note 2)	22,060,962
EUR	13,820	34.587	478,002
JPY	83,593,234	0.2729	22,812,594
<u>Financial liabilities</u>			
Monetary items			
USD	6,966,889	28.097	195,748,671
EUR	4,150,215	34.587	143,543,499
JPY	105,112,663	0.2729	28,685,246

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
<u>June 30, 2020</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,174,665	29.429	\$ 152,285,206
USD	496,369	7.074(Note 2)	14,607,645
EUR	25,644	33.108	849,010
JPY	80,184,719	0.2731	21,898,447

Financial liabilities

Monetary items			
USD	7,010,449	29.429	206,310,512
EUR	4,092,463	33.108	135,493,271
JPY	90,678,234	0.2731	24,764,226 (Concluded)

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

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

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the three months and the six months ended June 30, 2021 and 2020, respectively. Since there were varieties of foreign currency transactions and functional currencies within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

35. ADDITIONAL DISCLOSURES

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

- a. Financings provided: See Table 1 attached;
- b. Endorsement/guarantee provided: See Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries and associates): See Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: See Table 6 attached;

- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 7 attached;
- i. Information about the derivative financial instruments transaction: See Notes 7 and 10;
- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: See Table 8 attached;
- k. Names, locations, and related information of investees over which TSMC exercises significant influence (excluding information on investment in mainland China): See Table 9 attached;
- l. Information on investment in mainland China
 - 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 10 attached.
 - 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: See Table 8 attached.
- m. Information of major shareholders

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

36. OPERATING SEGMENTS INFORMATION

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

FINANCINGS PROVIDED

FOR THE SIX MONTHS ENDED JUNE 30, 2021

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 2)	Financing Company's Total Financing Amount Limits (Notes 1 and 2)
													Item	Value		
1	TSMC China	TSMC Nanjing	Other receivables from related parties	Yes	\$ 34,796,270 (RMB 5,800,000) & (US\$ 350,000)	\$ 34,796,270 (RMB 5,800,000) & (US\$ 350,000)	\$ 24,171,840 (RMB 5,600,000)	1.30%-1.50%	The need for long-term and short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 68,772,843	\$ 68,772,843
2	TSMC Global	TSMC	Other receivables from related parties	Yes	103,189,300 (US\$ 3,700,000)	103,189,300 (US\$ 3,700,000)	103,189,300 (US\$ 3,700,000)	0.00%	The need for short-term financing	-	Operating capital	-	-	-	758,575,513	758,575,513

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

Note 2: The aggregate amount available for lending to TSMC from TSMC Global shall not exceed two times (200%) of the net worth of TSMC Global.

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 SIX MONTHS ENDED JUNE 30, 2021

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

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2)	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Amount Actually Drawn (Foreign Currencies in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	TSMC	TSMC North America	Subsidiary	\$ 497,946,450	\$ 2,320,736 (US\$ 83,213)	\$ 2,320,736 (US\$ 83,213)	\$ 2,320,736 (US\$ 83,213)	\$ -	0.12%	\$ 497,946,450	Yes	No	No
		TSMC Global	Subsidiary	497,946,450	209,167,500 (US\$ 7,500,000)	209,167,500 (US\$ 7,500,000)	181,278,500 (US\$ 6,500,000)	-	10.50%	497,946,450	Yes	No	No
1	TSMC Japan	TSMC JDC	The same parent company	199,178,580	333,432 (JPY 1,320,000)	333,432 (JPY 1,320,000)	333,432 (JPY 1,320,000)	-	0.02%	199,178,580	No	No	No

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

Note 2: The total amount of the endorsement/guarantee provided by TSMC Japan to TSMC JDC shall not exceed ten percent (10%) of TSMC's net worth.

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES HELD

JUNE 30, 2021

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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC	<u>Non-publicly traded equity investments</u>							
	United Industrial Gases Co., Ltd.	-	Financial assets at fair value through other comprehensive income	21,230	\$ 491,883	10	\$ 491,883	
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	"	10,500	345,744	7	345,744	
	Global Investment Holding Inc.	-	"	10,442	105,972	6	105,972	
	Crimson Asia Capital	-	"	-	368	1	368	
W.K. Technology Fund IV	-	"	"	202	271	2	271	
TSMC Partners	<u>Non-publicly traded equity investments</u>							
	Shanghai Walden Venture Capital Enterprise	-	Financial assets at fair value through other comprehensive income	-	US\$ 28,539	6	US\$ 28,539	
	China Walden Venture Investments II, L.P.	-	"	-	US\$ 12,472	9	US\$ 12,472	
	China Walden Venture Investments III, L.P.	-	"	-	US\$ 5,439	4	US\$ 5,439	
	Inpria Corporation	-	"	1,778	US\$ 3,600	4	US\$ 3,600	
	Mcube Inc.	-	"	6,333	-	10	-	
Tela Innovations	-	"	10,440	-	25	-		
TSMC Global	<u>Corporate bond</u>							
	Bank of America Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 71,035	N/A	US\$ 71,035	
	Morgan Stanley	-	"	-	US\$ 47,626	N/A	US\$ 47,626	
	JPMorgan Chase & Co.	-	"	-	US\$ 47,433	N/A	US\$ 47,433	
	Citigroup Inc.	-	"	-	US\$ 43,082	N/A	US\$ 43,082	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 42,202	N/A	US\$ 42,202	
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	US\$ 33,247	N/A	US\$ 33,247	
	AbbVie Inc.	-	"	-	US\$ 32,445	N/A	US\$ 32,445	
	Wells Fargo & Company	-	"	-	US\$ 28,973	N/A	US\$ 28,973	
	Sumitomo Mitsui Financial Group, Inc.	-	"	-	US\$ 28,668	N/A	US\$ 28,668	
	Athene Global Funding	-	"	-	US\$ 27,074	N/A	US\$ 27,074	
	HSBC Holdings plc	-	"	-	US\$ 26,000	N/A	US\$ 26,000	
	Lloyds Banking Group plc	-	"	-	US\$ 23,318	N/A	US\$ 23,318	
	Oracle Corporation	-	"	-	US\$ 21,974	N/A	US\$ 21,974	
	Apple Inc.	-	"	-	US\$ 21,426	N/A	US\$ 21,426	
	BNP Paribas SA	-	"	-	US\$ 18,783	N/A	US\$ 18,783	
	Hyundai Capital America, Inc.	-	"	-	US\$ 18,623	N/A	US\$ 18,623	
	Volkswagen Group of America Finance, LLC	-	"	-	US\$ 17,590	N/A	US\$ 17,590	
	Mizuho Financial Group, Inc.	-	"	-	US\$ 17,566	N/A	US\$ 17,566	
	AT&T Inc.	-	"	-	US\$ 17,544	N/A	US\$ 17,544	
Metropolitan Life Global Funding I	-	"	-	US\$ 17,470	N/A	US\$ 17,470		
Verizon Communications Inc.	-	"	-	US\$ 17,385	N/A	US\$ 17,385		
Banco Santander, S.A.	-	"	-	US\$ 17,282	N/A	US\$ 17,282		
NatWest Markets Plc	-	"	-	US\$ 16,541	N/A	US\$ 16,541		
Amazon.com, Inc.	-	"	-	US\$ 16,136	N/A	US\$ 16,136		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Nationwide Building Society	-	Financial assets at fair value through other comprehensive income	-	US\$ 14,926	N/A	US\$ 14,926	
	Toyota Motor Credit Corporation	-	"	-	US\$ 14,728	N/A	US\$ 14,728	
	Nordea Bank Abp	-	"	-	US\$ 14,648	N/A	US\$ 14,648	
	NTT Finance Corporation	-	"	-	US\$ 14,302	N/A	US\$ 14,302	
	The Toronto-Dominion Bank	-	"	-	US\$ 14,165	N/A	US\$ 14,165	
	Principal Life Global Funding II	-	"	-	US\$ 13,851	N/A	US\$ 13,851	
	BP Capital Markets America, Inc.	-	"	-	US\$ 13,545	N/A	US\$ 13,545	
	Protective Life Global Funding	-	"	-	US\$ 13,348	N/A	US\$ 13,348	
	Barclays PLC	-	"	-	US\$ 13,066	N/A	US\$ 13,066	
	Sumitomo Mitsui Trust Bank, Limited	-	"	-	US\$ 12,935	N/A	US\$ 12,935	
	Chevron Corporation	-	"	-	US\$ 12,567	N/A	US\$ 12,567	
	Comcast Corporation	-	"	-	US\$ 12,313	N/A	US\$ 12,313	
	National Securities Clearing Corporation	-	"	-	US\$ 11,948	N/A	US\$ 11,948	
	Société Générale Société anonyme	-	"	-	US\$ 11,688	N/A	US\$ 11,688	
	Credit Suisse AG, New York Branch	-	"	-	US\$ 11,622	N/A	US\$ 11,622	
	Bristol-Myers Squibb Company	-	"	-	US\$ 11,501	N/A	US\$ 11,501	
	Equifax Inc.	-	"	-	US\$ 11,410	N/A	US\$ 11,410	
	The Bank of Nova Scotia	-	"	-	US\$ 10,933	N/A	US\$ 10,933	
	AstraZeneca Finance LLC	-	"	-	US\$ 10,906	N/A	US\$ 10,906	
	Banque Fédérative du Crédit Mutuel Société anonyme	-	"	-	US\$ 10,897	N/A	US\$ 10,897	
	Credit Agricole SA London Branch	-	"	-	US\$ 10,589	N/A	US\$ 10,589	
	Daimler Finance North America LLC	-	"	-	US\$ 10,432	N/A	US\$ 10,432	
	Equitable Financial Life Global Funding	-	"	-	US\$ 10,379	N/A	US\$ 10,379	
	Roper Technologies, Inc.	-	"	-	US\$ 10,271	N/A	US\$ 10,271	
	Equinor ASA	-	"	-	US\$ 10,141	N/A	US\$ 10,141	
	U.S. Bancorp	-	"	-	US\$ 9,982	N/A	US\$ 9,982	
	AIG Global Funding	-	"	-	US\$ 9,965	N/A	US\$ 9,965	
	Standard Chartered PLC	-	"	-	US\$ 9,831	N/A	US\$ 9,831	
	American International Group, Inc.	-	"	-	US\$ 9,372	N/A	US\$ 9,372	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 9,200	N/A	US\$ 9,200	
	Royal Bank of Canada	-	"	-	US\$ 9,157	N/A	US\$ 9,157	
	Shire Acquisitions Investments Ireland Limited	-	"	-	US\$ 9,067	N/A	US\$ 9,067	
	NIKE, Inc.	-	"	-	US\$ 9,066	N/A	US\$ 9,066	
	New York Life Global Funding	-	"	-	US\$ 8,959	N/A	US\$ 8,959	
	Santander UK plc	-	"	-	US\$ 8,695	N/A	US\$ 8,695	
	Fédération des caisses Desjardins du Québec	-	"	-	US\$ 8,652	N/A	US\$ 8,652	
	Macquarie Group Limited	-	"	-	US\$ 8,527	N/A	US\$ 8,527	
	DTE Energy Company	-	"	-	US\$ 8,459	N/A	US\$ 8,459	
	KfW	-	"	-	US\$ 8,388	N/A	US\$ 8,388	
	UnitedHealth Group Incorporated	-	"	-	US\$ 8,337	N/A	US\$ 8,337	
	Guardian Life Global Funding	-	"	-	US\$ 8,297	N/A	US\$ 8,297	
	General Electric Company	-	"	-	US\$ 8,295	N/A	US\$ 8,295	
	International Bank for Reconstruction and Development	-	"	-	US\$ 8,250	N/A	US\$ 8,250	
	Santander UK Group Holdings plc	-	"	-	US\$ 8,155	N/A	US\$ 8,155	
	Great-West Lifeco U.S. Finance 2020, Lp	-	"	-	US\$ 8,104	N/A	US\$ 8,104	
	Inter-American Development Bank	-	"	-	US\$ 8,081	N/A	US\$ 8,081	
	Tencent Holdings Limited	-	"	-	US\$ 8,055	N/A	US\$ 8,055	
	ING Groep N.V.	-	"	-	US\$ 8,008	N/A	US\$ 8,008	
	Suncorp-Metway Limited	-	"	-	US\$ 8,008	N/A	US\$ 8,008	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	NextEra Energy Capital Holdings, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 7,897	N/A	US\$ 7,897	
	Pacific Life Global Funding II	-	"	-	US\$ 7,613	N/A	US\$ 7,613	
	Credit Suisse Group AG	-	"	-	US\$ 7,603	N/A	US\$ 7,603	
	Siemens Financieringsmaatschappij N.V.	-	"	-	US\$ 7,591	N/A	US\$ 7,591	
	Bank of Montreal	-	"	-	US\$ 7,455	N/A	US\$ 7,455	
	Intuit Inc.	-	"	-	US\$ 7,395	N/A	US\$ 7,395	
	Prudential Funding Corp.	-	"	-	US\$ 7,252	N/A	US\$ 7,252	
	BPCE SA	-	"	-	US\$ 7,222	N/A	US\$ 7,222	
	AstraZeneca PLC	-	"	-	US\$ 7,190	N/A	US\$ 7,190	
	DNB Bank ASA	-	"	-	US\$ 7,166	N/A	US\$ 7,166	
	Huntington Bancshares Incorporated	-	"	-	US\$ 7,153	N/A	US\$ 7,153	
	Cargill, Incorporated	-	"	-	US\$ 6,632	N/A	US\$ 6,632	
	Macquarie Bank Limited	-	"	-	US\$ 6,589	N/A	US\$ 6,589	
	Montpelier Re Holdings Ltd.	-	"	-	US\$ 6,504	N/A	US\$ 6,504	
	Deutsche Bank AG - New York Branch	-	"	-	US\$ 6,502	N/A	US\$ 6,502	
	UBS Group Funding (Switzerland) AG	-	"	-	US\$ 6,468	N/A	US\$ 6,468	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	"	-	US\$ 6,421	N/A	US\$ 6,421	
	Exxon Mobil Corporation	-	"	-	US\$ 6,383	N/A	US\$ 6,383	
	Scentre Group Trust 1	-	"	-	US\$ 6,325	N/A	US\$ 6,325	
	ANZ New Zealand (Int'l) Limited	-	"	-	US\$ 6,312	N/A	US\$ 6,312	
	Northwestern Mutual Global Funding	-	"	-	US\$ 6,260	N/A	US\$ 6,260	
	Fox Corporation	-	"	-	US\$ 6,203	N/A	US\$ 6,203	
	The Bank of New York Mellon Corporation	-	"	-	US\$ 6,165	N/A	US\$ 6,165	
	WPP Finance 2010	-	"	-	US\$ 6,123	N/A	US\$ 6,123	
	W. P. Carey Inc.	-	"	-	US\$ 5,915	N/A	US\$ 5,915	
	CVS Health Corporation	-	"	-	US\$ 5,913	N/A	US\$ 5,913	
	Analog Devices, Inc.	-	"	-	US\$ 5,908	N/A	US\$ 5,908	
	Cigna Corporation	-	"	-	US\$ 5,906	N/A	US\$ 5,906	
	Sprint Spectrum Co Llc	-	"	-	US\$ 5,879	N/A	US\$ 5,879	
	Capital One, National Association	-	"	-	US\$ 5,867	N/A	US\$ 5,867	
	Intercontinental Exchange, Inc.	-	"	-	US\$ 5,829	N/A	US\$ 5,829	
	Truist Bank	-	"	-	US\$ 5,813	N/A	US\$ 5,813	
	Alabama Power Company	-	"	-	US\$ 5,811	N/A	US\$ 5,811	
	Fiserv, Inc.	-	"	-	US\$ 5,588	N/A	US\$ 5,588	
	UBS Group AG	-	"	-	US\$ 5,584	N/A	US\$ 5,584	
	Capital One Financial Corporation	-	"	-	US\$ 5,556	N/A	US\$ 5,556	
	NatWest Group plc	-	"	-	US\$ 5,472	N/A	US\$ 5,472	
	CenterPoint Energy, Inc.	-	"	-	US\$ 5,469	N/A	US\$ 5,469	
	Intel Corporation	-	"	-	US\$ 5,462	N/A	US\$ 5,462	
	Five Corners Funding Trust	-	"	-	US\$ 5,447	N/A	US\$ 5,447	
	Thermo Fisher Scientific Inc.	-	"	-	US\$ 5,386	N/A	US\$ 5,386	
	SMBC Aviation Capital Finance DAC	-	"	-	US\$ 5,379	N/A	US\$ 5,379	
	Georgia-Pacific LLC	-	"	-	US\$ 5,364	N/A	US\$ 5,364	
	Fifth Third Bancorp	-	"	-	US\$ 5,319	N/A	US\$ 5,319	
	Eastern Energy Gas Holdings, LLC	-	"	-	US\$ 5,300	N/A	US\$ 5,300	
	Merck & Co., Inc.	-	"	-	US\$ 5,213	N/A	US\$ 5,213	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 5,183	N/A	US\$ 5,183	
	Sempra Energy	-	"	-	US\$ 5,182	N/A	US\$ 5,182	
	National Bank of Canada	-	"	-	US\$ 5,171	N/A	US\$ 5,171	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	BMW US Capital, LLC	-	Financial assets at fair value through other comprehensive income	-	US\$ 5,123	N/A	US\$ 5,123	
	Florida Power & Light Company	-	"	-	US\$ 5,086	N/A	US\$ 5,086	
	Public Storage	-	"	-	US\$ 5,004	N/A	US\$ 5,004	
	HP Inc.	-	"	-	US\$ 4,971	N/A	US\$ 4,971	
	Enel Finance International N.V.	-	"	-	US\$ 4,938	N/A	US\$ 4,938	
	Skandinaviska Enskilda Banken AB (publ)	-	"	-	US\$ 4,880	N/A	US\$ 4,880	
	Danske Bank A/S	-	"	-	US\$ 4,858	N/A	US\$ 4,858	
	Jackson National Life Global Funding	-	"	-	US\$ 4,818	N/A	US\$ 4,818	
	Truist Financial Corporation	-	"	-	US\$ 4,730	N/A	US\$ 4,730	
	UBS Group Funding (Jersey) Ltd.	-	"	-	US\$ 4,674	N/A	US\$ 4,674	
	Bank of New Zealand	-	"	-	US\$ 4,660	N/A	US\$ 4,660	
	Roche Holdings, Inc.	-	"	-	US\$ 4,628	N/A	US\$ 4,628	
	Eversource Energy	-	"	-	US\$ 4,578	N/A	US\$ 4,578	
	OGE Energy Corp.	-	"	-	US\$ 4,452	N/A	US\$ 4,452	
	Swedbank AB (publ)	-	"	-	US\$ 4,377	N/A	US\$ 4,377	
	NiSource Inc.	-	"	-	US\$ 4,377	N/A	US\$ 4,377	
	7-Eleven, Inc.	-	"	-	US\$ 4,353	N/A	US\$ 4,353	
	MPLX LP	-	"	-	US\$ 4,331	N/A	US\$ 4,331	
	Fidelity National Information Services, Inc.	-	"	-	US\$ 4,280	N/A	US\$ 4,280	
	Pioneer Natural Resources Company	-	"	-	US\$ 4,277	N/A	US\$ 4,277	
	Coöperatieve Rabobank U.A.	-	"	-	US\$ 4,273	N/A	US\$ 4,273	
	Element Fleet Management Corp.	-	"	-	US\$ 4,245	N/A	US\$ 4,245	
	The Charles Schwab Corporation	-	"	-	US\$ 4,235	N/A	US\$ 4,235	
	ERAC USA Finance LLC	-	"	-	US\$ 4,211	N/A	US\$ 4,211	
	Dominion Energy, Inc.	-	"	-	US\$ 4,191	N/A	US\$ 4,191	
	Exelon Corporation	-	"	-	US\$ 4,181	N/A	US\$ 4,181	
	The European Bank for Reconstruction and Development	-	"	-	US\$ 4,132	N/A	US\$ 4,132	
	Ameren Corporation	-	"	-	US\$ 4,132	N/A	US\$ 4,132	
	Prisco Global Funding I	-	"	-	US\$ 4,082	N/A	US\$ 4,082	
	Ameriprise Financial, Inc.	-	"	-	US\$ 4,082	N/A	US\$ 4,082	
	B.A.T. International Finance p.l.c.	-	"	-	US\$ 4,082	N/A	US\$ 4,082	
	Appalachian Power Company	-	"	-	US\$ 4,061	N/A	US\$ 4,061	
	American Express Credit Corporation	-	"	-	US\$ 4,058	N/A	US\$ 4,058	
	Barclays Bank PLC	-	"	-	US\$ 4,046	N/A	US\$ 4,046	
	Coca-Cola Europacific Partners PLC	-	"	-	US\$ 4,023	N/A	US\$ 4,023	
	BorgWarner Inc.	-	"	-	US\$ 3,959	N/A	US\$ 3,959	
	Credit Suisse Group Funding (Guernsey) Limited	-	"	-	US\$ 3,906	N/A	US\$ 3,906	
	V.F. Corporation	-	"	-	US\$ 3,906	N/A	US\$ 3,906	
	Bayer US Finance II LLC	-	"	-	US\$ 3,889	N/A	US\$ 3,889	
	Groupe BPCE	-	"	-	US\$ 3,843	N/A	US\$ 3,843	
	Hewlett Packard Enterprise Company	-	"	-	US\$ 3,832	N/A	US\$ 3,832	
	Public Service Electric and Gas Company	-	"	-	US\$ 3,801	N/A	US\$ 3,801	
	BG Energy Capital plc	-	"	-	US\$ 3,789	N/A	US\$ 3,789	
	UBS AG, London Branch	-	"	-	US\$ 3,789	N/A	US\$ 3,789	
	Reckitt Benckiser Treasury Services plc	-	"	-	US\$ 3,770	N/A	US\$ 3,770	
	Monongahela Power Company	-	"	-	US\$ 3,716	N/A	US\$ 3,716	
	Ross Stores, Inc.	-	"	-	US\$ 3,715	N/A	US\$ 3,715	
	Welltower Inc.	-	"	-	US\$ 3,713	N/A	US\$ 3,713	
	BOC Aviation Limited	-	"	-	US\$ 3,687	N/A	US\$ 3,687	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Diageo Capital plc	-	Financial assets at fair value through other comprehensive income	-	US\$ 3,627	N/A	US\$ 3,627	
	Phillips 66	-	"	-	US\$ 3,614	N/A	US\$ 3,614	
	Verisk Analytics, Inc.	-	"	-	US\$ 3,595	N/A	US\$ 3,595	
	Highmark Inc.	-	"	-	US\$ 3,584	N/A	US\$ 3,584	
	Nomura Holdings, Inc.	-	"	-	US\$ 3,582	N/A	US\$ 3,582	
	NEXTERA ENERGY CAPITAL HOLDINGS IN	-	"	-	US\$ 3,574	N/A	US\$ 3,574	
	B.A.T Capital Corporation	-	"	-	US\$ 3,495	N/A	US\$ 3,495	
	Gilead Sciences, Inc.	-	"	-	US\$ 3,483	N/A	US\$ 3,483	
	Pfizer Inc.	-	"	-	US\$ 3,474	N/A	US\$ 3,474	
	HSBC Bank Canada	-	"	-	US\$ 3,435	N/A	US\$ 3,435	
	Penske Truck Leasing Co., L.P.	-	"	-	US\$ 3,427	N/A	US\$ 3,427	
	The Western Union Company	-	"	-	US\$ 3,361	N/A	US\$ 3,361	
	Johnson & Johnson	-	"	-	US\$ 3,314	N/A	US\$ 3,314	
	Essex Portfolio Limited Partnership	-	"	-	US\$ 3,289	N/A	US\$ 3,289	
	PNC Bank, National Association	-	"	-	US\$ 3,260	N/A	US\$ 3,260	
	CNA Financial Corporation	-	"	-	US\$ 3,246	N/A	US\$ 3,246	
	ONE Gas, Inc.	-	"	-	US\$ 3,246	N/A	US\$ 3,246	
	Texas Instruments Incorporated	-	"	-	US\$ 3,241	N/A	US\$ 3,241	
	Ventas Realty, Limited Partnership	-	"	-	US\$ 3,236	N/A	US\$ 3,236	
	Cox Communications, Inc.	-	"	-	US\$ 3,213	N/A	US\$ 3,213	
	Avangrid, Inc.	-	"	-	US\$ 3,202	N/A	US\$ 3,202	
	Ralph Lauren Corporation	-	"	-	US\$ 3,191	N/A	US\$ 3,191	
	Oncor Electric Delivery Company LLC	-	"	-	US\$ 3,180	N/A	US\$ 3,180	
	Baidu, Inc.	-	"	-	US\$ 3,144	N/A	US\$ 3,144	
	Novartis Capital Corporation	-	"	-	US\$ 3,135	N/A	US\$ 3,135	
	Helmerich & Payne, Inc.	-	"	-	US\$ 3,065	N/A	US\$ 3,065	
	Chevron Phillips Chemical Company LLC	-	"	-	US\$ 3,026	N/A	US\$ 3,026	
	American Honda Finance Corporation	-	"	-	US\$ 3,016	N/A	US\$ 3,016	
	Zions Bancorporation, National Association	-	"	-	US\$ 3,014	N/A	US\$ 3,014	
	Microsoft Corporation	-	"	-	US\$ 3,001	N/A	US\$ 3,001	
	Southern California Edison Company	-	"	-	US\$ 2,969	N/A	US\$ 2,969	
	American Electric Power Company, Inc.	-	"	-	US\$ 2,900	N/A	US\$ 2,900	
	Xcel Energy Inc.	-	"	-	US\$ 2,894	N/A	US\$ 2,894	
	American Express Company	-	"	-	US\$ 2,862	N/A	US\$ 2,862	
	WEC Energy Group, Inc.	-	"	-	US\$ 2,839	N/A	US\$ 2,839	
	Air Products and Chemicals, Inc.	-	"	-	US\$ 2,822	N/A	US\$ 2,822	
	Ryder System, Inc.	-	"	-	US\$ 2,761	N/A	US\$ 2,761	
	PPL Electric Utilities Corporation	-	"	-	US\$ 2,760	N/A	US\$ 2,760	
	Nuveen Finance, LLC	-	"	-	US\$ 2,755	N/A	US\$ 2,755	
	AvalonBay Communities, Inc.	-	"	-	US\$ 2,740	N/A	US\$ 2,740	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 2,726	N/A	US\$ 2,726	
	VEREIT Operating Partnership, L.P.	-	"	-	US\$ 2,718	N/A	US\$ 2,718	
	CRH America, Inc.	-	"	-	US\$ 2,692	N/A	US\$ 2,692	
	BBVA USA	-	"	-	US\$ 2,679	N/A	US\$ 2,679	
	Kimco Realty Corporation	-	"	-	US\$ 2,658	N/A	US\$ 2,658	
	CMS Energy Corporation	-	"	-	US\$ 2,654	N/A	US\$ 2,654	
	Pinnacle West Capital Corporation	-	"	-	US\$ 2,648	N/A	US\$ 2,648	
	Nutrien Ltd.	-	"	-	US\$ 2,645	N/A	US\$ 2,645	
	The PNC Financial Services Group, Inc.	-	"	-	US\$ 2,644	N/A	US\$ 2,644	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Yara International ASA	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,643	N/A	US\$ 2,643	
	AutoZone, Inc.	-	"	-	US\$ 2,629	N/A	US\$ 2,629	
	Magellan Midstream Partners, L.P.	-	"	-	US\$ 2,618	N/A	US\$ 2,618	
	Air Lease Corporation	-	"	-	US\$ 2,583	N/A	US\$ 2,583	
	John Deere Capital Corporation	-	"	-	US\$ 2,577	N/A	US\$ 2,577	
	Empower Finance 2020, LP	-	"	-	US\$ 2,510	N/A	US\$ 2,510	
	Chevron U.S.A. Inc.	-	"	-	US\$ 2,480	N/A	US\$ 2,480	
	Raytheon Technologies Corporation	-	"	-	US\$ 2,473	N/A	US\$ 2,473	
	Reynolds American Inc.	-	"	-	US\$ 2,469	N/A	US\$ 2,469	
	Georgia Power Company	-	"	-	US\$ 2,469	N/A	US\$ 2,469	
	Nestlé Holdings, Inc.	-	"	-	US\$ 2,464	N/A	US\$ 2,464	
	Berkshire Hathaway Inc.	-	"	-	US\$ 2,458	N/A	US\$ 2,458	
	Duke Energy Corporation	-	"	-	US\$ 2,405	N/A	US\$ 2,405	
	DuPont de Nemours, Inc.	-	"	-	US\$ 2,383	N/A	US\$ 2,383	
	USAA CAPITAL CORP	-	"	-	US\$ 2,369	N/A	US\$ 2,369	
	Suncor Energy Inc.	-	"	-	US\$ 2,368	N/A	US\$ 2,368	
	O'Reilly Automotive, Inc.	-	"	-	US\$ 2,363	N/A	US\$ 2,363	
	Union Pacific Corporation	-	"	-	US\$ 2,360	N/A	US\$ 2,360	
	Health Care Service Corporation	-	"	-	US\$ 2,279	N/A	US\$ 2,279	
	Mead Johnson Nutrition Company	-	"	-	US\$ 2,249	N/A	US\$ 2,249	
	The East Ohio Gas Company	-	"	-	US\$ 2,237	N/A	US\$ 2,237	
	ITC Holdings Corp.	-	"	-	US\$ 2,236	N/A	US\$ 2,236	
	Magna International Inc.	-	"	-	US\$ 2,230	N/A	US\$ 2,230	
	GA Global Funding Trust	-	"	-	US\$ 2,217	N/A	US\$ 2,217	
	Tyson Foods, Inc.	-	"	-	US\$ 2,199	N/A	US\$ 2,199	
	Citizens Bank, National Association	-	"	-	US\$ 2,179	N/A	US\$ 2,179	
	Healthpeak Properties, Inc.	-	"	-	US\$ 2,169	N/A	US\$ 2,169	
	Amphenol Corporation	-	"	-	US\$ 2,161	N/A	US\$ 2,161	
	ASB Bank Limited	-	"	-	US\$ 2,152	N/A	US\$ 2,152	
	Hormel Foods Corporation	-	"	-	US\$ 2,142	N/A	US\$ 2,142	
	Tucson Electric Power Company	-	"	-	US\$ 2,141	N/A	US\$ 2,141	
	Otis Worldwide Corporation	-	"	-	US\$ 2,105	N/A	US\$ 2,105	
	Keurig Dr Pepper Inc.	-	"	-	US\$ 2,059	N/A	US\$ 2,059	
	CK Hutchison International 16 Ltd	-	"	-	US\$ 2,006	N/A	US\$ 2,006	
	NBN Co Limited	-	"	-	US\$ 2,002	N/A	US\$ 2,002	
	Shinhan Financial Group Co., Ltd.	-	"	-	US\$ 1,998	N/A	US\$ 1,998	
	Barclays Capital Inc.	-	"	-	US\$ 1,997	N/A	US\$ 1,997	
	TSMC Global Ltd.	-	"	-	US\$ 1,988	N/A	US\$ 1,988	
	Regions Financial Corporation	-	"	-	US\$ 1,972	N/A	US\$ 1,972	
	Sydney Airport Finance Company Pty Ltd	-	"	-	US\$ 1,952	N/A	US\$ 1,952	
	Kentucky Utilities Company	-	"	-	US\$ 1,948	N/A	US\$ 1,948	
	Automatic Data Processing, Inc.	-	"	-	US\$ 1,932	N/A	US\$ 1,932	
	AmerisourceBergen Corporation	-	"	-	US\$ 1,904	N/A	US\$ 1,904	
	Korea Hydro & Nuclear Power Co., Ltd.	-	"	-	US\$ 1,903	N/A	US\$ 1,903	
	Entergy Corporation	-	"	-	US\$ 1,901	N/A	US\$ 1,901	
	Wipro IT Services LLC	-	"	-	US\$ 1,899	N/A	US\$ 1,899	
	Evergy Kansas Central, Inc.	-	"	-	US\$ 1,892	N/A	US\$ 1,892	
	Public Service Enterprise Group Incorporated	-	"	-	US\$ 1,890	N/A	US\$ 1,890	
	Gulfstream Natural Gas System, L.L.C.	-	"	-	US\$ 1,885	N/A	US\$ 1,885	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Burlington Northern Santa Fe, LLC	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,883	N/A	US\$ 1,883	
	Rio Tinto Finance (USA) Limited	-	"	-	US\$ 1,855	N/A	US\$ 1,855	
	Caterpillar Financial Services Corporation	-	"	-	US\$ 1,846	N/A	US\$ 1,846	
	Philip Morris International Inc.	-	"	-	US\$ 1,823	N/A	US\$ 1,823	
	Boston Properties Limited Partnership	-	"	-	US\$ 1,812	N/A	US\$ 1,812	
	McCormick & Company, Incorporated	-	"	-	US\$ 1,807	N/A	US\$ 1,807	
	Infor, Inc.	-	"	-	US\$ 1,792	N/A	US\$ 1,792	
	Quest Diagnostics Incorporated	-	"	-	US\$ 1,781	N/A	US\$ 1,781	
	Berkshire Hathaway Energy Company	-	"	-	US\$ 1,753	N/A	US\$ 1,753	
	AIA Group Limited	-	"	-	US\$ 1,748	N/A	US\$ 1,748	
	eBay Inc.	-	"	-	US\$ 1,728	N/A	US\$ 1,728	
	University of California	-	"	-	US\$ 1,726	N/A	US\$ 1,726	
	International Business Machines Corporation	-	"	-	US\$ 1,726	N/A	US\$ 1,726	
	Emerson Electric Co.	-	"	-	US\$ 1,715	N/A	US\$ 1,715	
	Svenska Handelsbanken, NY	-	"	-	US\$ 1,700	N/A	US\$ 1,700	
	Westpac Banking Corporation	-	"	-	US\$ 1,697	N/A	US\$ 1,697	
	APT Pipelines Limited	-	"	-	US\$ 1,683	N/A	US\$ 1,683	
	Anthem, Inc.	-	"	-	US\$ 1,675	N/A	US\$ 1,675	
	Midwest Connector Capital Company LLC	-	"	-	US\$ 1,673	N/A	US\$ 1,673	
	Toyota Industries Corporation	-	"	-	US\$ 1,654	N/A	US\$ 1,654	
	MetLife, Inc.	-	"	-	US\$ 1,649	N/A	US\$ 1,649	
	Alimentation Couche-Tard Inc.	-	"	-	US\$ 1,647	N/A	US\$ 1,647	
	China Resources Gas Group Limited	-	"	-	US\$ 1,640	N/A	US\$ 1,640	
	The Southern Company	-	"	-	US\$ 1,637	N/A	US\$ 1,637	
	Duke Energy Florida, LLC	-	"	-	US\$ 1,635	N/A	US\$ 1,635	
	Suntory Holdings Limited	-	"	-	US\$ 1,622	N/A	US\$ 1,622	
	NSTAR Electric Company	-	"	-	US\$ 1,622	N/A	US\$ 1,622	
	Brookfield Finance LLC	-	"	-	US\$ 1,615	N/A	US\$ 1,615	
	F&G Global Funding	-	"	-	US\$ 1,615	N/A	US\$ 1,615	
	Panasonic Corporation	-	"	-	US\$ 1,606	N/A	US\$ 1,606	
	CPI Property Group S.A.	-	"	-	US\$ 1,603	N/A	US\$ 1,603	
	CK Hutchison International (19) Limited	-	"	-	US\$ 1,595	N/A	US\$ 1,595	
	Marsh & McLennan Companies, Inc.	-	"	-	US\$ 1,567	N/A	US\$ 1,567	
	Marathon Petroleum Corporation	-	"	-	US\$ 1,561	N/A	US\$ 1,561	
	National Australia Bank Limited, New York Branch	-	"	-	US\$ 1,521	N/A	US\$ 1,521	
	KEB Hana Bank	-	"	-	US\$ 1,506	N/A	US\$ 1,506	
	Alliant Energy Finance, LLC	-	"	-	US\$ 1,495	N/A	US\$ 1,495	
	Virginia Electric and Power Company	-	"	-	US\$ 1,458	N/A	US\$ 1,458	
	Daiwa Securities Group Inc.	-	"	-	US\$ 1,415	N/A	US\$ 1,415	
	NetApp, Inc.	-	"	-	US\$ 1,414	N/A	US\$ 1,414	
	Kilroy Realty, L.P.	-	"	-	US\$ 1,389	N/A	US\$ 1,389	
	Andrew W. Mellon Foundation, The	-	"	-	US\$ 1,375	N/A	US\$ 1,375	
	PACCAR Financial Corp.	-	"	-	US\$ 1,347	N/A	US\$ 1,347	
	Entergy Arkansas, LLC	-	"	-	US\$ 1,334	N/A	US\$ 1,334	
	Ontario Teachers' Cadillac Fairview Properties Trust	-	"	-	US\$ 1,324	N/A	US\$ 1,324	
	Martin Marietta Materials, Inc.	-	"	-	US\$ 1,311	N/A	US\$ 1,311	
	State Of Tennessee	-	"	-	US\$ 1,264	N/A	US\$ 1,264	
	Lincoln National Corporation	-	"	-	US\$ 1,207	N/A	US\$ 1,207	
	PSEG Power LLC	-	"	-	US\$ 1,196	N/A	US\$ 1,196	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	State Street Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,190	N/A	US\$ 1,190	
	Enterprise Products Operating LLC	-	"	-	US\$ 1,138	N/A	US\$ 1,138	
	The Curators of the University of Missouri	-	"	-	US\$ 1,137	N/A	US\$ 1,137	
	Standard Chartered Bank New York Branch	-	"	-	US\$ 1,136	N/A	US\$ 1,136	
	The Cleveland Electric Illuminating Company	-	"	-	US\$ 1,135	N/A	US\$ 1,135	
	Foxconn (Far East) Limited	-	"	-	US\$ 1,106	N/A	US\$ 1,106	
	Sinopec Group Overseas Development (2014) Ltd.	-	"	-	US\$ 1,092	N/A	US\$ 1,092	
	BBVA Bancomer, S.A.	-	"	-	US\$ 1,089	N/A	US\$ 1,089	
	Brighthouse Financial Global Funding	-	"	-	US\$ 1,083	N/A	US\$ 1,083	
	Kansas City Southern	-	"	-	US\$ 1,081	N/A	US\$ 1,081	
	Baltimore Gas and Electric Company	-	"	-	US\$ 1,050	N/A	US\$ 1,050	
	DH Europe Finance II S.a.r.l.	-	"	-	US\$ 1,048	N/A	US\$ 1,048	
	Entergy Mississippi, LLC	-	"	-	US\$ 1,041	N/A	US\$ 1,041	
	USAA Capital Corp.	-	"	-	US\$ 1,040	N/A	US\$ 1,040	
	Loews Corporation	-	"	-	US\$ 1,035	N/A	US\$ 1,035	
	Denver City & County Housing Authority	-	"	-	US\$ 1,032	N/A	US\$ 1,032	
	MassMutual Global Funding II	-	"	-	US\$ 1,029	N/A	US\$ 1,029	
	Kaiser Foundation Hospitals	-	"	-	US\$ 1,023	N/A	US\$ 1,023	
	Texas Eastern Transmission, LP	-	"	-	US\$ 1,021	N/A	US\$ 1,021	
	Kinder Morgan, Inc.	-	"	-	US\$ 1,018	N/A	US\$ 1,018	
	Mondelez International Holdings Netherlands Bv	-	"	-	US\$ 1,016	N/A	US\$ 1,016	
	National Rural Utilities Cooperative Finance Corporation	-	"	-	US\$ 990	N/A	US\$ 990	
	Aflac Incorporated	-	"	-	US\$ 966	N/A	US\$ 966	
	Unilever Capital Corporation	-	"	-	US\$ 948	N/A	US\$ 948	
	QNB Finance Ltd.	-	"	-	US\$ 947	N/A	US\$ 947	
	Southern California Gas Company	-	"	-	US\$ 944	N/A	US\$ 944	
	BHP Billiton Finance (USA) Limited	-	"	-	US\$ 937	N/A	US\$ 937	
	Mitsubishi HC Capital Inc.	-	"	-	US\$ 920	N/A	US\$ 920	
	Prudential Financial, Inc.	-	"	-	US\$ 914	N/A	US\$ 914	
	KeyBank National Association	-	"	-	US\$ 875	N/A	US\$ 875	
	Palm Beach County, Florida	-	"	-	US\$ 856	N/A	US\$ 856	
	The Walt Disney Company	-	"	-	US\$ 841	N/A	US\$ 841	
	Niagara Mohawk Power Corporation	-	"	-	US\$ 833	N/A	US\$ 833	
	Entergy Louisiana, LLC	-	"	-	US\$ 832	N/A	US\$ 832	
	Sinopec Capital (2013) Ltd.	-	"	-	US\$ 829	N/A	US\$ 829	
	Aetna Inc.	-	"	-	US\$ 827	N/A	US\$ 827	
	Visa Inc.	-	"	-	US\$ 821	N/A	US\$ 821	
	Oregon Health & Science University	-	"	-	US\$ 819	N/A	US\$ 819	
	Southern Power Company	-	"	-	US\$ 803	N/A	US\$ 803	
	MASCO CORP	-	"	-	US\$ 780	N/A	US\$ 780	
	Sky Limited	-	"	-	US\$ 765	N/A	US\$ 765	
	Warner Media, LLC	-	"	-	US\$ 754	N/A	US\$ 754	
	Canadian Natural Resources Limited	-	"	-	US\$ 748	N/A	US\$ 748	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 738	N/A	US\$ 738	
	National Australia Bank Limited	-	"	-	US\$ 734	N/A	US\$ 734	
	Sodexo, Inc.	-	"	-	US\$ 730	N/A	US\$ 730	
	Sinopec Group Overseas Development (2017) Limited	-	"	-	US\$ 715	N/A	US\$ 715	
	Abbott Laboratories	-	"	-	US\$ 693	N/A	US\$ 693	
	Stryker Corporation	-	"	-	US\$ 677	N/A	US\$ 677	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Bell Canada, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 651	N/A	US\$ 651	
	Glencore Funding LLC	-	"	-	US\$ 636	N/A	US\$ 636	
	Republic Services, Inc.	-	"	-	US\$ 634	N/A	US\$ 634	
	Florida Hurricane Catastrophe Fund Finance Corporation	-	"	-	US\$ 631	N/A	US\$ 631	
	QUALCOMM Incorporated	-	"	-	US\$ 630	N/A	US\$ 630	
	American Water Capital Corp.	-	"	-	US\$ 625	N/A	US\$ 625	
	Intact U.S. Holdings Inc.	-	"	-	US\$ 624	N/A	US\$ 624	
	UBS AG (LONDON BRANCH)	-	"	-	US\$ 621	N/A	US\$ 621	
	Sinopec Group Overseas Development (2012) Ltd.	-	"	-	US\$ 616	N/A	US\$ 616	
	Ohio Power Company	-	"	-	US\$ 608	N/A	US\$ 608	
	Port of Morrow	-	"	-	US\$ 603	N/A	US\$ 603	
	Discover Bank (New Castle, Delaware)	-	"	-	US\$ 599	N/A	US\$ 599	
	Arizona Public Service Company	-	"	-	US\$ 595	N/A	US\$ 595	
	Duke Energy Progress, LLC	-	"	-	US\$ 585	N/A	US\$ 585	
	Dormitory Authority of the State of New York	-	"	-	US\$ 584	N/A	US\$ 584	
	Shell International Finance B.V.	-	"	-	US\$ 573	N/A	US\$ 573	
	Fifth Third Bank, National Association	-	"	-	US\$ 562	N/A	US\$ 562	
	United Parcel Service, Inc.	-	"	-	US\$ 553	N/A	US\$ 553	
	State of Hawaii	-	"	-	US\$ 548	N/A	US\$ 548	
	Trane Technologies Luxembourg Finance S.A.	-	"	-	US\$ 547	N/A	US\$ 547	
	Simon Property Group, L.P.	-	"	-	US\$ 520	N/A	US\$ 520	
	TTX Company	-	"	-	US\$ 517	N/A	US\$ 517	
	Altria Group, Inc.	-	"	-	US\$ 517	N/A	US\$ 517	
	Baker Hughes Holdings LLC	-	"	-	US\$ 516	N/A	US\$ 516	
	174 Power Global Corporation	-	"	-	US\$ 509	N/A	US\$ 509	
	Capital Cities/ABC, Inc.	-	"	-	US\$ 505	N/A	US\$ 505	
	Danone S.A.	-	"	-	US\$ 502	N/A	US\$ 502	
	First Abu Dhabi Bank USA N.V.	-	"	-	US\$ 470	N/A	US\$ 470	
	Brazos Higher Education Authority Inc	-	"	-	US\$ 468	N/A	US\$ 468	
	Target Corporation	-	"	-	US\$ 446	N/A	US\$ 446	
	University of Massachusetts Building Authority	-	"	-	US\$ 437	N/A	US\$ 437	
	MUFG Union Bank, National Association	-	"	-	US\$ 435	N/A	US\$ 435	
	PayPal Holdings, Inc.	-	"	-	US\$ 434	N/A	US\$ 434	
	Sierra Pacific Power Company	-	"	-	US\$ 425	N/A	US\$ 425	
	Comerica Bank	-	"	-	US\$ 421	N/A	US\$ 421	
	Banco del Estado de Chile	-	"	-	US\$ 416	N/A	US\$ 416	
	Komatsu Finance America, Inc.	-	"	-	US\$ 409	N/A	US\$ 409	
	Honeywell International Inc.	-	"	-	US\$ 408	N/A	US\$ 408	
	PepsiCo, Inc.	-	"	-	US\$ 394	N/A	US\$ 394	
	StanCorp Financial Group Inc.	-	"	-	US\$ 382	N/A	US\$ 382	
	Enbridge Inc.	-	"	-	US\$ 374	N/A	US\$ 374	
	Principal Financial Group, Inc.	-	"	-	US\$ 367	N/A	US\$ 367	
	Canadian Pacific Railway Company	-	"	-	US\$ 363	N/A	US\$ 363	
	Pernod Ricard SA	-	"	-	US\$ 358	N/A	US\$ 358	
	First Republic Bank	-	"	-	US\$ 358	N/A	US\$ 358	
	Coöperatieve Rabobank U.A., New York Branch	-	"	-	US\$ 349	N/A	US\$ 349	
	Archer-Daniels-Midland Company	-	"	-	US\$ 346	N/A	US\$ 346	
	Amgen Inc.	-	"	-	US\$ 342	N/A	US\$ 342	
	The Allstate Corporation	-	"	-	US\$ 327	N/A	US\$ 327	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	BP Capital Markets p.l.c.	-	Financial assets at fair value through other comprehensive income	-	US\$ 325	N/A	US\$ 325	
	Total Capital International	-	"	-	US\$ 316	N/A	US\$ 316	
	América Móvil, S.A.B. de C.V.	-	"	-	US\$ 308	N/A	US\$ 308	
	salesforce.com, inc.	-	"	-	US\$ 300	N/A	US\$ 300	
	Aon Corporation	-	"	-	US\$ 297	N/A	US\$ 297	
	Johnson Controls International plc	-	"	-	US\$ 295	N/A	US\$ 295	
	Mondelez International, Inc.	-	"	-	US\$ 280	N/A	US\$ 280	
	Starbucks Corporation	-	"	-	US\$ 279	N/A	US\$ 279	
	Southern Natural Gas Company, L.L.C.	-	"	-	US\$ 275	N/A	US\$ 275	
	Equitable Holdings, Inc.	-	"	-	US\$ 258	N/A	US\$ 258	
	Sales Tax Securitization Corporation Of Chicago	-	"	-	US\$ 256	N/A	US\$ 256	
	The Huntington National Bank	-	"	-	US\$ 255	N/A	US\$ 255	
	Capital One Bank (USA), National Association	-	"	-	US\$ 252	N/A	US\$ 252	
	E. I. du Pont de Nemours and Company	-	"	-	US\$ 251	N/A	US\$ 251	
	Waste Management, Inc.	-	"	-	US\$ 248	N/A	US\$ 248	
	Nasdaq, Inc.	-	"	-	US\$ 220	N/A	US\$ 220	
	Deere & Company	-	"	-	US\$ 213	N/A	US\$ 213	
	Saudi Arabian Oil Company	-	"	-	US\$ 202	N/A	US\$ 202	
	San Francisco Public Utilities Commission	-	"	-	US\$ 191	N/A	US\$ 191	
	Nucor Corporation	-	"	-	US\$ 186	N/A	US\$ 186	
	Hoover Alabama Board Of Education	-	"	-	US\$ 180	N/A	US\$ 180	
	Sprint Spectrum Co LLC, Sprint Spectrum Co II LLC, Sprint Spectrum Co III LLC Series 2016-	-	"	-	US\$ 170	N/A	US\$ 170	
	The New York State Urban Development Corporation	-	"	-	US\$ 147	N/A	US\$ 147	
	Electricité de France S.A.	-	"	-	US\$ 110	N/A	US\$ 110	
	Columbia Property Trust Operating Partnership, L.P.	-	"	-	US\$ 108	N/A	US\$ 108	
	Pima County, Arizona	-	"	-	US\$ 80	N/A	US\$ 80	
	Municipal Improvement Corporation of Los Angeles	-	"	-	US\$ 80	N/A	US\$ 80	
	State of Wisconsin	-	"	-	US\$ 65	N/A	US\$ 65	
	Huntington Beach California	-	"	-	US\$ 50	N/A	US\$ 50	
	City of Worcester, MA	-	"	-	US\$ 30	N/A	US\$ 30	
	Nueces County	-	"	-	US\$ 25	N/A	US\$ 25	
	Citigroup Global Market Inc.	-	Financial assets at amortized cost	-	US\$ 99,967	N/A	US\$ 100,071	
	Wells Fargo & Company	-	"	-	US\$ 30,517	N/A	US\$ 31,448	
	Goldman Sachs Group Inc/The	-	"	-	US\$ 14,943	N/A	US\$ 15,133	
	JPMorgan Chase & Co.	-	"	-	US\$ 10,069	N/A	US\$ 10,181	
	<u>Government bond</u>							
	United States Department of The Treasury	-	Financial assets at fair value through other comprehensive income	-	US\$ 862,036	N/A	US\$ 862,036	
	Emirate of Abu Dhabi	-	"	-	US\$ 1,509	N/A	US\$ 1,509	
	Qatar	-	"	-	US\$ 1,380	N/A	US\$ 1,380	
	<u>Agency bonds/Agency mortgage-backed securities</u>							
	Federal National Mortgage Association	-	Financial assets at fair value through other comprehensive income	-	US\$ 583,726	N/A	US\$ 583,726	
	Government National Mortgage Association	-	"	-	US\$ 328,898	N/A	US\$ 328,898	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 231,388	N/A	US\$ 231,388	
	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2	-	"	-	US\$ 10,164	N/A	US\$ 10,164	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	<u>Asset-backed securities</u>							
	JPMBB Commercial Mortgage Securities Trust 2014-C24	-	Financial assets at fair value through other comprehensive income	-	US\$ 10,535	N/A	US\$ 10,535	
	Wells Fargo Commercial Mortgage Trust 2016-Bnk1	-	"	-	US\$ 7,726	N/A	US\$ 7,726	
	Mercedes-Benz Auto Lease Trust 2021-B	-	"	-	US\$ 7,146	N/A	US\$ 7,146	
	Bank 2020-BNK26	-	"	-	US\$ 7,076	N/A	US\$ 7,076	
	Benchmark 2019-B11 Mortgage Trust	-	"	-	US\$ 6,396	N/A	US\$ 6,396	
	Wells Fargo Commercial Mortgage Trust 2016-C35	-	"	-	US\$ 6,238	N/A	US\$ 6,238	
	Citigroup Commercial Mortgage Trust 2014-GC21	-	"	-	US\$ 5,995	N/A	US\$ 5,995	
	Wells Fargo Commercial Mortgage Trust 2021-C59	-	"	-	US\$ 5,672	N/A	US\$ 5,672	
	WFRBS Commercial Mortgage Trust 2013-C13	-	"	-	US\$ 5,637	N/A	US\$ 5,637	
	UBS-Barclays Commercial Mortgage Trust 2012-C2	-	"	-	US\$ 5,513	N/A	US\$ 5,513	
	BBCMS 2018-Tall Mortgage Trust	-	"	-	US\$ 5,466	N/A	US\$ 5,466	
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	-	"	-	US\$ 5,232	N/A	US\$ 5,232	
	Hyundai Auto Lease Securitization Trust 2021-B	-	"	-	US\$ 5,140	N/A	US\$ 5,140	
	Commerce 2015-CCRE24 Mortgage Trust	-	"	-	US\$ 5,038	N/A	US\$ 5,038	
	Morgan Stanley Bank America Merrill Lynch Trust 2013-C10	-	"	-	US\$ 4,995	N/A	US\$ 4,995	
	MRCO 2019-Prkc Mortgage Trust	-	"	-	US\$ 4,876	N/A	US\$ 4,876	
	Msbam 2016-C29	-	"	-	US\$ 4,661	N/A	US\$ 4,661	
	Bank 2019-Bnk22	-	"	-	US\$ 4,340	N/A	US\$ 4,340	
	JPMCC 2017-JP7	-	"	-	US\$ 4,208	N/A	US\$ 4,208	
	Bank 2017-Bnk6	-	"	-	US\$ 4,187	N/A	US\$ 4,187	
	Bank 2019-Bnk17	-	"	-	US\$ 4,182	N/A	US\$ 4,182	
	BANK 2017-BNK5	-	"	-	US\$ 4,181	N/A	US\$ 4,181	
	J.P. Morgan Chase Commercial Mortgage Securities Trust 2012-LC9	-	"	-	US\$ 4,000	N/A	US\$ 4,000	
	Morgan Stanley Bank of America Merrill Lynch Trust 2013-C7	-	"	-	US\$ 3,986	N/A	US\$ 3,986	
	Mercedes-Benz Auto Lease Trust 2019-B	-	"	-	US\$ 3,897	N/A	US\$ 3,897	
	UBS Barclays Commercial Mortgage Trust 2013-C6	-	"	-	US\$ 3,287	N/A	US\$ 3,287	
	GS Mortgage Securities Trust 2015-GC32	-	"	-	US\$ 3,221	N/A	US\$ 3,221	
	JPMBB Commercial Mortgage Securities Trust 2015-C28	-	"	-	US\$ 3,200	N/A	US\$ 3,200	
	Wells Fargo Commercial Mortgage Trust 2017-C40	-	"	-	US\$ 3,083	N/A	US\$ 3,083	
	UBS Commercial Mortgage Trust 2018-C10	-	"	-	US\$ 3,046	N/A	US\$ 3,046	
	GS Mortgage Securities Corporation Trust 2018-RIVR	-	"	-	US\$ 2,994	N/A	US\$ 2,994	
	Benchmark 2018-B3 Commercial Mortgage Trust	-	"	-	US\$ 2,960	N/A	US\$ 2,960	
	Enterprise Fleet Financing 2020-1 LLC	-	"	-	US\$ 2,956	N/A	US\$ 2,956	
	Hyundai Auto Receivables Trust 2018-A	-	"	-	US\$ 2,910	N/A	US\$ 2,910	
	Ford Credit Auto Lease Trust 2020-B	-	"	-	US\$ 2,862	N/A	US\$ 2,862	
	Citigroup Commercial Mortgage Trust 2016-C3	-	"	-	US\$ 2,762	N/A	US\$ 2,762	
	UBS-Barclays Commercial Mortgage Trust 2012-C3	-	"	-	US\$ 2,699	N/A	US\$ 2,699	
	GS Mortgage Securities Trust 2013-GCJ12	-	"	-	US\$ 2,696	N/A	US\$ 2,696	
	Ford Credit Auto Owner Trust 2020-Rev1	-	"	-	US\$ 2,603	N/A	US\$ 2,603	
	Wells Fargo Commercial Mortgage Trust 2020-C55	-	"	-	US\$ 2,545	N/A	US\$ 2,545	
	Federal National Mortgage Association, Inc.	-	"	-	US\$ 2,465	N/A	US\$ 2,465	
	BBCMS Mortgage Trust 2020-C8	-	"	-	US\$ 2,423	N/A	US\$ 2,423	
	Citigroup Commercial Mortgage Trust 2016-P5	-	"	-	US\$ 2,419	N/A	US\$ 2,419	
	Bank 2021-bnk33	-	"	-	US\$ 2,407	N/A	US\$ 2,407	
	Morgan Stanley Capital I Trust	-	"	-	US\$ 2,368	N/A	US\$ 2,368	
	Dolp Trust 2021-NYC	-	"	-	US\$ 2,351	N/A	US\$ 2,351	
	Morgan Stanley Bank of America Merrill Lynch Trust 2012-C6	-	"	-	US\$ 2,295	N/A	US\$ 2,295	

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				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Mhc Commercial Mortgage Trust 2021-Mhc	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,291	N/A	US\$ 2,291	
	UBS Commercial Mortgage Trust 2018-C11	-	"	-	US\$ 2,213	N/A	US\$ 2,213	
	Morgan Stanley Capital I Trust 2018-H3	-	"	-	US\$ 2,197	N/A	US\$ 2,197	
	Commerce 2013-CCRE12 Mortgage Trust	-	"	-	US\$ 2,138	N/A	US\$ 2,138	
	Benchmark 2018-B4 Mortgage Trust	-	"	-	US\$ 2,118	N/A	US\$ 2,118	
	JPMDB 2017-C7	-	"	-	US\$ 2,097	N/A	US\$ 2,097	
	CGCMT 2017-P8 Mortgage Trust	-	"	-	US\$ 2,079	N/A	US\$ 2,079	
	BX Commercial Mortgage Trust 2018-IND	-	"	-	US\$ 2,053	N/A	US\$ 2,053	
	Msbam 2016-C31	-	"	-	US\$ 2,018	N/A	US\$ 2,018	
	Enterprise Fleet Financing 2019-2, LLC	-	"	-	US\$ 2,009	N/A	US\$ 2,009	
	Morgan Stanley Bank of America Merrill Lynch Trust 2013-C8	-	"	-	US\$ 1,833	N/A	US\$ 1,833	
	Wells Fargo Commercial Mortgage Trust 2015-C30	-	"	-	US\$ 1,760	N/A	US\$ 1,760	
	GS Mortgage Securities Trust 2012-GC6	-	"	-	US\$ 1,750	N/A	US\$ 1,750	
	Morgan Stanley Capital I Trust 2021-L5	-	"	-	US\$ 1,685	N/A	US\$ 1,685	
	COMM 2020-CBM Mortgage Trust	-	"	-	US\$ 1,567	N/A	US\$ 1,567	
	JPMBB Commercial Mortgage Securities Trust 2013-C12	-	"	-	US\$ 1,549	N/A	US\$ 1,549	
	Ford Credit Auto Lease Trust 2019-B	-	"	-	US\$ 1,470	N/A	US\$ 1,470	
	Wells Fargo Commercial Mortgage Trust 2012-LC5	-	"	-	US\$ 1,439	N/A	US\$ 1,439	
	WFRBS Commercial Mortgage Trust 2013-UBS1	-	"	-	US\$ 1,346	N/A	US\$ 1,346	
	Toyota Auto Receivables 2018-D Owner Trust	-	"	-	US\$ 1,323	N/A	US\$ 1,323	
	Commerce 2014-Ccre17 Mortgage Trust	-	"	-	US\$ 1,304	N/A	US\$ 1,304	
	Dbgs 2018-Biod Mortgage Trust	-	"	-	US\$ 1,302	N/A	US\$ 1,302	
	Honda Auto Receivables 2021-2 Owner Trust	-	"	-	US\$ 1,299	N/A	US\$ 1,299	
	WFRBS Commercial Mortgage Trust 2013-C17	-	"	-	US\$ 1,279	N/A	US\$ 1,279	
	Nissan Auto Lease Trust, 2019-A	-	"	-	US\$ 1,228	N/A	US\$ 1,228	
	GS Mortgage Securities Trust 2014-GC22	-	"	-	US\$ 1,184	N/A	US\$ 1,184	
	Morgan Stanley Capital I Trust 2015 - UBS8	-	"	-	US\$ 1,098	N/A	US\$ 1,098	
	Nissan Auto Lease Trust 2019-B	-	"	-	US\$ 1,076	N/A	US\$ 1,076	
	GM Financial Consumer Automobile Receivables Trust 2019-4	-	"	-	US\$ 1,061	N/A	US\$ 1,061	
	Morgan Stanley Capital I Trust 2019-H6	-	"	-	US\$ 1,048	N/A	US\$ 1,048	
	Benchmark 2019-B14 Mortgage Trust	-	"	-	US\$ 1,048	N/A	US\$ 1,048	
	COMM 2013-LC6 Mortgage Trust	-	"	-	US\$ 1,001	N/A	US\$ 1,001	
	GS Mortgage Securities Trust 2014-GC24	-	"	-	US\$ 994	N/A	US\$ 994	
	Citigroup Commercial Mortgage Trust 2013-GCJ11	-	"	-	US\$ 968	N/A	US\$ 968	
	GS Mortgage Securities Trust 2019-GSA1	-	"	-	US\$ 961	N/A	US\$ 961	
	ARI Fleet Lease Trust 2019-A	-	"	-	US\$ 958	N/A	US\$ 958	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C13	-	"	-	US\$ 940	N/A	US\$ 940	
	COMM 2012-CCRE5 Mortgage Trust	-	"	-	US\$ 928	N/A	US\$ 928	
	Wells Fargo Commercial Mortgage Trust 2015-LC20	-	"	-	US\$ 918	N/A	US\$ 918	
	Bbcms Mortgage Trust 2017-C1	-	"	-	US\$ 847	N/A	US\$ 847	
	Benchmark 2019-B9 Mortgage Trust	-	"	-	US\$ 846	N/A	US\$ 846	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2013-C12	-	"	-	US\$ 836	N/A	US\$ 836	
	280 Park Avenue Trust 2017 - 280P	-	"	-	US\$ 830	N/A	US\$ 830	
	Benchmark 2019-B15 Mortgage Trust	-	"	-	US\$ 745	N/A	US\$ 745	
	Wells Fargo Commercial Mortgage Trust 2016-C36	-	"	-	US\$ 744	N/A	US\$ 744	
	CF 2019-CF1 Mortgage Trust	-	"	-	US\$ 712	N/A	US\$ 712	
	JPMBB Commercial Mortgage Securities Trust 2014-C19	-	"	-	US\$ 671	N/A	US\$ 671	
	Bank 2019-BNK23	-	"	-	US\$ 662	N/A	US\$ 662	
	Citigroup Commercial Mortgage Trust 2014-GC23	-	"	-	US\$ 661	N/A	US\$ 661	
	Morgan Stanley Capital I Trust 2019-H7	-	"	-	US\$ 659	N/A	US\$ 659	
	Wells Fargo Commercial Mortgage Trust 2015-C28	-	"	-	US\$ 637	N/A	US\$ 637	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Wells Fargo Commercial Mortgage Trust 2015-NXS3	-	Financial assets at fair value through other comprehensive income	-	US\$ 628	N/A	US\$ 628	
	Gs Mortgage Securities Corporation Trust 2020-Uptn	-	"	-	US\$ 619	N/A	US\$ 619	
	GM Financial Automobile Leasing Trust 2019-2	-	"	-	US\$ 617	N/A	US\$ 617	
	COMM 2015-CCRE22 Mortgage Trust	-	"	-	US\$ 545	N/A	US\$ 545	
	JPMCC 2015 - JP1	-	"	-	US\$ 438	N/A	US\$ 438	
	JPMDB Commercial Mortgage Securities Trust 2019-COR6	-	"	-	US\$ 438	N/A	US\$ 438	
	WFRBS Commercial Mortgage Trust 2014-C25	-	"	-	US\$ 380	N/A	US\$ 380	
	Citigroup Commercial Mortgage Trust 2014-GC19	-	"	-	US\$ 380	N/A	US\$ 380	
	UBS Barclays Commercial Mortgage Trust 2013-C5	-	"	-	US\$ 368	N/A	US\$ 368	
	Ford Credit Auto Owner Trust 2019-A	-	"	-	US\$ 343	N/A	US\$ 343	
	GS Mortgage Securities Trust 2014-GC26	-	"	-	US\$ 329	N/A	US\$ 329	
	GM Financial Automobile Leasing Trust	-	"	-	US\$ 249	N/A	US\$ 249	
	Citigroup Commercial Mortgage Trust 2015-GC35	-	"	-	US\$ 216	N/A	US\$ 216	
	COMM 2015-DC1 Mortgage Trust	-	"	-	US\$ 164	N/A	US\$ 164	
	Ford Credit Auto Lease Trust 2019-A	-	"	-	US\$ 157	N/A	US\$ 157	
	Bank 2020-BNK28	-	"	-	US\$ 145	N/A	US\$ 145	
	COMM 2013-CCRE8 Mortgage Trust	-	"	-	US\$ 123	N/A	US\$ 123	
	BBCMS Mortgage Trust 2020-C7	-	"	-	US\$ 101	N/A	US\$ 101	
	Morgan Stanley Bank Of America Merrill Lynch Trust 2012-C5	-	"	-	US\$ 84	N/A	US\$ 84	
	Honda Auto Receivables 2020-2 Owner Trust	-	"	-	US\$ 71	N/A	US\$ 71	
	Toyota Auto Receivables 2018-B Owner Trust	-	"	-	US\$ 44	N/A	US\$ 44	
	Wells Fargo Commercial Mortgage Trust 2015-NXS1	-	"	-	US\$ 36	N/A	US\$ 36	
	CD 2016-CD2 Mortgage Trust	-	"	-	US\$ 26	N/A	US\$ 26	
WF RBS Commercial Mortgage Trust 2011-C4	-	"	-	US\$ 4	N/A	US\$ 4		
COMM 2014-CCRE15 Mortgage Trust	-	"	-	US\$ 4	N/A	US\$ 4		
	<u>Non-publicly traded equity investments</u>							
	Primavera Capital Fund II L.P.	-	Financial assets at fair value through other comprehensive income	-	US\$ 98,876	4	US\$ 98,876	
VTAF II	<u>Non-publicly traded equity investments</u>							
	Aether Systems, Inc.	-	Financial assets at fair value through other comprehensive income	1,085	US\$ 389	20	US\$ 389	
	5V Technologies, Inc.	-	"	4	-	-	-	
	<u>Publicly traded stocks</u>							
	Sentelic Corporation	-	Financial assets at fair value through other comprehensive income	1,019	US\$ 1,882	3	US\$ 1,882	
VTAF III	<u>Non-publicly traded equity investments</u>							
	LiquidLeds Lighting Corp.	-	Financial assets at fair value through other comprehensive income	1,952	US\$ 800	14	US\$ 800	
	Neoconix, Inc.	-	"	4,147	US\$ 174	-	US\$ 174	
Growth Fund	<u>Non-publicly traded equity investments</u>							
	Innovium, Inc.	-	Financial assets at fair value through other comprehensive income	230	US\$ 1,863	-	US\$ 1,863	
	Innovium, Inc.	-	"	221	US\$ 1,793	-	US\$ 1,793	
	Astera Labs, Inc.	-	"	127	US\$ 250	-	US\$ 250	
	CNEX Labs, Inc.	-	"	24	US\$ 214	-	US\$ 214	
EmergingFund	<u>Non-publicly traded equity investments</u>							
	Credo Technology Group Holding Ltd	-	Financial assets at fair value through other comprehensive income	861	US\$ 5,000	1	US\$ 5,000	

(Concluded)

TABLE 4

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR SIX MONTHS ENDED JUNE 30, 2021

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

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC	<u>Non-publicly traded equity investments</u> VisEra Tech	Investments accounted for using equity method	19 institutional investors, including: GIC, Capital Group, Fidelity International, Cathay Life Insurance Co., Ltd., Fubon Life Insurance Co., Ltd., Yuanta Securities, KGI Securities and Securities and Futures Investors Protection Center etc.	-	253,120	\$ 6,363,099	-	\$ -	39,501	\$ 9,451,798	\$ 1,045,516	Note 2	213,619	\$ 5,979,226
	TSMC Arizona	"	-	-	30	842,745	595	16,759,184	-	-	-	-	625	15,633,888
TSMC Global	<u>Corporate bond</u> Bank of America Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 58,724	-	US\$ 15,924	-	US\$ 3,695	US\$ 3,695	US\$ -	-	US\$ 69,934
	JPMorgan Chase & Co.	"	-	-	-	US\$ 29,759	-	US\$ 14,238	-	US\$ -	US\$ -	US\$ -	-	US\$ 43,535
	Citigroup Inc.	"	-	-	-	US\$ 41,827	-	US\$ 10,939	-	US\$ 14,291	US\$ 14,120	US\$ 171	-	US\$ 37,957
	HSBC Holdings plc	"	-	-	-	US\$ 16,113	-	US\$ 11,089	-	US\$ 1,047	US\$ 1,007	US\$ 40	-	US\$ 26,000
	Oracle Corporation	"	-	-	-	US\$ 7,822	-	US\$ 13,979	-	US\$ -	US\$ -	US\$ -	-	US\$ 21,974
	BNP Paribas SA	"	-	-	-	US\$ 13,202	-	US\$ 11,559	-	US\$ 7,154	US\$ 6,882	US\$ 272	-	US\$ 17,415
	Verizon Communications Inc.	"	-	-	-	US\$ 10,558	-	US\$ 16,617	-	US\$ 9,798	US\$ 9,742	US\$ 56	-	US\$ 17,385
	NTT Finance Corporation	"	-	-	-	US\$ -	-	US\$ 14,780	-	US\$ 1,941	US\$ 1,945	US\$ (4)	-	US\$ 12,772
	Morgan Stanley	"	-	-	-	US\$ -	-	US\$ 12,035	-	US\$ -	US\$ -	US\$ -	-	US\$ 12,087
	Morgan Stanley	"	-	-	-	US\$ 23,053	-	US\$ -	-	US\$ 11,390	US\$ 11,125	US\$ 265	-	US\$ 11,352
	AstraZeneca Finance LLC	"	-	-	-	US\$ -	-	US\$ 10,933	-	US\$ -	US\$ -	US\$ -	-	US\$ 10,906
	Wells Fargo & Company	Financial assets at amortized cost	-	-	-	US\$ 180,487	-	US\$ -	-	US\$ 150,000	US\$ 150,000	US\$ -	-	US\$ 30,517
	JPMorgan Chase & Co.	"	-	-	-	US\$ 95,058	-	US\$ -	-	US\$ 85,000	US\$ 85,000	US\$ -	-	US\$ 10,069

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC Global	<u>Government bond</u>													
	United States Department of The Treasury	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 182,533	-	US\$ 820,944	-	US\$ 432,147	US\$ 435,080	US\$ (2,933)	-	US\$ 565,289
	United States Department of The Treasury	"	-	-	-	US\$ 287,012	-	US\$ 55,841	-	US\$ 54,999	US\$ 55,025	US\$ (26)	-	US\$ 283,550
	United States Department of The Treasury	"	-	-	-	US\$ -	-	US\$ 28,659	-	US\$ 19,945	US\$ 19,940	US\$ 5	-	US\$ 8,721
	<u>Agency bonds/Agency mortgage-backed securities</u>													
	Government National Mortgage Association	Financial assets at fair value through other comprehensive income	-	-	-	US\$ -	-	US\$ 195,522	-	US\$ 30,624	US\$ 30,623	US\$ 1	-	US\$ 164,208
	Federal National Mortgage Association	"	-	-	-	US\$ 49,027	-	US\$ 892,668	-	US\$ 876,060	US\$ 876,798	US\$ (738)	-	US\$ 64,822
	Federal National Mortgage Association	"	-	-	-	US\$ 4,035	-	US\$ 436,231	-	US\$ 382,507	US\$ 382,268	US\$ 239	-	US\$ 58,001
	Government National Mortgage Association	"	-	-	-	US\$ 199,835	-	US\$ 82,010	-	US\$ 234,616	US\$ 236,103	US\$ (1,487)	-	US\$ 43,636
	Government National Mortgage Association	"	-	-	-	US\$ 30,307	-	US\$ 38,746	-	US\$ 26,763	US\$ 27,365	US\$ (602)	-	US\$ 41,191
	Federal National Mortgage Association	"	-	-	-	US\$ 96,211	-	US\$ 232,485	-	US\$ 288,658	US\$ 290,727	US\$ (2,069)	-	US\$ 37,429
	Federal National Mortgage Association	"	-	-	-	US\$ -	-	US\$ 160,908	-	US\$ 137,310	US\$ 137,347	US\$ (37)	-	US\$ 23,546
	Federal National Mortgage Association	"	-	-	-	US\$ 4,377	-	US\$ 185,245	-	US\$ 174,469	US\$ 174,870	US\$ (401)	-	US\$ 14,728
	Government National Mortgage Association	"	-	-	-	US\$ 14,244	-	US\$ 259,107	-	US\$ 259,965	US\$ 260,102	US\$ (137)	-	US\$ 13,234
	Government National Mortgage Association	"	-	-	-	US\$ 9,795	-	US\$ 119,654	-	US\$ 118,672	US\$ 118,793	US\$ (121)	-	US\$ 10,641
	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2	"	-	-	-	US\$ -	-	US\$ 107,618	-	US\$ 97,545	US\$ 97,498	US\$ 47	-	US\$ 10,164
	Federal National Mortgage Association	"	-	-	-	US\$ 18,997	-	US\$ 2,026	-	US\$ 11,682	US\$ 11,873	US\$ (191)	-	US\$ 9,033
	Federal National Mortgage Association	"	-	-	-	US\$ 18,019	-	US\$ -	-	US\$ 11,085	US\$ 10,684	US\$ 401	-	US\$ 6,658
	Government National Mortgage Association	"	-	-	-	US\$ 27,389	-	US\$ -	-	US\$ 22,141	US\$ 21,884	US\$ 257	-	US\$ 4,706
	Federal National Mortgage Association	"	-	-	-	US\$ 24,084	-	US\$ -	-	US\$ 19,439	US\$ 18,741	US\$ 698	-	US\$ 4,517
	Government National Mortgage Association	"	-	-	-	US\$ 24,481	-	US\$ -	-	US\$ 20,012	US\$ 19,557	US\$ 455	-	US\$ 3,989
	Federal National Mortgage Association	"	-	-	-	US\$ 23,776	-	US\$ 3,105	-	US\$ 22,916	US\$ 22,478	US\$ 438	-	US\$ 3,828
	Federal National Mortgage Association	"	-	-	-	US\$ 21,409	-	US\$ 154,866	-	US\$ 173,813	US\$ 173,786	US\$ 27	-	US\$ 2,455
	Government National Mortgage Association	"	-	-	-	US\$ 1,067	-	US\$ 12,888	-	US\$ 12,668	US\$ 12,682	US\$ (14)	-	US\$ 1,271

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 1)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC Global	Federal National Mortgage Association	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 19,673	-	US\$ 125,721	-	US\$ 144,267	US\$ 144,211	US\$ 56	-	US\$ 1,173
	Government National Mortgage Association	"	-	-	-	US\$ 5,381	-	US\$ 41,213	-	US\$ 46,054	US\$ 46,057	US\$ (3)	-	US\$ 534
	Federal National Mortgage Association	"	-	-	-	US\$ 5,253	-	US\$ 11,906	-	US\$ 17,015	US\$ 17,228	US\$ (213)	-	US\$ -
	Government National Mortgage Association	"	-	-	-	US\$ 17,896	-	US\$ 120,259	-	US\$ 137,175	US\$ 138,089	US\$ (914)	-	US\$ -
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ 20,247	-	US\$ 20,029	-	US\$ 40,162	US\$ 40,121	US\$ 41	-	US\$ -
	Federal National Mortgage Association	"	-	-	-	US\$ 31,980	-	US\$ 171,131	-	US\$ 202,799	US\$ 202,880	US\$ (81)	-	US\$ -
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ -	-	US\$ 69,247	-	US\$ 69,184	US\$ 69,246	US\$ (62)	-	US\$ -
	Government National Mortgage Association	"	-	-	-	US\$ 18,900	-	US\$ 121,784	-	US\$ 140,660	US\$ 140,610	US\$ 50	-	US\$ -
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ 11,872	-	US\$ -	-	US\$ 11,654	US\$ 11,120	US\$ 534	-	US\$ -
	Federal National Mortgage Association	"	-	-	-	US\$ 8,394	-	US\$ 89,440	-	US\$ 97,826	US\$ 97,829	US\$ (3)	-	US\$ -
	Federal National Mortgage Association	"	-	-	-	US\$ 3,592	-	US\$ 31,349	-	US\$ 34,948	US\$ 34,925	US\$ 23	-	US\$ -

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: To facilitate VisEra's IPO in Taiwan, 39,501 thousand common shares of VisEra at a price of NT\$240 were sold by TSMC and an increase of NT\$8,406,282 thousand in capital surplus was recognized. TSMC's shareholding in VisEra decreased from 87% to 73%. This disposal was accounted for as an equity transaction since the transaction did not change TSMC's control over VisEra.

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2021

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

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate	February 09, 2021 (Note)	\$ 52,100,000 (Note)	Based on the terms in the purchase order	85 counterparties (Note), including : ABB Ltd. Accudevice Co., Ltd. Air Liquide Far Eastern Ltd. Allis Electric Co., Ltd. Am-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Cheng Deh Fire Protection Industrial Corp. Chien Kuo Construction Co., Ltd. China Steel Structure Co., Ltd. Chun Yuan Steel Industry Co., Ltd. Chung-Lin General Contractors, Ltd. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd.	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Da-Cin Construction Co., Ltd. Desiccant Technology Corporation Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kedge Construction Co., Ltd. Kinetics Technology Corporation L&K Engineering Co., Ltd. Lead-Fu Industrials Corporation Lee Ming Construction Co., Ltd. Li Jin Engineering Co., Ltd. Mandartech Interiors Inc. Marketch International Corp. Mega Union Technology Incorporated National Institute of Advanced Industrial Science & Technology								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Pan Asia (Engineers & Constructors) Corporation Ruentex Engineering & Construction Co., Ltd. San 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 Obayashi Corporation Taiwan Puritic Corp. TASA Construction Corporation Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd.								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate	April 22, 2021 (Note)	\$ 9,500,000 (Note)	Based on the terms in the purchase order	Ying Pao Technology Inc. Zhao-Cheng Corp. 70 counterparties (Note), including :	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None
	Real estate				June 09, 2021 (Note)	54,500,000 (Note)	Based on the terms in the purchase order	101 counterparties (Note), including : ABB Ltd. Accudevice Co., Ltd. Air Liquide Far Eastern Ltd. Allis Electric Co., Ltd. Am-Power Machine International Enterprise Co., Ltd. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Cheng Deh Fire Protection Industrial Corp.	-	N/A			

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Chien Kuo Construction Co., Ltd. China Steel Structure Co., Ltd. Chun Yuan Steel Industry Co., Ltd. Chung-Lin General Contractors, Ltd. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Da-Cin Construction Co., Ltd. Desiccant Technology Corporation Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kao Hsin Engineering Co., Ltd. Kedge Construction Co., Ltd. Kinetics Technology Corporation								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				L&K Engineering Co., Ltd. Lead-Fu Industrials Corporation Lee Ming Construction Co., Ltd. Mandartech Interiors Inc. Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Pan Asia (Engineers & Constructors) Corporation Ruentex Engineering & Construction Co., Ltd. San 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 Obayashi Corporation Taiwan Puritic Corp. TASA Construction Corporation Techgo Industrial Co., Ltd. Trane Taiwan Distribution Limited Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd.								

(Continued)

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

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021

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

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currencies in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	% to Total	
TSMC	TSMC North America	Subsidiary	Sales	\$ 482,692,416	66	Net 30 days from invoice date (Note)	-	Note	\$ 121,840,326	73	
	GUC	Associate	Sales	2,209,613	-	Net 30 days from the end of the month of when invoice is issued	-	-	463,695	-	
	TSMC Nanjing	Subsidiary	Purchases	13,011,111	22	Net 30 days from the end of the month of when invoice is issued	-	-	(2,044,410)	5	
	TSMC China	Subsidiary	Purchases	10,434,960	17	Net 30 days from the end of the month of when invoice is issued	-	-	(1,801,500)	4	
	WaferTech	Indirect subsidiary	Purchases	3,726,428	6	Net 30 days from the end of the month of when invoice is issued	-	-	(662,829)	2	
	SSMC	Associate	Purchases	1,952,621	3	Net 30 days from the end of the month of when invoice is issued	-	-	(412,226)	1	
	VIS	Associate	Purchases	1,950,512	3	Net 30 days from the end of the month of when invoice is issued	-	-	(334,046)	1	
TSMC North America	GUC	Associate of TSMC	Sales	895,069 (US\$ 31,937)	-	Net 30 days from invoice date	-	-	211,545 (US\$ 7,585)	-	
VisEra Tech	Xintec	Associate of TSMC	Sales	329,681	9	Net 60 days from the end of the month of when invoice is issued	-	-	108,907	9	

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

JUNE 30, 2021

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

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover Days (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
TSMC	TSMC North America	Subsidiary	\$ 124,006,833	42	\$ -	-	\$ -	\$ -
	TSMC Nanjing	Subsidiary	208,440	Note 2	-	-	-	-
	TSMC Arizona	Subsidiary	112,037	Note 2	-	-	-	-
	VIS	Associate	1,639,722	Note 2	-	-	-	-
	GUC	Associate	463,695	32	-	-	-	-
TSMC North America	GUC	Associate of TSMC	211,545 (US\$ 7,585)	28	-	-	-	-
TSMC China	TSMC Nanjing	The same parent company	24,381,329 (RMB 5,648,533)	Note 2	-	-	-	-
	TSMC	Parent company	1,801,500 (RMB 417,364)	30	-	-	-	-
TSMC Nanjing	TSMC	Parent company	2,044,410 (RMB 472,710)	28	-	-	-	-
VisEra Tech	Xintec	Associate of TSMC	108,907	82	-	-	-	-
TSMC Technology	TSMC	The ultimate parent of the Company	322,629 (US\$ 11,568)	Note 2	-	-	-	-
WaferTech	TSMC	The ultimate parent of the Company	662,829 (US\$ 23,766)	33	-	-	-	-

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms (Note 2)	Percentage of Consolidated Net Revenue or Total Assets
0	TSMC	TSMC North America	1	Net revenue from sale of goods	\$ 482,692,416	-	66%
				Receivables from related parties	121,840,326	-	4%
				Other receivables from related parties	2,166,507	-	-
		TSMC Japan	1	Marketing expenses - commission	114,908	-	-
				TSMC JDC	1	Research and development expenses	171,843
		TSMC Europe	1	Marketing expenses - commission	236,744	-	-
		TSMC China	1	Purchases	10,434,960	-	1%
				Marketing expenses - commission	127,336	-	-
				Payables to related parties	1,801,500	-	-
		TSMC Nanjing	1	Purchases	13,011,111	-	2%
				Other receivables from related parties	208,440	-	-
				Payables to related parties	2,044,410	-	-
TSMC Arizona	1	Other receivables from related parties	112,037	-	-		
TSMC Canada	1	Research and development expenses	156,024	-	-		
TSMC Technology	1	Research and development expenses	1,407,937	-	-		
		Payables to related parties	322,629	-	-		
WaferTech	1	Purchases	3,726,428	-	1%		
		Payables to related parties	662,829	-	-		
1	TSMC China	TSMC Nanjing	3	Other receivables from related parties	24,381,329	-	1%

Note 1: No. 1 represents the transactions from parent company to subsidiary.
No. 3 represents the transactions between subsidiaries.

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
 FOR THE SIX MONTHS ENDED JUNE 30, 2021
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2021			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				June 30, 2021 (Foreign Currencies in Thousands)	December 31, 2020 (Foreign Currencies in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)			
TSMC	TSMC Global	Tortola, British Virgin Islands	Investment activities	\$ 355,162,309	\$ 355,162,309	11	100	\$ 379,287,757	\$ 1,129,867	\$ 1,129,867	Subsidiary
	TSMC Partners	Tortola, British Virgin Islands	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	31,456,130	31,456,130	988,268	100	53,345,585	917,261	917,261	Subsidiary
	TSMC Arizona	Phoenix, Arizona, U.S.A.	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	17,614,783	855,599	625	100	15,633,888	(1,805,198)	(1,805,198)	Subsidiary
	VIS	Hsin-Chu, Taiwan	Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks	10,180,677	10,180,677	464,223	28	8,702,574	4,815,399	1,361,274	Associate
	SSMC	Singapore	Manufacturing and sales of integrated circuits and other semiconductor devices	5,120,028	5,120,028	314	39	6,409,172	1,422,791	551,901	Associate
	VisEra Tech	Hsin-Chu, Taiwan	Research, design, development, manufacturing, sales, packaging and test of color filter	4,224,082	5,005,171	213,619	73	5,979,226	830,949	659,813	Subsidiary
	TSMC North America	San Jose, California, U.S.A	Sales and marketing of integrated circuits and other semiconductor devices	333,718	333,718	11,000	100	4,753,457	220,279	220,279	Subsidiary
	Xintec	Taoyuan, Taiwan	Wafer level chip size packaging and wafer level post passivation interconnection service	1,988,317	1,988,317	111,282	41	2,898,577	839,345	344,454	Associate
	GUC	Hsin-Chu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	386,568	46,688	35	1,300,841	527,591	183,803	Associate
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	-	100	527,551	11,290	11,290	Subsidiary
	TSMC JDC	Yokohama, Japan	Engineering support activities	410,680	302,560	15	100	378,574	7,215	7,215	Subsidiary
	VTAF III	Cayman Islands	Investing in technology start-up companies	1,320,222	1,318,846	-	98	203,740	(4,101)	(4,019)	Subsidiary
	Emerging Fund	Cayman Islands	Investing in technology start-up companies	154,688	-	-	99.9	148,101	(5,320)	(5,315)	Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	6	100	137,221	3,313	3,313	Subsidiary
	VTAF II	Cayman Islands	Investing in technology start-up companies	260,300	260,300	-	98	83,917	(921)	(903)	Subsidiary
	TSMC Korea	Seoul, Korea	Customer service and supporting activities	13,656	13,656	80	100	41,305	881	881	Subsidiary
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	2,556	-	-	100	1,592	(947)	(947)	Subsidiary
TSMC Partners	TSMC Development	Delaware, U.S.A	Investing in companies involved in semiconductor manufacturing	16,369,136	16,369,136	-	100	29,981,117	709,009	Note 2	Subsidiary
	TSMC Technology	Delaware, U.S.A	Engineering support activities	(US\$ 586,939)	(US\$ 586,939)	-	100	(US\$1,075,016)	(US\$ 25,298)	Note 2	Subsidiary
	TSMC Canada	Ontario, Canada	Engineering support activities	398,311	398,311	-	100	828,319	64,902	Note 2	Subsidiary
VTAF III	Growth Fund	Cayman Islands	Investing in technology start-up companies	(US\$ 14,282)	(US\$ 14,282)	2,300	100	(US\$ 29,701)	(US\$ 2,316)	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	64,145	64,145	-	100	273,439	11,285	Note 2	Subsidiary
TSMC Development	WaferTech	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	(US\$ 2,300)	(US\$ 2,300)	-	100	(US\$ 9,805)	(US\$ 403)	Note 2	Subsidiary
				-	-	293,637	100	5,246,559	673,083	Note 2	Subsidiary
								(US\$ 188,123)	(US\$ 24,016)		

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR SIX MONTHS ENDED JUNE 30, 2021

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2021 (US\$ in Thousands)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of June 30, 2021	Accumulated Inward Remittance of Earnings as of June 30, 2021
					Outflow	Inflow						
TSMC China	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	\$ 18,939,667 (RMB 4,502,080)	Note 1	\$ 18,939,667 (US\$ 596,000)	\$ -	\$ -	\$ 18,939,667 (US\$ 596,000)	\$ 3,991,180	100%	\$ 4,064,849 (Note 2)	\$ 68,598,830	\$ -
TSMC Nanjing	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	30,521,412 (RMB 6,650,119)	Note 1	30,521,412 (US\$ 1,000,000)	-	-	30,521,412 (US\$ 1,000,000)	5,570,032	100%	5,570,053 (Note 2)	39,277,728	-

Accumulated Investment in Mainland China as of June 30, 2021 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment
\$ 49,461,079 (US\$ 1,596,000)	\$ 119,412,667 (US\$ 3,596,000)	\$1,196,382,344 (Note 3)

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

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

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

Taiwan Semiconductor Manufacturing Company Limited**INFORMATION ON MAJOR SHAREHOLDERS
JUNE 30, 2021**

Shareholders (Note)	Shares	
	Total Shares Owned	Ownership Percentage
ADR-Taiwan Semiconductor Manufacturing Company, Ltd.	5,321,442,098	20.52%
National Development Fund, Executive Yuan	1,653,709,980	6.38%

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