

**Taiwan Semiconductor Manufacturing
Company Limited and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 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 September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (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 the Standards on Review Engagements of the Republic of China 2410 “Review of Interim 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 September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 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 Shih Tsung Wu and Shang Chih Lin.



Deloitte & Touche
Taipei, Taiwan
Republic of China

November 14, 2023

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	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,311,806,535	24	\$ 1,342,814,083	27	\$ 1,296,012,784	28
Financial assets at fair value through profit or loss (Note 7)	378,526	-	1,070,398	-	4,705,434	-
Financial assets at fair value through other comprehensive income (Note 8)	154,838,390	3	122,998,543	2	126,209,422	3
Financial assets at amortized cost (Note 9)	84,261,089	2	94,600,219	2	71,857,468	1
Hedging financial assets (Note 10)	37,451	-	2,329	-	88,431	-
Notes and accounts receivable, net (Note 11)	222,467,653	4	229,755,887	5	260,447,134	6
Receivables from related parties (Note 31)	356,257	-	1,583,958	-	1,091,174	-
Other receivables from related parties (Note 31)	82,363	-	68,975	-	76,143	-
Inventories (Note 12)	262,090,072	5	221,149,148	4	218,335,874	5
Other financial assets (Note 32)	26,938,240	-	25,964,428	1	24,855,999	-
Other current assets	19,221,060	-	12,888,776	-	10,552,495	-
Total current assets	<u>2,082,477,636</u>	<u>38</u>	<u>2,052,896,744</u>	<u>41</u>	<u>2,014,232,358</u>	<u>43</u>
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (Note 7)	111,637	-	-	-	-	-
Financial assets at fair value through other comprehensive income (Note 8)	7,933,799	-	6,159,200	-	6,784,978	-
Financial assets at amortized cost (Note 9)	79,379,651	2	35,127,215	1	42,347,584	1
Investments accounted for using equity method (Note 13)	28,921,558	1	27,641,505	1	26,663,336	1
Property, plant and equipment (Note 14)	3,132,664,367	57	2,693,836,970	54	2,411,490,251	52
Right-of-use assets (Note 15)	41,254,711	1	41,914,136	1	42,349,743	1
Intangible assets (Note 16)	23,410,569	-	25,999,155	1	26,706,552	1
Deferred income tax assets (Note 4)	71,030,144	1	69,185,842	1	63,058,097	1
Refundable deposits	8,388,839	-	4,467,022	-	4,451,490	-
Other noncurrent assets	8,983,470	-	7,551,089	-	5,217,377	-
Total noncurrent assets	<u>3,402,078,745</u>	<u>62</u>	<u>2,911,882,134</u>	<u>59</u>	<u>2,629,069,408</u>	<u>57</u>
TOTAL	<u>\$ 5,484,556,381</u>	<u>100</u>	<u>\$ 4,964,778,878</u>	<u>100</u>	<u>\$ 4,643,301,766</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (Note 7)	\$ 132,768	-	\$ 116,215	-	\$ 611,010	-
Hedging financial liabilities (Note 10)	26,879,550	-	813	-	-	-
Accounts payable	52,150,883	1	54,879,708	1	60,147,405	1
Payables to related parties (Note 31)	1,621,423	-	1,642,637	-	1,870,819	-
Salary and bonus payable	28,657,288	1	36,435,509	1	31,380,029	1
Accrued profit sharing bonus to employees and compensation to directors (Note 27)	37,708,203	1	61,748,574	1	45,041,965	1
Payables to contractors and equipment suppliers	230,848,866	4	213,499,613	4	159,780,369	3
Cash dividends payable (Note 19)	155,592,426	3	142,617,093	3	142,617,093	3
Income tax payable (Note 4)	102,953,391	2	120,801,814	3	76,005,324	2
Long-term liabilities - current portion (Notes 17, 18 and 29)	7,420,132	-	19,313,889	-	23,426,667	1
Accrued expenses and other current liabilities (Notes 15, 20, 29 and 31)	326,069,886	6	293,170,952	6	266,550,606	6
Total current liabilities	<u>970,034,816</u>	<u>18</u>	<u>944,226,817</u>	<u>19</u>	<u>807,431,287</u>	<u>18</u>
NONCURRENT LIABILITIES						
Bonds payable (Notes 17 and 29)	932,479,423	17	834,336,439	17	842,386,471	18
Long-term bank loans (Notes 18 and 29)	5,013,050	-	4,760,047	-	3,055,178	-
Deferred income tax liabilities (Note 4)	212,549	-	1,031,383	-	1,466,389	-
Lease liabilities (Notes 15 and 29)	29,415,325	1	29,764,097	-	30,182,353	1
Net defined benefit liability (Note 4)	8,615,678	-	9,321,091	-	8,503,262	-
Guarantee deposits	983,928	-	892,021	-	907,991	-
Others (Note 20)	164,983,505	3	179,958,116	4	197,052,676	4
Total noncurrent liabilities	<u>1,141,703,458</u>	<u>21</u>	<u>1,060,063,194</u>	<u>21</u>	<u>1,083,554,320</u>	<u>23</u>
Total liabilities	<u>2,111,738,274</u>	<u>39</u>	<u>2,004,290,011</u>	<u>40</u>	<u>1,890,985,607</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock (Notes 19)	259,320,710	5	259,303,805	5	259,303,805	6
Capital surplus (Notes 19 and 26)	69,879,218	1	69,330,328	1	69,316,391	1
Retained earnings (Notes 19)						
Appropriated as legal capital reserve	311,146,899	6	311,146,899	6	311,146,899	7
Appropriated as special capital reserve	17,228,363	-	3,154,310	-	35,064,663	1
Unappropriated earnings	2,682,157,537	49	2,323,223,479	47	2,066,562,035	44
	<u>3,010,532,799</u>	<u>55</u>	<u>2,637,524,688</u>	<u>53</u>	<u>2,412,773,597</u>	<u>52</u>
Others (Notes 19 and 26)	8,616,930	-	(20,505,626)	-	(3,419,487)	-
Equity attributable to shareholders of the parent	<u>3,348,349,657</u>	<u>61</u>	<u>2,945,653,195</u>	<u>59</u>	<u>2,737,974,306</u>	<u>59</u>
NON - CONTROLLING INTERESTS	<u>24,468,450</u>	<u>-</u>	<u>14,835,672</u>	<u>1</u>	<u>14,341,853</u>	<u>-</u>
Total equity	<u>3,372,818,107</u>	<u>61</u>	<u>2,960,488,867</u>	<u>60</u>	<u>2,752,316,159</u>	<u>59</u>
TOTAL	<u>\$ 5,484,556,381</u>	<u>100</u>	<u>\$ 4,964,778,878</u>	<u>100</u>	<u>\$ 4,643,301,766</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)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 20, 31 and 36)	\$ 546,732,758	100	\$ 613,142,743	100	\$1,536,206,985	100	\$1,638,359,424	100
COST OF REVENUE (Notes 12, 27 and 31)	<u>250,090,294</u>	<u>46</u>	<u>242,644,026</u>	<u>40</u>	<u>692,864,282</u>	<u>45</u>	<u>679,189,547</u>	<u>41</u>
GROSS PROFIT	<u>296,642,464</u>	<u>54</u>	<u>370,498,717</u>	<u>60</u>	<u>843,342,703</u>	<u>55</u>	<u>959,169,877</u>	<u>59</u>
OPERATING EXPENSES (Notes 27 and 31)								
Research and development	51,137,762	9	42,977,507	7	131,960,076	9	118,675,177	7
General and administrative	14,998,124	3	14,499,002	2	42,637,461	3	36,567,623	2
Marketing	<u>2,572,905</u>	<u>-</u>	<u>2,709,953</u>	<u>-</u>	<u>7,615,158</u>	<u>-</u>	<u>6,929,370</u>	<u>1</u>
Total operating expenses	<u>68,708,791</u>	<u>12</u>	<u>60,186,462</u>	<u>9</u>	<u>182,212,695</u>	<u>12</u>	<u>162,172,170</u>	<u>10</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14 and 27)	<u>131,230</u>	<u>-</u>	<u>11,959</u>	<u>-</u>	<u>131,095</u>	<u>-</u>	<u>(759,626)</u>	<u>-</u>
INCOME FROM OPERATIONS (Note 36)	<u>228,064,903</u>	<u>42</u>	<u>310,324,214</u>	<u>51</u>	<u>661,261,103</u>	<u>43</u>	<u>796,238,081</u>	<u>49</u>
NON-OPERATING INCOME AND EXPENSES								
Share of profits of associates	1,166,970	-	2,077,809	-	3,339,974	-	6,061,304	-
Interest income (Note 21)	15,595,274	3	6,615,044	1	42,885,113	3	11,834,868	1
Other income	78,165	-	120,905	-	403,727	-	941,465	-
Foreign exchange gain (loss), net (Note 34)	(791,543)	-	(3,748,421)	(1)	(1,838,720)	-	5,859,265	-
Finance costs (Note 22)	(3,111,922)	(1)	(3,370,018)	-	(9,080,763)	-	(8,415,015)	(1)
Other gains and losses, net (Note 23)	<u>938,648</u>	<u>-</u>	<u>4,671,334</u>	<u>1</u>	<u>3,919,901</u>	<u>-</u>	<u>(2,999,124)</u>	<u>-</u>
Total non-operating income and expenses	<u>13,875,592</u>	<u>2</u>	<u>6,366,653</u>	<u>1</u>	<u>39,629,232</u>	<u>3</u>	<u>13,282,763</u>	<u>-</u>
INCOME BEFORE INCOME TAX	241,940,495	44	316,690,867	52	700,890,335	46	809,520,844	49
INCOME TAX EXPENSE (Notes 4 and 24)	<u>31,145,221</u>	<u>5</u>	<u>35,722,460</u>	<u>6</u>	<u>101,429,019</u>	<u>7</u>	<u>88,498,811</u>	<u>5</u>
NET INCOME	<u>210,795,274</u>	<u>39</u>	<u>280,968,407</u>	<u>46</u>	<u>599,461,316</u>	<u>39</u>	<u>721,022,033</u>	<u>44</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 24)								
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	(8,655)	-	(103,591)	-	987,893	-	68,610	-
Gain on hedging instruments	-	-	-	-	39,898	-	-	-
Share of other comprehensive income of associates	107,972	-	21,431	-	62,956	-	76,518	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>262</u>	<u>-</u>
Total	<u>99,317</u>	<u>-</u>	<u>(82,129)</u>	<u>-</u>	<u>1,090,722</u>	<u>-</u>	<u>145,390</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	27,637,865	5	34,872,636	5	28,594,668	2	68,084,934	4
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(1,856,201)	(1)	(2,973,821)	-	(1,455,025)	-	(11,263,186)	-
Gain (loss) on hedging instruments	(19,068)	-	4,989	-	(55,327)	-	1,347,573	-
Share of other comprehensive income of associates	187,312	-	299,724	-	237,518	-	591,374	-
Income tax benefit related to items that may be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,036</u>	<u>-</u>
Total	<u>25,949,908</u>	<u>4</u>	<u>32,203,528</u>	<u>5</u>	<u>27,321,834</u>	<u>2</u>	<u>58,766,731</u>	<u>4</u>
Other comprehensive income, net of income tax	<u>26,049,225</u>	<u>4</u>	<u>32,121,399</u>	<u>5</u>	<u>28,412,556</u>	<u>2</u>	<u>58,912,121</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 236,844,499</u>	<u>43</u>	<u>\$ 313,089,806</u>	<u>51</u>	<u>\$ 627,873,872</u>	<u>41</u>	<u>\$ 779,934,154</u>	<u>48</u>
NET INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 210,999,939	39	\$ 280,865,780	46	\$ 599,785,521	39	\$ 720,626,072	44
Non-controlling interests	<u>(204,665)</u>	<u>-</u>	<u>102,627</u>	<u>-</u>	<u>(324,205)</u>	<u>-</u>	<u>395,961</u>	<u>-</u>
	<u>\$ 210,795,274</u>	<u>39</u>	<u>\$ 280,968,407</u>	<u>46</u>	<u>\$ 599,461,316</u>	<u>39</u>	<u>\$ 721,022,033</u>	<u>44</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 237,285,511	43	\$ 312,889,198	51	\$ 629,307,238	41	\$ 780,221,513	48
Non-controlling interests	<u>(441,012)</u>	<u>-</u>	<u>200,608</u>	<u>-</u>	<u>(1,433,366)</u>	<u>-</u>	<u>(287,359)</u>	<u>-</u>
	<u>\$ 236,844,499</u>	<u>43</u>	<u>\$ 313,089,806</u>	<u>51</u>	<u>\$ 627,873,872</u>	<u>41</u>	<u>\$ 779,934,154</u>	<u>48</u>
EARNINGS PER SHARE (NT\$, Note 25)								
Basic earnings per share	<u>\$ 8.14</u>		<u>\$ 10.83</u>		<u>\$ 23.13</u>		<u>\$ 27.79</u>	
Diluted earnings per share	<u>\$ 8.14</u>		<u>\$ 10.83</u>		<u>\$ 23.13</u>		<u>\$ 27.79</u>	

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent															
	Capital Stock - Common Stock							Others								
	Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Treasury Stock	Total	Non-controlling Interests	Total Equity	
BALANCE, JANUARY 1, 2022	25,930,380	\$ 259,303,805	\$ 64,761,602	\$ 311,146,899	\$ 59,304,212	\$ 1,536,378,550	\$ 1,906,829,661	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)	\$ -	\$ 2,168,286,553	\$ 2,446,652	\$ 2,170,733,205
Appropriations of earnings	-	-	-	-	(24,239,549)	24,239,549	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(213,925,638)	(213,925,638)	-	-	-	-	-	-	(213,925,638)	-	(213,925,638)
Cash dividends to shareholders	-	-	-	-	-	(189,686,089)	(189,686,089)	-	-	-	-	-	-	(189,686,089)	-	(189,686,089)
Total	-	-	-	-	(24,239,549)	(189,686,089)	(213,925,638)	-	-	-	-	-	-	(213,925,638)	-	(213,925,638)
Net income	-	-	-	-	-	720,626,072	720,626,072	-	-	-	-	-	-	720,626,072	395,961	721,022,033
Other comprehensive income (loss), net of income tax	-	-	-	-	-	-	-	69,359,198	(11,207,118)	1,443,361	-	59,595,441	-	59,595,441	(683,320)	58,912,121
Total comprehensive income (loss)	-	-	-	-	-	720,626,072	720,626,072	69,359,198	(11,207,118)	1,443,361	-	59,595,441	-	780,221,513	(287,359)	779,934,154
Share-based payment arrangements	1,387	13,870	438,029	-	-	-	-	-	-	-	(265,177)	(265,177)	-	186,722	-	186,722
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	(871,566)	(871,566)	-	(871,566)	
Treasury stock retired	(1,387)	(13,870)	(2,989)	-	-	(854,707)	(854,707)	-	-	-	-	871,566	-	-	-	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	98,209	98,209	-	(98,209)	-	-	(98,209)	-	-	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	(43,027)	-	(43,027)	-	(43,027)	-	(43,027)
Adjustments to share of changes in equities of associates	-	-	2,582	-	-	-	-	-	-	-	-	-	-	2,582	-	2,582
From share of changes in equities of subsidiaries	-	-	4,117,167	-	-	-	-	-	-	-	-	-	-	4,117,167	12,348,992	16,466,159
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(166,432)	(166,432)	
BALANCE, SEPTEMBER 30, 2022	25,930,380	\$ 259,303,805	\$ 69,316,391	\$ 311,146,899	\$ 35,064,663	\$ 2,066,562,035	\$ 2,412,773,597	\$ 6,055,837	\$ (10,731,017)	\$ 1,520,870	\$ (265,177)	\$ (3,419,487)	\$ -	\$ 2,737,974,306	\$ 14,341,853	\$ 2,752,316,159
BALANCE, JANUARY 1, 2023	25,930,380	\$ 259,303,805	\$ 69,330,328	\$ 311,146,899	\$ 3,154,310	\$ 2,323,223,479	\$ 2,637,524,688	\$ (11,743,301)	\$ (10,056,353)	\$ 1,479,181	\$ (185,153)	\$ (20,505,626)	\$ -	\$ 2,945,653,195	\$ 14,835,672	\$ 2,960,488,867
Appropriations of earnings	-	-	-	-	14,074,053	(14,074,053)	-	-	-	-	-	-	-	-	-	-
Special capital reserve	-	-	-	-	-	(226,900,972)	(226,900,972)	-	-	-	-	-	-	(226,900,972)	-	(226,900,972)
Cash dividends to shareholders	-	-	-	-	-	(240,975,025)	(240,975,025)	-	-	-	-	-	-	(240,975,025)	-	(240,975,025)
Total	-	-	-	-	14,074,053	(240,975,025)	(226,900,972)	-	-	-	-	-	-	(226,900,972)	-	(226,900,972)
Net income	-	-	-	-	-	599,785,521	599,785,521	-	-	-	-	-	-	599,785,521	(324,205)	599,461,316
Other comprehensive income (loss), net of income tax	-	-	-	-	-	-	-	29,942,174	(434,126)	13,669	-	29,521,717	-	29,521,717	(1,109,161)	28,412,556
Total comprehensive income (loss)	-	-	-	-	-	599,785,521	599,785,521	29,942,174	(434,126)	13,669	-	29,521,717	-	629,307,238	(1,433,366)	627,873,872
Employee restricted shares retired	(419)	(4,195)	4,195	-	-	4,614	4,614	-	-	-	-	-	-	4,614	-	4,614
Share-based payment arrangements	2,110	21,100	564,868	-	-	-	-	-	-	-	(235,582)	(235,582)	-	350,386	-	350,386
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	118,948	118,948	-	(118,948)	-	-	(118,948)	-	-	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	(44,631)	-	(44,631)	-	(44,631)	-	(44,631)
Adjustments to share of changes in equities of associates	-	-	(1,236)	-	-	-	-	-	-	-	-	-	-	(1,236)	-	(1,236)
From share of changes in equities of subsidiaries	-	-	(18,937)	-	-	-	-	-	-	-	-	-	-	(18,937)	11,264,847	11,245,910
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(198,703)	(198,703)	
BALANCE, SEPTEMBER 30, 2023	25,932,071	\$ 259,320,710	\$ 69,879,218	\$ 311,146,899	\$ 17,228,363	\$ 2,682,157,537	\$ 3,010,532,799	\$ 18,198,873	\$ (10,609,427)	\$ 1,448,219	\$ (420,735)	\$ 8,616,930	\$ -	\$ 3,348,349,657	\$ 24,468,450	\$ 3,372,818,107

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)

	Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 700,890,335	\$ 809,520,844
Adjustments for:		
Depreciation expense	374,654,167	323,122,219
Amortization expense	6,888,324	6,550,157
Expected credit losses recognized on investments in debt instruments	41,161	33,282
Finance costs	9,080,763	8,415,015
Share of profits of associates	(3,339,974)	(6,061,304)
Interest income	(42,885,113)	(11,834,868)
Share-based compensation	355,701	222,091
Loss on disposal or retirement of property, plant and equipment, net	335,393	91,532
Gain on disposal or retirement of intangible assets, net	(2,308)	-
Impairment loss on property, plant and equipment	-	790,740
Gain on financial instruments at fair value through profit or loss, net	(27,022)	-
Loss on disposal of investments in debt instruments at fair value through other comprehensive income, net	372,631	346,125
Loss on foreign exchange, net	4,178,853	12,532,183
Dividend income	(387,837)	(260,534)
Others	(280,262)	(292,572)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	857,225	(4,622,312)
Notes and accounts receivable, net	7,288,198	(62,861,124)
Receivables from related parties	1,227,701	(375,850)
Other receivables from related parties	(13,388)	(14,612)
Inventories	(40,940,924)	(25,233,553)
Other financial assets	263,031	(4,371,124)
Other current assets	(5,852,289)	(1,072,295)
Other noncurrent assets	(378,730)	-
Accounts payable	(2,728,825)	12,861,802
Payables to related parties	(21,214)	433,633
Salary and bonus payable	(7,778,221)	7,577,929
Accrued profit sharing bonus to employees and compensation to directors	(24,040,371)	8,517,224
Accrued expenses and other current liabilities	(34,382,658)	38,582,192
Other noncurrent liabilities	26,776,501	100,127,809
Net defined benefit liability	(705,413)	(2,533,617)
Cash generated from operations	969,445,435	1,210,191,012
Income taxes paid	(122,307,435)	(86,473,728)
Net cash generated by operating activities	<u>847,138,000</u>	<u>1,123,717,284</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial instruments at fair value through profit or loss	\$ (323,973)	\$ -
Financial assets at fair value through other comprehensive income	(54,832,622)	(49,269,573)
Financial assets at amortized cost	(115,641,029)	(123,508,899)
Property, plant and equipment	(779,656,605)	(745,827,757)
Intangible assets	(3,387,581)	(5,471,086)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	28,804,766	41,221,410
Financial assets at amortized cost	89,166,171	20,620,129
Property, plant and equipment	391,764	801,029
Intangible assets	2,308	-
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	117,897	300
Derecognition of hedging financial instruments	66,776	1,591,074
Interest received	41,015,135	9,440,363
Proceeds from government grants - property, plant and equipment	20,756,650	462,822
Proceeds from government grants - others	1,152	874
Other dividends received	387,837	260,534
Dividends received from investments accounted for using equity method	3,076,482	2,749,667
Increase in prepayments for leases	(50,173)	-
Refundable deposits paid	(4,053,259)	(1,904,318)
Refundable deposits refunded	<u>357,210</u>	<u>437,209</u>
Net cash used in investing activities	<u>(773,801,094)</u>	<u>(848,396,222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(111,959,992)
Increase in hedging financial liabilities - bank loans	27,908,580	-
Proceeds from issuance of bonds	75,900,000	188,093,561
Repayment of bonds	(18,100,000)	-
Proceeds from long-term bank loans	2,450,000	500,000
Repayment of long-term bank loans	(1,244,444)	-
Payments for transaction costs attributable to the issuance of bonds	(78,448)	(403,162)
Treasury stock acquired	-	(871,566)
Repayment of the principal portion of lease liabilities	(2,132,449)	(1,767,753)
Interest paid	(11,363,895)	(6,498,170)
Guarantee deposits received	230,116	199,190
Guarantee deposits refunded	(217,446)	(43,314)
Cash dividends	(213,925,639)	(213,925,639)
Increase in non-controlling interests	<u>11,046,506</u>	<u>16,264,358</u>
Net cash used in financing activities	<u>(129,527,119)</u>	<u>(130,412,487)</u>

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Nine Months Ended September 30	
	2023	2022
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 25,182,665</u>	<u>\$ 86,114,017</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,007,548)	231,022,592
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,342,814,083</u>	<u>1,064,990,192</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$1,311,806,535</u>	<u>\$1,296,012,784</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 NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

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

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

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

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 14, 2023.

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, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB

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 MATERIAL ACCOUNTING POLICY INFORMATION

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, 2022.

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, the “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, 2022.

The subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership			Note	
				September 30, 2023	December 31, 2022	September 30, 2022		
TSMC	TSMC North America	Sales and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	100%	100%	100%	-	
	TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	100%	100%	100%	a)	
	TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	100%	100%	100%	a)	
	TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	100%	100%	100%	a)	
	TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	100%	100%	100%	a)	
	TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	100%	100%	100%	a)	
	TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	Tortola, British Virgin Islands	100%	100%	100%	-	
	TSMC Global, Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	100%	100%	100%	-	
	TSMC China Company Limited (TSMC China)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Shanghai, China	100%	100%	100%	-	
	TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	100%	100%	100%	-	
	VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsin-Chu, Taiwan	68%	68%	68%	-	
	TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	100%	100%	100%	b)	
	Japan Advanced Semiconductor Manufacturing, Inc. (JASM)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Kumamoto, Japan	71%	71%	71%	a), c)	
	European Semiconductor Manufacturing Company GmbH (ESMC)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Dresden, Germany	100%	-	-	a), d)	
	VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)	
	VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in technology start-up companies	Cayman Islands	98%	98%	98%	a)	
	Emerging Fund L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	99.9%	99.9%	99.9%	a)	
	TSMC Partners	TSMC Development, Inc. (TSMC Development)	Investing in companies involved in semiconductor manufacturing	Delaware, U.S.A.	100%	100%	100%	-
		TSMC Technology, Inc. (TSMC Technology)	Engineering support activities	Delaware, U.S.A.	100%	100%	100%	a)
		TSMC Design Technology Canada Inc. (TSMC Canada)	Engineering support activities	Ontario, Canada	100%	100%	100%	a)
VTAF III	Growth Fund Limited (Growth Fund)	Investing in technology start-up companies	Cayman Islands	100%	100%	100%	a)	
TSMC Development	WaferTech, LLC (WaferTech)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Washington, U.S.A.	100%	100%	100%	-	

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

Note c: TSMC's shareholding and the proportion of voting rights in JASM are 71% and 81%, respectively.

Note d: ESMC is established in June 2023.

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.

Hedge Accounting

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other

comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

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

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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The same material 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, 2022.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash and deposits in banks	\$1,297,689,297	\$1,327,884,602	\$1,277,760,695
Commercial paper	9,408,778	9,566,430	16,458,450
Money market funds	3,336,162	1,406,792	-
Repurchase agreements	1,229,906	1,133,310	-
Government bonds/Agency bonds	142,392	2,451,570	1,793,639
Corporate bonds	<u>-</u>	<u>371,379</u>	<u>-</u>
	<u>\$1,311,806,535</u>	<u>\$1,342,814,083</u>	<u>\$1,296,012,784</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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Mandatorily measured at FVTPL			
Convertible bonds	\$ 231,022	\$ 122,852	\$ -
Forward exchange contracts	147,504	947,546	4,705,434
Mutual funds	<u>111,637</u>	<u>-</u>	<u>-</u>
	<u>\$ 490,163</u>	<u>\$ 1,070,398</u>	<u>\$ 4,705,434</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Current	\$ 378,526	\$ 1,070,398	\$ 4,705,434
Noncurrent	<u>111,637</u>	<u>-</u>	<u>-</u>
	<u>\$ 490,163</u>	<u>\$ 1,070,398</u>	<u>\$ 4,705,434</u>

Financial liabilities

Held for trading			
Forward exchange contracts	<u>\$ 132,768</u>	<u>\$ 116,215</u>	<u>\$ 611,010</u> (Concluded)

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>September 30, 2023</u>			
Sell NT\$	October 2023	NT\$	10,026,983
Sell US\$	October 2023 to November 2023	US\$	173,000
<u>December 31, 2022</u>			
Sell NT\$	January 2023 to March 2023	NT\$	79,610,590
Sell US\$	January 2023 to March 2023	US\$	752,486
Sell RMB	January 2023 to March 2023	RMB	1,448,371
<u>September 30, 2022</u>			
Sell NT\$	October 2022 to November 2022	NT\$	104,780,845
Sell US\$	October 2022 to December 2022	US\$	1,871,955
Sell RMB	October 2022 to November 2022	RMB	1,481,748

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
Investments in debt instruments at FVTOCI			
Corporate bonds	\$ 80,389,109	\$ 66,116,166	\$ 66,420,737
Agency mortgage-backed securities	36,337,585	28,367,926	29,680,882
Government bonds/Agency bonds	24,061,844	18,961,888	20,259,681
Asset-backed securities	<u>10,419,593</u>	<u>9,274,697</u>	<u>9,580,806</u>
	<u>151,208,131</u>	<u>122,720,677</u>	<u>125,942,106</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Investments in equity instruments at FVTOCI			
Non-publicly traded equity investments	\$ 7,933,799	\$ 6,159,200	\$ 6,784,978
Publicly traded stocks	<u>3,630,259</u>	<u>277,866</u>	<u>267,316</u>
	<u>11,564,058</u>	<u>6,437,066</u>	<u>7,052,294</u>
	<u>\$ 162,772,189</u>	<u>\$ 129,157,743</u>	<u>\$ 132,994,400</u>
Current	\$ 154,838,390	\$ 122,998,543	\$ 126,209,422
Noncurrent	<u>7,933,799</u>	<u>6,159,200</u>	<u>6,784,978</u>
	<u>\$ 162,772,189</u>	<u>\$ 129,157,743</u>	<u>\$ 132,994,400</u>

(Concluded)

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

For the nine months ended September 30, 2023 and 2022, as the Company adjusted its investment portfolio, equity investments designated at FVTOCI were divested for NT\$189,390 thousand and NT\$195,301 thousand, respectively. The related other equity-unrealized gain/loss on financial assets at FVTOCI of NT\$118,948 thousand and NT\$98,209 thousand were transferred to increase retained earnings, respectively.

As of September 30, 2023 and 2022, the cumulative loss allowance for expected credit loss of NT\$49,497 thousand and NT\$38,718 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

	September 30, 2023	December 31, 2022	September 30, 2022
Corporate bonds	\$ 126,268,615	\$ 81,041,056	\$ 70,840,021
Commercial paper	22,166,254	48,742,817	43,404,235
Government bonds/Agency bonds	15,297,477	-	-
Less: Allowance for impairment loss	<u>(91,606)</u>	<u>(56,439)</u>	<u>(39,204)</u>
	<u>\$ 163,640,740</u>	<u>\$ 129,727,434</u>	<u>\$ 114,205,052</u>
Current	\$ 84,261,089	\$ 94,600,219	\$ 71,857,468
Noncurrent	<u>79,379,651</u>	<u>35,127,215</u>	<u>42,347,584</u>
	<u>\$ 163,640,740</u>	<u>\$ 129,727,434</u>	<u>\$ 114,205,052</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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets - current</u>			
Fair value hedges			
Interest rate futures contracts	\$ 37,451	\$ 2,329	\$ 88,431
<u>Financial liabilities - current</u>			
Fair value hedges			
Interest rate futures contracts	\$ -	\$ 813	\$ -
Hedges of net investments in foreign operations			
Bank loans	<u>26,879,550</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,879,550</u>	<u>\$ 813</u>	<u>\$ -</u>

Fair value hedge

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

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

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

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

September 30, 2023

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 54,400	December 2023
		Accumulated Amount of Fair Value Hedge Adjustments
Hedged Items	Asset Carrying Amount	
Financial assets at FVTOCI	\$ 3,615,318	\$ (37,451)

December 31, 2022

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 74,300	March 2023

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 4,008,179	\$ (1,516)

September 30, 2022

Hedging Instruments	Contract Amount (US\$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US\$ 78,900	December 2022

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	\$ 4,148,778	\$ (88,431)

The effect for the nine months ended September 30, 2023 and 2022 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness Nine Months Ended September 30	
	2023	2022
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	\$ 101,369	\$ 276,460
Hedged Items		
Financial assets at FVTOCI	<u>(101,369)</u>	<u>(276,460)</u>
	<u>\$ -</u>	<u>\$ -</u>

Cash flow hedge

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

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

The main source of hedge ineffectiveness in these hedging relationships is driven by the effect of the counterparty's own credit risk on the fair value of forward contracts. No other sources of ineffectiveness have emerged from these hedging relationships during the hedging period. For the nine months ended September 30, 2023 and 2022, refer to Note 19 (d) for gain or loss arising from changes in the fair value of hedging instruments, the amount transferred to initial carrying amount of hedged items and the amount reclassified to finance costs of hedged items.

The effect for the nine months ended September 30, 2023 and 2022 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	
	2023	2022
Hedging Instruments		
Forward exchange contracts (capital expenditures)	\$ 39,898	\$ -
Forward interest rate contracts (issuance of debts)	\$ -	\$ 1,378,928
Hedged Items		
Forecast transaction (capital expenditures)	\$ (39,898)	\$ -
Forecast transaction (issuance of debts)	\$ -	\$ (1,378,928)

Hedges of net investments in foreign operations

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

The main source of hedge ineffectiveness in these hedging relationships is driven by the material difference between the notional amount of foreign currency bank loans and the net investment in foreign operations. No other sources of ineffectiveness have emerged from these hedging relationships during the hedging period. For the nine months ended September 30, 2023, refer to Note 19 (d) for gain or loss arising from changes in the fair value of hedging instruments.

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

September 30, 2023

Hedging Instruments	Contract Amount (In Thousands)	Annual Interest Rate	Maturity	Balance in Other Equity (Continuing Hedges)
Bank loans	JPY124,500,000	0%-0.06%	Due by February 2024	\$ 1,029,030

The effect for the nine months ended September 30, 2023 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness
	Nine Months Ended September 30, 2023
Hedging Instruments	
Bank loans	\$ 1,029,030
Hedged Items	
Net investments in foreign operations	\$ (1,029,030)

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2023	December 31, 2022	September 30, 2022
At amortized cost			
Notes and accounts receivable	\$ 218,688,626	\$ 222,761,927	\$ 254,776,451
Less: Loss allowance	<u>(752,380)</u>	<u>(331,646)</u>	<u>(375,054)</u>
	217,936,246	222,430,281	254,401,397
At FVTOCI	<u>4,531,407</u>	<u>7,325,606</u>	<u>6,045,737</u>
	<u>\$ 222,467,653</u>	<u>\$ 229,755,887</u>	<u>\$ 260,447,134</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 during the reporting period is due 30 days from the invoice date or 15-30 days from the end of the month when the invoice is issued. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels with consideration of factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. For accounts receivable past due over 90 days without collaterals or guarantees, the Company recognizes loss allowance at full amount.

Aging analysis of notes and accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Not past due	\$ 207,436,935	\$ 205,053,142	\$ 252,863,359
Past due			
Past due within 30 days	15,751,218	24,516,277	7,958,446
Past due over 31 days	31,880	518,114	383
Less: Loss allowance	<u>(752,380)</u>	<u>(331,646)</u>	<u>(375,054)</u>
	<u>\$ 222,467,653</u>	<u>\$ 229,755,887</u>	<u>\$ 260,447,134</u>

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

Movements of the loss allowance for accounts receivable

	<u>Nine Months Ended September 30</u>	
	2023	2022
Balance, beginning of period	\$ 331,646	\$ 347,020
Provision	420,698	27,935
Effect of exchange rate changes	<u>36</u>	<u>99</u>
Balance, end of period	<u>\$ 752,380</u>	<u>\$ 375,054</u>

For the nine months ended September 30, 2023 and 2022, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 35,048,480	\$ 54,818,402	\$ 38,572,060
Work in process	171,354,152	125,661,912	144,337,075
Raw materials	35,076,818	20,389,115	14,998,114
Supplies and spare parts	<u>20,610,622</u>	<u>20,279,719</u>	<u>20,428,625</u>
	<u>\$ 262,090,072</u>	<u>\$ 221,149,148</u>	<u>\$ 218,335,874</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 September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net inventory losses (reversal of write-down of inventories)	<u>\$ (1,090,783)</u>	<u>\$ 1,710,080</u>	<u>\$ 1,830,238</u>	<u>\$ 2,967,546</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		
			September 30, 2023	December 31, 2022	September 30, 2022	September 30, 2023	December 31, 2022	September 30, 2022
Vanguard International Semiconductor Corporation (VIS)	Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks	Hsinchu, Taiwan	\$ 13,103,470	\$ 13,492,653	\$ 12,763,668	28%	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	9,985,558	8,934,731	8,845,688	39%	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	3,580,425	3,528,417	3,340,497	41%	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	2,238,136	1,666,651	1,693,668	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>13,969</u>	<u>19,053</u>	<u>19,815</u>	28%	28%	28%
			<u>\$ 28,921,558</u>	<u>\$ 27,641,505</u>	<u>\$ 26,663,336</u>			

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

Name of Associate	September 30, 2023	December 31, 2022	September 30, 2022
GUC	<u>\$ 63,728,928</u>	<u>\$ 29,926,918</u>	<u>\$ 27,499,149</u>
VIS	<u>\$ 31,567,198</u>	<u>\$ 35,977,321</u>	<u>\$ 30,174,527</u>
Xintec	<u>\$ 13,075,626</u>	<u>\$ 10,716,449</u>	<u>\$ 10,683,065</u>

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Assets used by the Company	\$3,132,660,998	\$2,693,815,688	\$2,411,465,486
Assets subject to operating leases	<u>3,369</u>	<u>21,282</u>	<u>24,765</u>
	<u>\$3,132,664,367</u>	<u>\$2,693,836,970</u>	<u>\$2,411,490,251</u>

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, 2023	\$ 7,661,817	\$ 637,046,949	\$ 4,295,942,530	\$ 85,028,040	\$ 1,336,842,608	\$ 6,362,521,944
Additions (deductions)	-	165,720,355	938,930,779	14,788,418	(322,659,640)	796,779,912
Disposals or retirements	-	(484,812)	(19,043,355)	(529,565)	-	(20,057,732)
Transfers from right-of-use assets	-	-	4,444	-	-	4,444
Transfers from assets subject to operating leases	-	-	80,370	-	-	80,370
Transfers to assets subject to operating leases	-	-	(14,592)	-	-	(14,592)
Effect of exchange rate changes	<u>135,207</u>	<u>365,755</u>	<u>2,727,400</u>	<u>107,811</u>	<u>14,648,846</u>	<u>17,985,019</u>
Balance at September 30, 2023	<u>\$ 7,797,024</u>	<u>\$ 802,648,247</u>	<u>\$ 5,218,627,576</u>	<u>\$ 99,394,704</u>	<u>\$ 1,028,831,814</u>	<u>\$ 7,157,299,365</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 556,161	\$ 342,938,359	\$ 3,264,880,880	\$ 59,540,116	\$ 790,740	\$ 3,668,706,256
Additions	979	32,551,748	331,772,027	7,730,495	-	372,055,249
Disposals or retirements	-	(482,318)	(18,272,627)	(528,515)	-	(19,283,460)
Transfers from right-of-use assets	-	-	1,851	-	-	1,851
Transfers from assets subject to operating leases	-	-	53,537	-	-	53,537
Transfers to assets subject to operating leases	-	-	(1,702)	-	-	(1,702)
Effect of exchange rate changes	<u>28,436</u>	<u>383,964</u>	<u>2,598,645</u>	<u>95,591</u>	<u>-</u>	<u>3,106,636</u>
Balance at September 30, 2023	<u>\$ 585,576</u>	<u>\$ 375,391,753</u>	<u>\$ 3,581,032,611</u>	<u>\$ 66,837,687</u>	<u>\$ 790,740</u>	<u>\$ 4,024,638,367</u>
Carrying amounts at January 1, 2023	<u>\$ 7,105,656</u>	<u>\$ 294,108,590</u>	<u>\$ 1,031,061,650</u>	<u>\$ 25,487,924</u>	<u>\$ 1,336,051,868</u>	<u>\$ 2,693,815,688</u>
Carrying amounts at September 30, 2023	<u>\$ 7,211,448</u>	<u>\$ 427,256,494</u>	<u>\$ 1,637,594,965</u>	<u>\$ 32,557,017</u>	<u>\$ 1,028,041,074</u>	<u>\$ 3,132,660,998</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 6,488,230	\$ 576,597,777	\$ 3,984,749,236	\$ 76,154,170	\$ 593,155,733	\$ 5,237,145,146
Additions	702,377	44,034,103	270,334,176	6,208,437	426,656,999	747,936,092
Disposals or retirements	-	(83,302)	(17,020,612)	(890,753)	-	(17,994,667)
Transfers to assets subject to operating leases	-	-	(65,779)	-	-	(65,779)
Effect of exchange rate changes	<u>445,035</u>	<u>2,002,705</u>	<u>9,896,845</u>	<u>366,624</u>	<u>8,982,282</u>	<u>21,693,491</u>
Balance at September 30, 2022	<u>\$ 7,635,642</u>	<u>\$ 622,551,283</u>	<u>\$ 4,247,893,866</u>	<u>\$ 81,838,478</u>	<u>\$ 1,028,795,014</u>	<u>\$ 5,988,714,283</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 499,826	\$ 306,165,242	\$ 2,903,539,441	\$ 51,826,663	\$ -	\$ 3,262,031,172
Additions	1,042	26,567,909	287,390,332	6,921,986	-	320,881,269
Disposals or retirements	-	(72,173)	(16,176,281)	(890,323)	-	(17,138,777)
Transfers to assets subject to operating leases	-	-	(40,266)	-	-	(40,266)
Impairment	-	-	-	-	790,740	790,740
Effect of exchange rate changes	<u>73,997</u>	<u>1,514,039</u>	<u>8,843,768</u>	<u>292,855</u>	<u>-</u>	<u>10,724,659</u>
Balance at September 30, 2022	<u>\$ 574,865</u>	<u>\$ 334,175,017</u>	<u>\$ 3,183,556,994</u>	<u>\$ 58,151,181</u>	<u>\$ 790,740</u>	<u>\$ 3,577,248,797</u>
Carrying amounts at January 1, 2022	<u>\$ 5,988,404</u>	<u>\$ 270,432,535</u>	<u>\$ 1,081,209,795</u>	<u>\$ 24,327,507</u>	<u>\$ 593,155,733</u>	<u>\$ 1,975,113,974</u>
Carrying amounts at September 30, 2022	<u>\$ 7,060,777</u>	<u>\$ 288,376,266</u>	<u>\$ 1,064,336,872</u>	<u>\$ 23,687,297</u>	<u>\$ 1,028,004,274</u>	<u>\$ 2,411,465,486</u>

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

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

Information about capitalized interest is set out in Note 22.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Land	\$ 38,056,493	\$ 38,525,856	\$ 39,025,511
Buildings	3,163,900	3,356,700	3,290,126
Machinery and equipment	-	2,965	3,298
Office equipment	<u>34,318</u>	<u>28,615</u>	<u>30,808</u>
	<u>\$ 41,254,711</u>	<u>\$ 41,914,136</u>	<u>\$ 42,349,743</u>
		<u>Nine Months Ended September 30</u>	
		2023	2022
Additions to right-of-use assets		<u>\$ 2,006,983</u>	<u>\$ 12,187,065</u>
	<u>Three Months Ended September 30</u>	<u>Nine Months Ended September 30</u>	
	2023	2022	2023
Depreciation of right-of-use assets			
Land	\$ 618,681	\$ 571,074	\$ 1,838,310
Buildings	256,734	247,566	738,607
Machinery and equipment	-	219	369
Office equipment	<u>5,632</u>	<u>5,929</u>	<u>17,663</u>
	<u>\$ 881,047</u>	<u>\$ 824,788</u>	<u>\$ 2,594,949</u>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Current portion (classified under accrued expenses and other current liabilities)	\$ 2,775,196	\$ 2,603,504	\$ 2,564,228
Noncurrent portion	<u>29,415,325</u>	<u>29,764,097</u>	<u>30,182,353</u>
	<u>\$ 32,190,521</u>	<u>\$ 32,367,601</u>	<u>\$ 32,746,581</u>

Ranges of discount rates for lease liabilities are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	0.39%-2.30%	0.39%-2.30%	0.39%-1.89%
Buildings	0.47%-6.52%	0.39%-5.63%	0.39%-3.88%
Machinery and equipment	-	0.71%	0.71%
Office equipment	0.28%-7.13%	0.28%-4.71%	0.28%-3.88%

c. Material terms of right-of-use assets

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

d. Other lease information

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 155,708</u>	<u>\$ 1,181,261</u>	<u>\$ 1,170,143</u>	<u>\$ 3,499,639</u>
			Nine Months Ended September 30	
			2023	2022
Total cash outflow for leases			<u>\$ 4,052,060</u>	<u>\$ 5,421,545</u>

16. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 5,791,821	\$ 25,759,019	\$ 48,675,794	\$ 11,701,892	\$ 91,928,526
Additions	-	401,909	3,575,195	102,337	4,079,441
Disposals or retirements	-	-	(54,677)	-	(54,677)
Effect of exchange rate changes	<u>212,914</u>	<u>2,863</u>	<u>7,445</u>	<u>27,499</u>	<u>250,721</u>
Balance at September 30, 2023	<u>\$ 6,004,735</u>	<u>\$ 26,163,791</u>	<u>\$ 52,203,757</u>	<u>\$ 11,831,728</u>	<u>\$ 96,204,011</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2023	\$ -	\$ 17,696,437	\$ 38,838,394	\$ 9,394,540	\$ 65,929,371
Additions	-	2,105,832	3,923,467	859,025	6,888,324
Disposals or retirements	-	-	(54,677)	-	(54,677)
Effect of exchange rate changes	<u>-</u>	<u>2,863</u>	<u>91</u>	<u>27,470</u>	<u>30,424</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 19,805,132</u>	<u>\$ 42,707,275</u>	<u>\$ 10,281,035</u>	<u>\$ 72,793,442</u>
Carrying amounts at January 1, 2023	<u>\$ 5,791,821</u>	<u>\$ 8,062,582</u>	<u>\$ 9,837,400</u>	<u>\$ 2,307,352</u>	<u>\$ 25,999,155</u>
Carrying amounts at September 30, 2023	<u>\$ 6,004,735</u>	<u>\$ 6,358,659</u>	<u>\$ 9,496,482</u>	<u>\$ 1,550,693</u>	<u>\$ 23,410,569</u>

(Continued)

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
<u>Cost</u>					
Balance at January 1, 2022	\$ 5,379,164	\$ 23,533,959	\$ 43,650,957	\$ 11,497,309	\$ 84,061,389
Additions	-	2,257,739	3,431,703	185,092	5,874,534
Disposals or retirements	-	-	(55,727)	-	(55,727)
Effect of exchange rate changes	<u>555,641</u>	<u>3,329</u>	<u>18,700</u>	<u>2,723</u>	<u>580,393</u>
Balance at September 30, 2022	<u>\$ 5,934,805</u>	<u>\$ 25,795,027</u>	<u>\$ 47,045,633</u>	<u>\$ 11,685,124</u>	<u>\$ 90,460,589</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2022	\$ -	\$ 14,912,293	\$ 34,121,578	\$ 8,205,821	\$ 57,239,692
Additions	-	2,076,582	3,583,345	890,230	6,550,157
Disposals or retirements	-	-	(55,727)	-	(55,727)
Effect of exchange rate changes	-	<u>3,329</u>	<u>15,282</u>	<u>1,304</u>	<u>19,915</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 16,992,204</u>	<u>\$ 37,664,478</u>	<u>\$ 9,097,355</u>	<u>\$ 63,754,037</u>
Carrying amounts at January 1, 2022	<u>\$ 5,379,164</u>	<u>\$ 8,621,666</u>	<u>\$ 9,529,379</u>	<u>\$ 3,291,488</u>	<u>\$ 26,821,697</u>
Carrying amounts at September 30, 2022	<u>\$ 5,934,805</u>	<u>\$ 8,802,823</u>	<u>\$ 9,381,155</u>	<u>\$ 2,587,769</u>	<u>\$ 26,706,552</u>

(Concluded)

The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Company used annual discount rate of 8.7% in its test of impairment as of December 31, 2022 to reflect the relevant specific risk in the cash-generating unit.

17. BONDS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic unsecured bonds	\$ 440,462,000	\$ 379,526,000	\$ 375,832,000
Overseas unsecured bonds	500,355,500	476,051,500	492,373,000
Less: Discounts on bonds payable	(3,090,167)	(3,141,061)	(3,318,529)
Less: Current portion	<u>(5,247,910)</u>	<u>(18,100,000)</u>	<u>(22,500,000)</u>
	<u>\$ 932,479,423</u>	<u>\$ 834,336,439</u>	<u>\$ 842,386,471</u>

The Company issued domestic unsecured bonds for the nine months ended September 30, 2023. The major terms are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
<u>NT\$ unsecured bonds</u>					
112-1 (Green bond)	A	March 2023 to March 2028	\$ 12,200,000	1.54%	Bullet repayment; interest payable annually
	B	March 2023 to March 2030	2,300,000	1.60%	The same as above
	C	March 2023 to March 2033	4,800,000	1.78%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
112-2 (Green bond)	A	May 2023 to May 2028	\$ 13,100,000	1.60%	Bullet repayment; interest payable annually
	B	May 2023 to May 2030	2,300,000	1.65%	The same as above
	C	May 2023 to May 2033	5,300,000	1.82%	The same as above
112-3	A	June 2023 to June 2028	11,400,000	1.60%	The same as above
	B	June 2023 to June 2030	2,600,000	1.65%	The same as above
	C	June 2023 to June 2033	6,000,000	1.80%	The same as above
112-4	A	August 2023 to August 2028	7,300,000	1.60%	The same as above
	B	August 2023 to August 2030	700,000	1.65%	The same as above
	C	August 2023 to August 2033	7,900,000	1.76%	The same as above

(Concluded)

The Company issued domestic unsecured bonds during the period from October 1, 2023 to November 14, 2023. The major terms are as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
<u>NT\$ unsecured bonds</u>					
112-5	A	October 2023 to October 2028	\$ 4,300,000	1.62%	Bullet repayment; interest payable annually
	B	October 2023 to October 2033	5,500,000	1.76%	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

(Continued)

Issuance Period	Total Amount (US\$ in Thousands)	Coupon Rate	Repayment and Interest Payment
April 2021 to April 2026	US\$ 1,100,000	1.25%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
April 2021 to April 2028	900,000	1.75%	The same as above
April 2021 to April 2031	1,500,000	2.25%	The same as above
October 2021 to October 2026	1,250,000	1.75%	The same as above
October 2021 to October 2031	1,250,000	2.50%	The same as above
October 2021 to October 2041	1,000,000	3.125%	The same as above
October 2021 to October 2051	1,000,000	3.25%	The same as above
April 2022 to April 2027	1,000,000	3.875%	The same as above
April 2022 to April 2029	500,000	4.125%	The same as above
April 2022 to April 2032	1,000,000	4.25%	The same as above
April 2022 to April 2052	1,000,000	4.50%	The same as above
July 2022 to July 2027	400,000	4.375%	The same as above
July 2022 to July 2032	600,000	4.625%	The same as above

(Concluded)

18. LONG-TERM BANK LOANS

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured loans	\$ 7,218,889	\$ 6,013,333	\$ 4,010,000
Less: Discounts on government grants	(33,617)	(39,397)	(28,155)
Less: Current portion	<u>(2,172,222)</u>	<u>(1,213,889)</u>	<u>(926,667)</u>
	<u>\$ 5,013,050</u>	<u>\$ 4,760,047</u>	<u>\$ 3,055,178</u>
Loan content			
Annual interest rate	1.15%-1.35%	1.03%-1.23%	0.40%-1.10%
Maturity date	Due by December 2027	Due by December 2027	Due by May 2027

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

19. EQUITY

a. Capital stock

	September 30, 2023	December 31, 2022	September 30, 2022
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>25,932,071</u>	<u>25,930,380</u>	<u>25,930,380</u>
Issued capital	<u>\$ 259,320,710</u>	<u>\$ 259,303,805</u>	<u>\$ 259,303,805</u>

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

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

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

During the first quarter of 2023, TSMC reclaimed 419 thousand employee restricted shares that were unvested. On May 9, 2023, TSMC's Board of Directors resolved to cancel the aforementioned shares. Subsequently, TSMC completed the registration for share cancellation. Refer to Note 26 for information on RSAs.

On May 10, 2022, TSMC's Board of Directors resolved to cancel 1,387 thousand treasury shares. Refer to Note 19 (e) for information.

As of September 30, 2023, TSMC's total issued and outstanding ADSs were 1,063,213 thousand units, representing 5,316,067 thousand common shares.

b. Capital surplus

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

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Additional paid-in capital	\$ 24,406,854	\$ 24,183,645	\$ 24,183,645
From merger	22,803,291	22,803,291	22,803,291
From convertible bonds	8,892,371	8,892,371	8,892,371
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	8,406,282	8,406,282	8,406,282
Donations - donated by shareholders	11,275	11,275	11,275

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>May only be used to offset a deficit</u>			
From share of changes in equities of subsidiaries	\$ 4,210,955	\$ 4,229,892	\$ 4,231,119
From share of changes in equities of associates	310,627	311,863	309,904
Donations - unclaimed dividend	53,680	53,680	40,475
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>783,883</u>	<u>438,029</u>	<u>438,029</u>
	<u>\$ 69,879,218</u>	<u>\$ 69,330,328</u>	<u>\$ 69,316,391</u> (Concluded)

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

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of 2023, 2022 and 2021 quarterly earnings have been approved by TSMC's Board of Directors in its meeting, respectively. The appropriations and cash dividends per share were as follows:

Resolution Date of TSMC's Board of Directors in its meeting	Third Quarter of 2023 November 14, 2023	Second Quarter of 2023 August 8, 2023	First Quarter of 2023 May 9, 2023	
Special capital reserve	<u>\$ (17,228,363)</u>	<u>\$ (6,365,562)</u>	<u>\$ 3,273,452</u>	
Cash dividends to shareholders	<u>\$ 90,762,248</u>	<u>\$ 77,796,213</u>	<u>\$ 77,796,213</u>	
Cash dividends per share (NT\$)	<u>\$ 3.50</u>	<u>\$ 3.00</u>	<u>\$ 3.00</u>	
Resolution Date of TSMC's Board of Directors in its meeting	Fourth Quarter of 2022 February 14, 2023	Third Quarter of 2022 November 8, 2022	Second Quarter of 2022 August 9, 2022	First Quarter of 2022 May 10, 2022
Special capital reserve	<u>\$ 17,166,163</u>	<u>\$ (31,910,353)</u>	<u>\$ (12,002,798)</u>	<u>\$ (15,541,054)</u>
Cash dividends to shareholders	<u>\$ 71,308,546</u>	<u>\$ 71,308,547</u>	<u>\$ 71,308,546</u>	<u>\$ 71,308,546</u>
Cash dividends per share (NT\$)	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>
Resolution Date of TSMC's Board of Directors in its meeting	Fourth Quarter of 2021 February 15, 2022	Third Quarter of 2021 November 9, 2021	Second Quarter of 2021 August 10, 2021	First Quarter of 2021 June 9, 2021
Special capital reserve	<u>\$ 3,304,303</u>	<u>\$ 710,169</u>	<u>\$ 10,201,220</u>	<u>\$ (6,287,050)</u>
Cash dividends to shareholders	<u>\$ 71,308,546</u>	<u>\$ 71,308,547</u>	<u>\$ 71,308,546</u>	<u>\$ 71,308,546</u>
Cash dividends per share (NT\$)	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>	<u>\$ 2.75</u>

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

d. Others

Changes in others were as follows:

	Nine Months Ended September 30, 2023				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (11,743,301)	\$ (10,056,353)	\$ 1,479,181	\$ (185,153)	\$ (20,505,626)
Exchange differences arising on translation of foreign operations	28,675,626	-	-	-	28,675,626
Gain (Loss) on hedging instruments designated as hedges of net investments in foreign operations	1,029,030	-	-	-	1,029,030
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	987,066	-	-	987,066
Debt instruments	-	(1,837,009)	-	-	(1,837,009)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(118,948)	-	-	(118,948)
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	372,631	-	-	372,631
Loss allowance adjustments from debt instruments	-	9,353	-	-	9,353

(Continued)

Nine Months Ended September 30, 2023					
	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	\$ -	\$ -	\$ (15,429)	\$ -	\$ (15,429)
Transferred to initial carrying amount of hedged items	-	-	(44,631)	-	(44,631)
Issuance of shares	-	-	-	(585,968)	(585,968)
Share-based payment expenses recognized	-	-	-	350,386	350,386
Share of other comprehensive income (loss) of associates	237,518	33,858	29,098	-	300,474
Income tax effect	-	(25)	-	-	(25)
Balance, end of period	<u>\$ 18,198,873</u>	<u>\$ (10,609,427)</u>	<u>\$ 1,448,219</u>	<u>\$ (420,735)</u>	<u>\$ 8,616,930</u>

(Concluded)

Nine Months Ended September 30, 2022					
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain (Loss) on Hedging Instruments	Unearned Stock-Based Employee Compensation	Total
Balance, beginning of period	\$ (63,303,361)	\$ 574,310	\$ 120,536	\$ -	\$ (62,608,515)
Exchange differences arising on translation of foreign operations	68,767,824	-	-	-	68,767,824
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	69,040	-	-	69,040
Debt instruments	-	(11,609,864)	-	-	(11,609,864)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(98,209)	-	-	(98,209)
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	346,125	-	-	346,125
Loss allowance adjustments from debt instruments	-	553	-	-	553
Gain (loss) arising on changes in the fair value of hedging instruments	-	-	1,347,573	-	1,347,573
Transferred to initial carrying amount of hedged items	-	-	(43,027)	-	(43,027)
Issuance of shares	-	-	-	(451,899)	(451,899)
Share-based payment expenses recognized	-	-	-	186,722	186,722
Share of other comprehensive income (loss) of associates	591,374	(13,234)	89,752	-	667,892
Income tax effect	-	262	6,036	-	6,298
Balance, end of period	<u>\$ 6,055,837</u>	<u>\$ (10,731,017)</u>	<u>\$ 1,520,870</u>	<u>\$ (265,177)</u>	<u>\$ (3,419,487)</u>

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

e. Treasury stock

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

20. NET REVENUE

a. Disaggregation of revenue from contracts with customers

Product	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Wafer	\$ 473,037,347	\$ 540,209,881	\$1,342,457,631	\$1,454,627,869
Others	<u>73,695,411</u>	<u>72,932,862</u>	<u>193,749,354</u>	<u>183,731,555</u>
	<u>\$ 546,732,758</u>	<u>\$ 613,142,743</u>	<u>\$1,536,206,985</u>	<u>\$1,638,359,424</u>

Geography	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Taiwan	\$ 36,868,992	\$ 51,983,021	\$ 104,596,734	\$ 173,512,993
United States	360,671,111	432,369,098	969,078,250	1,072,532,079
China	67,735,985	48,832,450	200,699,087	171,635,229
Japan	31,507,219	29,592,683	100,697,479	81,396,101
Europe, the Middle East and Africa	24,986,738	31,192,872	92,761,775	87,590,071
Others	<u>24,962,713</u>	<u>19,172,619</u>	<u>68,373,660</u>	<u>51,692,951</u>
	<u>\$ 546,732,758</u>	<u>\$ 613,142,743</u>	<u>\$1,536,206,985</u>	<u>\$1,638,359,424</u>

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

Platform	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
High Performance Computing	\$ 227,816,587	\$ 238,237,286	\$ 667,707,961	\$ 669,423,118
Smartphone	212,001,177	251,069,572	545,740,324	648,625,225
Internet of Things	47,409,811	59,410,567	128,299,154	143,104,893
Automotive	28,338,188	31,203,686	101,636,345	81,976,301
Digital Consumer Electronics	13,570,337	14,900,562	38,157,300	44,625,094
Others	<u>17,596,658</u>	<u>18,321,070</u>	<u>54,665,901</u>	<u>50,604,793</u>
	<u>\$ 546,732,758</u>	<u>\$ 613,142,743</u>	<u>\$1,536,206,985</u>	<u>\$1,638,359,424</u>

Resolution	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
3-nanometer	\$ 28,994,752	\$ -	\$ 29,478,462	\$ -
5-nanometer	173,185,785	148,812,933	440,305,826	335,834,446
7-nanometer	78,277,122	142,152,179	264,307,983	417,396,526
10-nanometer	3,500	4,480	20,401	17,837
16-nanometer	44,470,242	66,299,632	146,737,652	191,645,300
20-nanometer	2,788,643	2,124,614	8,710,398	6,409,003
28-nanometer	47,211,672	52,861,617	146,858,837	149,841,720
40/45-nanometer	29,417,131	37,855,129	91,585,761	108,326,372
65-nanometer	26,323,837	25,338,814	81,748,326	69,063,607
90-nanometer	5,044,479	11,311,235	20,590,275	31,089,564
0.11/0.13 micron	13,072,664	16,732,222	33,590,386	42,810,676
0.15/0.18 micron	20,137,375	29,754,752	64,474,177	82,486,441
0.25 micron and above	<u>4,110,145</u>	<u>6,962,274</u>	<u>14,049,147</u>	<u>19,706,377</u>
Wafer revenue	<u>\$ 473,037,347</u>	<u>\$ 540,209,881</u>	<u>\$1,342,457,631</u>	<u>\$1,454,627,869</u>

b. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Contract liabilities (classified under accrued expenses and other current liabilities)	<u>\$ 50,852,364</u>	<u>\$ 70,806,617</u>	<u>\$ 56,941,335</u>	<u>\$ 39,762,588</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\$5,620,410 thousand and NT\$1,502,974 thousand for the three months ended September 30, 2023 and 2022, respectively; and NT\$69,030,566 thousand and NT\$37,198,089 thousand for the nine months ended September 30, 2023 and 2022, respectively.

c. Temporary receipts from customers

	September 30, 2023	December 31, 2022	September 30, 2022
Current portion (classified under accrued expenses and other current liabilities)	\$ 152,751,076	\$ 107,723,580	\$ 97,843,204
Noncurrent portion (classified under other noncurrent liabilities)	<u>148,913,776</u>	<u>168,399,207</u>	<u>190,225,981</u>
	<u>\$ 301,664,852</u>	<u>\$ 276,122,787</u>	<u>\$ 288,069,185</u>

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

21. INTEREST INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Interest income				
Cash and cash equivalents	\$ 12,607,398	\$ 5,294,717	\$ 35,717,276	\$ 8,960,401
Financial assets at amortized cost	1,844,769	650,010	4,257,022	1,061,539
Financial assets at FVTOCI	<u>1,143,107</u>	<u>670,317</u>	<u>2,910,815</u>	<u>1,812,928</u>
	<u>\$ 15,595,274</u>	<u>\$ 6,615,044</u>	<u>\$ 42,885,113</u>	<u>\$ 11,834,868</u>

22. FINANCE COSTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Interest expense				
Corporate bonds	\$ 4,594,570	\$ 4,051,243	\$ 13,177,497	\$ 9,781,682
Lease liabilities	96,148	85,705	286,653	183,008
Bank loans	24,689	6,882	71,914	21,527
Others	371	328	1,486	503
Less: Capitalized interest under property, plant and equipment	<u>(1,603,856)</u>	<u>(774,140)</u>	<u>(4,456,787)</u>	<u>(1,571,705)</u>
	<u>\$ 3,111,922</u>	<u>\$ 3,370,018</u>	<u>\$ 9,080,763</u>	<u>\$ 8,415,015</u>

Information about capitalized interest is as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Capitalization rate	1.20%-3.36%	0.84%-3.36%	1.08%-3.36%	0.56%-3.36%

23. OTHER GAINS AND LOSSES, NET

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Loss on disposal of financial assets, net				
Investments in debt instruments at FVTOCI	\$ (115,078)	\$ (100,974)	\$ (372,631)	\$ (346,125)
Gain (loss) on financial instruments at FVTPL, net				
Mandatorily measured at FVTPL	1,148,784	4,884,964	3,982,692	(2,537,012)
The accrual of expected credit loss of financial assets				
Investments in debt instruments at FVTOCI	(2,748)	(1,085)	(9,353)	(553)
Financial assets at amortized cost	(18,099)	(9,319)	(31,808)	(32,729)
Other (losses) gains, net	<u>(74,211)</u>	<u>(102,252)</u>	<u>351,001</u>	<u>(82,705)</u>
	<u>\$ 938,648</u>	<u>\$ 4,671,334</u>	<u>\$ 3,919,901</u>	<u>\$ (2,999,124)</u>

24. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Current income tax expense				
Current tax expense recognized in the current period	\$ 33,869,144	\$ 40,291,507	\$ 103,890,142	\$ 103,055,761
Income tax adjustments on prior years	(14,038)	-	(9,698)	(523,244)
Other income tax adjustments	<u>51,012</u>	<u>55,481</u>	<u>166,838</u>	<u>142,285</u>
	<u>33,906,118</u>	<u>40,346,988</u>	<u>104,047,282</u>	<u>102,674,802</u>
Deferred income tax benefit				
The origination and reversal of temporary differences	(2,760,897)	(5,731,478)	(3,563,301)	(15,260,364)
Investment tax credits	-	<u>1,106,950</u>	<u>945,038</u>	<u>1,084,373</u>
	<u>(2,760,897)</u>	<u>(4,624,528)</u>	<u>(2,618,263)</u>	<u>(14,175,991)</u>
Income tax expense recognized in profit or loss	<u>\$ 31,145,221</u>	<u>\$ 35,722,460</u>	<u>\$ 101,429,019</u>	<u>\$ 88,498,811</u>

b. Income tax examination

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

25. EARNINGS PER SHARE

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Basic EPS	<u>\$ 8.14</u>	<u>\$ 10.83</u>	<u>\$ 23.13</u>	<u>\$ 27.79</u>
Diluted EPS	<u>\$ 8.14</u>	<u>\$ 10.83</u>	<u>\$ 23.13</u>	<u>\$ 27.79</u>

EPS is computed as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Basic EPS				
Net income available to common shareholders of the parent	<u>\$ 210,999,939</u>	<u>\$ 280,865,780</u>	<u>\$ 599,785,521</u>	<u>\$ 720,626,072</u>
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	<u>25,929,267</u>	<u>25,928,993</u>	<u>25,929,208</u>	<u>25,929,256</u>
Basic EPS (in dollars)	<u>\$ 8.14</u>	<u>\$ 10.83</u>	<u>\$ 23.13</u>	<u>\$ 27.79</u>

(Continued)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Diluted EPS				
Net income available to common shareholders of the parent	<u>\$ 210,999,939</u>	<u>\$ 280,865,780</u>	<u>\$ 599,785,521</u>	<u>\$ 720,626,072</u>
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	25,929,267	25,928,993	25,929,208	25,929,256
Effects of all dilutive potential common shares (in thousands)	<u>91</u>	<u>172</u>	<u>130</u>	<u>137</u>
Weighted average number of common shares used in the computation of diluted EPS (in thousands)	<u>25,929,358</u>	<u>25,929,165</u>	<u>25,929,338</u>	<u>25,929,393</u>
Diluted EPS (in dollars)	<u>\$ 8.14</u>	<u>\$ 10.83</u>	<u>\$ 23.13</u>	<u>\$ 27.79</u>
				(Concluded)

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment-RSAs

The RSAs in each year are as follows:

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

Vesting conditions of the aforementioned arrangement are as follow:

- 1) The RSAs granted to eligible employees can only be vested if
 - the employee remains employed by the Company on the last date of each vesting period;
 - during the vesting period, the employee may not breach any agreement with the Company or violate the Company's work rules; and
 - certain employee performance metrics and TSMC's business performance metrics are met.
- 2) The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 50%; two-year anniversary of the grant: 25%; and three-year anniversary of the grant: 25%; provided that the actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of TSMC's business performance metrics.
- 3) For eligible executive officers of TSMC: The maximum number of RSAs that may be vested in each year will be set as 110%, among which 100% will be subject to a calculation based on TSMC's

relative Total Shareholder Return ("TSR", including capital gains and dividends) achievement to determine the number of RSAs to be vested; this number will be further subject to a modifier to increase or decrease up to 10% based on the Compensation and People Development Committee's evaluation of TSMC's Environmental, Social, and Governance ("ESG") achievements. The number of shares so calculated should be rounded down to the nearest integral.

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

4) Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:

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

5) Details of granted RSAs in each year are as follows:

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

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

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

Refer to Note 27 for the compensation costs of the RSAs recognized by TSMC.

The issuance of RSAs for year 2023 of no more than 6,249 thousand common shares has been approved by TSMC's shareholders' meeting held on June 6, 2023. The grants will be made free of charge.

b. Cash-settled share-based payment arrangements

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

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

Note: One unit of the right represents a right to the market value of one TSMC's common share when vested.

The vesting conditions and the ratio of units to be vested for key management personnel of the plan are the same as the aforementioned RSAs.

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

	Nine Months Ended September 30		
	2023		2022
	2022 Plan	2021 Plan	2021 Plan
Stock price at measurement date (in dollars)	\$ 522	\$ 522	\$ 476.5
Expected price volatility	25.20%-26.65%	25.20%-26.65%	26.72%-30.73%
Residual life	1-3 years	1-2 years	1-3 years
Risk-free interest rate	1.08%	1.05%	1.18%

Refer to Note 27 for the compensation costs of the cash-settled share-based payment recognized by TSMC. As of September 30, 2023, December 31, 2022 and September 30, 2022, the liabilities under cash-settled share-based payment arrangement amounted to NT\$50,222 thousand, NT\$30,757 thousand and NT\$23,537 thousand, respectively.

27. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
a. Depreciation of property, plant and equipment and right-of-use assets				
Recognized in cost of revenue	\$ 137,203,831	\$ 95,904,327	\$ 352,150,676	\$ 301,364,537
Recognized in operating expenses	7,722,319	7,239,604	22,499,522	21,752,204
Recognized in other operating income and expenses	<u>680</u>	<u>3,288</u>	<u>3,969</u>	<u>5,478</u>
	<u>\$ 144,926,830</u>	<u>\$ 103,147,219</u>	<u>\$ 374,654,167</u>	<u>\$ 323,122,219</u>

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
b. Amortization of intangible assets				
Recognized in cost of revenue	\$ 1,672,325	\$ 1,536,479	\$ 4,859,139	\$ 4,548,103
Recognized in operating expenses	<u>681,007</u>	<u>661,968</u>	<u>2,029,185</u>	<u>2,002,054</u>
	<u>\$ 2,353,332</u>	<u>\$ 2,198,447</u>	<u>\$ 6,888,324</u>	<u>\$ 6,550,157</u>
c. Employee benefits expenses				
Post-employment benefits				
Defined contribution plans	\$ 1,355,745	\$ 1,194,939	\$ 3,980,104	\$ 3,342,703
Defined benefit plans	<u>70,335</u>	<u>52,626</u>	<u>211,018</u>	<u>157,187</u>
	<u>1,426,080</u>	<u>1,247,565</u>	<u>4,191,122</u>	<u>3,499,890</u>
Share-based payments				
Equity-settled	127,349	80,290	355,701	222,091
Cash-settled	<u>9,124</u>	<u>7,536</u>	<u>47,303</u>	<u>24,835</u>
	<u>136,473</u>	<u>87,826</u>	<u>403,004</u>	<u>246,926</u>
Other employee benefits	<u>58,704,130</u>	<u>63,077,715</u>	<u>169,792,271</u>	<u>168,008,855</u>
	<u>\$ 60,266,683</u>	<u>\$ 64,413,106</u>	<u>\$ 174,386,397</u>	<u>\$ 171,755,671</u>
Employee benefits expense summarized by function				
Recognized in cost of revenue	\$ 33,519,721	\$ 37,344,903	\$ 98,158,663	\$ 100,859,986
Recognized in operating expenses	<u>26,746,962</u>	<u>27,068,203</u>	<u>76,227,734</u>	<u>70,895,685</u>
	<u>\$ 60,266,683</u>	<u>\$ 64,413,106</u>	<u>\$ 174,386,397</u>	<u>\$ 171,755,671</u>

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Profit sharing bonus to employees	<u>\$ 12,607,089</u>	<u>\$ 16,771,157</u>	<u>\$ 35,832,625</u>	<u>\$ 43,031,392</u>

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

	Years Ended December 31	
	2022	2021
Resolution Date of TSMC's Board of Directors in its meeting	February 14, 2023	February 15, 2022
Profit sharing bonus to employees	<u>\$ 60,702,047</u>	<u>\$ 35,601,449</u>
Compensation to directors	<u>\$ 690,128</u>	<u>\$ 487,537</u>

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

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

28. GOVERNMENT GRANTS

Subsidiaries such as JASM and TSMC Nanjing received subsidies from the governments of Japan and China, respectively, for local plants setup and operation, which were mainly used to subsidize the purchase costs of property, plant and equipment as well as partial costs and expenses incurred from plant construction and production. For the nine months ended September 30, 2023 and 2022, the Company received a total of NT\$20,757,802 thousand and NT\$463,696 thousand as government grants, respectively.

29. CASH FLOW INFORMATION

a. Non-cash transactions

	Nine Months Ended September 30	
	2023	2022
Additions of financial assets at FVTOCI	\$ 56,055,303	\$ 40,812,439
Conversion of convertible bonds into equity securities	(145,144)	-
Changes in accrued expenses and other current liabilities	(1,077,537)	8,458,351
Changes in other financial assets	<u>-</u>	<u>(1,217)</u>
Payments for acquisition of financial assets at FVTOCI	<u>\$ 54,832,622</u>	<u>\$ 49,269,573</u>
Disposal of financial assets at FVTOCI	\$ 28,988,810	\$ 38,683,380
Changes in other financial assets	<u>(184,044)</u>	<u>2,538,030</u>
Proceeds from disposal of financial assets at FVTOCI	<u>\$ 28,804,766</u>	<u>\$ 41,221,410</u>
Additions of property, plant and equipment	\$ 796,779,912	\$ 747,936,092
Changes in other financial assets	44,432	5,599,717
Exchange of assets	(59,387)	-
Changes in payables to contractors and equipment suppliers	(12,887,052)	(6,733,136)
Changes in accrued expenses and other current liabilities	195,589	596,789
Transferred to initial carrying amount of hedged items	39,898	-
Capitalized interests	<u>(4,456,787)</u>	<u>(1,571,705)</u>
Payments for acquisition of property, plant and equipment	<u>\$ 779,656,605</u>	<u>\$ 745,827,757</u>

b. Reconciliation of liabilities arising from financing activities

	Balance as of January 1, 2023	Financing Cash Flow	Non-cash Changes			Balance as of September 30, 2023
			Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	
Hedging financial liabilities- bank loans	\$ -	\$ 27,908,580	\$ (1,029,030)	\$ -	\$ -	\$ 26,879,550
Bonds payable	852,436,439	57,721,552	27,301,588	-	267,754	937,727,333
Long-term bank loans	5,973,936	1,205,556	-	-	5,780	7,185,272
Lease liabilities	<u>32,367,601</u>	<u>(2,411,870)</u>	<u>28,970</u>	<u>1,919,167</u>	<u>286,653</u>	<u>32,190,521</u>
Total	<u>\$ 890,777,976</u>	<u>\$ 84,423,818</u>	<u>\$ 26,301,528</u>	<u>\$ 1,919,167</u>	<u>\$ 560,187</u>	<u>\$ 1,003,982,676</u>

	Balance as of January 1, 2022	Financing Cash Flow	Non-cash Changes			Balance as of September 30, 2022
			Foreign Exchange Movement	Leases Modifications	Other Changes (Note)	
Short-term loans	\$ 114,921,333	\$ (111,959,992)	\$ (2,372,053)	\$ -	\$ (589,288)	\$ -
Bonds payable	614,470,652	187,690,399	62,510,018	-	215,402	864,886,471
Long-term bank loans	3,475,798	500,000	-	-	6,047	3,981,845
Lease liabilities	<u>22,940,665</u>	<u>(1,941,321)</u>	<u>147,704</u>	<u>11,416,525</u>	<u>183,008</u>	<u>32,746,581</u>
Total	<u>\$ 755,808,448</u>	<u>\$ 74,289,086</u>	<u>\$ 60,285,669</u>	<u>\$ 11,416,525</u>	<u>\$ (184,831)</u>	<u>\$ 901,614,897</u>

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

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets			
FVTPL (Note 1)	\$ 490,163	\$ 1,070,398	\$ 4,705,434
FVTOCI (Note 2)	167,303,596	136,483,349	139,040,137
Hedging financial assets	37,451	2,329	88,431
Amortized cost (Note 3)	<u>1,729,394,612</u>	<u>1,727,306,556</u>	<u>1,695,094,039</u>
	<u>\$1,897,225,822</u>	<u>\$1,864,862,632</u>	<u>\$1,838,928,041</u>
Financial liabilities			
FVTPL (Note 4)	\$ 132,768	\$ 116,215	\$ 611,010
Hedging financial liabilities	26,879,550	813	-
Amortized cost (Note 5)	<u>1,820,363,905</u>	<u>1,669,270,659</u>	<u>1,635,913,770</u>
	<u>\$1,847,376,223</u>	<u>\$1,669,387,687</u>	<u>\$1,636,524,780</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, refundable deposits and temporary payments (including those classified under other current assets and other noncurrent assets).

Note 4: Held for trading.

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

b. Financial risk management objectives

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

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

c. Market risk

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

Foreign currency risk

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

Based on a sensitivity analysis performed on the Company's total monetary assets and liabilities for the nine months ended September 30, 2023 and 2022, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT\$362,316 thousand and NT\$697,072 thousand respectively, after taking into account hedges and offsetting positions.

Interest rate risk

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

The majority of the Company's fixed income investments are fixed-rate securities, which are classified as financial assets at FVTOCI and amortized cost. Those classified as FVTOCI may have their fair value adversely affected due to an increase in interest rates, but for those classified as amortized cost, their carrying amount will not be affected by changes in interest rates. At the same time, if interest rates fall, cash and cash equivalents may generate less interest income than expected. The Company has entered and may in the future enter into interest rate derivatives to partially hedge the interest rate risk on its fixed income investments and anticipated debt issuance. However, these hedges can offset only a limited portion of the financial impact from movements in interest rates.

Based on a sensitivity analysis performed on the Company's fixed income investments at the end of the reporting period, interest rates increase of 100 basis points (1.00%) across all maturities would have decreased the Company's other comprehensive income by NT\$3,887,322 thousand and NT\$4,065,956 thousand for the nine months ended September 30, 2023 and 2022, respectively.

The majority of the Company's debt is fixed-rate and measured at amortized cost and as such, changes in interest rates would not affect future cash flows or the carrying amount.

Other price risk

The Company is exposed to 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 nine months ended September 30, 2023 and 2022, the other comprehensive income would have decreased by NT\$925,125 thousand and NT\$692,880 thousand, respectively.

d. Credit risk management

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

Business related credit risk

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

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's ten largest customers accounted for 85%, 82% and 82% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

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

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

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

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

For the nine months ended September 30, 2023 and 2022, the expected credit loss increased NT\$46,881 thousand and NT\$41,636 thousand, respectively. The changes were mainly due to increased investment amount and adjusted investment portfolio.

e. Liquidity risk management

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

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

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>September 30, 2023</u>					
<u>Non-derivative financial liabilities</u>					
Hedging financial liabilities-bank loans	\$ 26,879,864	\$ -	\$ -	\$ -	\$ 26,879,864
Accounts payable (including related parties)	53,772,306	-	-	-	53,772,306
Payables to contractors and equipment suppliers	230,848,866	-	-	-	230,848,866
Accrued expenses and other current liabilities	272,295,549	-	-	-	272,295,549
Bonds payable	23,690,820	169,555,796	358,616,332	613,998,069	1,165,861,017
Long-term bank loans	2,254,821	4,331,666	794,526	-	7,381,013
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	3,135,408	5,381,609	4,733,050	22,344,257	35,594,324
Others	-	143,468,212	15,847,107	2,496,129	161,811,448
	<u>612,877,634</u>	<u>322,737,283</u>	<u>379,991,015</u>	<u>638,838,455</u>	<u>1,954,444,387</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	13,751,704	-	-	-	13,751,704
Inflows	(13,763,851)	-	-	-	(13,763,851)
	<u>(12,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,147)</u>
	<u>\$ 612,865,487</u>	<u>\$ 322,737,283</u>	<u>\$ 379,991,015</u>	<u>\$ 638,838,455</u>	<u>\$ 1,954,432,240</u>

(Continued)

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
<u>December 31, 2022</u>					
<u>Non-derivative financial liabilities</u>					
Accounts payable (including related parties)	\$ 56,522,345	\$ -	\$ -	\$ -	\$ 56,522,345
Payables to contractors and equipment suppliers	213,499,613	-	-	-	213,499,613
Accrued expenses and other current liabilities	219,587,908	-	-	-	219,587,908
Bonds payable	34,668,909	94,869,159	320,211,460	625,049,539	1,074,799,067
Long-term bank loans	1,278,130	3,533,152	1,360,549	-	6,171,831
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,999,840	5,367,809	4,754,007	22,589,117	35,710,773
Others	-	166,266,718	10,518,481	783,182	177,568,381
	<u>528,556,745</u>	<u>270,036,838</u>	<u>336,844,497</u>	<u>648,421,838</u>	<u>1,783,859,918</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	103,617,399	-	-	-	103,617,399
Inflows	(104,600,085)	-	-	-	(104,600,085)
	<u>(982,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(982,686)</u>
	<u>\$ 527,574,059</u>	<u>\$ 270,036,838</u>	<u>\$ 336,844,497</u>	<u>\$ 648,421,838</u>	<u>\$ 1,782,877,232</u>
<u>September 30, 2022</u>					
<u>Non-derivative financial liabilities</u>					
Accounts payable (including related parties)	\$ 62,018,224	\$ -	\$ -	\$ -	\$ 62,018,224
Payables to contractors and equipment suppliers	159,780,369	-	-	-	159,780,369
Accrued expenses and other current liabilities	206,908,541	-	-	-	206,908,541
Bonds payable	39,450,837	94,867,341	314,685,674	648,515,423	1,097,519,275
Long-term bank loans	963,041	2,601,517	524,867	-	4,089,425
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	2,946,938	5,278,010	4,749,791	23,213,612	36,188,351
Others	-	191,095,118	3,581,616	-	194,676,734
	<u>472,067,950</u>	<u>293,841,986</u>	<u>323,541,948</u>	<u>671,729,035</u>	<u>1,761,180,919</u>
<u>Derivative financial instruments</u>					
Forward exchange contracts					
Outflows	170,881,226	-	-	-	170,881,226
Inflows	(175,119,667)	-	-	-	(175,119,667)
	<u>(4,238,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,238,441)</u>
	<u>\$ 467,829,509</u>	<u>\$ 293,841,986</u>	<u>\$ 323,541,948</u>	<u>\$ 671,729,035</u>	<u>\$ 1,756,942,478</u>
					(Concluded)

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

	5-10 Years	10-15 Years	15-20 Years	More Than 20 Years	Total
<u>September 30, 2023</u>					
Lease liabilities	<u>\$ 10,347,093</u>	<u>\$ 7,277,535</u>	<u>\$ 4,244,674</u>	<u>\$ 474,955</u>	<u>\$ 22,344,257</u>
<u>December 31, 2022</u>					
Lease liabilities	<u>\$ 10,241,734</u>	<u>\$ 7,329,012</u>	<u>\$ 4,233,886</u>	<u>\$ 784,485</u>	<u>\$ 22,589,117</u>
<u>September 30, 2022</u>					
Lease liabilities	<u>\$ 10,373,309</u>	<u>\$ 7,513,470</u>	<u>\$ 4,390,162</u>	<u>\$ 936,671</u>	<u>\$ 23,213,612</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:

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Convertible bonds	\$ -	\$ -	\$ 231,022	\$ 231,022
Forward exchange contracts	-	147,504	-	147,504
Mutual funds	-	-	111,637	111,637
	<u>\$ -</u>	<u>\$ 147,504</u>	<u>\$ 342,659</u>	<u>\$ 490,163</u>
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 80,389,109	\$ -	\$ 80,389,109
Agency mortgage-backed securities	-	36,337,585	-	36,337,585
Government bonds/Agency bonds	23,706,398	355,446	-	24,061,844
Asset-backed securities	-	10,419,593	-	10,419,593
Investments in equity instruments				
Non-publicly traded equity investments	-	-	7,933,799	7,933,799
Publicly traded stocks	3,630,259	-	-	3,630,259
Notes and accounts receivable, net	-	4,531,407	-	4,531,407
	<u>\$ 27,336,657</u>	<u>\$ 132,033,140</u>	<u>\$ 7,933,799</u>	<u>\$ 167,303,596</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 37,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,451</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 132,768</u>	<u>\$ -</u>	<u>\$ 132,768</u>

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	\$ -	\$ 947,546	\$ -	\$ 947,546
Convertible bonds	-	-	122,852	122,852
	<u>\$ -</u>	<u>\$ 947,546</u>	<u>\$ 122,852</u>	<u>\$ 1,070,398</u>
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 66,116,166	\$ -	\$ 66,116,166
Agency mortgage-backed securities	-	28,367,926	-	28,367,926
Government bonds/Agency bonds	18,845,577	116,311	-	18,961,888
Asset-backed securities	-	9,274,697	-	9,274,697
Investments in equity instruments				
Non-publicly traded equity investments	-	-	6,159,200	6,159,200
Publicly traded stocks	277,866	-	-	277,866
Notes and accounts receivable, net	-	7,325,606	-	7,325,606
	<u>\$ 19,123,443</u>	<u>\$ 111,200,706</u>	<u>\$ 6,159,200</u>	<u>\$ 136,483,349</u>
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 2,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,329</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 116,215</u>	<u>\$ -</u>	<u>\$ 116,215</u>
<u>Hedging financial liabilities</u>				
Fair value hedges				
Interest rate futures contracts	<u>\$ 813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 813</u>
	September 30, 2022			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mandatorily measured at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 4,705,434</u>	<u>\$ -</u>	<u>\$ 4,705,434</u>
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Corporate bonds	\$ -	\$ 66,420,737	\$ -	\$ 66,420,737
Agency mortgage-backed securities	-	29,680,882	-	29,713,881
Government bonds/Agency bonds	20,139,588	120,093	-	20,226,682
Asset-backed securities	-	9,580,806	-	9,580,806
Investments in equity instruments				
Non-publicly traded equity investments	-	-	6,784,978	6,784,978
Publicly traded stocks	267,316	-	-	267,316
Notes and accounts receivable, net	-	6,045,737	-	6,045,737
	<u>\$ 20,406,904</u>	<u>\$ 111,848,255</u>	<u>\$ 6,784,978</u>	<u>\$ 139,040,137</u>

(Continued)

	September 30, 2022			
	Level 1	Level 2	Level 3	Total
<u>Hedging financial assets</u>				
Fair value hedges				
Interest rate futures contracts	\$ <u>88,431</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>88,431</u>
<u>Financial liabilities at FVTPL</u>				
Held for trading				
Forward exchange contracts	\$ <u>-</u>	\$ <u>611,010</u>	\$ <u>-</u>	\$ <u>611,010</u> (Concluded)

Reconciliation of Level 3 fair value measurements of financial assets

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI and financial assets at FVTPL. Reconciliations for the nine months ended September 30, 2023 and 2022 are as follows:

	Nine Months Ended September 30	
	2023	2022
Balance, beginning of period	\$ 6,282,052	\$ 5,887,892
Additions	1,034,748	315,772
Recognized in profit or loss	27,022	-
Recognized in other comprehensive income or loss	695,099	(11,606)
Disposals and proceeds from return of capital of investments	(117,897)	-
Transfers out of level 3 (Note)	-	(139,770)
Effect of exchange rate changes	<u>355,434</u>	<u>732,690</u>
Balance, end of period	<u>\$ 8,276,458</u>	<u>\$ 6,784,978</u>

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

Valuation techniques and assumptions used in Level 2 fair value measurement

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

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

Valuation techniques and assumptions used in Level 3 fair value measurement

The fair values of non-publicly traded equity investments (excluding those trading on the Emerging Stock Board) and mutual funds 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 September 30, 2023, December 31, 2022 and September 30, 2022, the Company uses unobservable inputs derived from discount for lack of marketability of 10%. When other inputs remain equal, the fair value will decrease by NT\$59,572 thousand, NT\$48,704 thousand and NT\$56,247 thousand, respectively, if discounts for lack of marketability increase by 1%.

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

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

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

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

Fair value hierarchy

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

	September 30, 2023			
	Carrying Amount	Fair Value		Total
		Level 1	Level 2	
<u>Financial assets</u>				
Financial assets at amortized costs				
Corporate bonds	\$ 126,195,790	\$ -	\$ 124,215,176	\$ 124,215,176
Commercial paper	22,147,473	-	22,166,534	22,166,534
Government bonds/Agency bonds	<u>15,297,477</u>	<u>2,787,162</u>	<u>12,327,040</u>	<u>15,114,202</u>
	<u>\$ 163,640,740</u>	<u>\$ 2,787,162</u>	<u>\$ 158,708,750</u>	<u>\$ 161,495,912</u>
<u>Financial liabilities</u>				
Financial liabilities at amortized costs				
Bonds payable	<u>\$ 937,727,333</u>	<u>\$ -</u>	<u>\$ 829,219,281</u>	<u>\$ 829,219,281</u>
December 31, 2022				
	Carrying Amount	Fair Value		Total
		Level 1	Level 2	
<u>Financial assets</u>				
Financial assets at amortized costs				
Corporate bonds	\$ 80,994,958	\$ -	\$ 80,236,142	\$ 80,236,142
Commercial paper	<u>48,732,476</u>	<u>-</u>	<u>48,882,028</u>	<u>48,882,028</u>
	<u>\$ 129,727,434</u>	<u>\$ -</u>	<u>\$ 129,118,170</u>	<u>\$ 129,118,170</u>
<u>Financial liabilities</u>				
Financial liabilities at amortized costs				
Bonds payable	<u>\$ 852,436,439</u>	<u>\$ -</u>	<u>\$ 765,301,535</u>	<u>\$ 765,301,535</u>

	September 30, 2022			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Total
<u>Financial assets</u>				
Financial assets at amortized costs				
Corporate bonds	\$ 70,800,817	\$ -	\$ 69,466,149	\$ 69,466,149
Commercial paper	43,404,235	-	43,517,466	43,517,466
	<u>\$ 114,205,052</u>	<u>\$ -</u>	<u>\$ 112,983,615</u>	<u>\$ 112,983,615</u>
<u>Financial liabilities</u>				
Financial liabilities at amortized costs				
Bonds payable	\$ 864,886,471	\$ -	\$ 765,664,981	\$ 765,664,981

Valuation techniques and assumptions used in Level 2 fair value measurement

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

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

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

Related Party Name	Related Party Categories
GUC	Associates
VIS	Associates
SSMC	Associates
Xintec	Associates
TSMC Education and Culture Foundation	Other related parties

b. Net revenue

		Three Months Ended September 30		Nine Months Ended September 30	
		2023	2022	2023	2022
<u>Item</u>	<u>Related Party Categories</u>				
Net revenue from sale of goods	Associates	\$ 2,707,687	\$ 3,392,845	\$ 9,934,126	\$ 9,363,166

c. Purchases

		Three Months Ended September 30		Nine Months Ended September 30	
		2023	2022	2023	2022
	<u>Related Party Categories</u>				
Associates		\$ 922,561	\$ 1,699,804	\$ 3,303,946	\$ 4,797,872

d. Receivables from related parties

		September 30, 2023	December 31, 2022	September 30, 2022
<u>Item</u>	<u>Related Party Name</u>			
Receivables from related parties	GUC	\$ 199,068	\$ 1,471,351	\$ 934,086
	Xintec	<u>157,189</u>	<u>112,607</u>	<u>157,088</u>
		<u>\$ 356,257</u>	<u>\$ 1,583,958</u>	<u>\$ 1,091,174</u>
Other receivables from related parties	SSMC	\$ 60,333	\$ 68,277	\$ 70,674
	VIS	22,030	669	5,469
	Others	<u>-</u>	<u>29</u>	<u>-</u>
		<u>\$ 82,363</u>	<u>\$ 68,975</u>	<u>\$ 76,143</u>

e. Payables to related parties

		September 30, 2023	December 31, 2022	September 30, 2022
<u>Item</u>	<u>Related Party Name</u>			
Payables to related parties	Xintec	\$ 1,186,773	\$ 1,047,452	\$ 1,181,914
	SSMC	295,730	385,979	527,944
	VIS	47,914	190,587	141,586
	Others	<u>91,006</u>	<u>18,619</u>	<u>19,375</u>
		<u>\$ 1,621,423</u>	<u>\$ 1,642,637</u>	<u>\$ 1,870,819</u>

f. Accrued expenses and other current liabilities

		September 30, 2023	December 31, 2022	September 30, 2022
<u>Item</u>	<u>Related Party Categories</u>			
Contract liabilities	Associates	<u>\$ 1,210,736</u>	<u>\$ 1,075,659</u>	<u>\$ 837,482</u>

g. Others

		<u>Three Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
		2023	2022	2023	2022
<u>Item</u>	<u>Related Party Categories</u>				
Manufacturing expenses	Associates	<u>\$ 1,536,508</u>	<u>\$ 1,624,663</u>	<u>\$ 3,454,397</u>	<u>\$ 4,489,117</u>

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

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

h. Compensation of key management personnel

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 817,111	\$ 1,138,271	\$ 2,454,401	\$ 3,122,981
Post-employment benefits	1,049	698	2,965	2,373
Share-based payments	<u>134,066</u>	<u>82,887</u>	<u>386,838</u>	<u>203,008</u>
	<u>\$ 952,226</u>	<u>\$ 1,221,856</u>	<u>\$ 2,844,204</u>	<u>\$ 3,328,362</u>

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

32. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building lease agreements. As of September 30, 2023, December 31, 2022 and September 30, 2022, the aforementioned other financial assets amounted to NT\$128,861 thousand, NT\$129,138 thousand and NT\$131,995 thousand, respectively.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. Under a technical cooperation agreement with Industrial Technology Research Institute, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC's capacity provided TSMC's outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. As of the end of reporting period, the R.O.C. Government did not invoke such right.
- b. Under a Shareholders Agreement entered into with Philips and EDB Investments Pte Ltd. on March 30, 1999, the parties formed a joint venture company, SSMC, which is an integrated circuit foundry in Singapore. TSMC's equity interest in SSMC was 32%. Nevertheless, in September 2006, Philips spun-off its semiconductor subsidiary which was renamed as NXP B.V. Further, TSMC and NXP B.V. purchased all the SSMC shares owned by EDB Investments Pte Ltd. pro rata according to the Shareholders Agreement on November 15, 2006. After the purchase, TSMC and NXP B.V. currently own approximately 39% and 61% of the SSMC shares, respectively. TSMC and NXP B.V. are required, in the aggregate, to purchase at least 70% of SSMC's capacity, but TSMC alone is not required to purchase more than 28% of the capacity. If any party defaults on the commitment and the capacity utilization of SSMC falls below a specific percentage of its capacity, the defaulting party is required to compensate SSMC for all related unavoidable costs. There was no default from the aforementioned commitment as of the end of reporting period.
- c. In September 2022, Daedalus Prime LLC ("Daedalus") filed complaints in the U.S. International Trade Commission ("ITC") and the U.S. District Court for the Eastern District of Texas alleging that TSMC, TSMC North America, and other companies infringe four U.S. patents. The ITC instituted an investigation in October 2022. In June 2023, Daedalus dropped two of the asserted patents in the ITC.

Also in June 2023, Daedalus filed another complaint in the Eastern District of Texas alleging that TSMC infringes five U.S. patents. In September 2023, the ITC granted the parties' joint motion to suspend the procedural schedule while the parties finalize the settlement agreement and then request termination of the ITC Investigation and related litigations. In October 2023, the parties jointly requested the ITC to terminate the investigation and Eastern District of Texas to dismiss the related litigations. The related litigations in the Eastern District of Texas have been dismissed.

- d. TSMC entered into long-term purchase agreements of materials and supplies and agreements of waste disposal with multiple suppliers. The relative minimum fulfillment quantity and price are specified in the agreements.
- e. TSMC entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.
- f. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.
- g. Amounts available under unused letters of credit as of September 30, 2023, December 31, 2022 and September 30, 2022 were NT\$391,084 thousand, NT\$383,974 thousand and NT\$238,309 thousand, respectively.
- h. The Company entrusted financial institutions to provide performance guarantees mainly for import and export of goods, lease agreement and energy purchase agreement. As of September 30, 2023, December 31, 2022 and September 30, 2022, the aforementioned guarantee amounted to NT\$8,064,025 thousand, NT\$7,623,262 thousand, and NT\$7,603,958 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>September 30, 2023</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 14,024,503	32.281	\$ 452,724,972
EUR	284,709	33.989	9,676,990
EUR	172,497	1.053(Note 2)	5,863,012
JPY	63,541,086	0.2159	13,718,520
<u>Financial liabilities</u>			
Monetary items			
USD	14,086,103	32.281	454,713,480
EUR	436,807	33.989	14,846,641
EUR	165,914	1.053(Note 2)	5,639,262
JPY	188,152,004	0.2159	40,622,018

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
<u>December 31, 2022</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,214,896	30.713	\$ 467,295,097
EUR	8,375	32.838	275,006
EUR	29,161	7.432(Note 3)	957,587
JPY	133,034,271	0.2331	31,010,288
<u>Financial liabilities</u>			
Monetary items			
USD	15,190,659	30.713	466,550,704
EUR	2,375,378	32.838	78,002,647
JPY	134,608,488	0.2331	31,377,239
<u>September 30, 2022</u>			
<u>Financial assets</u>			
Monetary items			
USD	12,210,697	31.766	387,884,990
USD	712,465	7.093(Note 4)	22,632,159
EUR	1,546	31.121	48,100
EUR	20,774	6.949(Note 3)	646,523
JPY	93,019,566	0.2202	20,482,908
JPY	6,683,505	0.0492(Note 5)	1,471,708
<u>Financial liabilities</u>			
Monetary items			
USD	14,953,889	31.766	475,025,231
EUR	1,180,147	31.121	36,727,345
JPY	93,842,663	0.2202	20,664,154
JPY	6,697,526	0.0492(Note 5)	1,474,795
			(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 one U.S. dollar for which one Euro could be exchanged.

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

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

Note 5: The exchange rate represents the number of RMB for which one Japanese yen could be exchanged.

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the three months and the nine months ended September 30, 2023 and 2022, respectively. Since there were varieties of foreign currency transactions and functional currencies within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(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		
0	TSMC	TSMC Arizona	Other receivables from related parties	Yes	\$ 96,843,000 (US\$ 3,000,000)	\$ 96,843,000 (US\$ 3,000,000)	\$ -	-	The need for short-term financing	\$ -	Capacity installation and working capital	\$ -	-	\$ -	\$ 334,834,966	\$ 669,669,931
1	TSMC China	TSMC Nanjing	Other receivables from related parties	Yes	76,035,870 (RMB 8,800,000)& (US\$ 1,150,000)	53,439,170 (RMB 8,800,000)& (US\$ 450,000)	38,912,720 (RMB 8,800,000)	1.30%-1.50%	The need for short-term and long-term financing	-	Operating capital	-	-	-	94,962,438	94,962,438

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

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2)	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Amount Actually Drawn (US\$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	TSMC	TSMC North America	Subsidiary	\$ 1,339,339,863	\$ 2,686,209 (US\$ 83,213)	\$ 2,686,209 (US\$ 83,213)	\$ 2,686,209 (US\$ 83,213)	\$ -	0.08%	\$ 1,339,339,863	Yes	No	No
		TSMC Global	Subsidiary	1,339,339,863	242,107,500 (US\$ 7,500,000)	242,107,500 (US\$ 7,500,000)	242,107,500 (US\$ 7,500,000)	-	7.23%	1,339,339,863	Yes	No	No
		TSMC Arizona	Subsidiary	1,339,339,863	388,418,550 (US\$ 12,032,420)	388,418,550 (US\$ 12,032,420)	259,294,550 (US\$ 8,032,420)	-	11.60%	1,339,339,863	Yes	No	No
		TSMC Development	Subsidiary	1,339,339,863	13,971,217 (US\$ 432,800)	13,971,217 (US\$ 432,800)	13,971,055 (US\$ 432,795)	-	0.42%	1,339,339,863	Yes	No	No
1	TSMC Japan	TSMC JDC	The same parent company	325,873	284,988 (JPY 1,320,000)	284,988 (JPY 1,320,000)	284,988 (JPY 1,320,000)	-	0.01%	325,873	No	No	No

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

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2023

(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	September 30, 2023				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>							
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	Financial assets at fair value through other comprehensive income	10,500	\$ 438,648	7	\$ 438,648	
	United Industrial Gases Co., Ltd.	-	"	21,230	435,139	10	435,139	
	Global Investment Holding Inc.	-	"	10,442	102,595	6	102,595	
	Crimson Asia Capital	-	"	-	-	1	-	
	<u>Commercial paper</u>							
	Nan Ya Plastics Corporation	-	Financial assets at amortized cost	850	8,479,423	N/A	8,487,558	
	Cathay Financial Holding Co., Ltd.	-	"	620	6,184,269	N/A	6,190,369	
	Formosa Chemicals & Fibre Corporation	-	"	500	4,987,514	N/A	4,992,430	
	Taiwan Power Company	-	"	200	1,996,620	N/A	1,996,514	
CPC Corporation, Taiwan	-	"	50	499,647	N/A	499,663		
TSMC Partners	<u>Fund</u>							
	Matter Venture Partners Fund I, L.P.	-	Financial assets at fair value through Profit or Loss	-	US\$ 3,458	9	US\$ 3,458	
	<u>Non-publicly traded equity investments</u>							
	Shanghai Walden Venture Capital Enterprise	-	Financial assets at fair value through other comprehensive income	-	US\$ 32,792	6	US\$ 32,792	
	Walden Technology Ventures Investments II, L.P.	-	"	-	US\$ 23,347	9	US\$ 23,347	
	Walden Technology Ventures Investments III, L.P.	-	"	-	US\$ 13,139	4	US\$ 13,139	
	Tela Innovations	-	"	6,942	-	22	-	
<u>Publicly traded stocks</u>								
ARM Holdings plc	-	Financial assets at fair value through other comprehensive income	1,961	US\$ 104,941	-	US\$ 104,941		
Movella Holdings Inc.	-	"	3,095	US\$ 1,660	6	US\$ 1,660		
TSMC Global	<u>Corporate bond</u>							
	Bank of America Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 87,259	N/A	US\$ 87,259	
	Morgan Stanley	-	"	-	US\$ 79,716	N/A	US\$ 79,716	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 57,185	N/A	US\$ 57,185	
	JPMorgan Chase & Co.	-	"	-	US\$ 56,152	N/A	US\$ 56,152	
	Wells Fargo & Company	-	"	-	US\$ 55,625	N/A	US\$ 55,625	
	Citigroup Inc.	-	"	-	US\$ 49,067	N/A	US\$ 49,067	
	Sumitomo Mitsui Financial Group, Inc.	-	"	-	US\$ 44,494	N/A	US\$ 44,494	
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	US\$ 38,159	N/A	US\$ 38,159	
	Barclays PLC	-	"	-	US\$ 36,403	N/A	US\$ 36,403	
	HSBC Holdings plc	-	"	-	US\$ 29,551	N/A	US\$ 29,551	
	AbbVie Inc.	-	"	-	US\$ 26,463	N/A	US\$ 26,463	
Royal Bank of Canada	-	"	-	US\$ 26,323	N/A	US\$ 26,323		
Banco Santander, S.A.	-	"	-	US\$ 25,041	N/A	US\$ 25,041		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	CVS Health Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 23,574	N/A	US\$ 23,574	
	Lloyds Banking Group plc	-	"	-	US\$ 23,376	N/A	US\$ 23,376	
	Oracle Corporation	-	"	-	US\$ 22,718	N/A	US\$ 22,718	
	The Toronto-Dominion Bank	-	"	-	US\$ 21,877	N/A	US\$ 21,877	
	Capital One Financial Corporation	-	"	-	US\$ 20,473	N/A	US\$ 20,473	
	BPCE SA	-	"	-	US\$ 20,201	N/A	US\$ 20,201	
	BNP Paribas SA	-	"	-	US\$ 19,963	N/A	US\$ 19,963	
	Credit Agricole SA London Branch	-	"	-	US\$ 19,755	N/A	US\$ 19,755	
	Athene Global Funding	-	"	-	US\$ 19,737	N/A	US\$ 19,737	
	Metropolitan Life Global Funding I	-	"	-	US\$ 19,027	N/A	US\$ 19,027	
	Fédération des caisses Desjardins du Québec	-	"	-	US\$ 18,942	N/A	US\$ 18,942	
	Equitable Financial Life Global Funding	-	"	-	US\$ 18,357	N/A	US\$ 18,357	
	National Securities Clearing Corporation	-	"	-	US\$ 18,089	N/A	US\$ 18,089	
	AIG Global Funding	-	"	-	US\$ 17,928	N/A	US\$ 17,928	
	Sumitomo Mitsui Trust Bank, Limited	-	"	-	US\$ 17,475	N/A	US\$ 17,475	
	Principal Life Global Funding II	-	"	-	US\$ 17,469	N/A	US\$ 17,469	
	Société Générale Société anonyme	-	"	-	US\$ 17,245	N/A	US\$ 17,245	
	Guardian Life Global Funding	-	"	-	US\$ 16,589	N/A	US\$ 16,589	
	Danske Bank A/S	-	"	-	US\$ 16,412	N/A	US\$ 16,412	
	The Bank of Nova Scotia	-	"	-	US\$ 15,972	N/A	US\$ 15,972	
	Volkswagen Group of America Finance, LLC	-	"	-	US\$ 15,893	N/A	US\$ 15,893	
	Nomura Holdings, Inc.	-	"	-	US\$ 15,155	N/A	US\$ 15,155	
	Hyundai Capital America	-	"	-	US\$ 14,524	N/A	US\$ 14,524	
	Santander UK Group Holdings plc	-	"	-	US\$ 14,263	N/A	US\$ 14,263	
	Standard Chartered PLC	-	"	-	US\$ 14,038	N/A	US\$ 14,038	
	Banque Fédérative du Crédit Mutuel Société anonyme	-	"	-	US\$ 13,898	N/A	US\$ 13,898	
	U.S. Bancorp.	-	"	-	US\$ 13,859	N/A	US\$ 13,859	
	UBS Group AG	-	"	-	US\$ 13,836	N/A	US\$ 13,836	
	NTT Finance Corporation	-	"	-	US\$ 13,270	N/A	US\$ 13,270	
	American Express Company	-	"	-	US\$ 13,205	N/A	US\$ 13,205	
	UnitedHealth Group Incorporated	-	"	-	US\$ 13,176	N/A	US\$ 13,176	
	Protective Life Global Funding	-	"	-	US\$ 13,140	N/A	US\$ 13,140	
	Amgen Inc.	-	"	-	US\$ 12,938	N/A	US\$ 12,938	
	Deutsche Bank AG - New York Branch	-	"	-	US\$ 12,926	N/A	US\$ 12,926	
	AerCap Ireland Capital Designated Activity Company	-	"	-	US\$ 12,746	N/A	US\$ 12,746	
	Penske Truck Leasing Co., L.P.	-	"	-	US\$ 12,673	N/A	US\$ 12,673	
	Enel Finance International N.V.	-	"	-	US\$ 12,650	N/A	US\$ 12,650	
	Truist Financial Corporation	-	"	-	US\$ 12,564	N/A	US\$ 12,564	
	Pfizer Investment Enterprises Pte. Ltd.	-	"	-	US\$ 12,147	N/A	US\$ 12,147	
	Intuit Inc.	-	"	-	US\$ 12,139	N/A	US\$ 12,139	
	Apple Inc.	-	"	-	US\$ 12,134	N/A	US\$ 12,134	
	New York Life Global Funding	-	"	-	US\$ 11,958	N/A	US\$ 11,958	
	ING Groep N.V.	-	"	-	US\$ 11,878	N/A	US\$ 11,878	
	Nationwide Building Society	-	"	-	US\$ 11,823	N/A	US\$ 11,823	
	Amazon.com, Inc.	-	"	-	US\$ 11,591	N/A	US\$ 11,591	
	NatWest Markets Plc	-	"	-	US\$ 11,577	N/A	US\$ 11,577	
	Mizuho Financial Group, Inc.	-	"	-	US\$ 11,364	N/A	US\$ 11,364	
	Nordea Bank Abp	-	"	-	US\$ 11,291	N/A	US\$ 11,291	
	ASB Bank Limited	-	"	-	US\$ 11,175	N/A	US\$ 11,175	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Northwestern Mutual Global Funding	-	Financial assets at fair value through other comprehensive income	-	US\$ 10,966	N/A	US\$ 10,966	
	NextEra Energy Capital Holdings, Inc.	-	"	-	US\$ 10,857	N/A	US\$ 10,857	
	Bank of Montreal	-	"	-	US\$ 10,607	N/A	US\$ 10,607	
	Verizon Communications Inc.	-	"	-	US\$ 10,595	N/A	US\$ 10,595	
	Southern California Edison Company	-	"	-	US\$ 10,498	N/A	US\$ 10,498	
	The Bank of New York Mellon Corporation	-	"	-	US\$ 10,467	N/A	US\$ 10,467	
	Ryder System, Inc.	-	"	-	US\$ 10,200	N/A	US\$ 10,200	
	S&P Global Inc.	-	"	-	US\$ 10,190	N/A	US\$ 10,190	
	Equifax Inc.	-	"	-	US\$ 10,066	N/A	US\$ 10,066	
	Macquarie Group Limited	-	"	-	US\$ 9,935	N/A	US\$ 9,935	
	ABN AMRO Bank N.V.	-	"	-	US\$ 9,858	N/A	US\$ 9,858	
	ONEOK, Inc.	-	"	-	US\$ 9,720	N/A	US\$ 9,720	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 9,622	N/A	US\$ 9,622	
	John Deere Capital Corporation	-	"	-	US\$ 9,426	N/A	US\$ 9,426	
	AT&T Inc.	-	"	-	US\$ 9,369	N/A	US\$ 9,369	
	Haleon US Capital LLC	-	"	-	US\$ 9,008	N/A	US\$ 9,008	
	Roper Technologies, Inc.	-	"	-	US\$ 8,992	N/A	US\$ 8,992	
	Equinor ASA	-	"	-	US\$ 8,865	N/A	US\$ 8,865	
	Exelon Corporation	-	"	-	US\$ 8,843	N/A	US\$ 8,843	
	Florida Power & Light Company	-	"	-	US\$ 8,775	N/A	US\$ 8,775	
	Merck & Co., Inc.	-	"	-	US\$ 8,651	N/A	US\$ 8,651	
	Honeywell International Inc.	-	"	-	US\$ 8,330	N/A	US\$ 8,330	
	Fifth Third Bancorp	-	"	-	US\$ 8,305	N/A	US\$ 8,305	
	Macquarie Bank Limited	-	"	-	US\$ 8,240	N/A	US\$ 8,240	
	The PNC Financial Services Group, Inc.	-	"	-	US\$ 8,040	N/A	US\$ 8,040	
	Rabobank Nederland - New York Branch	-	"	-	US\$ 7,962	N/A	US\$ 7,962	
	AstraZeneca Finance LLC	-	"	-	US\$ 7,812	N/A	US\$ 7,812	
	Daimler Trucks Finance North America LLC	-	"	-	US\$ 7,793	N/A	US\$ 7,793	
	Lowe's Companies, Inc.	-	"	-	US\$ 7,768	N/A	US\$ 7,768	
	TORONTO-DOMINION BANK/THE	-	"	-	US\$ 7,764	N/A	US\$ 7,764	
	International Bank for Reconstruction and Development	-	"	-	US\$ 7,704	N/A	US\$ 7,704	
	KfW	-	"	-	US\$ 7,640	N/A	US\$ 7,640	
	Constellation Energy Generation, LLC	-	"	-	US\$ 7,599	N/A	US\$ 7,599	
	Lockheed Martin Corporation	-	"	-	US\$ 7,549	N/A	US\$ 7,549	
	Intel Corporation	-	"	-	US\$ 7,482	N/A	US\$ 7,482	
	Coöperatieve Rabobank U.A.	-	"	-	US\$ 7,420	N/A	US\$ 7,420	
	Great-West Lifeco U.S. Finance 2020, Lp	-	"	-	US\$ 7,406	N/A	US\$ 7,406	
	Inter-American Development Bank	-	"	-	US\$ 7,375	N/A	US\$ 7,375	
	Suncorp-Metway Limited	-	"	-	US\$ 7,368	N/A	US\$ 7,368	
	Cox Communications, Inc.	-	"	-	US\$ 7,315	N/A	US\$ 7,315	
	Chevron Corporation	-	"	-	US\$ 6,892	N/A	US\$ 6,892	
	The East Ohio Gas Company	-	"	-	US\$ 6,821	N/A	US\$ 6,821	
	Fiserv, Inc.	-	"	-	US\$ 6,733	N/A	US\$ 6,733	
	Fidelity National Information Services, Inc.	-	"	-	US\$ 6,664	N/A	US\$ 6,664	
	Philip Morris International Inc.	-	"	-	US\$ 6,592	N/A	US\$ 6,592	
	AstraZeneca PLC	-	"	-	US\$ 6,574	N/A	US\$ 6,574	
	Pacific Life Global Funding II	-	"	-	US\$ 6,538	N/A	US\$ 6,538	
	UBS AG, London Branch	-	"	-	US\$ 6,430	N/A	US\$ 6,430	
	Met Tower Global Funding	-	"	-	US\$ 6,383	N/A	US\$ 6,383	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	WEC Energy Group, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 6,319	N/A	US\$ 6,319	
	MPLX LP	-	"	-	US\$ 6,306	N/A	US\$ 6,306	
	Roche Holdings, Inc.	-	"	-	US\$ 6,293	N/A	US\$ 6,293	
	Georgia Power Company	-	"	-	US\$ 6,251	N/A	US\$ 6,251	
	NatWest Group plc	-	"	-	US\$ 6,141	N/A	US\$ 6,141	
	The Charles Schwab Corporation	-	"	-	US\$ 6,106	N/A	US\$ 6,106	
	Take-Two Interactive Software, Inc.	-	"	-	US\$ 6,008	N/A	US\$ 6,008	
	Ameren Corporation	-	"	-	US\$ 5,973	N/A	US\$ 5,973	
	Eaton Corporation	-	"	-	US\$ 5,952	N/A	US\$ 5,952	
	Huntington Bancshares Incorporated	-	"	-	US\$ 5,889	N/A	US\$ 5,889	
	Intercontinental Exchange, Inc.	-	"	-	US\$ 5,794	N/A	US\$ 5,794	
	Exxon Mobil Corporation	-	"	-	US\$ 5,769	N/A	US\$ 5,769	
	Elevance Health, Inc.	-	"	-	US\$ 5,737	N/A	US\$ 5,737	
	ERAC USA Finance LLC	-	"	-	US\$ 5,575	N/A	US\$ 5,575	
	Scentre Group Trust 1	-	"	-	US\$ 5,559	N/A	US\$ 5,559	
	Anheuser-Busch Companies, LLC	-	"	-	US\$ 5,540	N/A	US\$ 5,540	
	WPP Finance 2010	-	"	-	US\$ 5,490	N/A	US\$ 5,490	
	NBN Co Limited	-	"	-	US\$ 5,356	N/A	US\$ 5,356	
	Medtronic Global Holdings S.C.A.	-	"	-	US\$ 5,342	N/A	US\$ 5,342	
	Discover Bank (New Castle, Delaware)	-	"	-	US\$ 5,294	N/A	US\$ 5,294	
	Fox Corporation	-	"	-	US\$ 5,274	N/A	US\$ 5,274	
	Alabama Power Company	-	"	-	US\$ 5,246	N/A	US\$ 5,246	
	Comcast Corporation	-	"	-	US\$ 5,182	N/A	US\$ 5,182	
	NiSource Inc.	-	"	-	US\$ 5,144	N/A	US\$ 5,144	
	CNH Industrial Capital LLC	-	"	-	US\$ 5,115	N/A	US\$ 5,115	
	McKesson Corporation	-	"	-	US\$ 5,090	N/A	US\$ 5,090	
	Sydney Airport Finance Company Pty Ltd	-	"	-	US\$ 5,056	N/A	US\$ 5,056	
	Lincoln National Corporation	-	"	-	US\$ 4,931	N/A	US\$ 4,931	
	Ventas Realty, Limited Partnership	-	"	-	US\$ 4,925	N/A	US\$ 4,925	
	Siemens Financieringsmaatschappij N.V.	-	"	-	US\$ 4,904	N/A	US\$ 4,904	
	Virginia Electric and Power Company	-	"	-	US\$ 4,896	N/A	US\$ 4,896	
	Southwest Airlines Co.	-	"	-	US\$ 4,856	N/A	US\$ 4,856	
	CGI Inc.	-	"	-	US\$ 4,695	N/A	US\$ 4,695	
	Huntington National Bank	-	"	-	US\$ 4,666	N/A	US\$ 4,666	
	Brookfield Finance Inc.	-	"	-	US\$ 4,591	N/A	US\$ 4,591	
	HEICO Corporation	-	"	-	US\$ 4,559	N/A	US\$ 4,559	
	Bristol-Myers Squibb Company	-	"	-	US\$ 4,550	N/A	US\$ 4,550	
	ANZ New Zealand (Int'l) Limited	-	"	-	US\$ 4,536	N/A	US\$ 4,536	
	HP Inc.	-	"	-	US\$ 4,469	N/A	US\$ 4,469	
	Pioneer Natural Resources Company	-	"	-	US\$ 4,456	N/A	US\$ 4,456	
	Nutrien Ltd.	-	"	-	US\$ 4,394	N/A	US\$ 4,394	
	W. P. Carey Inc.	-	"	-	US\$ 4,371	N/A	US\$ 4,371	
	CenterPoint Energy, Inc.	-	"	-	US\$ 4,367	N/A	US\$ 4,367	
	Otis Worldwide Corporation	-	"	-	US\$ 4,305	N/A	US\$ 4,305	
	ITC Holdings Corp.	-	"	-	US\$ 4,264	N/A	US\$ 4,264	
	Skandinaviska Enskilda Banken AB (publ)	-	"	-	US\$ 4,216	N/A	US\$ 4,216	
	Citizens Bank, National Association	-	"	-	US\$ 4,192	N/A	US\$ 4,192	
	Brighthouse Financial Global Funding	-	"	-	US\$ 4,172	N/A	US\$ 4,172	
	Toyota Motor Credit Corporation	-	"	-	US\$ 4,167	N/A	US\$ 4,167	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Dollar General Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 4,039	N/A	US\$ 4,039	
	F&G Global Funding	-	"	-	US\$ 4,036	N/A	US\$ 4,036	
	Korea Electric Power Corporation	-	"	-	US\$ 3,968	N/A	US\$ 3,968	
	Element Fleet Management Corp.	-	"	-	US\$ 3,941	N/A	US\$ 3,941	
	Monongahela Power Company	-	"	-	US\$ 3,918	N/A	US\$ 3,918	
	CNO Global Funding	-	"	-	US\$ 3,852	N/A	US\$ 3,852	
	Schlumberger Investment SA	-	"	-	US\$ 3,846	N/A	US\$ 3,846	
	AvalonBay Communities, Inc.	-	"	-	US\$ 3,829	N/A	US\$ 3,829	
	Stryker Corporation	-	"	-	US\$ 3,768	N/A	US\$ 3,768	
	Public Storage	-	"	-	US\$ 3,735	N/A	US\$ 3,735	
	Walmart Inc.	-	"	-	US\$ 3,708	N/A	US\$ 3,708	
	B.A.T. International Finance p.l.c.	-	"	-	US\$ 3,672	N/A	US\$ 3,672	
	Appalachian Power Company	-	"	-	US\$ 3,590	N/A	US\$ 3,590	
	Norsk Hydro ASA	-	"	-	US\$ 3,582	N/A	US\$ 3,582	
	Fortinet, Inc.	-	"	-	US\$ 3,563	N/A	US\$ 3,563	
	AutoZone, Inc.	-	"	-	US\$ 3,560	N/A	US\$ 3,560	
	The Israel Electric Corporation Ltd	-	"	-	US\$ 3,548	N/A	US\$ 3,548	
	V.F. Corporation	-	"	-	US\$ 3,505	N/A	US\$ 3,505	
	Jackson National Life Global Funding	-	"	-	US\$ 3,486	N/A	US\$ 3,486	
	GA Global Funding Trust	-	"	-	US\$ 3,470	N/A	US\$ 3,470	
	DNB Bank ASA	-	"	-	US\$ 3,453	N/A	US\$ 3,453	
	Eversource Energy	-	"	-	US\$ 3,450	N/A	US\$ 3,450	
	Parker-Hannifin Corporation	-	"	-	US\$ 3,434	N/A	US\$ 3,434	
	CenterPoint Energy Resources Corp.	-	"	-	US\$ 3,399	N/A	US\$ 3,399	
	BorgWarner Inc.	-	"	-	US\$ 3,368	N/A	US\$ 3,368	
	Baxter International Inc.	-	"	-	US\$ 3,365	N/A	US\$ 3,365	
	Sempra	-	"	-	US\$ 3,342	N/A	US\$ 3,342	
	Morgan Stanley Bank, N.A.	-	"	-	US\$ 3,334	N/A	US\$ 3,334	
	Kimco Realty Corporation	-	"	-	US\$ 3,319	N/A	US\$ 3,319	
	Meta Platforms, Inc.	-	"	-	US\$ 3,301	N/A	US\$ 3,301	
	B.A.T Capital Corporation	-	"	-	US\$ 3,246	N/A	US\$ 3,246	
	Ross Stores, Inc.	-	"	-	US\$ 3,225	N/A	US\$ 3,225	
	Advocate Health & Hospitals Corporation	-	"	-	US\$ 3,216	N/A	US\$ 3,216	
	Pfizer Inc.	-	"	-	US\$ 3,209	N/A	US\$ 3,209	
	Highmark Inc.	-	"	-	US\$ 3,192	N/A	US\$ 3,192	
	Verisk Analytics, Inc.	-	"	-	US\$ 3,150	N/A	US\$ 3,150	
	Realty Income Corporation	-	"	-	US\$ 3,126	N/A	US\$ 3,126	
	Truist Bank	-	"	-	US\$ 3,101	N/A	US\$ 3,101	
	ONE Gas, Inc.	-	"	-	US\$ 3,041	N/A	US\$ 3,041	
	Wells Fargo Bank, National Association	-	"	-	US\$ 3,026	N/A	US\$ 3,026	
	Corebridge Financial, Inc.	-	"	-	US\$ 3,003	N/A	US\$ 3,003	
	Lundin Energy Finance BV	-	"	-	US\$ 2,994	N/A	US\$ 2,994	
	EIDP, Inc.	-	"	-	US\$ 2,988	N/A	US\$ 2,988	
	Mutual Of Omaha Companies Global Funding	-	"	-	US\$ 2,965	N/A	US\$ 2,965	
	CNA Financial Corporation	-	"	-	US\$ 2,963	N/A	US\$ 2,963	
	CMS Energy Corporation	-	"	-	US\$ 2,947	N/A	US\$ 2,947	
	Coca-Cola Europacific Partners PLC	-	"	-	US\$ 2,944	N/A	US\$ 2,944	
	Atmos Energy Corporation	-	"	-	US\$ 2,902	N/A	US\$ 2,902	
	Nestlé Holdings, Inc.	-	"	-	US\$ 2,894	N/A	US\$ 2,894	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Johnson & Johnson	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,891	N/A	US\$ 2,891	
	Prologis, L.P.	-	"	-	US\$ 2,854	N/A	US\$ 2,854	
	Xcel Energy Inc.	-	"	-	US\$ 2,832	N/A	US\$ 2,832	
	Southern California Gas Company	-	"	-	US\$ 2,827	N/A	US\$ 2,827	
	Rio Tinto Finance (USA) Limited	-	"	-	US\$ 2,816	N/A	US\$ 2,816	
	7-Eleven, Inc.	-	"	-	US\$ 2,782	N/A	US\$ 2,782	
	Diageo Capital plc	-	"	-	US\$ 2,775	N/A	US\$ 2,775	
	BHP Billiton Finance (USA) Limited	-	"	-	US\$ 2,772	N/A	US\$ 2,772	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 2,763	N/A	US\$ 2,763	
	Baxalta Incorporated	-	"	-	US\$ 2,710	N/A	US\$ 2,710	
	Novartis Capital Corporation	-	"	-	US\$ 2,705	N/A	US\$ 2,705	
	Dominion Energy, Inc.	-	"	-	US\$ 2,688	N/A	US\$ 2,688	
	Weyerhaeuser Company	-	"	-	US\$ 2,631	N/A	US\$ 2,631	
	Oncor Electric Delivery Company LLC	-	"	-	US\$ 2,615	N/A	US\$ 2,615	
	Eastern Energy Gas Holdings, LLC	-	"	-	US\$ 2,601	N/A	US\$ 2,601	
	Chevron Phillips Chemical Company LLC	-	"	-	US\$ 2,571	N/A	US\$ 2,571	
	National Australia Bank Limited, New York Branch	-	"	-	US\$ 2,543	N/A	US\$ 2,543	
	Black Hills Corporation	-	"	-	US\$ 2,540	N/A	US\$ 2,540	
	Avangrid, Inc.	-	"	-	US\$ 2,536	N/A	US\$ 2,536	
	Simon Property Group, L.P.	-	"	-	US\$ 2,533	N/A	US\$ 2,533	
	The Estée Lauder Companies Inc.	-	"	-	US\$ 2,509	N/A	US\$ 2,509	
	Bank of New Zealand	-	"	-	US\$ 2,506	N/A	US\$ 2,506	
	Masco Corporation	-	"	-	US\$ 2,489	N/A	US\$ 2,489	
	The Southern Company	-	"	-	US\$ 2,464	N/A	US\$ 2,464	
	Santander UK plc	-	"	-	US\$ 2,440	N/A	US\$ 2,440	
	Air Products and Chemicals, Inc.	-	"	-	US\$ 2,433	N/A	US\$ 2,433	
	Nuveen Finance, LLC	-	"	-	US\$ 2,426	N/A	US\$ 2,426	
	American Electric Power Company, Inc.	-	"	-	US\$ 2,369	N/A	US\$ 2,369	
	CRH America, Inc.	-	"	-	US\$ 2,368	N/A	US\$ 2,368	
	Bayer US Finance II LLC	-	"	-	US\$ 2,357	N/A	US\$ 2,357	
	Swedbank AB (publ)	-	"	-	US\$ 2,321	N/A	US\$ 2,321	
	Workday, Inc.	-	"	-	US\$ 2,317	N/A	US\$ 2,317	
	USAA Capital Corp.	-	"	-	US\$ 2,303	N/A	US\$ 2,303	
	Texas Instruments Incorporated	-	"	-	US\$ 2,299	N/A	US\$ 2,299	
	Chevron U.S.A. Inc.	-	"	-	US\$ 2,290	N/A	US\$ 2,290	
	Air Lease Corporation	-	"	-	US\$ 2,282	N/A	US\$ 2,282	
	Magellan Midstream Partners, L.P.	-	"	-	US\$ 2,273	N/A	US\$ 2,273	
	Yara International ASA	-	"	-	US\$ 2,262	N/A	US\$ 2,262	
	Mitsubishi HC Capital Inc.	-	"	-	US\$ 2,212	N/A	US\$ 2,212	
	RGA Global Funding	-	"	-	US\$ 2,196	N/A	US\$ 2,196	
	Cardinal Health, Inc.	-	"	-	US\$ 2,194	N/A	US\$ 2,194	
	GE HealthCare Technologies Inc.	-	"	-	US\$ 2,193	N/A	US\$ 2,193	
	Empower Finance 2020, LP	-	"	-	US\$ 2,177	N/A	US\$ 2,177	
	Sprint Spectrum Co Llc	-	"	-	US\$ 2,169	N/A	US\$ 2,169	
	The Western Union Company	-	"	-	US\$ 2,130	N/A	US\$ 2,130	
	Georgia-Pacific LLC	-	"	-	US\$ 2,107	N/A	US\$ 2,107	
	Health Care Service Corporation, a Mutual Legal Reserve Company	-	"	-	US\$ 2,073	N/A	US\$ 2,073	
	American Honda Finance Corporation	-	"	-	US\$ 2,030	N/A	US\$ 2,030	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Phillips 66	-	Financial assets at fair value through other comprehensive income	-	US\$ 2,004	N/A	US\$ 2,004	
	Bank of America, National Association	-	"	-	US\$ 1,984	N/A	US\$ 1,984	
	Pricoa Global Funding I	-	"	-	US\$ 1,967	N/A	US\$ 1,967	
	KODIT Global 2023-1 Co., Ltd.	-	"	-	US\$ 1,961	N/A	US\$ 1,961	
	Magna International Inc.	-	"	-	US\$ 1,935	N/A	US\$ 1,935	
	Mead Johnson Nutrition Company	-	"	-	US\$ 1,934	N/A	US\$ 1,934	
	Public Service Electric and Gas Company	-	"	-	US\$ 1,930	N/A	US\$ 1,930	
	Tucson Electric Power Company	-	"	-	US\$ 1,920	N/A	US\$ 1,920	
	UBS Group Funding (Jersey) Ltd.	-	"	-	US\$ 1,898	N/A	US\$ 1,898	
	Public Service Enterprise Group Incorporated	-	"	-	US\$ 1,890	N/A	US\$ 1,890	
	Ameriprise Financial, Inc.	-	"	-	US\$ 1,887	N/A	US\$ 1,887	
	National Rural Utilities Cooperative Finance Corporation	-	"	-	US\$ 1,885	N/A	US\$ 1,885	
	Welltower Inc.	-	"	-	US\$ 1,877	N/A	US\$ 1,877	
	Marriott International, Inc.	-	"	-	US\$ 1,868	N/A	US\$ 1,868	
	Olympus Corporation	-	"	-	US\$ 1,863	N/A	US\$ 1,863	
	Gulf Power Company	-	"	-	US\$ 1,848	N/A	US\$ 1,848	
	Marsh & McLennan Companies, Inc.	-	"	-	US\$ 1,843	N/A	US\$ 1,843	
	CSX Corporation	-	"	-	US\$ 1,839	N/A	US\$ 1,839	
	Shinhan Financial Group Co., Ltd.	-	"	-	US\$ 1,810	N/A	US\$ 1,810	
	NBK SPC Limited	-	"	-	US\$ 1,773	N/A	US\$ 1,773	
	Mitsubishi Corporation	-	"	-	US\$ 1,768	N/A	US\$ 1,768	
	Caterpillar Financial Services Corporation	-	"	-	US\$ 1,764	N/A	US\$ 1,764	
	Berkshire Hathaway Energy Company	-	"	-	US\$ 1,744	N/A	US\$ 1,744	
	Citibank, N.A.	-	"	-	US\$ 1,743	N/A	US\$ 1,743	
	Kentucky Utilities Company	-	"	-	US\$ 1,718	N/A	US\$ 1,718	
	CenterPoint Energy Houston Electric, LLC	-	"	-	US\$ 1,712	N/A	US\$ 1,712	
	Mondelez International, Inc.	-	"	-	US\$ 1,692	N/A	US\$ 1,692	
	SMBC Aviation Capital Finance DAC	-	"	-	US\$ 1,691	N/A	US\$ 1,691	
	Enbridge Inc.	-	"	-	US\$ 1,687	N/A	US\$ 1,687	
	DTE Energy Company	-	"	-	US\$ 1,660	N/A	US\$ 1,660	
	Evergy Kansas Central, Inc.	-	"	-	US\$ 1,657	N/A	US\$ 1,657	
	University of California	-	"	-	US\$ 1,600	N/A	US\$ 1,600	
	Gulfstream Natural Gas System, L.L.C.	-	"	-	US\$ 1,572	N/A	US\$ 1,572	
	CSL Finance plc	-	"	-	US\$ 1,552	N/A	US\$ 1,552	
	Burlington Northern Santa Fe, LLC	-	"	-	US\$ 1,547	N/A	US\$ 1,547	
	eBay Inc.	-	"	-	US\$ 1,544	N/A	US\$ 1,544	
	Emerson Electric Co.	-	"	-	US\$ 1,525	N/A	US\$ 1,525	
	Glencore Funding LLC	-	"	-	US\$ 1,519	N/A	US\$ 1,519	
	Westpac Banking Corporation	-	"	-	US\$ 1,516	N/A	US\$ 1,516	
	International Business Machines Corporation	-	"	-	US\$ 1,508	N/A	US\$ 1,508	
	APA Infrastructure Limited	-	"	-	US\$ 1,490	N/A	US\$ 1,490	
	Duke Energy Corporation	-	"	-	US\$ 1,482	N/A	US\$ 1,482	
	Jefferies Financial Group Inc.	-	"	-	US\$ 1,476	N/A	US\$ 1,476	
	Zoetis Inc.	-	"	-	US\$ 1,464	N/A	US\$ 1,464	
	Kinder Morgan, Inc.	-	"	-	US\$ 1,452	N/A	US\$ 1,452	
	Microchip Technology Incorporated	-	"	-	US\$ 1,450	N/A	US\$ 1,450	
	Ancor Flexibles North America Inc.	-	"	-	US\$ 1,448	N/A	US\$ 1,448	
	Phillips 66 Company	-	"	-	US\$ 1,445	N/A	US\$ 1,445	
	Commonwealth Bank of Australia	-	"	-	US\$ 1,432	N/A	US\$ 1,432	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Wipro IT Services LLC	-	Financial assets at fair value through other comprehensive income	-	US\$ 1,429	N/A	US\$ 1,429	
	NSTAR Electric Company	-	"	-	US\$ 1,425	N/A	US\$ 1,425	
	Essex Portfolio, L.P.	-	"	-	US\$ 1,407	N/A	US\$ 1,407	
	Duke Energy Florida, LLC	-	"	-	US\$ 1,402	N/A	US\$ 1,402	
	Alimentation Couche-Tard Inc.	-	"	-	US\$ 1,383	N/A	US\$ 1,383	
	Alliant Energy Finance, LLC	-	"	-	US\$ 1,345	N/A	US\$ 1,345	
	The Cigna Group	-	"	-	US\$ 1,311	N/A	US\$ 1,311	
	Eastern Gas Transmission and Storage, Inc.	-	"	-	US\$ 1,300	N/A	US\$ 1,300	
	BOC Aviation Limited	-	"	-	US\$ 1,264	N/A	US\$ 1,264	
	American International Group, Inc.	-	"	-	US\$ 1,239	N/A	US\$ 1,239	
	The Williams Companies, Inc.	-	"	-	US\$ 1,220	N/A	US\$ 1,220	
	Andrew W. Mellon Foundation, The	-	"	-	US\$ 1,207	N/A	US\$ 1,207	
	Union Pacific Corporation	-	"	-	US\$ 1,186	N/A	US\$ 1,186	
	Ecolab Inc.	-	"	-	US\$ 1,162	N/A	US\$ 1,162	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 1,082	N/A	US\$ 1,082	
	Mondelez International Holdings Netherlands B.V.	-	"	-	US\$ 1,075	N/A	US\$ 1,075	
	Ferguson Finance PLC	-	"	-	US\$ 1,073	N/A	US\$ 1,073	
	Nucor Corporation	-	"	-	US\$ 1,055	N/A	US\$ 1,055	
	State Street Corporation	-	"	-	US\$ 1,036	N/A	US\$ 1,036	
	Enterprise Products Operating LLC	-	"	-	US\$ 1,008	N/A	US\$ 1,008	
	AIB Group plc	-	"	-	US\$ 1,003	N/A	US\$ 1,003	
	Scottish Power Limited	-	"	-	US\$ 997	N/A	US\$ 997	
	Sabine Pass Liquefaction, LLC	-	"	-	US\$ 996	N/A	US\$ 996	
	New York State Electric & Gas Corporation	-	"	-	US\$ 986	N/A	US\$ 986	
	Lennox International Inc.	-	"	-	US\$ 980	N/A	US\$ 980	
	Suntory Holdings Limited	-	"	-	US\$ 960	N/A	US\$ 960	
	AIA Group Limited	-	"	-	US\$ 936	N/A	US\$ 936	
	Canadian Pacific Railway Company	-	"	-	US\$ 936	N/A	US\$ 936	
	LYB Finance Company B.V.	-	"	-	US\$ 926	N/A	US\$ 926	
	Juniper Networks, Inc.	-	"	-	US\$ 901	N/A	US\$ 901	
	Amcor Finance (USA), Inc.	-	"	-	US\$ 894	N/A	US\$ 894	
	Lennar Corporation	-	"	-	US\$ 890	N/A	US\$ 890	
	The Sherwin-Williams Company	-	"	-	US\$ 890	N/A	US\$ 890	
	T-Mobile USA, Inc.	-	"	-	US\$ 886	N/A	US\$ 886	
	Piedmont Natural Gas Company, Inc.	-	"	-	US\$ 884	N/A	US\$ 884	
	Unilever Capital Corporation	-	"	-	US\$ 884	N/A	US\$ 884	
	AEP Texas Inc.	-	"	-	US\$ 875	N/A	US\$ 875	
	Reynolds American Inc.	-	"	-	US\$ 874	N/A	US\$ 874	
	The Interpublic Group of Companies, Inc.	-	"	-	US\$ 868	N/A	US\$ 868	
	Harcourt General, Inc.	-	"	-	US\$ 866	N/A	US\$ 866	
	Kenvue Inc.	-	"	-	US\$ 847	N/A	US\$ 847	
	Hormel Foods Corporation	-	"	-	US\$ 841	N/A	US\$ 841	
	County of Palm Beach, Florida	-	"	-	US\$ 810	N/A	US\$ 810	
	TransCanada PipeLines Limited	-	"	-	US\$ 806	N/A	US\$ 806	
	Niagara Mohawk Power Corporation	-	"	-	US\$ 754	N/A	US\$ 754	
	Veralto Corporation	-	"	-	US\$ 746	N/A	US\$ 746	
	CubeSmart, L.P.	-	"	-	US\$ 742	N/A	US\$ 742	
	Manufacturers and Traders Trust Company	-	"	-	US\$ 735	N/A	US\$ 735	
	BP Capital Markets America, Inc.	-	"	-	US\$ 733	N/A	US\$ 733	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Sysco Corporation	-	Financial assets at fair value through other comprehensive income	-	US\$ 733	N/A	US\$ 733	
	The Brooklyn Union Gas Company	-	"	-	US\$ 731	N/A	US\$ 731	
	Southern Power Company	-	"	-	US\$ 730	N/A	US\$ 730	
	Voya Financial, Inc.	-	"	-	US\$ 727	N/A	US\$ 727	
	Mars, Incorporated	-	"	-	US\$ 724	N/A	US\$ 724	
	Consolidated Edison Company of New York, Inc.	-	"	-	US\$ 721	N/A	US\$ 721	
	TELUS Corporation	-	"	-	US\$ 720	N/A	US\$ 720	
	PACCAR Financial Corp.	-	"	-	US\$ 718	N/A	US\$ 718	
	Oklahoma Gas and Electric Company	-	"	-	US\$ 715	N/A	US\$ 715	
	Waste Management, Inc.	-	"	-	US\$ 713	N/A	US\$ 713	
	Visa Inc.	-	"	-	US\$ 711	N/A	US\$ 711	
	Sky Limited	-	"	-	US\$ 686	N/A	US\$ 686	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 671	N/A	US\$ 671	
	QNB Finance Ltd.	-	"	-	US\$ 663	N/A	US\$ 663	
	The Allstate Corporation	-	"	-	US\$ 655	N/A	US\$ 655	
	Sodexo, Inc.	-	"	-	US\$ 651	N/A	US\$ 651	
	Bell Canada, Inc.	-	"	-	US\$ 634	N/A	US\$ 634	
	Automatic Data Processing, Inc.	-	"	-	US\$ 619	N/A	US\$ 619	
	MetLife, Inc.	-	"	-	US\$ 593	N/A	US\$ 593	
	L3Harris Technologies, Inc.	-	"	-	US\$ 590	N/A	US\$ 590	
	Burlington Resources Inc.	-	"	-	US\$ 588	N/A	US\$ 588	
	Florida Hurricane Catastrophe Fund Finance Corporation	-	"	-	US\$ 580	N/A	US\$ 580	
	Infor, Inc.	-	"	-	US\$ 573	N/A	US\$ 573	
	Starbucks Corporation	-	"	-	US\$ 572	N/A	US\$ 572	
	American Water Capital Corp.	-	"	-	US\$ 555	N/A	US\$ 555	
	Columbia Pipelines Holding Company, LLC	-	"	-	US\$ 547	N/A	US\$ 547	
	Shell International Finance B.V.	-	"	-	US\$ 529	N/A	US\$ 529	
	Columbia Pipelines Operating Co. LLC	-	"	-	US\$ 512	N/A	US\$ 512	
	Intesa Sanpaolo S.p.A.	-	"	-	US\$ 505	N/A	US\$ 505	
	ConocoPhillips Company	-	"	-	US\$ 502	N/A	US\$ 502	
	State of Hawaii	-	"	-	US\$ 502	N/A	US\$ 502	
	Arizona Public Service Company	-	"	-	US\$ 498	N/A	US\$ 498	
	Mississippi Power Company	-	"	-	US\$ 487	N/A	US\$ 487	
	MassMutual Global Funding II	-	"	-	US\$ 486	N/A	US\$ 486	
	Westpac New Zealand Limited	-	"	-	US\$ 481	N/A	US\$ 481	
	Haleon UK Capital plc	-	"	-	US\$ 479	N/A	US\$ 479	
	Trane Technologies Luxembourg Finance S.A.	-	"	-	US\$ 474	N/A	US\$ 474	
	Deutsche Telekom International Finance B.V.	-	"	-	US\$ 472	N/A	US\$ 472	
	Genuine Parts Company	-	"	-	US\$ 471	N/A	US\$ 471	
	Altria Group, Inc.	-	"	-	US\$ 467	N/A	US\$ 467	
	McCormick & Company, Incorporated	-	"	-	US\$ 461	N/A	US\$ 461	
	Tyson Foods, Inc.	-	"	-	US\$ 442	N/A	US\$ 442	
	DENSO Corporation	-	"	-	US\$ 440	N/A	US\$ 440	
	Gilead Sciences, Inc.	-	"	-	US\$ 438	N/A	US\$ 438	
	Brazos Higher Education Authority Inc	-	"	-	US\$ 434	N/A	US\$ 434	
	Pernod Ricard International Finance LLC	-	"	-	US\$ 415	N/A	US\$ 415	
	Aker BP ASA	-	"	-	US\$ 414	N/A	US\$ 414	
	Target Corporation	-	"	-	US\$ 404	N/A	US\$ 404	
	National Australia Bank Limited	-	"	-	US\$ 403	N/A	US\$ 403	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	The Home Depot, Inc.	-	Financial assets at fair value through other comprehensive income	-	US\$ 402	N/A	US\$ 402	
	Entergy Corporation	-	"	-	US\$ 385	N/A	US\$ 385	
	University of Massachusetts Building Authority	-	"	-	US\$ 384	N/A	US\$ 384	
	Banco del Estado de Chile	-	"	-	US\$ 383	N/A	US\$ 383	
	Aflac Incorporated	-	"	-	US\$ 380	N/A	US\$ 380	
	GlaxoSmithKline Capital Inc.	-	"	-	US\$ 378	N/A	US\$ 378	
	Oregon Health & Science University	-	"	-	US\$ 370	N/A	US\$ 370	
	Sierra Pacific Power Company	-	"	-	US\$ 370	N/A	US\$ 370	
	PepsiCo, Inc.	-	"	-	US\$ 358	N/A	US\$ 358	
	Cargill, Incorporated	-	"	-	US\$ 351	N/A	US\$ 351	
	The Norinchukin Bank	-	"	-	US\$ 350	N/A	US\$ 350	
	RTX Corporation	-	"	-	US\$ 320	N/A	US\$ 320	
	The Walt Disney Company	-	"	-	US\$ 308	N/A	US\$ 308	
	Mid-America Apartments, L.P.	-	"	-	US\$ 299	N/A	US\$ 299	
	Electricité de France S.A.	-	"	-	US\$ 293	N/A	US\$ 293	
	Consumers Energy Company	-	"	-	US\$ 292	N/A	US\$ 292	
	Salesforce, Inc.	-	"	-	US\$ 288	N/A	US\$ 288	
	Aptiv PLC	-	"	-	US\$ 285	N/A	US\$ 285	
	National Grid plc	-	"	-	US\$ 276	N/A	US\$ 276	
	Nordson Corporation	-	"	-	US\$ 272	N/A	US\$ 272	
	Barclays Bank PLC	-	"	-	US\$ 271	N/A	US\$ 271	
	QatarEnergy	-	"	-	US\$ 267	N/A	US\$ 267	
	NetApp, Inc.	-	"	-	US\$ 257	N/A	US\$ 257	
	Pennsylvania Electric Company	-	"	-	US\$ 230	N/A	US\$ 230	
	KBC Group NV	-	"	-	US\$ 229	N/A	US\$ 229	
	Children's Hospital Of Orange County	-	"	-	US\$ 221	N/A	US\$ 221	
	Riverside County Infrastructure Financing Authority	-	"	-	US\$ 204	N/A	US\$ 204	
	Marathon Petroleum Corporation	-	"	-	US\$ 196	N/A	US\$ 196	
	Hoover Alabama Board Of Education	-	"	-	US\$ 103	N/A	US\$ 103	
	Republic Services, Inc.	-	"	-	US\$ 99	N/A	US\$ 99	
	Beth Israel Deaconess Medical Center, Inc.	-	"	-	US\$ 84	N/A	US\$ 84	
	County of Pima, Arizona	-	"	-	US\$ 78	N/A	US\$ 78	
	Metropolitan Edison Company	-	"	-	US\$ 78	N/A	US\$ 78	
	State of Wisconsin	-	"	-	US\$ 63	N/A	US\$ 63	
	Aon Corporation	-	"	-	US\$ 50	N/A	US\$ 50	
	County of Nueces, Texas	-	"	-	US\$ 25	N/A	US\$ 25	
	Bank of America Corporation	-	Financial assets at amortized cost	-	US\$ 758,760	N/A	US\$ 746,945	
	The Goldman Sachs Group, Inc.	-	"	-	US\$ 614,148	N/A	US\$ 594,996	
	Morgan Stanley	-	"	-	US\$ 458,073	N/A	US\$ 451,022	
	Wells Fargo & Company	-	"	-	US\$ 457,149	N/A	US\$ 448,959	
	JPMorgan Chase & Co.	-	"	-	US\$ 374,897	N/A	US\$ 371,486	
	Citigroup Global Markets Inc.	-	"	-	US\$ 349,886	N/A	US\$ 348,143	
	Citigroup Inc.	-	"	-	US\$ 209,009	N/A	US\$ 208,348	
	Citigroup Global Markets Holdings Inc.	-	"	-	US\$ 149,951	N/A	US\$ 148,254	
	Goldman Sachs Finance Corp International Ltd	-	"	-	US\$ 149,857	N/A	US\$ 148,409	
	Jpmorgan LLC	-	"	-	US\$ 49,984	N/A	US\$ 49,674	
	Nationwide Building Society	-	"	-	US\$ 10,266	N/A	US\$ 9,972	
	ING Groep N.V.	-	"	-	US\$ 9,730	N/A	US\$ 9,665	
	Daimler Trucks Finance North America LLC	-	"	-	US\$ 9,630	N/A	US\$ 9,479	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Great-West Lifeco U.S. Finance 2020, Lp	-	Financial assets at amortized cost	-	US\$ 9,469	N/A	US\$ 9,140	
	Mizuho Financial Group, Inc.	-	"	-	US\$ 9,399	N/A	US\$ 9,320	
	BNP Paribas SA	-	"	-	US\$ 9,246	N/A	US\$ 9,131	
	Fédération des caisses Desjardins du Québec	-	"	-	US\$ 9,180	N/A	US\$ 8,904	
	GA Global Funding Trust	-	"	-	US\$ 9,174	N/A	US\$ 9,122	
	Nomura Holdings, Inc.	-	"	-	US\$ 9,166	N/A	US\$ 8,904	
	UBS Group AG	-	"	-	US\$ 9,155	N/A	US\$ 8,919	
	Deutsche Bank AG - New York Branch	-	"	-	US\$ 9,151	N/A	US\$ 9,042	
	Athene Global Funding	-	"	-	US\$ 9,087	N/A	US\$ 8,906	
	NongHyup Bank	-	"	-	US\$ 8,764	N/A	US\$ 8,595	
	Svenska Handelsbanken AB (publ)	-	"	-	US\$ 8,707	N/A	US\$ 8,657	
	Canadian Imperial Bank of Commerce	-	"	-	US\$ 8,610	N/A	US\$ 8,394	
	Banque Fédérative du Crédit Mutuel Société anonyme	-	"	-	US\$ 8,426	N/A	US\$ 8,256	
	Banco Santander, S.A.	-	"	-	US\$ 8,302	N/A	US\$ 8,113	
	Ventas Realty, Limited Partnership	-	"	-	US\$ 8,253	N/A	US\$ 8,075	
	Enel Finance International N.V.	-	"	-	US\$ 8,241	N/A	US\$ 8,058	
	Volkswagen Group of America Finance, LLC	-	"	-	US\$ 8,040	N/A	US\$ 7,929	
	Protective Life Global Funding	-	"	-	US\$ 7,960	N/A	US\$ 7,753	
	CRH America, Inc.	-	"	-	US\$ 7,942	N/A	US\$ 7,744	
	Mercedes-Benz Finance North America LLC	-	"	-	US\$ 7,872	N/A	US\$ 7,828	
	BPCE SA	-	"	-	US\$ 7,832	N/A	US\$ 7,631	
	Sydney Airport Finance Company Pty Ltd	-	"	-	US\$ 7,702	N/A	US\$ 7,538	
	Sumitomo Mitsui Financial Group, Inc.	-	"	-	US\$ 7,474	N/A	US\$ 7,338	
	AIG Global Funding	-	"	-	US\$ 7,407	N/A	US\$ 7,235	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	"	-	US\$ 6,976	N/A	US\$ 6,830	
	Southern California Edison Company	-	"	-	US\$ 5,899	N/A	US\$ 5,836	
	F&G Global Funding	-	"	-	US\$ 5,509	N/A	US\$ 5,358	
	NatWest Markets Plc	-	"	-	US\$ 5,498	N/A	US\$ 5,390	
	Bayer US Finance II LLC	-	"	-	US\$ 4,993	N/A	US\$ 4,978	
	Hyundai Capital Services, Inc.	-	"	-	US\$ 4,976	N/A	US\$ 4,863	
	Ecolab Inc.	-	"	-	US\$ 4,971	N/A	US\$ 4,949	
	Jackson Financial Inc.	-	"	-	US\$ 4,784	N/A	US\$ 4,772	
	Bristol-Myers Squibb Company	-	"	-	US\$ 4,777	N/A	US\$ 4,766	
	Kinder Morgan, Inc.	-	"	-	US\$ 4,636	N/A	US\$ 4,637	
	Five Corners Funding Trust	-	"	-	US\$ 4,395	N/A	US\$ 4,381	
	QNB Finance Ltd.	-	"	-	US\$ 4,390	N/A	US\$ 4,357	
	Danone S.A.	-	"	-	US\$ 4,191	N/A	US\$ 4,186	
	Sumitomo Mitsui Trust Bank, Limited	-	"	-	US\$ 4,158	N/A	US\$ 4,046	
	Lloyds Banking Group plc	-	"	-	US\$ 3,976	N/A	US\$ 3,883	
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	US\$ 3,721	N/A	US\$ 3,650	
	Enbridge Inc.	-	"	-	US\$ 3,495	N/A	US\$ 3,497	
	Jackson National Life Global Funding	-	"	-	US\$ 3,340	N/A	US\$ 3,212	
	ANZ New Zealand (Int'l) Limited	-	"	-	US\$ 3,236	N/A	US\$ 3,156	
	Scottish Power Limited	-	"	-	US\$ 3,189	N/A	US\$ 3,174	
	Spectra Energy Partners, LP	-	"	-	US\$ 2,846	N/A	US\$ 2,772	
	Ryder System, Inc.	-	"	-	US\$ 2,555	N/A	US\$ 2,549	
	National Bank of Canada	-	"	-	US\$ 2,069	N/A	US\$ 2,056	
	Georgia-Pacific LLC	-	"	-	US\$ 1,245	N/A	US\$ 1,222	
	Reliance Standard Life Global Funding II	-	"	-	US\$ 1,077	N/A	US\$ 1,055	
	Baxter International Inc.	-	"	-	US\$ 800	N/A	US\$ 798	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Barclays Bank PLC	-	Financial assets at amortized cost	-	US\$ 742	N/A	US\$ 739	
	AIA Group Limited	-	"	-	US\$ 581	N/A	US\$ 579	
	Abbott Laboratories	-	"	-	US\$ 362	N/A	US\$ 360	
	<u>Agency mortgage-backed securities</u>							
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	-	Financial assets at fair value through other comprehensive income	-	US\$ 583,615	N/A	US\$ 583,615	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 334,400	N/A	US\$ 334,400	
	Government National Mortgage Association	-	"	-	US\$ 207,650	N/A	US\$ 207,650	
	<u>Government bond/Agency bonds</u>							
	United States Department of The Treasury	-	Financial assets at fair value through other comprehensive income	-	US\$ 734,376	N/A	US\$ 734,376	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 9,962	N/A	US\$ 9,962	
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	-	"	-	US\$ 1,049	N/A	US\$ 1,049	
	Federal Home Loan Banks	-	Financial assets at amortized cost	-	US\$ 225,000	N/A	US\$ 222,749	
	Federal Home Loan Mortgage Corporation	-	"	-	US\$ 160,000	N/A	US\$ 159,118	
	United States Department of The Treasury	-	"	-	US\$ 88,885	N/A	US\$ 86,341	
	<u>Asset-backed securities</u>							
	JPMBB Commercial Mortgage Securities Trust 2014-C24	-	Financial assets at fair value through other comprehensive income	-	US\$ 9,711	N/A	US\$ 9,711	
	Wells Fargo Commercial Mortgage Trust 2016-Bnk1	-	"	-	US\$ 9,623	N/A	US\$ 9,623	
	Toyota Auto Receivables 2022-B Owner Trust	-	"	-	US\$ 9,592	N/A	US\$ 9,592	
	Hyundai Auto Receivables Trust 2021-C	-	"	-	US\$ 9,105	N/A	US\$ 9,105	
	Gm Financial Consumer Automobile Receivables Trust 2023-3	-	"	-	US\$ 8,870	N/A	US\$ 8,870	
	Ford Credit Auto Owner Trust 2021-Rev2	-	"	-	US\$ 7,402	N/A	US\$ 7,402	
	Toyota Auto Loan Extended Note Trust 2023-1	-	"	-	US\$ 7,090	N/A	US\$ 7,090	
	Citigroup Commercial Mortgage Trust 2015-GC33	-	"	-	US\$ 6,973	N/A	US\$ 6,973	
	Ford Credit Auto Owner Trust 2020-REV2	-	"	-	US\$ 6,689	N/A	US\$ 6,689	
	Hyundai Auto Receivables Trust 2023-B	-	"	-	US\$ 6,179	N/A	US\$ 6,179	
	Morgan Stanley Capital I Trust 2021-L6	-	"	-	US\$ 6,165	N/A	US\$ 6,165	
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	-	"	-	US\$ 5,983	N/A	US\$ 5,983	
	Honda Auto Receivables 2023-2 Owner Trust	-	"	-	US\$ 5,919	N/A	US\$ 5,919	
	BBCMS Mortgage Trust 2020-C8	-	"	-	US\$ 5,859	N/A	US\$ 5,859	
	Hudson Yards 2016-10HY Mortgage Trust	-	"	-	US\$ 5,633	N/A	US\$ 5,633	
	Benchmark 2019-B11 Mortgage Trust	-	"	-	US\$ 5,559	N/A	US\$ 5,559	
	Bank 2020-BNK26	-	"	-	US\$ 5,508	N/A	US\$ 5,508	
	Citigroup Commercial Mortgage Trust 2021-PRM2	-	"	-	US\$ 5,474	N/A	US\$ 5,474	
	Bank 2021-bnk33	-	"	-	US\$ 5,150	N/A	US\$ 5,150	
	Benchmark 2019-B12 Mortgage Trust	-	"	-	US\$ 5,115	N/A	US\$ 5,115	
	BBCMS 2018-Tall Mortgage Trust	-	"	-	US\$ 5,087	N/A	US\$ 5,087	
	Bank 2023-BNK46	-	"	-	US\$ 5,044	N/A	US\$ 5,044	
	Benchmark 2023-B39 Mortgage Trust	-	"	-	US\$ 5,025	N/A	US\$ 5,025	
	MSWF Commercial Mortgage Trust 2023-1	-	"	-	US\$ 4,966	N/A	US\$ 4,966	
	Wells Fargo Commercial Mortgage Trust 2016-C35	-	"	-	US\$ 4,890	N/A	US\$ 4,890	
Bank 2017-Bnk6	-	"	-	US\$ 4,807	N/A	US\$ 4,807		
CSAIL 2018-CX11	-	"	-	US\$ 4,642	N/A	US\$ 4,642		
Wells Fargo Commercial Mortgage Trust 2021-C59	-	"	-	US\$ 4,525	N/A	US\$ 4,525		
Morgan Stanley Capital I Trust 2016 - BNK2 Fund	-	"	-	US\$ 4,505	N/A	US\$ 4,505		
GM Financial Revolving Receivables Trust 2021-1	-	"	-	US\$ 4,387	N/A	US\$ 4,387		

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	MRCB 2019-Prkc Mortgage Trust	-	Financial assets at fair value through other comprehensive income	-	US\$ 4,240	N/A	US\$ 4,240	
	Citigroup Commercial Mortgage Trust 2014-GC21	-	"	-	US\$ 4,197	N/A	US\$ 4,197	
	Msbam 2016-C29	-	"	-	US\$ 4,020	N/A	US\$ 4,020	
	Bank 2017-BNK9	-	"	-	US\$ 4,007	N/A	US\$ 4,007	
	Benchmark 2023-V3 Mortgage Trust	-	"	-	US\$ 3,953	N/A	US\$ 3,953	
	Bank 2017 - BNK7	-	"	-	US\$ 3,911	N/A	US\$ 3,911	
	Five 2023-V1 Mortgage Trust	-	"	-	US\$ 3,855	N/A	US\$ 3,855	
	Honda Auto Receivables 2021 - 4 Owner Trust	-	"	-	US\$ 3,754	N/A	US\$ 3,754	
	JPMCC 2017-JP7	-	"	-	US\$ 3,744	N/A	US\$ 3,744	
	Bmw Vehicle Owner Trust 2023-A	-	"	-	US\$ 3,584	N/A	US\$ 3,584	
	BANK 2017-BNK5	-	"	-	US\$ 3,381	N/A	US\$ 3,381	
	Citigroup Commercial Mortgage Trust 2019-Gc43	-	"	-	US\$ 3,046	N/A	US\$ 3,046	
	Bank 2019-Bnk22	-	"	-	US\$ 2,967	N/A	US\$ 2,967	
	Commerce 2015-CCRE24 Mortgage Trust	-	"	-	US\$ 2,941	N/A	US\$ 2,941	
	Msbam 2016-C31	-	"	-	US\$ 2,934	N/A	US\$ 2,934	
	WFRBS Commercial Mortgage Trust 2014-C25	-	"	-	US\$ 2,896	N/A	US\$ 2,896	
	Sreit Commercial Mortgage Trust 2021-Mfp	-	"	-	US\$ 2,845	N/A	US\$ 2,845	
	Bmo 2023-C5 Mortgage Trust	-	"	-	US\$ 2,695	N/A	US\$ 2,695	
	Benchmark 2019-B15 Mortgage Trust	-	"	-	US\$ 2,505	N/A	US\$ 2,505	
	JPMDB 2017-C7	-	"	-	US\$ 2,480	N/A	US\$ 2,480	
	Toyota Auto Receivables 2023-C Owner Trust	-	"	-	US\$ 2,474	N/A	US\$ 2,474	
	DCENT_23-2	-	"	-	US\$ 2,463	N/A	US\$ 2,463	
	GS Mortgage Securities Trust 2015-GC32	-	"	-	US\$ 2,437	N/A	US\$ 2,437	
	Benchmark 2018-B3 Commercial Mortgage Trust	-	"	-	US\$ 2,375	N/A	US\$ 2,375	
	Ford Credit Auto Owner Trust 2020-Rev1	-	"	-	US\$ 2,368	N/A	US\$ 2,368	
	Citigroup Commercial Mortgage Trust 2016-C1	-	"	-	US\$ 2,248	N/A	US\$ 2,248	
	Citigroup Commercial Mortgage Trust 2015-P1	-	"	-	US\$ 2,142	N/A	US\$ 2,142	
	Mhc Commercial Mortgage Trust 2021-Mhc	-	"	-	US\$ 2,083	N/A	US\$ 2,083	
	Citigroup Commercial Mortgage Trust 2015-GC27	-	"	-	US\$ 2,077	N/A	US\$ 2,077	
	Wells Fargo Commercial Mortgage Trust 2020-C55	-	"	-	US\$ 1,972	N/A	US\$ 1,972	
	Ford Credit Auto Owner Trust 2023-A	-	"	-	US\$ 1,959	N/A	US\$ 1,959	
	Bank 2019-Bnk17	-	"	-	US\$ 1,928	N/A	US\$ 1,928	
	Benchmark 2018-B4 Mortgage Trust	-	"	-	US\$ 1,879	N/A	US\$ 1,879	
	Morgan Stanley Capital I Trust	-	"	-	US\$ 1,809	N/A	US\$ 1,809	
	Dolp Trust 2021-NYC	-	"	-	US\$ 1,673	N/A	US\$ 1,673	
	UBS Commercial Mortgage Trust 2018-C11	-	"	-	US\$ 1,605	N/A	US\$ 1,605	
	CGCMT 2017-P8 Mortgage Trust	-	"	-	US\$ 1,588	N/A	US\$ 1,588	
	Wells Fargo Commercial Mortgage Trust 2015-C30	-	"	-	US\$ 1,548	N/A	US\$ 1,548	
	Hyundai Auto Receivables Trust 2022-A	-	"	-	US\$ 1,495	N/A	US\$ 1,495	
	Honda Auto Receivables 2023-1 Owner Trust	-	"	-	US\$ 1,491	N/A	US\$ 1,491	
	JPMBB Commercial Mortgage Securities Trust 2015-C27	-	"	-	US\$ 1,485	N/A	US\$ 1,485	
	COMM 2020-CBM Mortgage Trust	-	"	-	US\$ 1,452	N/A	US\$ 1,452	
	Wells Fargo Commercial Mortgage Trust 2018-C44	-	"	-	US\$ 1,338	N/A	US\$ 1,338	
	Morgan Stanley Capital I Trust 2021-L5	-	"	-	US\$ 1,270	N/A	US\$ 1,270	
	Wells Fargo Commercial Mortgage Trust 2015-C29	-	"	-	US\$ 1,223	N/A	US\$ 1,223	
	Ford Credit Auto Owner Trust 2022-C	-	"	-	US\$ 1,219	N/A	US\$ 1,219	
	GM Financial Consumer Automobile Receivables Trust 2023-1	-	"	-	US\$ 1,194	N/A	US\$ 1,194	
	FORD CREDIT AUTO OWNER TRUST	-	"	-	US\$ 1,083	N/A	US\$ 1,083	
	Toyota Auto Receivables 2021-D Owner Trust	-	"	-	US\$ 997	N/A	US\$ 997	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	American Express Credit Account Master Trust	-	Financial assets at fair value through other comprehensive income	-	US\$ 995	N/A	US\$ 995	
	Ford Credit Auto Owner Trust 2022-B	-	"	-	US\$ 994	N/A	US\$ 994	
	JPMBB Commercial Mortgage Securities Trust 2015-C28	-	"	-	US\$ 988	N/A	US\$ 988	
	Morgan Stanley Capital I Trust 2015 - UBS8	-	"	"	-	US\$ 939	N/A	US\$ 939
	Wells Fargo Commercial Mortgage Trust 2016-LC24	-	"	"	-	US\$ 911	N/A	US\$ 911
	Commerce 2013-CCRE12 Mortgage Trust	-	"	"	-	US\$ 880	N/A	US\$ 880
	Ford Credit Auto Owner Trust 2022-A	-	"	"	-	US\$ 870	N/A	US\$ 870
	Bank 2023-Bnk45	-	"	"	-	US\$ 830	N/A	US\$ 830
	Nissan Auto Receivables 2023-A Owner Trust	-	"	"	-	US\$ 818	N/A	US\$ 818
	Benchmark 2021-B24 Mortgage Trust	-	"	"	-	US\$ 778	N/A	US\$ 778
	COMM Mortgage Trust Series 2015-LC19	-	"	"	-	US\$ 767	N/A	US\$ 767
	Honda Auto Receivables 2022-2 Owner Trust	-	"	"	-	US\$ 721	N/A	US\$ 721
	Citigroup Commercial Mortgage Trust 2015-GC35	-	"	"	-	US\$ 670	N/A	US\$ 670
	Wells Fargo Commercial Mortgage Trust 2017-C40	-	"	"	-	US\$ 637	N/A	US\$ 637
	Honda Auto Receivables 2021-2 Owner Trust	-	"	"	-	US\$ 592	N/A	US\$ 592
	JPMCC Commercial Mortgage Securities Trust 2016 - JP3	-	"	"	-	US\$ 592	N/A	US\$ 592
	JPMBB Commercial Mortgage Securities Trust 2016-C1	-	"	"	-	US\$ 563	N/A	US\$ 563
	Wells Fargo Commercial Mortgage Trust 2015-C28	-	"	"	-	US\$ 521	N/A	US\$ 521
	Citigroup Commercial Mortgage Trust 2018-C5	-	"	"	-	US\$ 436	N/A	US\$ 436
	Toyota Auto Receivables 2021-C Owner Trust	-	"	"	-	US\$ 379	N/A	US\$ 379
	Benchmark 2019-B14 Mortgage Trust	-	"	"	-	US\$ 325	N/A	US\$ 325
	WFRBS Commercial Mortgage Trust 2013-UBS1	-	"	"	-	US\$ 315	N/A	US\$ 315
	UBS Commercial Mortgage Trust 2018-C10	-	"	"	-	US\$ 297	N/A	US\$ 297
	Wells Fargo Commercial Mortgage Trust 2015-NXS3	-	"	"	-	US\$ 282	N/A	US\$ 282
	Bank 2019-BNK23	-	"	"	-	US\$ 250	N/A	US\$ 250
	Morgan Stanley Capital I Trust 2019-H6	-	"	"	-	US\$ 232	N/A	US\$ 232
	GS Mortgage Securities Trust 2014-GC24	-	"	"	-	US\$ 227	N/A	US\$ 227
	JPMCC 2015 - JP1	-	"	"	-	US\$ 197	N/A	US\$ 197
	GS Mortgage Securities Trust 2014-GC22	-	"	"	-	US\$ 191	N/A	US\$ 191
	COMM 2015-CCRE22 Mortgage Trust	-	"	"	-	US\$ 188	N/A	US\$ 188
	Morgan Stanley Capital I Trust 2019-H7	-	"	"	-	US\$ 179	N/A	US\$ 179
	JPMDB Commercial Mortgage Securities Trust 2019-COR6	-	"	"	-	US\$ 145	N/A	US\$ 145
	Citigroup Commercial Mortgage Trust 2014-GC23	-	"	"	-	US\$ 134	N/A	US\$ 134
Commerce 2014-Ccre17 Mortgage Trust	-	"	"	-	US\$ 129	N/A	US\$ 129	
CF 2019-CF1 Mortgage Trust	-	"	"	-	US\$ 124	N/A	US\$ 124	
Wells Fargo Commercial Mortgage Trust 2015-LC20	-	"	"	-	US\$ 122	N/A	US\$ 122	
Morgan Stanley Capital I Trust 2018-H3	-	"	"	-	US\$ 103	N/A	US\$ 103	
GS Mortgage Securities Trust 2014-GC26	-	"	"	-	US\$ 88	N/A	US\$ 88	
BBCMS Mortgage Trust 2020-C7	-	"	"	-	US\$ 47	N/A	US\$ 47	
Citigroup Commercial Mortgage Trust 2014-GC19	-	"	"	-	US\$ 13	N/A	US\$ 13	
	<u>Non-publicly traded equity investments</u>							
	Primavera Capital Fund II L.P.	-	Financial assets at fair value through other comprehensive income	-	US\$ 90,518	4	US\$ 90,518	
VTAF II	<u>Non-publicly traded equity investments</u>							
	Aether Systems, Inc.	-	Financial assets at fair value through other comprehensive income	1,085	-	20	-	
	5V Technologies, Inc.	-	"	1	-	-	-	
	<u>Publicly traded stocks</u>							
	Sentelic Corporation	-	Financial assets at fair value through other comprehensive income	971	US\$ 2,200	3	US\$ 2,200	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
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	
Emerging Fund	<u>Convertible bonds</u> Movandi Corporation	-	Financial assets at fair value through Profit or Loss	-	US\$ 4,118	N/A	US\$ 4,118	
	Encharge AI, Inc.	-	"	-	US\$ 3,039	N/A	US\$ 3,039	
	<u>Non-publicly traded equity investments</u> Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	1,487	US\$ 9,680	-	US\$ 9,680	
	Ayar Labs, Inc.	-	"	345	US\$ 5,000	1	US\$ 5,000	
	Empower Semiconductor, Inc.	-	"	868	US\$ 5,000	3	US\$ 5,000	
	Ethernovia Inc.	-	"	1,021	US\$ 5,000	3	US\$ 5,000	
	Lyte AI, Inc.	-	"	1,128	US\$ 5,000	4	US\$ 5,000	
	EdgeQ, Inc.	-	"	1,176	US\$ 4,771	2	US\$ 4,771	
	SiMa Technologies, Inc.	-	"	564	US\$ 4,000	1	US\$ 4,000	
	NeuReality Ltd.	-	"	122	US\$ 3,194	2	US\$ 3,194	
	Kinara, Inc.	-	"	2,015	US\$ 3,000	2	US\$ 3,000	
	xMEMS Labs, Inc.	-	"	3,000	US\$ 3,000	3	US\$ 3,000	
	RiVos, Inc.	-	"	1,430	US\$ 2,833	1	US\$ 2,833	
	<u>Publicly traded stocks</u> Credo Technology Group Holding Ltd	-	Financial assets at fair value through other comprehensive income	135	US\$ 2,055	-	US\$ 2,055	
	Growth Fund	<u>Non-publicly traded equity investments</u> Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income	637	US\$ 4,146	-	US\$ 4,146
CNEX Labs, Inc.		-	"	33	US\$ 133	-	US\$ 133	
<u>Publicly traded stocks</u> Marvell Technology Group Ltd.		-	Financial assets at fair value through other comprehensive income	30	US\$ 1,603	-	US\$ 1,603	

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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	Non-publicly traded equity investments													
	TSMC Arizona	Investments accounted for using equity method	-	-	1,270	\$ 25,639,079	3,130	\$ 96,782,910	-	\$ -	\$ -	\$ -	4,400	\$ 119,394,567
	JASM	"	-	-	1,020	23,330,125	1,249	28,062,957	-	-	-	-	2,269	47,543,240
	Emerging Fund	"	-	-	-	1,760,885	-	641,536	-	-	198,287	-	-	2,130,468
	<u>Commercial paper</u>													
	Nan Ya Plastics Corporation	Financial assets at amortized cost	-	-	450	4,476,301	1,250	12,444,432	850	8,500,000	8,500,000	-	850	8,479,423
	Cathay Financial Holding Co., Ltd.	"	-	-	-	-	990	9,855,438	370	3,700,000	3,700,000	-	620	6,184,269
	Formosa Chemicals & Fibre Corporation	"	-	-	250	2,485,666	500	4,975,243	250	2,500,000	2,500,000	-	500	4,987,514
	Taiwan Power Company	"	-	-	2,950	29,335,729	550	5,473,392	3,300	33,000,000	33,000,000	-	200	1,996,620
	CPC Corporation, Taiwan	"	-	-	750	7,458,936	50	497,451	750	7,500,000	7,500,000	-	50	499,647
	Formosa Plastics Corporation	"	-	-	200	1,990,459	-	-	200	2,000,000	2,000,000	-	-	-
	Formosa Petrochemical Corporation	"	-	-	300	2,985,385	-	-	300	3,000,000	3,000,000	-	-	-
TSMC Partners	<u>Fund</u>													
	Matter Venture Partners Fund I, L.P. (Note 2)	Financial assets at fair value through Profit or Loss	-	-	-	US\$ -	-	US\$ 3,500	-	US\$ -	US\$ -	US\$ -	-	US\$ 3,458
	<u>Publicly traded stocks</u>													
	ARM Holdings plc	Financial assets at fair value through other comprehensive income	-	-	-	US\$ -	1,961	US\$ 100,000	-	US\$ -	US\$ -	US\$ -	1,961	US\$ 104,941
TSMC Global	<u>Corporate bond</u>													
	Bank of America Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 76,626	-	US\$ 32,499	-	US\$ 22,362	US\$ 22,449	US\$ (87)	-	US\$ 87,259
	Morgan Stanley	"	-	-	-	US\$ 83,242	-	US\$ 19,579	-	US\$ 23,350	US\$ 23,429	US\$ (79)	-	US\$ 79,716
	The Goldman Sachs Group, Inc.	"	-	-	-	US\$ 51,439	-	US\$ 18,957	-	US\$ 13,225	US\$ 13,300	US\$ (75)	-	US\$ 57,185
	JPMorgan Chase & Co.	"	-	-	-	US\$ 50,629	-	US\$ 19,051	-	US\$ 13,490	US\$ 13,604	US\$ (114)	-	US\$ 56,152
	Wells Fargo & Company	"	-	-	-	US\$ 59,735	-	US\$ 10,955	-	US\$ 14,783	US\$ 14,824	US\$ (41)	-	US\$ 55,625
	Citigroup Inc.	"	-	-	-	US\$ 61,493	-	US\$ 18,408	-	US\$ 31,203	US\$ 31,317	US\$ (114)	-	US\$ 49,067
	Sumitomo Mitsui Financial Group, Inc.	"	-	-	-	US\$ 27,658	-	US\$ 22,091	-	US\$ 5,340	US\$ 5,480	US\$ (140)	-	US\$ 44,494
	Mitsubishi UFJ Financial Group, Inc.	"	-	-	-	US\$ 32,949	-	US\$ 14,983	-	US\$ 10,179	US\$ 10,225	US\$ (46)	-	US\$ 38,159
	Barclays PLC	"	-	-	-	US\$ 11,263	-	US\$ 26,220	-	US\$ 974	US\$ 1,000	US\$ (26)	-	US\$ 36,403
	HSBC Holdings plc	"	-	-	-	US\$ 32,402	-	US\$ 7,361	-	US\$ 10,424	US\$ 10,271	US\$ 153	-	US\$ 29,551
	CVS Health Corporation	"	-	-	-	US\$ 4,750	-	US\$ 26,311	-	US\$ 6,822	US\$ 6,886	US\$ (64)	-	US\$ 23,574
	Lloyds Banking Group plc	"	-	-	-	US\$ 10,533	-	US\$ 12,835	-	US\$ -	US\$ -	US\$ -	-	US\$ 23,376

(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	Oracle Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 21,865	-	US\$ 15,752	-	US\$ 14,576	US\$ 14,653	US\$ (77)	-	US\$ 22,718
	BPCE SA	"	-	-	-	US\$ 14,691	-	US\$ 11,433	-	US\$ 5,840	US\$ 5,850	US\$ (10)	-	US\$ 20,201
	Credit Agricole SA London Branch	"	-	-	-	US\$ 11,611	-	US\$ 10,744	-	US\$ 2,624	US\$ 2,627	US\$ (3)	-	US\$ 19,755
	Metropolitan Life Global Funding I	"	-	-	-	US\$ 24,408	-	US\$ 4,577	-	US\$ 9,953	US\$ 9,974	US\$ (21)	-	US\$ 19,027
	AIG Global Funding	"	-	-	-	US\$ 8,209	-	US\$ 12,370	-	US\$ 2,660	US\$ 2,699	US\$ (39)	-	US\$ 17,928
	Danske Bank A/S	"	-	-	-	US\$ 6,149	-	US\$ 17,235	-	US\$ 7,452	US\$ 7,260	US\$ 192	-	US\$ 16,412
	Amgen Inc.	"	-	-	-	US\$ 310	-	US\$ 18,377	-	US\$ 5,611	US\$ 5,568	US\$ 43	-	US\$ 12,938
	AerCap Ireland Capital Designated Activity Company	"	-	-	-	US\$ -	-	US\$ 12,899	-	US\$ -	US\$ -	US\$ -	-	US\$ 12,746
	Pfizer Investment Enterprises Pte. Ltd.	"	-	-	-	US\$ -	-	US\$ 12,584	-	US\$ -	US\$ -	US\$ -	-	US\$ 12,147
	ABN AMRO Bank N.V.	"	-	-	-	US\$ -	-	US\$ 9,900	-	US\$ -	US\$ -	US\$ -	-	US\$ 9,858
	ONEOK, Inc.	"	-	-	-	US\$ -	-	US\$ 9,843	-	US\$ -	US\$ -	US\$ -	-	US\$ 9,720
	Credit Suisse AG, New York Branch	"	-	-	-	US\$ 12,688	-	US\$ -	-	US\$ 12,569	US\$ 14,369	US\$ (1,800)	-	US\$ -
	Bank of America Corporation	Financial assets at amortized cost	-	-	-	US\$ 324,757	-	US\$ 631,777	-	US\$ 202,000	US\$ 201,456	US\$ 544	-	US\$ 758,760
	The Goldman Sachs Group, Inc.	"	-	-	-	US\$ 440,655	-	US\$ 187,813	-	US\$ 15,000	US\$ 15,000	US\$ -	-	US\$ 614,148
	Morgan Stanley	"	-	-	-	US\$ 60,207	-	US\$ 396,008	-	US\$ -	US\$ -	US\$ -	-	US\$ 458,073
	Wells Fargo & Company	"	-	-	-	US\$ 274,713	-	US\$ 338,364	-	US\$ 159,000	US\$ 158,626	US\$ 374	-	US\$ 457,149
	JPMorgan Chase & Co.	"	-	-	-	US\$ 280,213	-	US\$ 367,749	-	US\$ 278,000	US\$ 277,685	US\$ 315	-	US\$ 374,897
	Citigroup Inc.	"	-	-	-	US\$ 174,540	-	US\$ 191,148	-	US\$ 159,000	US\$ 158,612	US\$ 388	-	US\$ 209,009
	<u>Agency mortgage-backed securities</u>													
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 463,645	-	US\$ 201,475	-	US\$ 53,459	US\$ 54,256	US\$ (797)	-	US\$ 583,615
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ 284,933	-	US\$ 116,248	-	US\$ 51,171	US\$ 51,480	US\$ (309)	-	US\$ 334,400
	Government National Mortgage Association	"	-	-	-	US\$ 175,067	-	US\$ 58,957	-	US\$ 17,529	US\$ 18,077	US\$ (548)	-	US\$ 207,650
	<u>Government bond/Agency bonds</u>													
	United States Department of The Treasury	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 613,603	-	US\$ 246,670	-	US\$ 121,969	US\$ 125,781	US\$ (3,812)	-	US\$ 734,376
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ -	-	US\$ 9,993	-	US\$ -	US\$ -	US\$ -	-	US\$ 9,962
	Federal Home Loan Banks	Financial assets at amortized cost	-	-	-	US\$ -	-	US\$ 225,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 225,000
	Federal Home Loan Mortgage Corporation	"	-	-	-	US\$ -	-	US\$ 160,000	-	US\$ -	US\$ -	US\$ -	-	US\$ 160,000
	United States Department of The Treasury	"	-	-	-	US\$ -	-	US\$ 88,826	-	US\$ -	US\$ -	US\$ -	-	US\$ 88,885
	<u>Asset-backed securities</u>													
	BX Trust 2022-LBA6	Financial assets at fair value through other comprehensive income	-	-	-	US\$ 9,655	-	US\$ -	-	US\$ 9,794	US\$ 10,000	US\$ (206)	-	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: TSMC Partners expects to invest US\$ 20,000 thousand in Matter Venture Partners Fund I based on the resolution of the board of directors. As of the end of this quarter, US\$ 3,500 thousand has been remitted.

(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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(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 14, 2023 (Note)	US\$ 1,881,000 (Note)	Based on the terms in the purchase order	65 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. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Desiccant Technology Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd.	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kinetics Technology Corporation L&K Engineering Co., Ltd. Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Ovivo Taiwan 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 Puritic Corp. Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. 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. Ying Pao Technology Inc.								

(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	May 9, 2023 (Note)	US\$ 366,000 (Note)	Based on the terms in the purchase order	65 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. Cica-Huntek Chemical Technology Taiwan Co., Ltd. Confederate Technology Co., Ltd. Desiccant Technology Corporation Exyte Taiwan Co., Ltd. Fortune Electric 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) JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kinetics Technology Corporation L&K Engineering Co., Ltd. Marketch International Corp.	-	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				Areal Holding Gesellschaft mbH, Dresden Atlas Copco Taiwan Ltd. Atlas Technology Corp. Capital Machinery Limited Chang Chun Petrochemical Co., Ltd. Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Cheng Deh Fire Protection Industrial Corp. Chien Kuo Construction Co., 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. f6 Cigarettenfabrik GmbH & Co. KG 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								

(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				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. 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. 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. Wei Shung Technology Corporation 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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(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	\$ 1,002,877,644	66	Net 30 days from invoice date (Note)	-	-	\$ 176,130,842	83	
	GUC	Associate	Sales	6,110,300	-	Net 30 days from invoice date	-	-	204,565	-	
	TSMC Nanjing	Subsidiary	Purchases	46,857,435	35	Net 30 days from the end of the month of when invoice is issued	-	-	(3,881,452)	7	
	TSMC China	Subsidiary	Purchases	19,000,827	14	Net 30 days from the end of the month of when invoice is issued	-	-	(1,840,852)	3	
	WaferTech	Indirect subsidiary	Purchases	6,868,902	5	Net 30 days from the end of the month of when invoice is issued	-	-	(503,258)	1	
	SSMC	Associate	Purchases	2,430,163	2	Net 30 days from the end of the month of when invoice is issued	-	-	(295,730)	1	
	VIS	Associate	Purchases	873,783	1	Net 30 days from the end of the month of when invoice is issued	-	-	(47,914)	-	
TSMC North America	GUC	Associate of TSMC	Sales	3,365,729 (US\$ 109,502)	-	Net 30 days from invoice date	-	-	-	-	
VisEra Tech	Xintec	Associate of TSMC	Sales	452,948	8	Net 60 days from the end of the month of when invoice is issued	-	-	157,189	17	

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

SEPTEMBER 30, 2023

(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 GUC	Subsidiary Associate	\$ 180,276,196 204,565	47 34	\$ 5,725,886 -	- -	\$ 103,020,387 -	\$ - -
TSMC North America	TSMC	Parent company	101,830 (US\$ 3,152)	(Note 2)	-	-	-	-
TSMC China	TSMC	Parent company	1,840,852 (RMB 416,300)	29	-	-	-	-
	TSMC Nanjing	The same parent company	39,071,244 (RMB 8,835,850)	(Note 2)	-	-	-	-
TSMC Nanjing	TSMC	Parent company	3,881,452 (RMB 877,772)	23	-	-	-	-
VisEra Tech	Xintec	Associate of TSMC	157,189	82	-	-	-	-
TSMC Technology	TSMC	The ultimate parent of the Company	379,865 (US\$ 11,767)	(Note 2)	-	-	-	-
WaferTech	TSMC	The ultimate parent of the Company	503,258 (US\$ 15,590)	27	-	-	-	-
	TSMC Development	Parent company	266,477 8,255	(Note 2)	-	-	-	-

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(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	\$ 1,002,877,644	-	65%
				Receivables from related parties	176,130,842	-	3%
				Other receivables from related parties	4,145,354	-	-
				Accrued expenses and other current liabilities	136,026,838	-	2%
				Other noncurrent liabilities	119,729,879	-	2%
		JASM	1	Other noncurrent assets	11,373,403	-	-
		TSMC JDC	1	Research and development expenses	596,527	-	-
		TSMC 3DIC	1	Research and development expenses	568,186	-	-
		TSMC Europe	1	Marketing expenses-commission	475,738	-	-
		TSMC China	1	Purchases	19,000,827	-	1%
				Payables to related parties	1,840,852	-	-
		TSMC Nanjing	1	Purchases	46,857,435	-	3%
				Proceeds from disposal of property, plant and equipment	336,934	-	-
				Payables to related parties	3,881,452	-	-
		1	TSMC China	TSMC Technology	1	Research and development expenses	2,870,037
WaferTech	1			Purchases	6,868,902	-	-
				Payables to related parties	503,258	-	-
TSMC Nanjing	3			Interest income	448,245	-	-
				Other receivables from related parties	39,071,244	-	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 NINE MONTHS ENDED SEPTEMBER 30, 2023
 (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 September 30, 2023			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				September 30, 2023 (Foreign Currencies in Thousands)	December 31, 2022 (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	\$ 450,233,116	\$ 17,508,870	\$ 17,508,870	Subsidiary
	TSMC Arizona	Phoenix, Arizona, U.S.A.	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	133,798,710	37,015,800	4,400	100	119,394,567	(8,203,552)	(8,203,552)	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	70,167,087	2,517,922	2,517,922	Subsidiary
	JASM	Kumamoto, Japan	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	52,630,042	24,567,085	2,269	71	47,543,240	(1,509,102)	(1,080,189)	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	13,103,470	4,982,328	1,407,612	Associate
	VisEra Tech	Hsin-Chu, Taiwan	Research, design, development, manufacturing, sales, packaging and test of color filter	4,224,082	4,224,082	213,619	68	11,241,528	323,809	218,974	Subsidiary
	SSMC	Singapore	Manufacturing and sales of integrated circuits and other semiconductor devices	5,120,028	5,120,028	314	39	9,985,558	1,488,865	577,531	Associate
	TSMC North America	San Jose, California, U.S.A	Sales and marketing of integrated circuits and other semiconductor devices	333,718	333,718	11,000	100	6,235,197	483,735	483,735	Subsidiary
	Xintec	Taoyuan, Taiwan	Wafer level chip size packaging and wafer level post passivation interconnection service	1,988,317	1,988,317	111,282	41	3,580,425	940,912	385,854	Associate
	GUC	Hsin-Chu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	386,568	46,688	35	2,238,136	2,795,883	974,059	Associate
	Emerging Fund	Cayman Islands	Investing in technology start-up companies	1,712,674	1,269,425	-	99.9	2,130,468	19,602	19,582	Subsidiary
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	1,144,356	1,144,356	49	100	1,174,258	91,131	91,131	Subsidiary
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	-	100	569,867	23,295	23,295	Subsidiary
	TSMC JDC	Yokohama, Japan	Engineering support activities	410,680	410,680	15	100	371,800	24,384	24,384	Subsidiary
	VTAF III	Cayman Islands	Investing in technology start-up companies	1,242,679	1,239,621	-	98	267,497	(7,849)	(7,692)	Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	6	100	130,349	5,987	5,987	Subsidiary
	VTAF II	Cayman Islands	Investing in technology start-up companies	260,300	260,300	-	98	99,903	498	488	Subsidiary
	TSMC Korea	Seoul, Korea	Customer service and supporting activities	13,656	13,656	80	100	44,746	1,750	1,750	Subsidiary
	ESMC	Dresden, Germany	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	3,359	-	-	100	2,331	(1,084)	(1,084)	Subsidiary
	TSMC Partners	TSMC Development	Delaware, U.S.A	Investing in companies involved in semiconductor manufacturing	18,946,972 (US\$ 586,939)	18,946,972 (US\$ 586,939)	-	100	39,842,511 (US\$1,234,240)	1,303,093 (US\$ 42,252)	Note 2
TSMC Technology		Delaware, U.S.A	Engineering support activities	461,038 (US\$ 14,282)	461,038 (US\$ 14,282)	-	100	1,217,826 (US\$ 37,726)	165,596 (US\$ 5,371)	Note 2	Subsidiary
TSMC Canada		Ontario, Canada	Engineering support activities	74,246 (US\$ 2,300)	74,246 (US\$ 2,300)	2,300	100	375,241 (US\$ 11,624)	35,357 (US\$ 1,142)	Note 2	Subsidiary
VTAF III	Growth Fund	Cayman Islands	Investing in technology start-up companies	74,100 (US\$ 2,295)	70,871 (US\$ 2,195)	-	100	192,788 (US\$ 5,972)	(723) (US\$ (23))	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	51,435 (US\$ 1,593)	51,435 (US\$ 1,593)	4,693	28	13,969 (US\$ 433)	(17,934) (US\$ (579))	Note 2	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				September 30, 2023 (Foreign Currencies in Thousands)	December 31, 2022 (Foreign Currencies in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)			
TSMC Development	WaferTech	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	\$ -	\$ -	293,637	100	\$ 7,148,865 (US\$ 221,457)	\$ 549,602 (US\$ 17,924)	Note 2	Subsidiary

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

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS END SEPTEMBER 30, 2023**

(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, 2023 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023 (US\$ in Thousands)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 30, 2023
					Outflow (US\$ in Thousands)	Inflow						
TSMC China	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	\$ 18,939,667 (RMB 4,502,080)	(Note 1)	\$ 18,939,667 (US\$ 596,000)	\$ -	\$ -	\$ 18,939,667 (US\$ 596,000)	\$ 7,422,379	100%	\$ 7,489,134 (Note 2)	\$ 94,591,954	\$ -
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)	15,334,763	100%	15,345,502 (Note 2)	82,952,291	-

Accumulated Investment in Mainland China as of September 30, 2023 (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)	\$ 2,023,690,864 (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
SEPTEMBER 30, 2023**

Shareholders (Note 1)	Shares	
	Total Shares Owned	Ownership Percentage (Note 2)
ADR-Taiwan Semiconductor Manufacturing Company Ltd.	5,316,067,058	20.50%
National Development Fund, Executive Yuan	1,653,709,980	6.38%

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

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