



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

ASSETS	March 31, 2020 (Unaudited)			December 31, 2019 (Audited)		March 31, 2019 (Unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Current Assets											
Cash and Cash Equivalents	\$ 14,246	\$ 430,777	18.4	\$ 455,399	20.1	\$ 645,671	29.5	\$ (24,622)	(5.4)	\$ (214,894)	(33.3)
Investments in Marketable Financial Instruments	4,325	130,776	5.6	128,049	5.6	114,578	5.2	2,727	2.1	16,198	14.1
Accounts Receivable	4,842	146,421	6.2	139,771	6.2	106,741	4.9	6,650	4.8	39,680	37.2
Inventories	2,588	78,278	3.3	82,981	3.7	108,682	5.0	(4,703)	(5.7)	(30,404)	(28.0)
Other Current Assets	536	16,218	0.7	16,414	0.7	15,653	0.7	(196)	(1.2)	565	3.6
Total Current Assets	26,537	802,470	34.2	822,614	36.3	991,325	45.3	(20,144)	(2.4)	(188,855)	(19.1)
Non-current Assets											
Long-term Investments	1,026	31,033	1.3	30,172	1.3	30,039	1.4	861	2.9	994	3.3
Property, Plant and Equipment	47,562	1,438,216	61.4	1,352,377	59.7	1,107,652	50.6	85,839	6.3	330,564	29.8
Right-of-use, Intangible and Other Non-current Assets	2,367	71,577	3.1	59,642	2.7	58,421	2.7	11,935	20.0	13,156	22.5
Total Non-current Assets	50,955	1,540,826	65.8	1,442,191	63.7	1,196,112	54.7	98,635	6.8	344,714	28.8
Total Assets	\$ 77,492	\$ 2,343,296	100.0	\$ 2,264,805	100.0	\$ 2,187,437	100.0	\$ 78,491	3.5	\$ 155,859	7.1
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 4,607	\$ 139,310	5.9	\$ 118,522	5.3	\$ 76,593	3.5	\$ 20,788	17.5	\$ 62,717	81.9
Accounts Payable	1,315	39,774	1.7	40,206	1.8	27,662	1.3	(432)	(1.1)	12,112	43.8
Payables to Contractors and Equipment Suppliers	3,355	101,466	4.3	140,811	6.2	76,971	3.5	(39,345)	(27.9)	24,495	31.8
Cash Dividends Payable	4,288	129,652	5.5	129,652	5.7	-	-	-	-	129,652	-
Accrued Expenses and Other Current Liabilities	5,505	166,466	7.1	129,745	5.7	148,942	6.8	36,721	28.3	17,524	11.8
Current Portion of Bonds Payable	423	12,800	0.6	31,800	1.4	48,100	2.2	(19,000)	(59.7)	(35,300)	(73.4)
Total Current Liabilities	19,493	589,468	25.1	590,736	26.1	378,268	17.3	(1,268)	(0.2)	211,200	55.8
Non-current Liabilities											
Bonds Payable	1,537	46,475	2.0	25,100	1.1	35,300	1.6	21,375	85.2	11,175	31.7
Other Non-current Liabilities	1,003	30,324	1.3	26,874	1.2	30,351	1.4	3,450	12.8	(27)	(0.1)
Total Non-current Liabilities	2,540	76,799	3.3	51,974	2.3	65,651	3.0	24,825	47.8	11,148	17.0
Total Liabilities	22,033	666,267	28.4	642,710	28.4	443,919	20.3	23,557	3.7	222,348	50.1
Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,575	259,304	11.1	259,304	11.4	259,304	11.9	-	-	-	-
Capital Surplus	1,863	56,340	2.4	56,340	2.5	56,321	2.6	-	-	19	-
Legal Capital Reserve	10,290	311,147	13.3	311,147	13.7	276,034	12.6	-	-	35,113	12.7
Special Capital Reserve	912	27,568	1.2	10,675	0.5	26,907	1.2	16,893	158.2	661	2.5
Unappropriated Earnings	34,617	1,046,781	44.7	1,011,513	44.7	1,135,005	51.9	35,268	3.5	(88,224)	(7.8)
Others	(823)	(24,874)	(1.1)	(27,569)	(1.2)	(10,725)	(0.5)	2,695	9.8	(14,149)	(131.9)
Equity Attributable to Shareholders of the Parent	55,434	1,676,266	71.6	1,621,410	71.6	1,742,846	79.7	54,856	3.4	(66,580)	(3.8)
Noncontrolling Interests	25	763	-	685	-	672	-	78	11.4	91	13.5
Total Shareholders' Equity	55,459	1,677,029	71.6	1,622,095	71.6	1,743,518	79.7	54,934	3.4	(66,489)	(3.8)
Total Liabilities & Shareholders' Equity	\$ 77,492	\$ 2,343,296	100.0	\$ 2,264,805	100.0	\$ 2,187,437	100.0	\$ 78,491	3.5	\$ 155,859	7.1

Note :
(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.239 as of March 31, 2020.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Unaudited)

For the Three Months Ended March 31, 2020, December 31, 2019, March 31, 2019

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	1Q 2020			4Q 2019		1Q 2019		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 10,306	\$ 310,597	100.0	\$ 317,237	100.0	\$ 218,704	100.0	\$ (6,640)	(2.1)	\$ 91,893	42.0
Cost of Revenue	(4,971)	(149,820)	(48.2)	(158,035)	(49.8)	(128,346)	(58.7)	8,215	(5.2)	(21,474)	16.7
Gross Profit	5,335	160,777	51.8	159,202	50.2	90,358	41.3	1,575	1.0	70,419	77.9
Operating Expenses											
Research and Development Expenses	(828)	(24,969)	(8.0)	(25,636)	(8.1)	(20,417)	(9.3)	667	(2.6)	(4,552)	22.3
Sales, General and Administrative Expenses	(244)	(7,354)	(2.4)	(9,307)	(2.9)	(5,601)	(2.6)	1,953	(21.0)	(1,753)	31.3
Total Operating Expenses	(1,072)	(32,323)	(10.4)	(34,943)	(11.0)	(26,018)	(11.9)	2,620	(7.5)	(6,305)	24.2
Other Operating Income and Expenses	2	68	-	(15)	-	(74)	-	83	NM	142	NM
Income from Operations	4,265	128,522	41.4	124,244	39.2	64,266	29.4	4,278	3.4	64,256	100.0
Non-operating Income and Expenses											
Share of Profits of Associates	24	726	0.2	866	0.3	434	0.2	(140)	(16.2)	292	67.3
Net Interest Income (Expenses)	81	2,458	0.8	2,675	0.8	3,510	1.6	(217)	(8.1)	(1,052)	(30.0)
Other Gains and Losses	15	441	0.1	997	0.3	(28)	-	(556)	(55.8)	469	NM
Total Non-operating Income and Expenses	120	3,625	1.1	4,538	1.4	3,916	1.8	(913)	(20.1)	(291)	(7.4)
Income Before Income Tax	4,385	132,147	42.5	128,782	40.6	68,182	31.2	3,365	2.6	63,965	93.8
Income Tax Expenses	(501)	(15,084)	(4.8)	(12,704)	(4.0)	(6,795)	(3.1)	(2,380)	18.7	(8,289)	122.0
Net Income	3,884	117,063	37.7	116,078	36.6	61,387	28.1	985	0.8	55,676	90.7
Other Comprehensive Income (Losses)	88	2,648	0.8	(16,741)	(5.3)	4,616	2.1	19,389	NM	(1,968)	(42.6)
Comprehensive Income	\$ 3,972	\$ 119,711	38.5	\$ 99,337	31.3	\$ 66,003	30.2	\$ 20,374	20.5	\$ 53,708	81.4
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 3,882	\$ 116,987	37.7	\$ 116,035	36.6	\$ 61,394	28.1	\$ 952	0.8	\$ 55,593	90.6
Noncontrolling Interests	2	76	-	43	-	(7)	-	33	76.7	83	NM
	\$ 3,884	\$ 117,063	37.7	\$ 116,078	36.6	\$ 61,387	28.1	\$ 985	0.8	\$ 55,676	90.7
Earnings per Share - Diluted	\$ 0.15	\$ 4.51		\$ 4.47		\$ 2.37		\$ 0.04	0.8	\$ 2.14	90.6
Earnings per ADR - Diluted (2)	\$ 0.75	\$ 22.56		\$ 22.37		\$ 11.84		\$ 0.19	0.8	\$ 10.72	90.6
Weighted Average Outstanding Shares - Diluted ('M)		25,930		25,930		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.137 for the first quarter of 2020.

(2) 1 ADR equals 5 ordinary shares.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Cash Flow Statements (Unaudited)

For the Three Months Ended March 31, 2020, December 31, 2019 and March 31, 2019

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	1Q 2020		4Q 2019	1Q 2019
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Income before Income Tax	\$ 4,385	\$ 132,147	\$ 128,782	\$ 68,182
Depreciation & Amortization	2,275	68,554	67,532	77,548
Share of Profits of Associates	(24)	(726)	(866)	(434)
Income Taxes Paid	(46)	(1,379)	(14,074)	(238)
Changes in Working Capital & Others	147	4,433	21,581	7,612
Net Cash Generated by Operating Activities	6,737	203,029	202,955	152,670
Cash Flows from Investing Activities:				
Interest Received	\$ 101	\$ 3,038	\$ 3,620	\$ 4,575
Cash Dividend Received	4	111	74	-
Acquisitions of:				
Property, Plant and Equipment	(6,389)	(192,560)	(170,009)	(75,942)
Marketable Financial Instruments	(1,876)	(56,528)	(57,068)	(34,759)
Proceeds from Disposal or Redemption of:				
Property, Plant and Equipment	2	66	69	75
Marketable Financial Instruments	1,897	57,186	56,489	41,916
Others	(10)	(306)	(4,780)	(53)
Net Cash Used In Investing Activities	(6,271)	(188,993)	(171,605)	(64,188)
Cash Flows from Financing Activities:				
Increase (Decrease) in Short-term Loans	\$ 675	\$ 20,348	\$ 35,676	\$ (12,262)
Proceeds from Issuance of Bonds	796	24,000	-	-
Repayment of Bonds	(717)	(21,600)	-	(8,400)
Interest Paid	(32)	(977)	(539)	(1,189)
Cash Dividends Paid for Common Stock	(2,151)	(64,826)	(51,861)	-
Others	76	2,298	(460)	(562)
Net Cash Used in Financing Activities	(1,353)	(40,757)	(17,184)	(22,413)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	\$ 70	\$ 2,099	\$ (11,197)	\$ 1,787
Net Increase (Decrease) in Cash and Cash Equivalents	(817)	(24,622)	2,969	67,856
Cash and Cash Equivalents at Beginning of Period	15,111	455,399	452,430	577,815
Cash and Cash Equivalents at End of Period	\$ 14,294	\$ 430,777	\$ 455,399	\$ 645,671

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.137 for the three months ended March 31, 2020.