Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

REPRESENTATION LETTER

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED

By

C.C. Wei
Chairman

February 12, 2025

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Semiconductor Manufacturing Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Semiconductor Manufacturing Company Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

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

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

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

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

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

1. We read the Company's policy and understood the criteria used to determine when to commence depreciation.

2. We tested the effectiveness of the controls over the evaluation of when to commence depreciation of EUI/CIP.

3. We sampled the year-end balance of EUI/CIP and performed the following for each selection:

    a. Evaluated whether the selection did not meet the criteria specified by the Company for commencement of depreciation.

    b. Observed the assets and evaluated their status.

4. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation during the year.

5. We sampled and evaluated whether the selection of EUI/CIP met the criteria specified by the Company for commencement of depreciation subsequent to year end.

Other Matter

We have also audited the parent company only financial statements of Taiwan Semiconductor Manufacturing Company Limited as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Shih Tsung Wu　　Shang-Chih Lin

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 12, 2025

<u>*Notice to Readers*</u>

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

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 2,127,627,043	32	$ 1,465,427,753	26
Financial assets at fair value through profit or loss (Note 7)	207,700	-	924,636	-
Financial assets at fair value through other comprehensive income (Note 8)	192,202,657	3	154,530,830	3
Financial assets at amortized cost (Note 9)	101,971,322	1	66,761,221	1
Hedging financial assets (Note 10)	10,959	-	-	-
Notes and accounts receivable, net (Note 11)	270,683,235	4	201,313,914	4
Receivables from related parties (Note 33)	1,404,473	-	624,451	-
Other receivables from related parties (Note 33)	251	-	71,871	-
Inventories (Notes 5 and 12)	287,868,810	4	250,997,088	5
Other financial assets (Notes 29, 30 and 34)	63,138,316	1	27,158,766	1
Other current assets	43,237,354	1	26,222,380	-
Total current assets	3,088,352,120	46	2,194,032,910	40
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	15,199,842	-	13,417,457	-
Financial assets at fair value through other comprehensive income (Note 8)	7,822,884	-	7,208,655	-
Financial assets at amortized cost (Note 9)	88,596,542	1	79,199,367	2
Investments accounted for using equity method (Note 13)	37,421,105	1	29,616,638	1
Property, plant and equipment (Notes 5, 14 and 29)	3,234,980,070	48	3,064,474,984	55
Right-of-use assets (Notes 5 and 15)	40,128,391	1	40,424,830	1
Intangible assets (Notes 5 and 16)	26,282,520	1	22,766,744	-
Deferred income tax assets (Notes 5 and 25)	65,943,300	1	64,175,787	1
Refundable deposits	5,495,862	-	7,044,420	-
Other noncurrent assets (Notes 29 and 30)	81,715,364	1	10,009,423	-
Total noncurrent assets	3,603,585,880	54	3,338,338,305	60
TOTAL	$ 6,691,938,000	100	$ 5,532,371,215	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 7)	$ 466,539	-	$ 121,412	-
Hedging financial liabilities (Notes 10 and 30)	-	-	27,334,164	-
Accounts payable	72,800,558	1	55,726,757	1
Payables to related parties (Note 33)	1,426,001	-	1,566,300	-
Salary and bonus payable	47,451,509	1	33,200,563	1
Accrued profit sharing bonus to employees and compensation to directors (Note 28)	70,871,150	1	50,716,944	1
Payables to contractors and equipment suppliers	192,635,173	3	171,484,616	3
Cash dividends payable (Note 20)	220,418,821	3	168,558,461	3
Income tax payable (Notes 5 and 25)	147,438,423	2	98,912,902	2
Long-term liabilities - current portion (Notes 17, 18 and 30)	59,857,879	1	9,293,266	-
Accrued expenses and other current liabilities (Notes 5, 15, 21 and 30)	451,158,911	7	296,667,931	5
Total current liabilities	1,264,524,964	19	913,583,316	16
NONCURRENT LIABILITIES				
Bonds payable (Notes 17 and 30)	926,604,506	14	913,899,843	17
Long-term bank loans (Notes 18 and 30)	31,824,386	-	4,382,965	-
Deferred income tax liabilities (Notes 5 and 25)	3,988,482	-	53,856	-
Lease liabilities (Notes 5, 15 and 30)	28,755,342	-	28,681,835	1
Net defined benefit liability (Note 19)	7,580,657	-	9,257,224	-
Guarantee deposits	845,581	-	923,164	-
Others (Note 21)	104,238,217	2	178,326,165	3
Total noncurrent liabilities	1,103,837,171	16	1,135,525,052	21
Total liabilities	2,368,362,135	35	2,049,108,368	37
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
Capital stock (Note 20)	259,327,332	4	259,320,710	5
Capital surplus (Notes 20 and 27)	73,260,765	2	69,876,381	1
Retained earnings (Note 20)				
Appropriated as legal capital reserve	311,146,899	4	311,146,899	6
Unappropriated earnings	3,606,105,124	54	2,846,883,893	51
	3,917,252,023	58	3,158,030,792	57
Others (Notes 20 and 27)	38,705,047	-	(28,314,256)	-
Equity attributable to shareholders of the parent	4,288,545,167	64	3,458,913,627	63
NON - CONTROLLING INTERESTS	35,030,698	1	24,349,220	-
Total equity	4,323,575,865	65	3,483,262,847	63
TOTAL	$ 6,691,938,000	100	$ 5,532,371,215	100

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)

	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 5, 21, 33 and 39)	$ 2,894,307,699	100	$ 2,161,735,841	100
COST OF REVENUE (Notes 5, 12, 28, 33 and 36)	1,269,954,135	44	986,625,213	46
GROSS PROFIT	1,624,353,564	56	1,175,110,628	54
OPERATING EXPENSES (Notes 5, 28 and 33)				
Research and development	204,181,823	7	182,370,170	8
General and administrative	83,744,968	3	60,872,841	3
Marketing	13,143,524	-	10,590,705	-
Total operating expenses	301,070,315	10	253,833,716	11
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 14, 28 and 36)	(1,230,199)	-	188,694	-
INCOME FROM OPERATIONS (Note 39)	1,322,053,050	46	921,465,606	43
NON-OPERATING INCOME AND EXPENSES				
Share of profits of associates	4,879,367	-	4,655,098	-
Interest income (Note 22)	87,213,399	3	60,293,901	3
Other income	566,879	-	479,984	-
Foreign exchange gain (loss), net (Note 37)	10,000,653	-	(2,685,484)	-
Finance costs (Note 23)	(10,495,320)	-	(11,999,360)	(1)
Other gains and losses, net (Note 24)	(8,379,393)	-	6,961,579	-
Total non-operating income and expenses	83,785,585	3	57,705,718	2
INCOME BEFORE INCOME TAX	1,405,838,635	49	979,171,324	45
INCOME TAX EXPENSE (Notes 5 and 25)	233,406,876	8	141,403,807	6
NET INCOME	1,172,431,759	41	837,767,517	39
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 5, 19, 20 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	144,365	-	(623,356)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	5,091,916	-	1,954,563	-
Gain on hedging instruments	5,041	-	39,898	-
Share of other comprehensive income (loss) of associates	(69,435)	-	42,554	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	(38,869)	-	124,646	-
	5,133,018	-	1,538,305	-

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

	2024		2023	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	$ 64,299,685	2	$ (14,464,353)	(1)
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	1,949,865	-	4,123,201	-
Loss on hedging instruments	(80,198)	-	(74,735)	-
Share of other comprehensive income of associates	283,276	-	63,938	-
	66,452,628	2	(10,351,949)	(1)
Other comprehensive income (loss), net of income tax	71,585,646	2	(8,813,644)	(1)
TOTAL COMPREHENSIVE INCOME	$ 1,244,017,405	43	$ 828,953,873	38
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 1,173,267,703	41	$ 838,497,664	39
Non-controlling interests	(835,944)	-	(730,147)	-
	$ 1,172,431,759	41	$ 837,767,517	39
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 1,245,836,616	43	$ 830,509,542	38
Non-controlling interests	(1,819,211)	-	(1,555,669)	-
	$ 1,244,017,405	43	$ 828,953,873	38
EARNINGS PER SHARE (NT$, Note 26)				
Basic earnings per share	$ 45.25		$ 32.34	
Diluted earnings per share	$ 45.25		$ 32.34	

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

	Equity Attributable to Shareholders of the Parent															
	Capital Stock - Common Stock			Retained Earnings				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	Total	Treasury Stock	Total	Non-controlling Interests	Total Equity
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																
Special capital reserve	-	-	-	-	(3,154,310)	3,154,310	-	-	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(317,663,220)	(317,663,220)	-	-	-	-	-	-	(317,663,220)	-	(317,663,220)
Total	-	-	-	-	(3,154,310)	(314,508,910)	(317,663,220)	-	-	-	-	-	-	(317,663,220)	-	(317,663,220)
Net income	-	-	-	-	-	838,497,664	838,497,664	-	-	-	-	-	-	838,497,664	(730,147)	837,767,517
Other comprehensive income (loss), net of income tax	-	-	-	-	-	(484,898)	(484,898)	(13,573,468)	6,108,369	(38,125)	-	(7,503,224)	-	(7,988,122)	(825,522)	(8,813,644)
Total comprehensive income (loss)	-	-	-	-	-	838,012,766	838,012,766	(13,573,468)	6,108,369	(38,125)	-	(7,503,224)	-	830,509,542	(1,555,669)	828,953,873
Disposal of investments accounted for using equity method	-	-	(18,112)	-	-	-	-	-	-	-	-	-	-	(18,112)	(370)	(18,482)
Employee restricted shares retired	(419)	(4,195)	4,195	-	-	4,614	4,614	-	-	-	-	-	-	4,614	-	4,614
Share-based payment arrangements	2,110	21,100	564,868	-	-	-	-	-	-	-	(108,281)	(108,281)	-	477,687	-	477,687
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	151,944	151,944	-	(151,944)	-	-	(151,944)	-	-	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	(45,181)	-	(45,181)	-	(45,181)	-	(45,181)
Adjustments to share of changes in equities of associates	-	-	(43)	-	-	-	-	-	-	-	-	-	-	(43)	-	(43)
From share of changes in equities of subsidiaries	-	-	(21,268)	-	-	-	-	-	-	-	-	-	-	(21,268)	11,265,933	11,244,665
Donation from shareholders	-	-	16,413	-	-	-	-	-	-	-	-	-	-	16,413	35	16,448
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(196,381)	(196,381)
BALANCE, DECEMBER 31, 2023	25,932,071	259,320,710	69,876,381	311,146,899	-	2,846,883,893	3,158,030,792	(25,316,769)	(4,099,928)	1,395,875	(293,434)	(28,314,256)	-	3,458,913,627	24,349,220	3,483,262,847
Appropriations of earnings																
Cash dividends to shareholders	-	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	-	(414,915,586)	-	(414,915,586)
Total	-	-	-	-	-	(414,915,586)	(414,915,586)	-	-	-	-	-	-	(414,915,586)	-	(414,915,586)
Net income	-	-	-	-	-	1,173,267,703	1,173,267,703	-	-	-	-	-	-	1,173,267,703	(835,944)	1,172,431,759
Other comprehensive income (loss), net of income tax	-	-	-	-	-	126,040	126,040	65,579,764	6,948,818	(85,709)	-	72,442,873	-	72,568,913	(983,267)	71,585,646
Total comprehensive income (loss)	-	-	-	-	-	1,173,393,743	1,173,393,743	65,579,764	6,948,818	(85,709)	-	72,442,873	-	1,245,836,616	(1,819,211)	1,244,017,405
Employee restricted shares retired	(1,402)	(14,018)	14,018	-	-	19,934	19,934	-	-	-	-	-	-	19,934	-	19,934
Share-based payment arrangements	5,313	53,130	2,584,257	-	-	-	-	-	-	-	(1,414,645)	(1,414,645)	-	1,222,742	-	1,222,742
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	-	(3,089,177)	(3,089,177)	-	(3,089,177)
Treasury stock retired	(3,249)	(32,490)	(7,080)	-	-	(3,049,607)	(3,049,607)	-	-	-	-	-	3,089,177	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	3,772,747	3,772,747	-	(4,009,066)	-	-	(4,009,066)	-	(236,319)	236,319	-
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	141	-	141	-	141	-	141
Adjustments to share of changes in equities of associates	-	-	870,000	-	-	-	-	-	-	-	-	-	-	870,000	-	870,000
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	5,284	-	-	-	-	-	-	-	-	-	-	5,284	(4,263)	1,021
From share of changes in equities of subsidiaries	-	-	(90,978)	-	-	-	-	-	-	-	-	-	-	(90,978)	6,918,796	6,827,818
Donation from shareholders	-	-	8,883	-	-	-	-	-	-	-	-	-	-	8,883	64	8,947
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,349,773	5,349,773
BALANCE, DECEMBER 31, 2024	25,932,733	$ 259,327,332	$ 73,260,765	$ 311,146,899	$ -	$ 3,606,105,124	$ 3,917,252,023	$ 40,262,995	$ (1,160,176)	$ 1,310,307	$ (1,708,079)	$ 38,705,047	$ -	$ 4,288,545,167	$ 35,030,698	$ 4,323,575,865

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)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$1,405,838,635	$ 979,171,324
Adjustments for:		
Depreciation expense	653,610,486	522,932,671
Amortization expense	9,186,149	9,258,250
Expected credit losses recognized on investments in debt instruments	49,907	35,745
Finance costs	10,495,320	11,999,360
Share of profits of associates	(4,879,367)	(4,655,098)
Interest income	(87,213,399)	(60,293,901)
Share-based compensation	1,242,719	483,050
Loss on disposal or retirement of property, plant and equipment, net	2,597,927	369,140
Loss (gain) on disposal or retirement of intangible assets, net	34	(3,045)
Impairment loss on property, plant and equipment	1,150,485	-
Loss (gain) on financial instruments at fair value through profit or loss, net	137,694	(12,355)
Loss on disposal of investments in debt instruments at fair value through other comprehensive income, net	683,117	473,897
Gain on disposal of investments accounted for using equity method, net	(7,126)	(15,758)
Loss (gain) on foreign exchange, net	4,576,295	(246,695)
Dividend income	(566,879)	(464,094)
Others	(435,644)	(337,935)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	842,623	289,570
Notes and accounts receivable, net	(69,369,394)	28,441,987
Receivables from related parties	(780,022)	959,507
Other receivables from related parties	71,620	(2,896)
Inventories	(36,871,722)	(29,847,940)
Other financial assets	(2,377,515)	1,878,712
Other current assets	(15,537,261)	(12,530,880)
Other noncurrent assets	(3,862,018)	(720,278)
Accounts payable	17,073,801	847,049
Payables to related parties	(140,299)	(76,337)
Salary and bonus payable	14,250,946	(3,234,946)
Accrued profit sharing bonus to employees and compensation to directors	20,154,206	(11,031,630)
Accrued expenses and other current liabilities	74,659,388	(44,466,734)
Other noncurrent liabilities	16,768,683	13,329,895
Net defined benefit liability	(1,532,202)	(687,223)
Cash generated from operations	2,009,817,187	1,401,842,412
Income taxes paid	(183,640,119)	(159,875,065)
Net cash generated by operating activities	1,826,177,068	1,241,967,347

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial instruments at fair value through profit or loss	$ (1,178,766)	$ (14,142,072)
Financial assets at fair value through other comprehensive income	(87,787,521)	(62,752,002)
Financial assets at amortized cost	(151,656,371)	(149,387,898)
Investments accounted for using equity method	(3,738,753)	-
Property, plant and equipment	(956,006,536)	(949,816,825)
Intangible assets	(8,875,660)	(5,518,414)
Proceeds from disposal or redemption of:		
Financial assets at fair value through other comprehensive income	67,684,556	35,698,575
Financial assets at amortized cost	118,350,898	134,605,822
Property, plant and equipment	894,573	703,904
Intangible assets	57,182	3,078
Proceeds from return of capital of investments in equity instruments at fair value through other comprehensive income	325,952	127,963
Derecognition of hedging financial instruments	118,320	68,237
Interest received	76,434,070	55,887,164
Proceeds from government grants - property, plant and equipment	75,163,982	47,544,746
Proceeds from government grants - others	267	1,152
Other dividends received	541,803	445,129
Dividends received from investments accounted for using equity method	2,965,201	3,076,482
Increase in prepayments for leases	(99,427)	(63,153)
Refundable deposits paid	(1,304,815)	(4,056,496)
Refundable deposits refunded	3,268,276	1,454,012
Net cash used in investing activities	(864,842,769)	(906,120,596)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in hedging financial liabilities - bank loans	(26,496,570)	27,908,580
Proceeds from issuance of bonds	34,300,000	85,700,000
Repayment of bonds	(7,000,000)	(18,100,000)
Proceeds from long-term bank loans	30,897,000	2,450,000
Repayment of long-term bank loans	(2,295,556)	(1,756,944)
Payments for transaction costs attributable to the issuance of bonds	(35,681)	(88,681)
Treasury stock acquired	(3,089,177)	-
Repayment of the principal portion of lease liabilities	(2,873,640)	(2,854,344)
Interest paid	(18,751,233)	(17,358,981)
Guarantee deposits received	4,990	230,116
Guarantee deposits refunded	(93,332)	(367,375)
Cash dividends	(363,055,226)	(291,721,852)
Disposal of ownership interests in subsidiaries (without losing control)	1,021	-
Donation from shareholders	8,947	16,448
Increase in non-controlling interests	12,177,547	11,048,781
Net cash used in financing activities	(346,300,910)	(204,894,252)

(Continued)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

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

	2024	2023
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	$ 47,165,901	$ (8,338,829)
NET INCREASE IN CASH AND CASH EQUIVALENTS	662,199,290	122,613,670
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,465,427,753	1,342,814,083
CASH AND CASH EQUIVALENTS, END OF YEAR	$2,127,627,043	$1,465,427,753

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

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

1. GENERAL

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

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

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

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on February 12, 2025.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed by the FSC with the effective dates (collectively, "Taiwan-IFRS Accounting Standards").

Basis of Preparation

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

Basis of Consolidation

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

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

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

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

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

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

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

a. the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and

b. the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

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

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

<u>The subsidiaries in the consolidated financial statements</u>

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 December 31, 2024	Percentage of Ownership December 31, 2023	Note
TSMC	TSMC North America	Sales and marketing of integrated circuits and other semiconductor devices	San Jose, California, U.S.A.	100%	100%	-
	TSMC Europe B.V. (TSMC Europe)	Customer service and supporting activities	Amsterdam, the Netherlands	100%	100%	a)
	TSMC Japan Limited (TSMC Japan)	Customer service and supporting activities	Yokohama, Japan	100%	100%	a)
	TSMC Design Technology Japan, Inc. (TSMC JDC)	Engineering support activities	Yokohama, Japan	100%	100%	a)
	TSMC Japan 3DIC R&D Center, Inc. (TSMC 3DIC)	Engineering support activities	Yokohama, Japan	100%	100%	a)
	TSMC Korea Limited (TSMC Korea)	Customer service and supporting activities	Seoul, Korea	100%	100%	a)
	TSMC Partners, Ltd. (TSMC Partners)	Investing in companies involved in the semiconductor design and manufacturing, and other investment activities	Tortola, British Virgin Islands	100%	100%	-
	TSMC Global Ltd. (TSMC Global)	Investment activities	Tortola, British Virgin Islands	100%	100%	-
	TSMC China Company Limited (TSMC China)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Shanghai, China	100%	100%	-
	TSMC Nanjing Company Limited (TSMC Nanjing)	Manufacturing, sales, testing and computer-aided design of integrated circuits and other semiconductor devices	Nanjing, China	100%	100%	-
	VisEra Technologies Company Ltd. (VisEra Tech)	Research, design, development, manufacturing, sales, packaging and test of color filter	Hsinchu, Taiwan	67%	67%	c)
	TSMC Arizona Corporation (TSMC Arizona)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Phoenix, Arizona, U.S.A.	100%	100%	-

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
TSMC	Japan Advanced Semiconductor Manufacturing, Inc. (JASM)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Kumamoto, Japan	73%	71%	d)
	European Semiconductor Manufacturing Company (ESMC) GmbH (ESMC)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Dresden, Germany	70%	100%	e)
	VentureTech Alliance Fund II, L.P. (VTAF II)	Investing in technology start-up companies	Cayman Islands	98%	98%	b), f)
	VentureTech Alliance Fund III, L.P. (VTAF III)	Investing in technology start-up companies	Cayman Islands	98%	98%	b), f)
	Emerging Fund, L.P. (Emerging Fund)	Investing in technology start-up companies	Cayman Islands	99.9%	99.9%	b)
TSMC Partners	TSMC Development, Inc. (TSMC Development)	Investing in companies involved in semiconductor manufacturing	Delaware, U.S.A.	100%	100%	-
	TSMC Technology, Inc. (TSMC Technology)	Engineering support activities	Delaware, U.S.A.	100%	100%	a)
	TSMC Design Technology Canada Inc. (TSMC Canada)	Engineering support activities	Ontario, Canada	100%	100%	a)
VTAF III	Growth Fund Limited (Growth Fund)	Investing in technology start-up companies	Cayman Islands	100%	100%	b), f)
TSMC Development	TSMC Washington, LLC (TSMC Washington)	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	Washington, U.S.A.	100%	100%	-

(Concluded)

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

Note b: This is an immaterial subsidiary for which the consolidated financial statements for the year ended, are audited by the Company’s independent auditors.

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

Note d: JASM has increased its capital and converted its preferred shares to common shares in July 2024. The increase in capital resulted in changes in shareholding rights from 71% to 73% and voting rights from 81% to 73%, respectively.

Note e: ESMC was established in June 2023. TSMC sold its 10% shares to Robert Bosch GmbH, Infineon Technologies AG and NXP Semiconductors N.V. in January 2024, respectively. After selling shares, TSMC’s shareholding in ESMC decreased from 100% to 70%. This transaction was accounted for as an equity transaction since the transaction did not change TSMC’s control over ESMC.

Note f: VTAF II, VTAF III and Growth Fund are under liquidation procedures.

Foreign Currencies

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

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

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

Classification of Current and Noncurrent Assets and Liabilities

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

Cash Equivalents

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

Financial Instruments

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

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

Financial Assets

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

a. Category of financial assets and measurement

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

   1) Financial asset at FVTPL

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

   2) Investments in debt instruments at FVTOCI

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

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

3) Investments in equity instruments at FVTOCI

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

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

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

4) Measured at amortized cost

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

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

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

b. Impairment of financial assets

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

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

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

c. Derecognition of financial assets

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

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

Financial Liabilities and Equity Instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

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

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

Derecognition of financial liabilities

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

Derivative Financial Instruments

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

Hedge Accounting

a. Fair value hedge

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

b. Cash flow hedge

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

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

c. Hedges of net investments in foreign operations

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

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

Inventories

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

Investments Accounted for Using Equity Method

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

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

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

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

Leases

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

<u>The Company as lessor</u>

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

<u>The Company as lessee</u>

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

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

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

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

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

Intangible Assets

Goodwill

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

Other intangible assets

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

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

Goodwill

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

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

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

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

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

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

Revenue Recognition

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

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

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

Employee Benefits

Short-term employee benefits

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

Retirement benefits

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

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

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

Treasury Stock

Treasury stock represents the outstanding shares that the Company buys back from market, which is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount.

Share-based payment arrangements

a. Equity-settled share-based payment arrangements

   Restricted shares for employees are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Company's best estimate of the number expected to ultimately vest, with a corresponding increase in other equity - unearned stock-based employee compensation.

   When restricted shares for employees are issued, other equity - unearned stock-based employee compensation is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares which do not need to be returned if employees resign in the vesting period are recognized as expenses upon the dividend declaration with a corresponding adjustment in retained earnings.

   At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact from such revision is recognized in profit or loss so that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

b. Cash-settled share-based payment arrangements

   For cash-settled share-based payments, a liability is recognized for the services acquired, measured at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

Government Grants

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

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

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

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

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

Material Accounting Judgments

Revenue Recognition

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

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

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

Judgments on Lease Terms

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

Key Sources of Estimation and Uncertainty

Estimation of Sales Returns and Allowances

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

Valuation of Inventory

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

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

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

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

Realization of Deferred Income Tax Assets

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

Determination of Lessees' Incremental Borrowing Rates

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash and deposits in banks	$2,120,674,818	$1,453,101,566
Money market funds	2,826,701	10,898,720
Repurchase agreements	2,126,975	1,346,719
Commercial paper	1,998,549	29,961
Government bonds/Agency bonds	-	50,787
	$2,127,627,043	$1,465,427,753

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

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

	December 31, 2024	December 31, 2023
Financial assets		
Mandatorily measured at FVTPL		
Convertible preferred stocks	$ 14,181,839	$ 13,307,160
Mutual funds	886,931	110,297
Forward exchange contracts	207,700	701,182
Simple agreement for future equity	131,072	-
Convertible bonds	-	223,454
	$ 15,407,542	$ 14,342,093
Current	$ 207,700	$ 924,636
Noncurrent	15,199,842	13,417,457
	$ 15,407,542	$ 14,342,093
Financial liabilities		
Held for trading		
Forward exchange contracts	$ 466,539	$ 121,412

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)	
December 31, 2024			
Sell US$	January 2025 to March 2025	US$	3,331,445
Sell JPY	January 2025	JPY	45,233,963

(Continued)

	Maturity Date	Contract Amount (In Thousands)	
December 31, 2023			
Sell NT$	January 2024	NT$	26,251,763
Sell US$	January 2024 to March 2024	US$	1,112,000
Sell JPY	January 2024	JPY	20,000,000

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2024	December 31, 2023
Investments in debt instruments at FVTOCI		
Corporate bonds	$ 108,612,082	$ 79,605,567
Agency mortgage-backed securities	46,611,373	37,959,691
Government bonds/Agency bonds	20,645,877	22,338,901
Asset-backed securities	11,490,511	9,898,766
	187,359,843	149,802,925
Investments in equity instruments at FVTOCI		
Non-publicly traded equity investments	7,822,884	7,208,655
Publicly traded stocks	4,842,814	4,727,905
	12,665,698	11,936,560
	$ 200,025,541	$ 161,739,485
Current	$ 192,202,657	$ 154,530,830
Noncurrent	7,822,884	7,208,655
	$ 200,025,541	$ 161,739,485

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

For the years ended December 31, 2024 and 2023, as the Company adjusted its investment portfolio, equity investments designated at FVTOCI were divested for NT$6,189,982 thousand and NT$271,983 thousand, respectively. The related other equity-unrealized gain/loss on financial assets at FVTOCI of NT$3,772,747 thousand and NT$151,944 thousand were transferred to increase retained earnings, respectively.

As of December 31, 2024 and 2023, the cumulative loss allowance for expected credit loss of NT$63,092 thousand and NT$47,311 thousand was recognized under investments in debt instruments at FVTOCI, respectively. Refer to Note 32 for information relating to the credit risk management and expected credit loss.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2024	December 31, 2023
Corporate bonds	$ 172,091,958	$ 113,851,856
Commercial paper	14,221,737	18,387,835
Government bonds/Agency bonds	4,379,527	13,803,559
Less: Allowance for impairment loss	(125,358)	(82,662)
	$ 190,567,864	$ 145,960,588
Current	$ 101,971,322	$ 66,761,221
Noncurrent	88,596,542	79,199,367
	$ 190,567,864	$ 145,960,588

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

10. HEDGING FINANCIAL INSTRUMENTS

	December 31, 2024	December 31, 2023
Financial assets- current		
Fair value hedges		
Interest rate futures contracts	$ 10,959	$ -
Financial liabilities- current		
Fair value hedges		
Interest rate futures contracts	$ -	$ 43,764
Hedges of net investments in foreign operations		
Bank loans	-	27,290,400
	$ -	$ 27,334,164

Fair value hedge

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

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

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

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

December 31, 2024

Hedging Instruments	Contract Amount (US$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US$ 40,400	March 2025

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	$ 3,129,235	$ (10,959)

December 31, 2023

Hedging Instruments	Contract Amount (US$ in Thousands)	Maturity
Interest rate futures contracts - US Treasury futures	US$ 48,600	March 2024

Hedged Items	Asset Carrying Amount	Accumulated Amount of Fair Value Hedge Adjustments
Financial assets at FVTOCI	$ 3,959,523	$ 43,764

The effect for the years ended December 31, 2024 and 2023 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness Years Ended December 31 2024	2023
Hedging Instruments		
Interest rate futures contracts - US Treasury futures	$ 174,128	$ 20,478
Hedged Items		
Financial assets at FVTOCI	(174,128)	(20,478)
	$ -	$ -

Cash flow hedge

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

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. Refer to Note 20 (d) for gain or loss arising from changes in the fair value of hedging instruments and hedged item affects profit or loss, and the amount transferred to initial carrying amount of hedged items.

The effect for the years ended December 31, 2024 and 2023 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness Years Ended December 31 2024	2023
Hedging Instruments		
Forward exchange contracts	$ 5,041	$ 39,898
Hedged Items		
Forecast transaction (capital expenditures)	$ (5,041)	$ (39,898)

Hedges of net investments in foreign operations

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

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

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

December 31, 2023

Hedging Instruments	Contract Amount (In Thousands)	Annual Interest Rate	Maturity	Balance in Other Equity (Continuing Hedges)
Bank loans	JPY 124,500,000	0%	Due by April 2024	$ 618,180

The effect for the years ended December 31, 2024 and 2023 is detailed below:

Hedging Instruments/Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness Years Ended December 31 2024	2023
Hedging Instruments		
Bank loans	$ 793,830	$ 618,180
Hedged Items		
Net investments in foreign operations	$ (793,830)	$ (618,180)

11. NOTES AND ACCOUNTS RECEIVABLE, NET

	December 31, 2024	December 31, 2023
At amortized cost		
Notes and accounts receivable	$ 265,223,660	$ 196,434,151
Less: Loss allowance	(453,009)	(531,554)
	264,770,651	195,902,597
At FVTOCI	5,912,584	5,411,317
	$ 270,683,235	$ 201,313,914

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

In principle, the payment term granted to customers is due 30 days from the invoice date or 15 days from the end of the month when the invoice is issued. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels with consideration of factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. For accounts receivable past due over 90 days without collaterals or guarantees, the Company recognizes loss allowance at full amount.

Aging analysis of notes and accounts receivable

	December 31, 2024	December 31, 2023
Not past due	$ 255,669,647	$ 183,188,499
Past due		
Past due within 30 days	15,464,122	18,641,148
Past due over 31 days	2,475	15,821
Less: Loss allowance	(453,009)	(531,554)
	$ 270,683,235	$ 201,313,914

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

Movements of the loss allowance for accounts receivable

	Years Ended December 31	
	2024	2023
Balance, beginning of year	$ 531,554	$ 331,646
Provision (Reversal)	(78,618)	199,922
Effect of exchange rate changes	73	(14)
Balance, end of year	$ 453,009	$ 531,554

For the years ended December 31, 2024 and 2023, the changes in loss allowance were mainly due to the variations in the balance of accounts receivable of different risk levels.

12. INVENTORIES

	December 31, 2024	December 31, 2023
Finished goods	$ 35,177,009	$ 34,511,032
Work in process	181,198,808	156,498,469
Raw materials	46,449,249	38,818,273
Supplies and spare parts	25,043,744	21,169,314
	$ 287,868,810	$ 250,997,088

Write-down of inventories to net realizable value (excluding earthquake losses) and reversal of write-down of inventories resulting from the increase in net realizable value were included in the cost of revenue, which were as follows. Please refer to related earthquake losses in Note 36.

	Years Ended December 31	
	2024	2023
Net inventory losses	$ 888,682	$ 3,494,638

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	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
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	$ 18,300,373	$ 13,590,430	28%	28%
Systems on Silicon Manufacturing Company Pte Ltd. (SSMC)	Manufacturing and sales of integrated circuits and other semiconductor devices	Singapore	11,387,185	9,728,801	39%	39%
Xintec Inc. (Xintec)	Wafer level chip size packaging and wafer level post passivation interconnection service	Taoyuan, Taiwan	4,220,609	3,759,701	41%	41%
Global Unichip Corporation (GUC)	Researching, developing, manufacturing, testing and marketing of integrated circuits	Hsinchu, Taiwan	3,512,938	2,537,706	35%	35%
			$ 37,421,105	$ 29,616,638		

The Company increased its investment in VIS for the amount of NT$3,738,753 thousand in 2024.

As of December 31, 2024 and 2023, no investments in associates are individually material to the Company. Please refer to the consolidated statements of comprehensive income for recognition of share of both profit (loss) and other comprehensive income (loss) of associates that are not individually material.

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

Name of Associate	December 31, 2024	December 31, 2023
GUC	$ 63,495,488	$ 81,236,875
VIS	$ 50,620,261	$ 37,834,215
Xintec	$ 22,033,821	$ 14,188,445

14. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2024	December 31, 2023
Assets used by the Company	$3,234,778,389	$3,064,424,259
Assets subject to operating leases	201,681	50,725
	$3,234,980,070	$3,064,474,984

Assets used by the Company

	Land and Land Improvements	Buildings	Machinery and Equipment	Office Equipment	Equipment under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2024	$ 7,621,997	$ 817,822,975	$ 5,384,985,648	$ 99,825,084	$ 908,289,751	$ 7,218,545,455
Additions	5,542,937	141,097,129	490,799,015	13,719,182	147,349,074	798,507,337
Disposals or retirements	(278,309)	(119,819)	(34,140,462)	(8,334,071)	-	(42,872,661)
Transfers from assets subject to operating leases	-	-	56,487	-	-	56,487
Transfers to assets subject to operating leases	-	(197,752)	-	-	-	(197,752)
Effect of exchange rate changes	167,536	531,331	10,502,001	224,555	24,645,412	36,070,835
Balance at December 31, 2024	$ 13,054,161	$ 959,133,864	$ 5,852,202,689	$ 105,434,750	$ 1,080,284,237	$ 8,010,109,701
Accumulated depreciation and impairment						
Balance at January 1, 2024	$ 558,074	$ 387,013,911	$ 3,699,008,492	$ 66,749,979	$ 790,740	$ 4,154,121,196
Additions	13,577	52,205,135	585,635,125	12,047,479	-	649,901,316
Disposals or retirements	-	(114,665)	(30,823,269)	(8,332,458)	-	(39,270,392)
Transfers from assets subject to operating leases	-	-	53,721	-	-	53,721
Transfers to assets subject to operating leases	-	(14,367)	-	-	-	(14,367)
Impairment	-	47,539	1,102,946	-	-	1,150,485
Effect of exchange rate changes	36,880	1,231,688	7,905,835	214,950	-	9,389,353
Balance at December 31, 2024	$ 608,531	$ 440,369,241	$ 4,262,882,850	$ 70,679,950	$ 790,740	$ 4,775,331,312
Carrying amounts at December 31, 2024	$ 12,445,630	$ 518,764,623	$ 1,589,319,839	$ 34,754,800	$ 1,079,493,497	$ 3,234,778,389
Cost						
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)	-	182,033,268	1,120,848,716	18,205,541	(423,568,764)	897,518,761
Disposals or retirements	-	(585,487)	(28,525,908)	(3,325,297)	-	(32,436,692)
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	-	-	(71,078)	-	-	(71,078)
Effect of exchange rate changes	(39,820)	(671,755)	(3,293,426)	(83,200)	(4,984,093)	(9,072,294)
Balance at December 31, 2023	$ 7,621,997	$ 817,822,975	$ 5,384,985,648	$ 99,825,084	$ 908,289,751	$ 7,218,545,455
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ 556,161	$ 342,938,359	$ 3,264,880,880	$ 59,540,116	$ 790,740	$ 3,668,706,256
Additions	1,315	45,052,891	463,825,315	10,586,695	-	519,466,216
Disposals or retirements	-	(582,993)	(27,407,731)	(3,324,247)	-	(31,314,971)
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	-	-	(45,731)	-	-	(45,731)
Effect of exchange rate changes	598	(394,346)	(2,299,629)	(52,585)	-	(2,745,962)
Balance at December 31, 2023	$ 558,074	$ 387,013,911	$ 3,699,008,492	$ 66,749,979	$ 790,740	$ 4,154,121,196
Carrying amounts at December 31, 2023	$ 7,063,923	$ 430,809,064	$ 1,685,977,156	$ 33,075,105	$ 907,499,011	$ 3,064,424,259

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 second quarter of 2024, the Company recognized an impairment loss due to partial plant facilities and machinery and equipment damage caused by an earthquake, which rendered them unusable. Please refer to the related earthquake losses in Note 36.

Information about capitalized interest is set out in Note 23.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amounts		
Land	$ 36,980,971	$ 37,437,179
Buildings	3,103,902	2,946,008
Office equipment	43,518	41,643
	$ 40,128,391	$ 40,424,830

	Years Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 4,579,647	$ 2,145,431
Depreciation of right-of-use assets		
Land	$ 2,541,876	$ 2,459,068
Buildings	1,114,297	976,097
Machinery and equipment	-	369
Office equipment	23,334	23,434
	$ 3,679,507	$ 3,458,968

b. Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amounts		
Current portion (classified under accrued expenses and other current liabilities)	$ 3,049,032	$ 2,810,551
Noncurrent portion	28,755,342	28,681,835
	$ 31,804,374	$ 31,492,386

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Land	0.39%-2.30%	0.39%-2.30%
Buildings	0.40%-6.52%	0.57%-6.52%
Office equipment	0.28%-6.46%	0.28%-7.13%

c. Material terms of right-of-use assets

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

d. Other lease information

	Years Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 181,245	$ 1,215,147
Total cash outflow for leases	$ 3,415,463	$ 4,916,886

16. INTANGIBLE ASSETS

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
Cost					
Balance at January 1, 2024	$ 5,796,438	$ 26,221,351	$ 49,317,031	$ 12,347,434	$ 93,682,254
Additions	-	2,378,392	9,166,377	977,434	12,522,203
Disposals or retirements	-	(32,460)	(5,235,383)	(210,570)	(5,478,413)
Effect of exchange rate changes	274,426	(765)	31,019	19,221	323,901
Balance at December 31, 2024	$ 6,070,864	$ 28,566,518	$ 53,279,044	$ 13,133,519	$ 101,049,945
Accumulated amortization and impairment					
Balance at January 1, 2024	$ -	$ 20,490,070	$ 39,846,671	$ 10,578,769	$ 70,915,510
Additions	-	2,729,998	5,470,204	985,947	9,186,149
Disposals or retirements	-	(32,460)	(5,235,349)	(102,000)	(5,369,809)
Effect of exchange rate changes	-	(860)	19,159	17,276	35,575
Balance at December 31, 2024	$ -	$ 23,186,748	$ 40,100,685	$ 11,479,992	$ 74,767,425
Carrying amounts at December 31, 2024	$ 6,070,864	$ 5,379,770	$ 13,178,359	$ 1,653,527	$ 26,282,520
Cost					
Balance at January 1, 2023	$ 5,791,821	$ 25,759,019	$ 48,675,794	$ 11,701,892	$ 91,928,526
Additions	-	461,089	4,947,364	621,312	6,029,765
Disposals or retirements	-	-	(4,289,185)	-	(4,289,185)
Effect of exchange rate changes	4,617	1,243	(16,942)	24,230	13,148
Balance at December 31, 2023	$ 5,796,438	$ 26,221,351	$ 49,317,031	$ 12,347,434	$ 93,682,254

(Continued)

	Goodwill	Technology License Fees	Software and System Design Costs	Patent and Others	Total
Accumulated amortization and impairment					
Balance at January 1, 2023	$ -	$ 17,696,437	$ 38,838,394	$ 9,394,540	$ 65,929,371
Additions	-	2,792,353	5,308,109	1,157,788	9,258,250
Disposals or retirements	-	-	(4,289,152)	-	(4,289,152)
Effect of exchange rate changes	-	1,280	(10,680)	26,441	17,041
Balance at December 31, 2023	$ -	$ 20,490,070	$ 39,846,671	$ 10,578,769	$ 70,915,510
Carrying amounts at December 31, 2023	$ 5,796,438	$ 5,731,281	$ 9,470,360	$ 1,768,665	$ 22,766,744

(Concluded)

The Company's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Company used annual discount rates of 9.3% and 9.0% in its test of impairment as of December 31, 2024 and 2023, respectively, to reflect the relevant specific risk in the cash-generating unit.

For the years ended December 31, 2024 and 2023, the Company did not recognize any impairment loss on goodwill.

17. BONDS PAYABLE

	December 31, 2024	December 31, 2023
Domestic unsecured bonds	$ 478,536,000	$ 447,194,000
Overseas unsecured bonds	507,904,000	476,578,500
Less: Discounts on bonds payable	(2,687,615)	(2,874,947)
Less: Current portion	(57,147,879)	(6,997,710)
	$ 926,604,506	$ 913,899,843

The major terms of domestic unsecured bonds are as follows:

Issuance	Tranche	Issuance Period	Total Issue Amount	Coupon Rate	Repayment and Interest Payment
NT$ unsecured bonds					
101-4	C	January 2013 to January 2023	$ 3,000,000	1.49%	Bullet repayment; interest payable annually
102-1	C	February 2013 to February 2023	3,600,000	1.50%	The same as above
102-2	B	July 2013 to July 2023	3,500,000	1.70%	The same as above
102-4	E	September 2013 to March 2023	5,400,000	2.05%	The same as above
	F	September 2013 to September 2023	2,600,000	2.10%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Issue Amount	Coupon Rate	Repayment and Interest Payment
109-1	A	March 2020 to March 2025	$ 3,000,000	0.58%	Bullet repayment; interest payable annually
	B	March 2020 to March 2027	10,500,000	0.62%	The same as above
	C	March 2020 to March 2030	10,500,000	0.64%	The same as above
109-2	A	April 2020 to April 2025	5,900,000	0.52%	The same as above
	B	April 2020 to April 2027	10,400,000	0.58%	The same as above
	C	April 2020 to April 2030	5,300,000	0.60%	The same as above
109-3	A	May 2020 to May 2025	4,500,000	0.55%	The same as above
	B	May 2020 to May 2027	7,500,000	0.60%	The same as above
	C	May 2020 to May 2030	2,400,000	0.64%	The same as above
109-4	A	July 2020 to July 2025	5,700,000	0.58%	Two equal installments in last two years; interest payable annually
	B	July 2020 to July 2027	6,300,000	0.65%	The same as above
	C	July 2020 to July 2030	1,900,000	0.67%	The same as above
109-5	A	September 2020 to September 2025	4,800,000	0.50%	The same as above
	B	September 2020 to September 2027	8,000,000	0.58%	The same as above
	C	September 2020 to September 2030	2,800,000	0.60%	The same as above
109-6 (Green bond)	A	December 2020 to December 2025	1,600,000	0.40%	The same as above
	B	December 2020 to December 2027	5,600,000	0.44%	The same as above
	C	December 2020 to December 2030	4,800,000	0.48%	The same as above
109-7	A	December 2020 to December 2025	1,900,000	0.36%	The same as above
	B	December 2020 to December 2027	10,200,000	0.41%	The same as above
	C	December 2020 to December 2030	6,400,000	0.45%	The same as above
110-1	A	March 2021 to March 2026	4,800,000	0.50%	Bullet repayment; interest payable annually
	B	March 2021 to March 2028	11,400,000	0.55%	The same as above
	C	March 2021 to March 2031	4,900,000	0.60%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Issue Amount	Coupon Rate	Repayment and Interest Payment
110-2	A	May 2021 to May 2026	$ 5,200,000	0.50%	Bullet repayment; interest payable annually
	B	May 2021 to May 2028	8,400,000	0.58%	The same as above
	C	May 2021 to May 2031	5,600,000	0.65%	The same as above
110-3	A	June 2021 to June 2026	6,900,000	0.52%	The same as above
	B	June 2021 to June 2028	7,900,000	0.58%	The same as above
	C	June 2021 to June 2031	4,900,000	0.65%	The same as above
110-4	A	August 2021 to August 2025	4,000,000	0.485%	The same as above
	B	August 2021 to August 2026	8,000,000	0.50%	The same as above
	C	August 2021 to August 2028	5,400,000	0.55%	The same as above
	D	August 2021 to August 2031	4,200,000	0.62%	The same as above
110-6	A	October 2021 to April 2026	3,200,000	0.535%	The same as above
	B	October 2021 to October 2026	6,900,000	0.54%	The same as above
	C	October 2021 to October 2028	4,600,000	0.60%	The same as above
	D	October 2021 to October 2031	1,600,000	0.62%	The same as above
110-7	A	December 2021 to December 2026	7,700,000	0.65%	The same as above
	B	December 2021 to June 2027	3,500,000	0.675%	The same as above
	C	December 2021 to December 2028	5,500,000	0.72%	The same as above
111-1 (Green bond)	A	January 2022 to January 2027	2,100,000	0.63%	The same as above
	B	January 2022 to January 2029	3,300,000	0.72%	The same as above
111-2	A	March 2022 to September 2026	3,000,000	0.84%	The same as above
	B	March 2022 to March 2027	9,600,000	0.85%	The same as above
	C	March 2022 to March 2029	1,600,000	0.90%	The same as above
111-3 (Green bond)	-	May 2022 to May 2027	6,100,000	1.50%	The same as above
111-4 (Green bond)	A	July 2022 to July 2026	1,200,000	1.60%	The same as above
	B	July 2022 to July 2027	10,100,000	1.70%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Issue Amount	Coupon Rate	Repayment and Interest Payment
111-4 (Green bond)	C	July 2022 to July 2029	$ 1,200,000	1.75%	Bullet repayment; interest payable annually
	D	July 2022 to July 2032	1,400,000	1.95%	The same as above
111-5	A	August 2022 to June 2027	2,000,000	1.65%	The same as above
	B	August 2022 to August 2027	8,900,000	1.65%	The same as above
	C	August 2022 to August 2029	2,200,000	1.65%	The same as above
	D	August 2022 to August 2032	2,500,000	1.82%	The same as above
111-6 (Green bond)	A	October 2022 to October 2027	5,700,000	1.75%	The same as above
	B	October 2022 to October 2029	1,000,000	1.80%	The same as above
	C	October 2022 to October 2032	3,500,000	2.00%	The same as above
112-1 (Green bond)	A	March 2023 to March 2028	12,200,000	1.54%	The same as above
	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
112-2 (Green bond)	A	May 2023 to May 2028	13,100,000	1.60%	The same as above
	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
112-5	A	October 2023 to October 2028	4,300,000	1.62%	The same as above
	B	October 2023 to October 2033	5,500,000	1.76%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Issue Amount	Coupon Rate	Repayment and Interest Payment
113-1 (Green bond)	A	March 2024 to March 2029	$ 12,000,000	1.64%	Bullet repayment; interest payable annually
	B	March 2024 to March 2034	10,800,000	1.76%	The same as above
113-2 (Green bond)	A	May 2024 to May 2029	4,900,000	1.98%	The same as above
	B	May 2024 to May 2034	6,600,000	2.10%	The same as above

(Concluded)

Issuance	Tranche	Issuance Period	Total Issue Amount (US$ in Thousands)	Coupon Rate	Repayment and Interest Payment
US$ unsecured bonds					
109-1	-	September 2020 to September 2060	US$ 1,000,000	2.70%	Bullet repayment (callable on the 5th anniversary of the issue date and every anniversary thereafter); interest payable annually
110-5	-	September 2021 to September 2051	1,000,000	3.10%	The same as above

The major terms of overseas unsecured bonds are as follows:

Issuance Period	Total Issue Amount (US$ in Thousands)	Coupon Rate	Repayment and Interest Payment
September 2020 to September 2025	US$ 1,000,000	0.75%	Bullet repayment (callable at any time, in whole or in part, at the relevant redemption price according to relevant agreements); interest payable semi-annually
September 2020 to September 2027	750,000	1.00%	The same as above
September 2020 to September 2030	1,250,000	1.375%	The same as above
April 2021 to April 2026	1,100,000	1.25%	The same as above
April 2021 to April 2028	900,000	1.75%	The same as above
April 2021 to April 2031	1,500,000	2.25%	The same as above

(Continued)

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

(Concluded)

18. LONG-TERM BANK LOANS

	December 31, 2024	December 31, 2023
NT$ unsecured loans	$ 4,410,833	$ 6,706,389
JPY unsecured loans	30,124,800	-
Less: Discounts on government grants	(1,247)	(27,868)
Less: Current portion	(2,710,000)	(2,295,556)
	$ 31,824,386	$ 4,382,965
Loan content		
Annual interest rate	0.13%-1.78%	1.15%-1.35%
Maturity date	Due by December 2030	Due by December 2027

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

The Company is required to maintain certain financial covenants during the borrowing period, including the annual equity of the subsidiary receiving the partial loan not to fall below a specific amount; its debt-to-equity ratio must not exceed a certain ratio; and the ratio of the Company's annual debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) not to exceed a certain multiple.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, TSMC and VisEra Tech have made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, TSMC North America, TSMC Europe, TSMC Japan, TSMC JDC, TSMC 3DIC, TSMC China, TSMC Nanjing, TSMC Arizona, JASM, ESMC, TSMC Technology and TSMC Canada also make monthly contributions at certain percentages of the basic salary of their employees. Accordingly, the Company recognized expenses of NT$5,932,269 thousand and NT$5,365,458 thousand for the years ended December 31, 2024 and 2023, respectively.

b. Defined benefit plans

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

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

	Years Ended December 31	
	2024	**2023**
Current service cost	$ 153,020	$ 139,101
Net interest expense	122,660	142,291
Components of defined benefit costs recognized in profit or loss	275,680	281,392
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(774,583)	(16,252)
Actuarial loss arising from experience adjustments	911,752	68,342
Actuarial (gain) loss arising from changes in financial assumptions	(281,534)	571,266
Components of defined benefit costs recognized in other comprehensive income	(144,365)	623,356
Total	$ 131,315	$ 904,748

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

	Years Ended December 31	
	2024	**2023**
Cost of revenue	$ 178,507	$ 182,333
Research and development expenses	75,259	76,120
General and administrative expenses	18,424	19,248
Marketing expenses	3,490	3,691
	$ 275,680	$ 281,392

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 18,332,160	$ 17,995,066
Fair value of plan assets	(10,751,503)	(8,737,842)
Net defined benefit liability	$ 7,580,657	$ 9,257,224

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

	Years Ended December 31	
	2024	2023
Balance, beginning of year	$ 17,995,066	$ 17,483,951
Current service cost	153,020	139,101
Interest expense	242,788	303,970
Remeasurement:		
Actuarial loss arising from experience adjustments	911,752	68,342
Actuarial (gain) loss arising from changes in financial assumptions	(281,534)	571,266
Benefits paid from plan assets	(679,084)	(556,455)
Benefits paid directly by the Company	(9,848)	(15,109)
Balance, end of year	$ 18,332,160	$ 17,995,066

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

	Years Ended December 31	
	2024	2023
Balance, beginning of year	$ 8,737,842	$ 8,162,860
Interest income	120,128	161,679
Remeasurement:		
Return on plan assets (excluding amounts included in net interest expense)	774,583	16,252
Contributions from employer	1,798,034	953,506
Benefits paid from plan assets	(679,084)	(556,455)
Balance, end of year	$ 10,751,503	$ 8,737,842

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

	December 31, 2024	December 31, 2023
Cash	$ 1,569,719	$ 1,351,744
Equity instruments	6,245,548	4,998,919
Debt instruments	2,936,236	2,387,179
	$ 10,751,503	$ 8,737,842

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

	Measurement Date	
	December 31, 2024	**December 31, 2023**
Discount rate	1.60%	1.40%
Future salary increase rate	4.00%	4.00%

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

1) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

   Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.5% (and not below 0.0%) in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT$717,535 thousand and NT$757,663 thousand as of December 31, 2024 and 2023, respectively.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

   Assuming the expected salary rate increases by 0.5% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT$697,715 thousand and NT$735,167 thousand as of December 31, 2024 and 2023, respectively.

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

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

The Company expects to make contributions of NT$1,869,955 thousand to the defined benefit plans in the next year starting from December 31, 2024. The weighted average duration of the defined benefit obligation is 8 years.

20. EQUITY

a. Capital stock

	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	28,050,000	28,050,000
Authorized capital	$ 280,500,000	$ 280,500,000
Issued and paid shares (in thousands)	25,932,733	25,932,071
Issued capital	$ 259,327,332	$ 259,320,710

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

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

On September 1, 2024, March 1, 2024 and March 1, 2023, TSMC issued employee restricted stock awards (RSAs) for its employees in a total of 2,353 thousand shares, 2,960 thousand shares and 2,110 thousand shares, respectively, with a par value of NT$10 per share. The aforementioned issuance of new shares was approved by the relevant authority and the registration has been completed.

During the first quarter of 2024 and 2023, TSMC reclaimed 1,402 thousand and 419 thousand employee restricted shares, respectively, that were unvested. On June 5, 2024 and May 9, 2023, TSMC's Board of Directors resolved to cancel the aforementioned shares. Subsequently, TSMC completed the registration for share cancellation. Refer to Note 27 for information on RSAs.

On August 13, 2024, TSMC's Board of Directors resolved to cancel 3,249 thousand treasury shares. Refer to Note 20(e) for further information.

As of December 31, 2024, TSMC's total issued and outstanding ADSs were 1,062,769 thousand units, representing 5,313,844 thousand common shares.

b. Capital surplus

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

	December 31, 2024	December 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Additional paid-in capital	$ 24,809,704	$ 24,406,854
From merger	22,800,434	22,803,291
From convertible bonds	8,891,257	8,892,371
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	8,411,566	8,406,282
Donations - donated by shareholders	11,275	11,275

(Continued)

	December 31, 2024	December 31, 2023
May only be used to offset a deficit		
From share of changes in equities of subsidiaries	$ 4,108,958	$ 4,199,936
From share of changes in equities of associates	1,172,396	302,396
Donations - unclaimed dividend	78,976	70,093
May not be used for any purpose		
Employee restricted shares	2,976,199	783,883
	$ 73,260,765	$ 69,876,381

(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 2024, 2023 and 2022 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	Fourth Quarter of 2024 February 12, 2025	Third Quarter of 2024 November 12, 2024	Second Quarter of 2024 August 13, 2024	First Quarter of 2024 May 10, 2024
Special capital reserve	$ -	$ -	$ -	$ (28,020,822)
Cash dividends to shareholders	$ 116,697,300	$ 116,697,300	$ 103,721,521	$ 103,734,517
Cash dividends per share (NT$)	$ 4.50	$ 4.50	$ 4.00	$ 4.00

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

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

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

d. Others

Changes in others were as follows:

	Year Ended December 31, 2024				
	Foreign Currency Translation Reserve	**Unrealized Gain (Loss) on Financial Assets at FVTOCI**	**Gain (Loss) on Hedging Instruments**	**Unearned Stock-Based Employee Compensation**	**Total**
Balance, beginning of year	$ (25,316,769)	$ (4,099,928)	$ 1,395,875	$ (293,434)	$ (28,314,256)
Exchange differences arising on translation of foreign operations	64,502,658	-	-	-	64,502,658
Gain (loss) on hedging instruments designated as hedges of net investments in foreign operations	793,830	-	-	-	793,830
Unrealized gain (loss) on financial assets at FVTOCI					
Equity instruments	-	5,078,380	-	-	5,078,380
Debt instruments	-	1,254,491	-	-	1,254,491
Disposal of investments in equity instruments at fair value through other comprehensive income	-	(4,009,066)	-	-	(4,009,066)
Cumulative unrealized gain (loss) of debt instruments transferred to profit or loss due to disposal	-	683,117	-	-	683,117
Loss allowance adjustments from debt instruments	-	12,257	-	-	12,257
Gain (loss) arising on changes in the fair value of hedging instruments and hedged item affects profit or loss	-	-	(75,157)	-	(75,157)
Transferred to initial carrying amount of hedged items	-	-	141	-	141
Issuance of employee restricted stock	-	-	-	(2,637,387)	(2,637,387)
Share-based payment expenses recognized	-	-	-	1,222,742	1,222,742
Share of other comprehensive income (loss) of associates	290,402	(69,431)	(10,552)	-	210,419
Other comprehensive income transferred to profit or loss due to decline of equity method	(7,126)	-	-	-	(7,126)
Income tax effect	-	(9,996)	-	-	(9,996)
Balance, end of year	$ 40,262,995	$ (1,160,176)	$ 1,310,307	$ (1,708,079)	$ 38,705,047

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

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 June 5, 2024 to repurchase 3,249 thousand shares. TSMC has completed this share buyback program during the second quarter of 2024. On August 13, 2024, TSMC's Board of Directors resolved to cancel the 3,249 thousand shares and set September 1, 2024 as the record date for capital reduction. The registration for share cancellation was completed on September 11, 2024.

21. NET REVENUE

a. Disaggregation of revenue from contracts with customers

	Years Ended December 31	
Product	**2024**	**2023**
Wafer	$2,514,461,292	$1,882,518,080
Others	379,846,407	279,217,761
	$2,894,307,699	$2,161,735,841

Geography	Years Ended December 31 2024	Years Ended December 31 2023
Taiwan	$ 270,413,546	$ 149,777,343
United States	1,992,280,443	1,408,841,921
China	331,673,315	267,154,140
Japan	144,239,882	132,072,000
Europe, the Middle East and Africa	102,760,879	117,348,237
Others	52,939,634	86,542,200
	$2,894,307,699	$2,161,735,841

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

Platform	Years Ended December 31 2024	Years Ended December 31 2023
High Performance Computing	$1,476,890,566	$ 934,768,625
Smartphone	1,005,130,484	814,914,287
Internet of Things	165,516,214	161,916,543
Automotive	139,323,096	133,654,276
Digital Consumer Electronics	47,960,415	46,999,803
Others	59,486,924	69,482,307
	$2,894,307,699	$2,161,735,841

Resolution	Years Ended December 31 2024	Years Ended December 31 2023
3-nanometer	$ 459,530,166	$ 108,045,275
5-nanometer	861,318,861	629,300,387
7-nanometer	416,790,303	357,270,697
16-nanometer	202,383,718	191,306,073
20-nanometer	4,077,241	10,359,042
28-nanometer	188,155,011	186,924,916
40/45-nanometer	108,468,215	114,667,360
65-nanometer	93,120,068	107,425,400
90-nanometer	21,509,306	25,642,010
0.11/0.13 micron	52,442,826	47,149,333
0.15/0.18 micron	90,796,791	86,614,213
0.25 micron and above	15,868,786	17,813,374
Wafer revenue	$2,514,461,292	$1,882,518,080

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities (classified under accrued expenses and other current liabilities)	$ 89,435,361	$ 52,736,430	$ 70,806,617

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$51,578,433 thousand and NT$69,598,265 thousand for the years ended December 31, 2024 and 2023, respectively.

c. Temporary receipts from customers

	December 31, 2024	December 31, 2023
Current portion (classified under accrued expenses and other current liabilities)	$ 198,602,570	$ 114,639,514
Noncurrent portion (classified under other noncurrent liabilities)	92,499,262	163,655,128
	$ 291,101,832	$ 278,294,642

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

d. Refund liabilities

Estimated sales returns and other allowances is made and adjusted based on historical experience and the consideration of varying contractual terms. As of December 31, 2024 and 2023, the aforementioned refund liabilities amounted to NT$63,185,197 thousand and NT$37,847,605 thousand (classified under accrued expenses and other current liabilities), respectively.

22. INTEREST INCOME

	Years Ended December 31	
	2024	2023
Interest income		
Cash and cash equivalents	$ 72,126,247	$ 49,740,006
Financial assets at amortized cost	8,458,156	6,363,684
Financial assets at FVTOCI	6,628,996	4,190,211
	$ 87,213,399	$ 60,293,901

23. FINANCE COSTS

	Years Ended December 31	
	2024	2023
Interest expense		
Corporate bonds	$ 19,278,120	$ 17,848,916
Lease liabilities	373,383	382,041
Bank loans	150,752	95,366
Others	3,352	2,755
Less: Capitalized interest under property, plant and equipment	(9,310,287)	(6,329,718)
	$ 10,495,320	$ 11,999,360

Information about capitalized interest is as follows:

	Years Ended December 31	
	2024	2023
Capitalization rate	1.20%-3.34%	1.08%-3.36%

24. OTHER GAINS AND LOSSES, NET

	Years Ended December 31	
	2024	2023
Loss on disposal of financial assets, net		
Investments in debt instruments at FVTOCI	$ (683,117)	$ (473,897)
Gain on disposal of investments accounted for using equity method, net	7,126	15,758
Gain (loss) on financial instruments at FVTPL, net		
Mandatorily measured at FVTPL	(8,204,688)	6,523,084
Provision for expected credit loss for financial assets		
Investments in debt instruments at FVTOCI	(12,257)	(9,525)
Financial assets at amortized cost	(37,650)	(26,220)
Other gains, net	551,193	932,379
	$ (8,379,393)	$ 6,961,579

25. INCOME TAX

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Years Ended December 31	
	2024	2023
Current income tax expense		
Current tax expense recognized in the current year	$ 238,079,019	$ 136,931,127
Income tax adjustments for prior years	(7,229,862)	92,331
Other income tax adjustments	371,403	244,358
	231,220,560	137,267,816
Deferred income tax expense		
The origination and reversal of temporary differences	915,964	4,135,991
Income tax adjustments for prior years	3,925,320	-
Operating loss carryforward	(2,654,968)	-
	2,186,316	4,135,991
Income tax expense recognized in profit or loss	$ 233,406,876	$ 141,403,807

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

	Years Ended December 31	
	2024	**2023**
Income before tax	$1,405,838,635	$ 979,171,324
Income tax expense at the statutory rate	$ 280,827,733	$ 197,906,699
Tax effect of adjusting items:		
Adjusting items in determining taxable income	(5,647,246)	(7,613,159)
Additional income tax on unappropriated earnings	6,483,623	9,468,943
Unrecognized deductible temporary differences	729,232	-
Unrecognized operating loss carryforward	2,263,127	-
The origination and reversal of temporary differences	915,964	3,210,032
Operating loss carryforward	(2,654,968)	-
Income tax credits	(46,577,450)	(61,905,397)
	236,340,015	141,067,118
Income tax adjustments for prior years	(3,304,542)	92,331
Other income tax adjustments	371,403	244,358
Income tax expense recognized in profit or loss	$ 233,406,876	$ 141,403,807

For the years ended December 31, 2024 and 2023, the Company applied a tax rate of 20% for entities subject to the R.O.C. Income Tax Law; for other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

b. Deferred income tax balance

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

	December 31, 2024	**December 31, 2023**
Deferred income tax assets		
Temporary differences		
Depreciation	$ 33,319,836	$ 41,094,712
Refund liability	13,274,374	9,414,971
Unrealized exchange losses	9,078,242	7,100,019
Unrealized loss on inventories	2,749,256	2,771,188
Net defined benefit liability	1,415,948	1,729,672
Deferred compensation cost	588,829	489,609
Others	2,902,370	1,575,616
Operating loss carryforward	2,614,445	-
	$ 65,943,300	$ 64,175,787
Deferred income tax liabilities		
Temporary differences		
Subsidiary's projected earnings distribution	$ (3,925,320)	$ -
Others	(63,162)	(53,856)
	$ (3,988,482)	$ (53,856)

	Year Ended December 31, 2024				
		Recognized in			
	Balance, Beginning of Year	Profit or Loss	Other Comprehensive Income	Effect of Exchange Rate Changes	Balance, End of Year
Deferred income tax assets					
Temporary differences					
Depreciation	$ 41,094,712	$ (7,787,586)	$ -	$ 12,710	$ 33,319,836
Refund liability	9,414,971	3,856,774	-	2,629	13,274,374
Unrealized exchange losses	7,100,019	1,978,223	-	-	9,078,242
Unrealized loss on inventories	2,771,188	(25,966)	-	4,034	2,749,256
Net defined benefit liability	1,729,672	(284,851)	(28,873)	-	1,415,948
Deferred compensation cost	489,609	66,055	-	33,165	588,829
Others	1,575,616	1,289,799	(9,996)	46,951	2,902,370
Operating loss carryforward	-	2,654,968	-	(40,523)	2,614,445
	$ 64,175,787	$ 1,747,416	$ (38,869)	$ 58,966	$ 65,943,300
Deferred income tax liabilities					
Temporary differences					
Subsidiary’s projected earnings distribution	$ -	$ (3,925,320)	$ -	$ -	$ (3,925,320)
Others	(53,856)	(8,412)	-	(894)	(63,162)
	$ (53,856)	$ (3,933,732)	$ -	$ (894)	$ (3,988,482)

	Year Ended December 31, 2023				
		Recognized in			
	Balance, Beginning of Year	Profit or Loss	Other Comprehensive Income	Effect of Exchange Rate Changes	Balance, End of Year
Deferred income tax assets					
Temporary differences					
Depreciation	$ 45,299,310	$ (4,197,221)	$ -	$ (7,377)	$ 41,094,712
Refund liability	12,089,451	(2,673,474)	-	(1,006)	9,414,971
Unrealized exchange losses	5,782,345	1,317,674	-	-	7,100,019
Unrealized loss on inventories	2,305,328	466,186	-	(326)	2,771,188
Net defined benefit liability	1,722,005	(117,004)	124,671	-	1,729,672
Deferred compensation cost	361,241	129,852	-	(1,484)	489,609
Others	1,626,162	(38,825)	(25)	(11,696)	1,575,616
	$ 69,185,842	$ (5,112,812)	$ 124,646	$ (21,889)	$ 64,175,787
Deferred income tax liabilities					
Temporary differences					
Others	$ (1,031,383)	$ 976,821	$ -	$ 706	$ (53,856)

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

	December 31, 2024	December 31, 2023
Operating loss carryforward		
No expiry date	$ 11,896,888	$ 639,831
Expire in succession after 2032	$ -	$ 2,781,373
Deductible temporary differences	$ 83,705,608	$ 52,686,244

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

As of December 31, 2024 and 2023, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT$327,787,523 thousand and NT$254,182,901 thousand, respectively.

e. Income tax examination

The tax authorities have examined income tax returns of TSMC through 2022. All investment tax credit adjustments assessed by the tax authorities have been recognized accordingly.

26. EARNINGS PER SHARE

	Years Ended December 31	
	2024	**2023**
Basic EPS	$ 45.25	$ 32.34
Diluted EPS	$ 45.25	$ 32.34

EPS is computed as follows:

	Years Ended December 31	
	2024	**2023**
Basic EPS		
Net income available to common shareholders of the parent	$1,173,267,703	$ 838,497,664
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	25,927,556	25,929,223
Basic EPS (in dollars)	$ 45.25	$ 32.34
Diluted EPS		
Net income available to common shareholders of the parent	$1,173,267,703	$ 838,497,664
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousands)	25,927,556	25,929,223
Effects of all dilutive potential common shares (in thousands)	2,089	44
Weighted average number of common shares used in the computation of diluted EPS (in thousands)	25,929,645	25,929,267
Diluted EPS (in dollars)	$ 45.25	$ 32.34

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Equity-settled share-based payment-RSAs

The RSAs in each year are as follows:

	2024 RSAs	**2023 RSAs**	**2022 RSAs**	**2021 RSAs**
Resolution Date of TSMC's shareholders in its meeting	June 4, 2024	June 6, 2023	June 8, 2022	July 26, 2021
Resolution Date of TSMC's Board of Directors in its meeting	August 13, 2024	February 6, 2024	February 14, 2023	February 15, 2022
Issuance of stocks (in thousands)	2,353	2,960	2,110	1,387
Available for issuance (in thousands)	1,832	-	-	-
Eligible employees	Executive officers	Executive officers	Executive officers	Executive officers
Grant date/Issuance date	September 1, 2024	March 1, 2024	March 1, 2023	March 1, 2022

Vesting conditions of the aforementioned arrangement are as follow:

1) The RSAs granted to eligible employees can only be vested if

- the employee remains employed by the Company on the last date of each vesting period;

- during the vesting period, the employee may not breach any agreement with the Company or violate the Company's work rules; and

- certain employee performance metrics and TSMC's business performance metrics are met.

2) The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 50%; two-year anniversary of the grant: 25%; and three-year anniversary of the grant: 25%; provided that the actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of TSMC's business performance metrics.

3) For eligible executive officers of TSMC: The maximum number of RSAs that may be vested in each year will be set as 110%, among which 100% will be subject to a calculation based on TSMC's relative Total Shareholder Return ("TSR", including capital gains and dividends) achievement to determine the number of RSAs to be vested; this number will be further subject to a modifier to increase or decrease up to 10% based on the Compensation and People Development Committee'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:

	2024 RSAs	2023 RSAs	2022 RSAs	2021 RSAs
	Number of Shares (In Thousands)	Number of Shares (In Thousands)	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance, beginning of year	-	-	2,110	694
Issuance of stocks	2,353	2,960	-	-
Canceled shares	-	-	(1,055)	(347)
Balance, end of year	2,353	2,960	1,055	347
Weighted-average fair value of RSAs (in dollars)	$ 662.42	$ 364.43	$ 277.71	$ 325.81

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

	2024 RSAs	2023 RSAs	2022 RSAs	2021 RSAs
	September 1, 2024	March 1, 2024	March 1, 2023	March 1, 2022
Stock price at measurement date (in dollars)	$ 944	$ 689	$ 511	$ 604
Expected price volatility	25.51%-29.87%	24.77%-26.12%	29.34%-32.11%	25.34%-28.28%
Expected life	1-3 years	1-3 years	1-3 years	1-3 years
Risk-free interest rate	1.40%	1.16%	1.06%	0.57%

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

b. Cash-settled share-based payment arrangements

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

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

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

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

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

	Years Ended December 31				
	2024			2023	
	2023 Plan	2022 Plan	2021 Plan	2022 Plan	2021 Plan
Stock price at measurement date (in dollars)	$ 1,090	$ 1,090	$ 1,090	$ 593	$ 593
Expected price volatility	25.61%-30.78%	25.61%-30.78%	25.61%-30.78%	24.76%-29.05%	24.76%-29.05%
Residual life	1-3 years	1-2 years	1 years	1-3 years	1-2 years
Risk-free interest rate	1.45%	1.41%	1.37%	1.15%	1.14%

Refer to Note 28 for the compensation costs of the cash-settled share-based payment recognized by TSMC. As of December 31, 2024 and 2023, the liabilities under cash-settled share-based payment arrangement amounted to NT$455,728 thousand and NT$62,695 thousand, respectively.

28. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

	Years Ended December 31	
	2024	2023
a. Depreciation of property, plant and equipment and right-of-use assets		
Recognized in cost of revenue	$ 616,390,408	$ 492,827,379
Recognized in operating expenses	37,190,415	30,097,805
Recognized in other operating income and expenses	29,663	7,487
	$ 653,610,486	$ 522,932,671

	Years Ended December 31	
	2024	2023
b. Amortization of intangible assets		
Recognized in cost of revenue	$ 6,342,310	$ 6,538,107
Recognized in operating expenses	2,843,839	2,720,143
	$ 9,186,149	$ 9,258,250
c. Employee benefits expenses		
Post-employment benefits		
Defined contribution plans	$ 5,932,269	$ 5,365,458
Defined benefit plans	275,680	281,392
	6,207,949	5,646,850
Share-based payments		
Equity-settled	1,242,719	483,050
Cash-settled	403,486	61,329
	1,646,205	544,379
Other employee benefits	293,967,896	233,517,335
	$ 301,822,050	$ 239,708,564
Employee benefits expense summarized by function		
Recognized in cost of revenue	$ 163,657,133	$ 133,334,667
Recognized in operating expenses	138,164,917	106,373,897
	$ 301,822,050	$ 239,708,564

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

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

	Years Ended December 31	
	2024	2023
Profit sharing bonus to employees	$ 70,296,283	$ 50,090,533

TSMC's profit sharing bonus to employees and compensation to directors for 2024, 2023 and 2022 had been approved by the Board of Directors of TSMC, as illustrated below:

	Years Ended December 31		
	2024	2023	2022
Resolution Date of TSMC's Board of Directors in its meeting	**February 12, 2025**	**February 6, 2024**	**February 14, 2023**
Profit sharing bonus to employees	$ 70,296,283	$ 50,090,533	$ 60,702,047
Compensation to directors	$ 358,989	$ 551,955	$ 690,128

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2024, 2023 and 2022, respectively.

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

29. GOVERNMENT GRANTS

Subsidiaries such as TSMC Arizona, ESMC, JASM and TSMC Nanjing received subsidies from the governments of the United States, Germany, Japan and China, respectively, for local plant setup and operation, which were mainly used to subsidize the purchase costs of property, plant and equipment, as well as partial costs and expenses incurred from plant construction and production. For the years ended December 31, 2024 and 2023, TSMC received a total of NT$75,164,249 thousand and NT$47,545,898 thousand as government grants respectively.

The aforementioned subsidiaries have signed grant agreements with the local government. The agreements include the construction timelines and other conditions that must be complied with. TSMC Arizona is also eligible to apply for a 25% investment grant for qualified investments.

30. CASH FLOW INFORMATION

a. Non-cash transactions

	Years Ended December 31	
	2024	2023
Additions of financial assets at FVTOCI	$ 88,415,880	$ 62,779,060
Discontinuation of significant influence from investment accounted for using the equity method	-	(10,728)
Conversion of convertible bonds into equity securities	(387,592)	(145,144)
Changes in accrued expenses and other current liabilities	(240,767)	128,814
Payments for acquisition of financial assets at FVTOCI	$ 87,787,521	$ 62,752,002
Disposal of financial assets at FVTOCI	$ 67,560,138	$ 35,346,897
Changes in other financial assets	124,418	351,678
Proceeds from disposal of financial assets at FVTOCI	$ 67,684,556	$ 35,698,575
Additions of property, plant and equipment	$ 798,507,337	$ 897,557,179
Changes in other receivables	140,289,660	44,431
Exchange of assets	(109,273)	(78,034)
Changes in payables to contractors and equipment suppliers	(17,988,093)	40,750,228
Changes in accrued expenses and other current liabilities	44,612,151	17,832,841
Transferred to initial carrying amount of hedged items	5,041	39,898
Capitalized interests	(9,310,287)	(6,329,718)
Payments for acquisition of property, plant and equipment	$ 956,006,536	$ 949,816,825

b. Reconciliation of liabilities arising from financing activities

	Balance as of January 1, 2024	Financing Cash Flow	Non-cash Changes: Foreign Exchange Movement	Non-cash Changes: Leases Modifications	Non-cash Changes: Other Changes (Note)	Balance as of December 31, 2024
Hedging financial liabilities-bank loans	$ 27,290,400	$ (26,496,570)	$ (793,830)	$ -	$ -	$ -
Bonds payable	920,897,553	27,264,319	35,202,758	-	387,755	983,752,385
Long-term bank loans	6,678,521	28,601,444	(763,608)	-	18,029	34,534,386
Lease liabilities	31,492,386	(3,348,977)	940	3,286,642	373,383	31,804,374
Total	$ 986,358,860	$ 26,020,216	$ 33,646,260	$ 3,286,642	$ 779,167	$ 1,050,091,145

	Balance as of January 1, 2023	Financing Cash Flow	Non-cash Changes: Foreign Exchange Movement	Non-cash Changes: Leases Modifications	Non-cash Changes: Other Changes (Note)	Balance as of December 31, 2023
Hedging financial liabilities-bank loans	$ -	$ 27,908,580	$ (618,180)	$ -	$ -	$ 27,290,400
Bonds payable	852,436,439	67,511,319	587,758	-	362,037	920,897,553
Long-term bank loans	5,973,936	693,056	-	-	11,529	6,678,521
Lease liabilities	32,367,601	(3,228,219)	(31,765)	2,002,728	382,041	31,492,386
Total	$ 890,777,976	$ 92,884,736	$ (62,187)	$ 2,002,728	$ 755,607	$ 986,358,860

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

31. CAPITAL MANAGEMENT

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

The Company's capital management policy remained unchanged in 2024. TSMC's current credit ratings are AA- from Standard & Poor's and Aa3 from Moody's, same as those as of December 31, 2023.

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
FVTPL (Note 1)	$ 15,407,542	$ 14,342,093
FVTOCI (Note 2)	205,938,125	167,150,802
Hedging financial assets	10,959	-
Amortized cost (Note 3)	2,721,319,255	1,842,412,631
	$2,942,675,881	$2,023,905,526
Financial liabilities		
FVTPL (Note 4)	$ 466,539	$ 121,412
Hedging financial liabilities	-	27,334,164
Amortized cost (Note 5)	1,963,297,264	1,741,356,555
	$1,963,763,803	$1,768,812,131

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 prices. A portion of these risks is hedged.

Foreign currency risk

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

Based on a sensitivity analysis performed on the Company's total monetary assets and liabilities for the years ended December 31, 2024 and 2023, a hypothetical adverse foreign currency exchange rate change of 10% would have decreased its net income by NT$1,906,338 thousand and NT$891,039 thousand respectively.

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 or at amortized cost. For those fixed income investments classified as financial assets at FVTOCI, changes in their fair value are recognized through other comprehensive income; for those classified as financial assets at amortized cost, changes in their fair value are not reflected in the carrying amount. Both classifications recognized in profit or loss if the assets are sold. 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$4,500,899 thousand and NT$3,841,994 thousand for the years ended December 31, 2024 and 2023, 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 convertible preferred stocks, equity instrument investments, and other investments price risk arising from financial assets at FVTPL and FVTOCI.

Assuming a hypothetical decrease of 10% in prices of the investments mentioned above at the end of the reporting period, the net income would have decreased by NT$1,215,987 thousand and NT$1,073,397 thousand for the year ended December 31, 2024 and 2023, respectively, and the other comprehensive income would have decreased by NT$1,013,256 thousand and NT$954,925 thousand for the years ended December 31, 2024 and 2023, respectively.

d. Credit risk management

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

Business related credit risk

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

As of December 31, 2024 and 2023, the Company's ten largest customers accounted for 93% and 91% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Financial credit risk

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

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

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

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

For the years ended December 31, 2024 and 2023, the expected credit loss increased NT$58,477 thousand and NT$35,751 thousand, respectively. The changes were mainly due to adjusted investment portfolio and fluctuations in exchange rates.

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
December 31, 2024					
Non-derivative financial liabilities					
Accounts payable (including related parties)	$ 74,226,559	$ -	$ -	$ -	$ 74,226,559
Payables to contractors and equipment suppliers	192,635,173	-	-	-	192,635,173
Accrued expenses and other current liabilities	358,165,686	-	-	-	358,165,686
Bonds payable	76,460,812	335,240,849	197,389,127	587,602,550	1,196,693,338
Long-term bank loans	2,935,154	2,275,524	27,044,881	3,151,180	35,406,739
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	3,483,523	5,794,816	4,826,752	20,782,694	34,887,785
Others	-	86,979,515	11,737,085	-	98,716,600
	707,906,907	430,290,704	240,997,845	611,536,424	1,990,731,880

(Continued)

	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
Derivative financial instruments					
Forward exchange contracts					
Outflows	$ 109,525,448	$ -	$ -	$ -	$ 109,525,448
Inflows	(109,251,526)	-	-	-	(109,251,526)
	273,922	-	-	-	273,922
	$ 708,180,829	$ 430,290,704	$ 240,997,845	$ 611,536,424	$ 1,991,005,802
December 31, 2023					
Non-derivative financial liabilities					
Hedging financial liabilities-bank loans	$ 27,290,400	$ -	$ -	$ -	$ 27,290,400
Accounts payable (including related parties)	57,293,057	-	-	-	57,293,057
Payables to contractors and equipment suppliers	171,484,616	-	-	-	171,484,616
Accrued expenses and other current liabilities	241,118,948	-	-	-	241,118,948
Bonds payable	24,890,500	224,062,937	303,525,276	583,364,167	1,135,842,880
Long-term bank loans	2,371,296	3,889,029	585,094	-	6,845,419
Lease liabilities (including those classified under accrued expenses and other current liabilities) (Note)	3,181,651	5,248,337	4,662,868	21,754,375	34,847,231
Others	-	165,188,432	6,303,135	2,908,666	174,400,233
	527,630,468	398,388,735	315,076,373	608,027,208	1,849,122,784
Derivative financial instruments					
Forward exchange contracts					
Outflows	64,826,427	-	-	-	64,826,427
Inflows	(65,384,000)	-	-	-	(65,384,000)
	(557,573)	-	-	-	(557,573)
	$ 527,072,895	$ 398,388,735	$ 315,076,373	$ 608,027,208	$ 1,848,565,211

(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
December 31, 2024					
Lease liabilities	$ 10,296,927	$ 6,821,624	$ 3,547,316	$ 116,827	$ 20,782,694
December 31, 2023					
Lease liabilities	$ 10,197,521	$ 7,121,539	$ 4,117,107	$ 318,208	$ 21,754,375

f. Fair value of financial instruments

1) Fair value measurements recognized in the consolidated balance sheets

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Fair value hierarchy

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

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
Mandatorily measured at FVTPL				
Convertible preferred stocks	$ -	$ -	$ 14,181,839	$ 14,181,839
Mutual funds	-	-	886,931	886,931
Forward exchange contracts	-	207,700	-	207,700
Simple agreement for future equity	-	-	131,072	131,072
	$ -	$ 207,700	$ 15,199,842	$ 15,407,542
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	$ -	$ 108,612,082	$ -	$ 108,612,082
Agency mortgage-backed securities	-	46,611,373	-	46,611,373
Government bonds/Agency bonds	20,645,877	-	-	20,645,877
Asset-backed securities	-	11,490,511	-	11,490,511
Investments in equity instruments				
Non-publicly traded equity investments	-	-	7,822,884	7,822,884
Publicly traded stocks	4,842,814	-	-	4,842,814
Notes and accounts receivable, net	-	5,912,584	-	5,912,584
	$ 25,488,691	$ 172,626,550	$ 7,822,884	$ 205,938,125
Hedging financial assets				
Fair value hedges				
Interest rate futures contracts	$ 10,959	$ -	$ -	$ 10,959
Financial liabilities at FVTPL				
Held for trading				
Forward exchange contracts	$ -	$ 466,539	$ -	$ 466,539

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
Mandatorily measured at FVTPL				
Convertible preferred stocks	$ -	$ -	$ 13,307,160	$ 13,307,160
Forward exchange contracts	-	701,182	-	701,182
Convertible bonds	-	-	223,454	223,454
Mutual funds	-	-	110,297	110,297
	$ -	$ 701,182	$ 13,640,911	$ 14,342,093

(Continued)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in debt instruments				
Corporate bonds	$ -	$ 79,605,567	$ -	$ 79,605,567
Agency mortgage-backed securities	-	37,959,691	-	37,959,691
Government bonds/Agency bonds	22,091,087	247,814	-	22,338,901
Asset-backed securities	-	9,898,766	-	9,898,766
Investments in equity instruments				
Non-publicly traded equity investments	-	-	7,208,655	7,208,655
Publicly traded stocks	4,727,905	-	-	4,727,905
Notes and accounts receivable, net	-	5,411,317	-	5,411,317
	$ 26,818,992	$ 133,123,155	$ 7,208,655	$ 167,150,802
Financial liabilities at FVTPL				
Held for trading				
Forward exchange contracts	$ -	$ 121,412	$ -	$ 121,412
Hedging financial liabilities				
Fair value hedges				
Interest rate futures contracts	$ 43,764	$ -	$ -	$ 43,764

(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 years ended December 31, 2024 and 2023 are as follows:

	Years Ended December 31	
	2024	2023
Balance, beginning of year	$ 20,849,566	$ 6,282,052
Additions	2,007,343	14,887,187
Recognized in profit or loss	(137,694)	12,355
Recognized in other comprehensive income or loss	(499,041)	262,380
Disposals and proceeds from return of capital of investments	(347,769)	(127,963)
Transfers out of level 3 (Note)	(164,860)	-
Effect of exchange rate changes	1,315,181	(466,445)
Balance, end of year	$ 23,022,726	$ 20,849,566

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 convertible preferred stocks, convertible bonds, simple agreement for future equity, mutual funds and non-publicly traded equity investments (excluding those trading on the Emerging Stock Board) are mainly determined by using the asset approach, income approach and market approach.

The asset approach takes into account the net asset value measured at the fair value by independent parties. On December 31, 2024 and 2023, 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$56,163 thousand and NT$52,704, respectively, if discounts for lack of marketability increase by 1%.

The income approach utilizes discounted cash flows to determine the present value of the expected future economic benefits that will be derived from the investment. On December 31, 2024, the Company mainly uses unobservable inputs, which include expected returns, discount rate of 8.6%, and discount for lack of marketability of 20%. On December 31, 2024, with other inputs remain equal, if discount rate increases by 1%, the fair value will decrease by NT$1,606,927 thousand; if discount for lack of marketability increases by 1%, the fair value will decrease by NT$140,819 thousand.

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

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

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

Fair value hierarchy

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

	December 31, 2024			
	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Total
Financial assets				
Financial assets at amortized costs				
Corporate bonds	$ 171,980,179	$ -	$ 172,518,474	$ 172,518,474
Commercial paper	14,208,158	-	14,222,713	14,222,713
Government bonds/Agency bonds	4,379,527	4,353,434	-	4,353,434
	$ 190,567,864	$ 4,353,434	$ 186,741,187	$ 191,094,621
Financial liabilities				
Financial liabilities at amortized costs				
Bonds payable	$ 983,752,385	$ -	$ 900,344,663	$ 900,344,663

	December 31, 2023			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Total
Financial assets				
Financial assets at amortized costs				
Corporate bonds	$ 113,785,324	$ -	$ 113,694,397	$ 113,694,397
Commercial paper	18,371,705	-	18,385,329	18,385,329
Government bonds/Agency bonds	13,803,559	2,751,893	11,053,234	13,805,127
	$ 145,960,588	$ 2,751,893	$ 143,132,960	$ 145,884,853
Financial liabilities				
Financial liabilities at amortized costs				
Bonds payable	$ 920,897,553	$ -	$ 849,236,882	$ 849,236,882

Valuation techniques and assumptions used in Level 2 fair value measurement

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

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

33. RELATED PARTY TRANSACTIONS

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

a. Related party name and categories

Related Party Name	Related Party Categories
GUC and its subsidiaries (GUC)	Associates
VIS and its subsidiaries (VIS)	Associates
SSMC	Associates
Xintec	Associates
TSMC Charity Foundation	Other related parties
TSMC Education and Culture Foundation	Other related parties

b. Net revenue

		Years Ended December 31	
		2024	2023
Item	Related Party Categories		
Net revenue from sale of goods	Associates	$ 15,034,149	$ 13,406,049

c. Purchases

	Years Ended December 31	
	2024	2023
Related Party Categories		
Associates	$ 4,619,621	$ 4,562,206

d. Receivables from related parties

Item	Related Party Name	December 31, 2024	December 31, 2023
Receivables from related parties	VIS	$ 626,638	$ -
	GUC	610,027	514,819
	Others	167,808	109,632
		$ 1,404,473	$ 624,451
Other receivables from related parties	SSMC	$ 251	$ 58,093
	VIS	-	13,778
		$ 251	$ 71,871

e. Payables to related parties

Item	Related Party Name	December 31, 2024	December 31, 2023
Payables to related parties	Xintec	$ 987,992	$ 1,020,226
	SSMC	308,424	457,348
	Others	129,585	88,726
		$ 1,426,001	$ 1,566,300

f. Accrued expenses and other current liabilities

Item	Related Party Categories	December 31, 2024	December 31, 2023
Temporary receipts	Associates	$ 4,271,492	$ 307,470

g. Others

		Years Ended December 31	
		2024	2023
Item	Related Party Categories		
Manufacturing expenses	Associates	$ 5,232,777	$ 5,043,545

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

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

h. Compensation of key management personnel

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

	Years Ended December 31	
	2024	**2023**
Short-term employee benefits	$ 4,447,508	$ 3,492,258
Post-employment benefits	3,830	3,870
Share-based payments	1,357,432	525,808
	$ 5,808,770	$ 4,021,936

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

34. PLEDGED ASSETS

The Company provided certificate of deposits recorded in other financial assets as collateral mainly for building lease agreements. As of December 31, 2024 and 2023, the aforementioned other financial assets amounted to NT$132,077 thousand and NT$124,302 thousand, respectively.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Under a technical cooperation agreement with Industrial Technology Research Institute, the R.O.C. Government or its designee approved by TSMC can use up to 35% of TSMC’s capacity provided TSMC’s outstanding commitments to its customers are not prejudiced. The term of this agreement is for five years beginning from January 1, 1987 and is automatically renewed for successive periods of five years unless otherwise terminated by either party with one year prior notice. As of the end of reporting period, the R.O.C. Government did not invoke such right.

b. Under a Shareholders Agreement entered into with Philips and EDB Investments Pte Ltd. on March 30, 1999, the parties formed a joint venture company, SSMC, which is an integrated circuit foundry in Singapore. TSMC’s equity interest in SSMC was 32%. Nevertheless, in September 2006, Philips spun-off its semiconductor subsidiary which was renamed as NXP B.V. Further, TSMC and NXP B.V. purchased all the SSMC shares owned by EDB Investments Pte Ltd. pro rata according to the Shareholders Agreement on November 15, 2006. After the purchase, TSMC and NXP B.V. currently own approximately 39% and 61% of the SSMC shares, respectively. TSMC and NXP B.V. are required, in the aggregate, to purchase at least 70% of SSMC’s capacity, but TSMC alone is not required to purchase more than 28% of the capacity. If any party defaults on the commitment and the capacity utilization of SSMC falls below a specific percentage of its capacity, the defaulting party is required to compensate

SSMC for all related unavoidable costs. There was no default from the aforementioned commitment as of the end of reporting period.

c. TSMC entered into long-term purchase agreements of materials and supplies and agreements of waste disposal with multiple suppliers. The relative minimum fulfillment quantity and price are specified in the agreements.

d. TSMC entered into a long-term purchase agreement of equipment. The relative fulfillment quantity and price are specified in the agreement.

e. TSMC entered into long-term energy purchase agreements with multiple suppliers. The relative fulfillment period, quantity and price are specified in the agreements.

f. Amounts available under unused letters of credit as of December 31, 2024 and 2023 were NT$489,882 thousand and NT$433,994 thousand, respectively.

g. The Company entrusted financial institutions to provide performance guarantees mainly for import and export of goods, lease agreement and energy purchase agreement. As of December 31, 2024 and 2023, the aforementioned guarantee amounted to NT$10,315,609 thousand and NT$8,012,973 thousand, respectively.

36. SIGNIFICANT LOSS FROM DISASTER

On April 3, 2024, an earthquake struck Taiwan. The resulting damage was mostly to inventories, plant facilities and machinery and equipment. In the second quarter of 2024, the Company recognized related earthquake losses to be approximately NT$3 billion, net of insurance claim. Such losses were primarily included in the cost of revenue and other operating income and expenses in net amounts.

In January 2025, several earthquakes struck Taiwan. The resulting damage was mostly to inventories, machinery and equipment. Based on a preliminary assessment, the Company estimated related earthquake losses to be approximately NT$5.3 billion, net of insurance claim, and will recognize it in the first quarter of 2025.

37. 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)
December 31, 2024			
Financial assets			
Monetary items			
USD	$ 18,726,635	32.768	$ 613,634,377
EUR	596,978	34.102	20,358,132
EUR	169,266	1.041(Note 2)	5,772,303
JPY	128,926,508	0.2092	26,971,425

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	Carrying Amount (In Thousands)
Financial liabilities			
Monetary items			
USD	$ 16,255,804	32.768	$ 532,670,186
EUR	821,105	34.102	28,001,335
EUR	168,550	1.041(Note 2)	5,747,886
JPY	129,345,682	0.2092	27,059,117
December 31, 2023			
Financial assets			
Monetary items			
USD	14,756,970	30.747	453,732,565
EUR	432,124	34.175	14,767,835
EUR	484,580	1.111(Note 2)	16,560,515
JPY	13,320,705	0.2192	2,919,899
Financial liabilities			
Monetary items			
USD	14,121,653	30.747	434,198,454
EUR	803,472	34.175	27,458,643
EUR	482,869	1.111(Note 2)	16,502,044
JPY	199,911,305	0.2192	43,820,558
			(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 U.S. dollar for which one Euro could be exchanged.

Please refer to the consolidated statements of comprehensive income for the total of realized and unrealized foreign exchange gain and loss for the years ended December 31, 2024 and 2023, 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.

38. 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.

39. OPERATING SEGMENTS INFORMATION

a. Operating segments, segment revenue and operating results

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

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

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

1) Geographic information

Noncurrent Assets	December 31, 2024	December 31, 2023
Taiwan	$2,613,112,149	$2,525,608,435
United States	541,836,347	420,093,092
Japan	126,600,621	94,558,890
China	82,405,764	97,268,882
Europe, the Middle East and Africa	19,150,044	146,247
Others	1,420	435
	$3,383,106,345	$3,137,675,981

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

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

	Years Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Customer A	$ 624,345,477	22	$ 546,550,925	25
Customer B	352,271,213	12	NA (Note)	NA
Customer C	NA (Note)	NA	241,152,357	11

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

TABLE 1

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(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 4)	Ending Balance (Foreign Currencies in Thousands) (Note 4)	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 to 3)	Financing Company's Total Financing Amount Limits (Notes 1 to 3)
													Item	Value		
0	TSMC	TSMC Arizona	Other receivables from related parties	Yes	$ 98,304,000 (US$ 3,000,000)	$ -	$ -	-	The need for short-term financing	$ -	Capacity installation and working capital	$ -	-	$ -	$ 428,854,517	$ 857,709,033
1	TSMC China	TSMC Nanjing	Other receivables from related parties	Yes	54,256,720 (RMB 8,800,000)& (US$ 450,000)	41,685,000 (RMB 6,000,000)& (US$ 450,000)	26,939,400 (RMB 6,000,000)	1.30%-1.50%	The need for short-term and long-term financing	-	Operating capital	-	-	-	110,511,314	110,511,314
2	TSMC Development	TSMC Washington	Other receivables from related parties	Yes	1,966,080 (US$ 60,000)	1,966,080 (US$ 60,000)	983,040 (US$ 30,000)	-	The need for short-term financing	-	Operating capital	-	-	-	35,183,067	35,183,067

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 and the aggregate amount of lending from TSMC China shall not exceed the net worth of TSMC China.

Note 3: The aggregate amount available for lending to TSMC Washington from TSMC Development and the aggregate amount of lending from TSMC Development shall not exceed the net worth of TSMC Development.

Note 4: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

TABLE 2

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	$ 1,715,418,067	$ 2,726,733 (US$ 83,213)	$ 2,726,733 (US$ 83,213)	$ 2,726,733 (US$ 83,213)	$ -	0.06%	$ 1,715,418,067	Yes	No	No
		TSMC Global	Subsidiary	1,715,418,067	245,760,000 (US$ 7,500,000)	245,760,000 (US$ 7,500,000)	245,760,000 (US$ 7,500,000)	-	5.73%	1,715,418,067	Yes	No	No
		TSMC Arizona	Subsidiary	1,715,418,067	470,136,259 (US$14,347,420)	470,136,259 (US$14,347,420)	312,358,339 (US$ 9,532,420)	-	10.96%	1,715,418,067	Yes	No	No
1	TSMC Japan	TSMC JDC	The same parent company	323,065	276,144 (JPY 1,320,000)	276,144 (JPY 1,320,000)	276,144 (JPY 1,320,000)	-	0.01%	323,065	No	No	No

Note 1: TSMC's individual endorsement/guarantee limits for TSMC North America, TSMC Global, and TSMC Arizona, as well as the total external endorsement/guarantee limits for TSMC and its subsidiaries, 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 and the total amount of the endorsement/guarantee provided by TSMC Japan 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.

TABLE 3

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

MARKETABLE SECURITIES HELD
December 31, 2024
(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	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC	Non-publicly traded equity investments							
	United Industrial Gases Co., Ltd.	-	Financial assets at fair value through other comprehensive income	21,230	$ 505,114	10	$ 505,114	
	Shin-Etsu Handotai Taiwan Co., Ltd.	-	〃	10,500	448,560	7	448,560	
	Global Investment Holding Inc.	-	〃	10,442	104,673	6	104,673	
	Commercial paper							
	Cathay Financial Holding Co., Ltd.	-	Financial assets at amortized cost	924	9,185,663	N/A	9,195,051	
	Formosa Chemicals & Fibre Corporation	-	〃	250	2,479,351	N/A	2,481,860	
	China Steel Corporation	-	〃	120	1,197,878	N/A	1,199,118	
	Formosa Plastics Corporation	-	〃	100	996,353	N/A	997,398	
	Nan Ya Plastics Corporation	-	〃	35	348,913	N/A	349,286	
TSMC Partners	Fund							
	Carbon Nature SCSp	-	Financial assets at fair value through Profit or Loss	-	US$ 11,413	18	US$ 11,413	
	Matter Venture Partners Fund I, L.P.	-	〃	-	US$ 8,088	7	US$ 8,088	
	Imprint Nature-Based Opportunities Offshore SCSp	-	〃	-	US$ 7,567	20	US$ 7,567	
	Non-publicly traded equity investments							
	Shanghai Walden Venture Capital Partnership (Limited Partnership)	-	Financial assets at fair value through other comprehensive income	-	US$ 20,014	6	US$ 20,014	
	Walden Technology Ventures Investments II, L.P.	-	〃	-	US$ 13,512	9	US$ 13,512	
	Walden Technology Ventures Investments III, L.P.	-	〃	-	US$ 11,688	4	US$ 11,688	
	Tela Innovations	-	〃	6,942	US$ -	22	US$ -	
	Publicly traded stocks							
	ARM Holdings plc	-	Financial assets at fair value through other comprehensive income	1,111	US$ 137,026	-	US$ 137,026	
	Movella Holdings Inc.	-	〃	3,095	US$ 62	6	US$ 62	
TSMC Global	Corporate bond							
	Bank of America Corporation	-	Financial assets at fair value through other comprehensive income	-	US$ 95,674	N/A	US$ 95,674	
	Morgan Stanley	-	〃	-	US$ 87,312	N/A	US$ 87,312	
	Wells Fargo & Company	-	〃	-	US$ 74,617	N/A	US$ 74,617	
	The Goldman Sachs Group, Inc.	-	〃	-	US$ 73,642	N/A	US$ 73,642	
	JPMorgan Chase & Co.	-	〃	-	US$ 72,101	N/A	US$ 72,101	
	Citigroup Inc.	-	〃	-	US$ 56,810	N/A	US$ 56,810	
	HSBC Holdings plc	-	〃	-	US$ 52,845	N/A	US$ 52,845	
	Hyundai Capital America	-	〃	-	US$ 39,105	N/A	US$ 39,105	
	BNP Paribas SA	-	〃	-	US$ 38,517	N/A	US$ 38,517	
	Lloyds Banking Group plc	-	〃	-	US$ 36,440	N/A	US$ 36,440	
	Sumitomo Mitsui Trust Bank, Limited	-	〃	-	US$ 36,329	N/A	US$ 36,329	
	Barclays PLC	-	〃	-	US$ 35,715	N/A	US$ 35,715	
	Nationwide Building Society	-	〃	-	US$ 35,644	N/A	US$ 35,644	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	NatWest Group plc	-	Financial assets at fair value through other comprehensive income	-	US$ 34,193	N/A	US$ 34,193	
	Principal Life Global Funding II	-	〃	-	US$ 33,881	N/A	US$ 33,881	
	American Express Company	-	〃	-	US$ 31,036	N/A	US$ 31,036	
	Banco Santander, S.A.	-	〃	-	US$ 30,804	N/A	US$ 30,804	
	BPCE SA	-	〃	-	US$ 30,045	N/A	US$ 30,045	
	Toyota Motor Credit Corporation	-	〃	-	US$ 29,997	N/A	US$ 29,997	
	Credit Agricole SA London Branch	-	〃	-	US$ 28,366	N/A	US$ 28,366	
	Sumitomo Mitsui Financial Group, Inc.	-	〃	-	US$ 26,118	N/A	US$ 26,118	
	AIG Global Funding	-	〃	-	US$ 25,521	N/A	US$ 25,521	
	Athene Global Funding	-	〃	-	US$ 24,758	N/A	US$ 24,758	
	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH	-	〃	-	US$ 24,228	N/A	US$ 24,228	
	Deutsche Bank AG - New York Branch	-	〃	-	US$ 23,782	N/A	US$ 23,782	
	The Toronto-Dominion Bank	-	〃	-	US$ 23,563	N/A	US$ 23,563	
	Penske Truck Leasing Co., L.P.	-	〃	-	US$ 23,519	N/A	US$ 23,519	
	Volkswagen Group of America Finance, LLC	-	〃	-	US$ 22,284	N/A	US$ 22,284	
	Banque Fédérative du Crédit Mutuel	-	〃	-	US$ 21,960	N/A	US$ 21,960	
	Equitable Financial Life Global Funding	-	〃	-	US$ 21,840	N/A	US$ 21,840	
	Glencore Funding LLC	-	〃	-	US$ 21,086	N/A	US$ 21,086	
	Royal Bank of Canada	-	〃	-	US$ 20,863	N/A	US$ 20,863	
	Capital One Financial Corporation	-	〃	-	US$ 20,724	N/A	US$ 20,724	
	General Motors Financial Company, Inc.	-	〃	-	US$ 20,625	N/A	US$ 20,625	
	The Bank of Nova Scotia	-	〃	-	US$ 20,432	N/A	US$ 20,432	
	Bunge Limited Finance Corp.	-	〃	-	US$ 20,202	N/A	US$ 20,202	
	Danske Bank A/S	-	〃	-	US$ 20,157	N/A	US$ 20,157	
	RGA Global Funding	-	〃	-	US$ 19,988	N/A	US$ 19,988	
	ABN AMRO Bank N.V.	-	〃	-	US$ 19,540	N/A	US$ 19,540	
	Daimler Trucks Finance North America LLC	-	〃	-	US$ 19,288	N/A	US$ 19,288	
	Bank of Montreal	-	〃	-	US$ 18,228	N/A	US$ 18,228	
	UnitedHealth Group Incorporated	-	〃	-	US$ 18,151	N/A	US$ 18,151	
	Mitsubishi UFJ Financial Group, Inc.	-	〃	-	US$ 18,083	N/A	US$ 18,083	
	Guardian Life Global Funding	-	〃	-	US$ 17,817	N/A	US$ 17,817	
	Metropolitan Life Global Funding I	-	〃	-	US$ 17,734	N/A	US$ 17,734	
	Fédération des caisses Desjardins du Québec	-	〃	-	US$ 17,415	N/A	US$ 17,415	
	Enel Finance International N.V.	-	〃	-	US$ 17,065	N/A	US$ 17,065	
	NatWest Markets Plc	-	〃	-	US$ 16,386	N/A	US$ 16,386	
	Coöperatieve Rabobank U.A.	-	〃	-	US$ 16,173	N/A	US$ 16,173	
	Mizuho Financial Group, Inc.	-	〃	-	US$ 15,789	N/A	US$ 15,789	
	NTT Finance Corporation	-	〃	-	US$ 15,768	N/A	US$ 15,768	
	CNO Global Funding	-	〃	-	US$ 15,565	N/A	US$ 15,565	
	Marsh & McLennan Companies, Inc.	-	〃	-	US$ 15,564	N/A	US$ 15,564	
	Ryder System, Inc.	-	〃	-	US$ 15,551	N/A	US$ 15,551	
	UBS Group AG	-	〃	-	US$ 15,481	N/A	US$ 15,481	
	U.S. Bancorp.	-	〃	-	US$ 15,440	N/A	US$ 15,440	
	Roper Technologies, Inc.	-	〃	-	US$ 15,407	N/A	US$ 15,407	
	Northwestern Mutual Global Funding	-	〃	-	US$ 15,298	N/A	US$ 15,298	
	New York Life Global Funding	-	〃	-	US$ 14,993	N/A	US$ 14,993	
	NextEra Energy Capital Holdings, Inc.	-	〃	-	US$ 14,664	N/A	US$ 14,664	
	BMW US Capital, LLC	-	〃	-	US$ 14,519	N/A	US$ 14,519	
	T-Mobile USA, Inc.	-	〃	-	US$ 14,433	N/A	US$ 14,433	
	Protective Life Global Funding	-	〃	-	US$ 14,389	N/A	US$ 14,389	
	Philip Morris International Inc.	-	〃	-	US$ 14,276	N/A	US$ 14,276	
	Quest Diagnostics Incorporated	-	〃	-	US$ 14,196	N/A	US$ 14,196	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Santander Holdings USA, Inc.	-	Financial assets at fair value through other comprehensive income	-	US$ 14,143	N/A	US$ 14,143	
	AerCap Ireland Capital Designated Activity Company	-	〃	-	US$ 13,986	N/A	US$ 13,986	
	National Securities Clearing Corporation	-	〃	-	US$ 13,895	N/A	US$ 13,895	
	SMBC Aviation Capital Finance DAC	-	〃	-	US$ 13,873	N/A	US$ 13,873	
	Oracle Corporation	-	〃	-	US$ 13,824	N/A	US$ 13,824	
	Macquarie Bank Limited	-	〃	-	US$ 13,650	N/A	US$ 13,650	
	ING Groep N.V.	-	〃	-	US$ 13,616	N/A	US$ 13,616	
	Nomura Holdings, Inc.	-	〃	-	US$ 13,356	N/A	US$ 13,356	
	Truist Financial Corporation	-	〃	-	US$ 13,328	N/A	US$ 13,328	
	Standard Chartered PLC	-	〃	-	US$ 13,218	N/A	US$ 13,218	
	Mercedes-Benz Finance North America LLC	-	〃	-	US$ 13,022	N/A	US$ 13,022	
	Southern California Edison Company	-	〃	-	US$ 12,981	N/A	US$ 12,981	
	Amphenol Corporation	-	〃	-	US$ 12,833	N/A	US$ 12,833	
	American Honda Finance Corporation	-	〃	-	US$ 12,774	N/A	US$ 12,774	
	Jackson National Life Global Funding	-	〃	-	US$ 12,563	N/A	US$ 12,563	
	ONEOK, Inc.	-	〃	-	US$ 12,550	N/A	US$ 12,550	
	The Bank of New York Mellon Corporation	-	〃	-	US$ 12,428	N/A	US$ 12,428	
	BAE Systems plc	-	〃	-	US$ 12,425	N/A	US$ 12,425	
	Equifax Inc.	-	〃	-	US$ 12,106	N/A	US$ 12,106	
	Amazon.com, Inc.	-	〃	-	US$ 11,676	N/A	US$ 11,676	
	Bristol-Myers Squibb Company	-	〃	-	US$ 11,585	N/A	US$ 11,585	
	Swedbank AB (publ)	-	〃	-	US$ 11,541	N/A	US$ 11,541	
	AT&T Inc.	-	〃	-	US$ 11,326	N/A	US$ 11,326	
	Elevance Health, Inc.	-	〃	-	US$ 11,154	N/A	US$ 11,154	
	Prologis Targeted U.S. Logistics Fund L.P.	-	〃	-	US$ 11,127	N/A	US$ 11,127	
	MassMutual Global Funding II	-	〃	-	US$ 10,851	N/A	US$ 10,851	
	S&P Global Inc.	-	〃	-	US$ 10,723	N/A	US$ 10,723	
	Apple Inc.	-	〃	-	US$ 10,721	N/A	US$ 10,721	
	DTE Energy Company	-	〃	-	US$ 10,651	N/A	US$ 10,651	
	National Rural Utilities Cooperative Finance Corporation	-	〃	-	US$ 10,402	N/A	US$ 10,402	
	Svenska Handelsbanken AB (publ)	-	〃	-	US$ 10,026	N/A	US$ 10,026	
	Canadian Imperial Bank of Commerce	-	〃	-	US$ 10,020	N/A	US$ 10,020	
	Nordea Bank Abp	-	〃	-	US$ 9,873	N/A	US$ 9,873	
	Hewlett Packard Enterprise Company	-	〃	-	US$ 9,766	N/A	US$ 9,766	
	Enbridge Inc.	-	〃	-	US$ 9,712	N/A	US$ 9,712	
	Mutual Of Omaha Companies Global Funding	-	〃	-	US$ 9,552	N/A	US$ 9,552	
	Citibank, N.A.	-	〃	-	US$ 9,495	N/A	US$ 9,495	
	LSEG US Fin Corp.	-	〃	-	US$ 9,091	N/A	US$ 9,091	
	Realty Income Corporation	-	〃	-	US$ 9,079	N/A	US$ 9,079	
	Florida Power & Light Company	-	〃	-	US$ 9,072	N/A	US$ 9,072	
	Public Service Enterprise Group Incorporated	-	〃	-	US$ 9,018	N/A	US$ 9,018	
	Accenture Capital Inc.	-	〃	-	US$ 8,979	N/A	US$ 8,979	
	Amgen Inc.	-	〃	-	US$ 8,890	N/A	US$ 8,890	
	Equinor ASA	-	〃	-	US$ 8,823	N/A	US$ 8,823	
	Morgan Stanley Bank, N.A.	-	〃	-	US$ 8,542	N/A	US$ 8,542	
	Haleon US Capital LLC	-	〃	-	US$ 8,541	N/A	US$ 8,541	
	Pioneer Natural Resources Company	-	〃	-	US$ 8,457	N/A	US$ 8,457	
	Pfizer Investment Enterprises Pte. Ltd.	-	〃	-	US$ 8,329	N/A	US$ 8,329	
	Intel Corporation	-	〃	-	US$ 8,311	N/A	US$ 8,311	
	Goldman Sachs Bank USA	-	〃	-	US$ 8,272	N/A	US$ 8,272	
	KfW	-	〃	-	US$ 8,145	N/A	US$ 8,145	
	Lowe's Companies, Inc.	-	〃	-	US$ 8,137	N/A	US$ 8,137	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024							Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)		Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)			
TSMC Global	Kimco Realty Corporation	-	Financial assets at fair value through other comprehensive income	-	US$	8,060	N/A	US$	8,060		
	Aon North America, Inc.	-	〃	-	US$	8,039	N/A	US$	8,039		
	ConocoPhillips Company	-	〃	-	US$	8,021	N/A	US$	8,021		
	Tampa Electric Company	-	〃	-	US$	8,000	N/A	US$	8,000		
	DNB Bank ASA	-	〃	-	US$	7,986	N/A	US$	7,986		
	Santander UK Group Holdings plc	-	〃	-	US$	7,928	N/A	US$	7,928		
	META PLATFORMS INC	-	〃	-	US$	7,908	N/A	US$	7,908		
	Constellation Energy Generation, LLC	-	〃	-	US$	7,831	N/A	US$	7,831		
	Macquarie Group Limited	-	〃	-	US$	7,831	N/A	US$	7,831		
	Intuit Inc.	-	〃	-	US$	7,658	N/A	US$	7,658		
	Roche Holdings, Inc.	-	〃	-	US$	7,631	N/A	US$	7,631		
	ERAC USA Finance LLC	-	〃	-	US$	7,574	N/A	US$	7,574		
	Chevron Corporation	-	〃	-	US$	7,262	N/A	US$	7,262		
	Johnson & Johnson	-	〃	-	US$	7,130	N/A	US$	7,130		
	Pacific Gas and Electric Company	-	〃	-	US$	7,087	N/A	US$	7,087		
	Bank of Ireland Group plc	-	〃	-	US$	7,066	N/A	US$	7,066		
	McKesson Corporation	-	〃	-	US$	7,027	N/A	US$	7,027		
	Intercontinental Exchange, Inc.	-	〃	-	US$	7,008	N/A	US$	7,008		
	KBC Group NV	-	〃	-	US$	6,986	N/A	US$	6,986		
	AstraZeneca Finance LLC	-	〃	-	US$	6,963	N/A	US$	6,963		
	Great-West Lifeco U.S. Finance 2020, Lp	-	〃	-	US$	6,916	N/A	US$	6,916		
	Cox Communications, Inc.	-	〃	-	US$	6,915	N/A	US$	6,915		
	Exelon Corporation	-	〃	-	US$	6,885	N/A	US$	6,885		
	Keurig Dr Pepper Inc.	-	〃	-	US$	6,880	N/A	US$	6,880		
	Consumers Energy Company	-	〃	-	US$	6,792	N/A	US$	6,792		
	The East Ohio Gas Company	-	〃	-	US$	6,767	N/A	US$	6,767		
	Pacific Life Global Funding II	-	〃	-	US$	6,634	N/A	US$	6,634		
	Fidelity National Information Services, Inc.	-	〃	-	US$	6,632	N/A	US$	6,632		
	The Cigna Group	-	〃	-	US$	6,595	N/A	US$	6,595		
	The Charles Schwab Corporation	-	〃	-	US$	6,586	N/A	US$	6,586		
	Health Care Service Corporation, a Mutual Legal Reserve Company	-	〃	-	US$	6,345	N/A	US$	6,345		
	Take-Two Interactive Software, Inc.	-	〃	-	US$	6,273	N/A	US$	6,273		
	Fiserv, Inc.	-	〃	-	US$	6,242	N/A	US$	6,242		
	WEC Energy Group, Inc.	-	〃	-	US$	6,224	N/A	US$	6,224		
	Empower Finance 2020, LP	-	〃	-	US$	6,176	N/A	US$	6,176		
	Eaton Corporation	-	〃	-	US$	6,162	N/A	US$	6,162		
	Schlumberger Holdings Corporation	-	〃	-	US$	5,909	N/A	US$	5,909		
	NBN Co Limited	-	〃	-	US$	5,817	N/A	US$	5,817		
	Scentre Group Trust 1	-	〃	-	US$	5,811	N/A	US$	5,811		
	NiSource Inc.	-	〃	-	US$	5,795	N/A	US$	5,795		
	HEICO Corporation	-	〃	-	US$	5,773	N/A	US$	5,773		
	Lockheed Martin Corporation	-	〃	-	US$	5,764	N/A	US$	5,764		
	National Bank of Canada	-	〃	-	US$	5,749	N/A	US$	5,749		
	Thermo Fisher Scientific Inc.	-	〃	-	US$	5,737	N/A	US$	5,737		
	ASB Bank Limited	-	〃	-	US$	5,666	N/A	US$	5,666		
	The Williams Companies, Inc.	-	〃	-	US$	5,613	N/A	US$	5,613		
	Ingersoll Rand Inc.	-	〃	-	US$	5,594	N/A	US$	5,594		
	Cencora, Inc.	-	〃	-	US$	5,546	N/A	US$	5,546		
	Marriott International, Inc.	-	〃	-	US$	5,525	N/A	US$	5,525		
	RTX Corporation	-	〃	-	US$	5,491	N/A	US$	5,491		
	MPLX LP	-	〃	-	US$	5,401	N/A	US$	5,401		

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Starbucks Corporation	-	Financial assets at fair value through other comprehensive income	-	US$ 5,351	N/A	US$ 5,351	
	Stryker Corporation	-	〃	-	US$ 5,329	N/A	US$ 5,329	
	Sydney Airport Finance Company Pty Ltd	-	〃	-	US$ 5,253	N/A	US$ 5,253	
	AstraZeneca PLC	-	〃	-	US$ 5,135	N/A	US$ 5,135	
	Virginia Electric and Power Company	-	〃	-	US$ 5,110	N/A	US$ 5,110	
	Newmont Corporation	-	〃	-	US$ 5,099	N/A	US$ 5,099	
	CGI Inc.	-	〃	-	US$ 5,055	N/A	US$ 5,055	
	John Deere Capital Corporation	-	〃	-	US$ 5,033	N/A	US$ 5,033	
	Merck & Co., Inc.	-	〃	-	US$ 5,033	N/A	US$ 5,033	
	Smith & Nephew plc	-	〃	-	US$ 5,033	N/A	US$ 5,033	
	Southwest Airlines Co.	-	〃	-	US$ 5,017	N/A	US$ 5,017	
	NATIONAL SECURITIES CLEARING CORP	-	〃	-	US$ 5,007	N/A	US$ 5,007	
	Mizuho Markets Cayman LP	-	〃	-	US$ 5,006	N/A	US$ 5,006	
	Bank of New Zealand	-	〃	-	US$ 4,979	N/A	US$ 4,979	
	BorgWarner Inc.	-	〃	-	US$ 4,975	N/A	US$ 4,975	
	Alabama Power Company	-	〃	-	US$ 4,973	N/A	US$ 4,973	
	AbbVie Inc.	-	〃	-	US$ 4,965	N/A	US$ 4,965	
	Brookfield Finance Inc.	-	〃	-	US$ 4,868	N/A	US$ 4,868	
	Ameren Corporation	-	〃	-	US$ 4,865	N/A	US$ 4,865	
	ANZ New Zealand (Int'l) Limited	-	〃	-	US$ 4,844	N/A	US$ 4,844	
	ONE Gas, Inc.	-	〃	-	US$ 4,817	N/A	US$ 4,817	
	HP Inc.	-	〃	-	US$ 4,768	N/A	US$ 4,768	
	Deutsche Telekom International Finance B.V.	-	〃	-	US$ 4,743	N/A	US$ 4,743	
	National Australia Bank Limited, New York Branch	-	〃	-	US$ 4,680	N/A	US$ 4,680	
	Société Générale Société anonyme	-	〃	-	US$ 4,618	N/A	US$ 4,618	
	Fifth Third Bancorp	-	〃	-	US$ 4,601	N/A	US$ 4,601	
	Georgia Power Company	-	〃	-	US$ 4,585	N/A	US$ 4,585	
	F&G Global Funding	-	〃	-	US$ 4,572	N/A	US$ 4,572	
	GA Global Funding Trust	-	〃	-	US$ 4,506	N/A	US$ 4,506	
	FirstEnergy Transmission, LLC	-	〃	-	US$ 4,502	N/A	US$ 4,502	
	ITC Holdings Corp.	-	〃	-	US$ 4,395	N/A	US$ 4,395	
	AutoZone, Inc.	-	〃	-	US$ 4,354	N/A	US$ 4,354	
	State Street Corporation	-	〃	-	US$ 4,324	N/A	US$ 4,324	
	Verizon Communications Inc.	-	〃	-	US$ 4,171	N/A	US$ 4,171	
	Labcorp Holdings Inc.	-	〃	-	US$ 4,129	N/A	US$ 4,129	
	AvalonBay Communities, Inc.	-	〃	-	US$ 4,056	N/A	US$ 4,056	
	Aptiv PLC	-	〃	-	US$ 4,055	N/A	US$ 4,055	
	Workday, Inc.	-	〃	-	US$ 4,042	N/A	US$ 4,042	
	Korea Electric Power Corporation	-	〃	-	US$ 4,023	N/A	US$ 4,023	
	Lincoln National Corporation	-	〃	-	US$ 4,008	N/A	US$ 4,008	
	State Street Bank and Trust Company	-	〃	-	US$ 3,996	N/A	US$ 3,996	
	Public Storage	-	〃	-	US$ 3,979	N/A	US$ 3,979	
	Mid-Atlantic Interstate Transmission, LLC	-	〃	-	US$ 3,970	N/A	US$ 3,970	
	Piedmont Natural Gas Company, Inc.	-	〃	-	US$ 3,962	N/A	US$ 3,962	
	Schlumberger Investment SA	-	〃	-	US$ 3,961	N/A	US$ 3,961	
	B.A.T. International Finance p.l.c.	-	〃	-	US$ 3,930	N/A	US$ 3,930	
	Novartis Capital Corporation	-	〃	-	US$ 3,894	N/A	US$ 3,894	
	GAIF Bond Issuer Pty Limited	-	〃	-	US$ 3,890	N/A	US$ 3,890	
	Alliant Energy Finance, LLC	-	〃	-	US$ 3,880	N/A	US$ 3,880	
	L3Harris Technologies, Inc.	-	〃	-	US$ 3,868	N/A	US$ 3,868	
	Duke Energy Carolinas, LLC	-	〃	-	US$ 3,844	N/A	US$ 3,844	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	〃	-	US$ 3,837	N/A	US$ 3,837	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Fortinet, Inc.	-	Financial assets at fair value through other comprehensive income	-	US$ 3,824	N/A	US$ 3,824	
	CNH Industrial Capital LLC	-	〃	-	US$ 3,814	N/A	US$ 3,814	
	Eli Lilly and Company	-	〃	-	US$ 3,755	N/A	US$ 3,755	
	Alimentation Couche-Tard Inc.	-	〃	-	US$ 3,700	N/A	US$ 3,700	
	Norsk Hydro ASA	-	〃	-	US$ 3,595	N/A	US$ 3,595	
	Parker-Hannifin Corporation	-	〃	-	US$ 3,565	N/A	US$ 3,565	
	Nutrien Ltd.	-	〃	-	US$ 3,544	N/A	US$ 3,544	
	CenterPoint Energy Resources Corp.	-	〃	-	US$ 3,490	N/A	US$ 3,490	
	Advocate Health & Hospitals Corporation	-	〃	-	US$ 3,482	N/A	US$ 3,482	
	Burlington Northern Santa Fe, LLC	-	〃	-	US$ 3,468	N/A	US$ 3,468	
	Magna International Inc.	-	〃	-	US$ 3,460	N/A	US$ 3,460	
	Kellanova	-	〃	-	US$ 3,444	N/A	US$ 3,444	
	Pfizer Inc.	-	〃	-	US$ 3,416	N/A	US$ 3,416	
	Sempra	-	〃	-	US$ 3,414	N/A	US$ 3,414	
	Meta Platforms, Inc.	-	〃	-	US$ 3,390	N/A	US$ 3,390	
	Comcast Corporation	-	〃	-	US$ 3,354	N/A	US$ 3,354	
	Chubb INA Holdings LLC	-	〃	-	US$ 3,343	N/A	US$ 3,343	
	Cisco Systems, Inc.	-	〃	-	US$ 3,317	N/A	US$ 3,317	
	DuPont de Nemours, Inc.	-	〃	-	US$ 3,181	N/A	US$ 3,181	
	Wisconsin Electric Power Company	-	〃	-	US$ 3,175	N/A	US$ 3,175	
	Corebridge Financial, Inc.	-	〃	-	US$ 3,160	N/A	US$ 3,160	
	Republic Services, Inc.	-	〃	-	US$ 3,158	N/A	US$ 3,158	
	UBS AG, London Branch	-	〃	-	US$ 3,145	N/A	US$ 3,145	
	Anheuser-Busch Companies, LLC	-	〃	-	US$ 3,120	N/A	US$ 3,120	
	Microchip Technology Incorporated	-	〃	-	US$ 3,120	N/A	US$ 3,120	
	Nestlé Holdings, Inc.	-	〃	-	US$ 3,100	N/A	US$ 3,100	
	Atmos Energy Corporation	-	〃	-	US$ 3,074	N/A	US$ 3,074	
	Tyco Electronics Group S.A.	-	〃	-	US$ 3,070	N/A	US$ 3,070	
	Duke Energy Corporation	-	〃	-	US$ 3,068	N/A	US$ 3,068	
	Met Tower Global Funding	-	〃	-	US$ 3,043	N/A	US$ 3,043	
	Archer-Daniels-Midland Company	-	〃	-	US$ 2,989	N/A	US$ 2,989	
	Caterpillar Financial Services Corporation	-	〃	-	US$ 2,988	N/A	US$ 2,988	
	The PNC Financial Services Group, Inc.	-	〃	-	US$ 2,979	N/A	US$ 2,979	
	Southern California Gas Company	-	〃	-	US$ 2,975	N/A	US$ 2,975	
	Citizens Bank, National Association	-	〃	-	US$ 2,971	N/A	US$ 2,971	
	Medtronic Global Holdings S.C.A.	-	〃	-	US$ 2,965	N/A	US$ 2,965	
	ORIX Corporation	-	〃	-	US$ 2,954	N/A	US$ 2,954	
	Prologis, L.P.	-	〃	-	US$ 2,950	N/A	US$ 2,950	
	Xcel Energy Inc.	-	〃	-	US$ 2,950	N/A	US$ 2,950	
	Ameriprise Financial, Inc.	-	〃	-	US$ 2,893	N/A	US$ 2,893	
	Rochester Gas and Electric Corporation	-	〃	-	US$ 2,869	N/A	US$ 2,869	
	BHP Billiton Finance (USA) Limited	-	〃	-	US$ 2,832	N/A	US$ 2,832	
	Rio Tinto Finance (USA) Limited	-	〃	-	US$ 2,832	N/A	US$ 2,832	
	CSL Finance plc	-	〃	-	US$ 2,827	N/A	US$ 2,827	
	The Brooklyn Union Gas Company	-	〃	-	US$ 2,756	N/A	US$ 2,756	
	Simon Property Group, L.P.	-	〃	-	US$ 2,748	N/A	US$ 2,748	
	Ventas Realty, Limited Partnership	-	〃	-	US$ 2,747	N/A	US$ 2,747	
	Oncor Electric Delivery Company LLC	-	〃	-	US$ 2,716	N/A	US$ 2,716	
	Invitation Homes Operating Partnership LP	-	〃	-	US$ 2,693	N/A	US$ 2,693	
	Chevron Phillips Chemical Company LLC	-	〃	-	US$ 2,683	N/A	US$ 2,683	
	Bayer US Finance LLC	-	〃	-	US$ 2,650	N/A	US$ 2,650	
	Masco Corporation	-	〃	-	US$ 2,647	N/A	US$ 2,647	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
TSMC Global	Pennsylvania Electric Company	-	Financial assets at fair value through other comprehensive income	-	US$ 2,611	N/A	US$ 2,611	
	The Southern Company	-	〃	-	US$ 2,606	N/A	US$ 2,606	
	O'Reilly Automotive, Inc.	-	〃	-	US$ 2,595	N/A	US$ 2,595	
	Transcontinental Gas Pipe Line Company, LLC	-	〃	-	US$ 2,595	N/A	US$ 2,595	
	Air Products and Chemicals, Inc.	-	〃	-	US$ 2,585	N/A	US$ 2,585	
	American Electric Power Company, Inc.	-	〃	-	US$ 2,539	N/A	US$ 2,539	
	Siemens Financieringsmaatschappij N.V.	-	〃	-	US$ 2,519	N/A	US$ 2,519	
	Kraton Corporation	-	〃	-	US$ 2,509	N/A	US$ 2,509	
	CRH America, Inc.	-	〃	-	US$ 2,442	N/A	US$ 2,442	
	W. P. Carey Inc.	-	〃	-	US$ 2,423	N/A	US$ 2,423	
	Entergy Texas, Inc.	-	〃	-	US$ 2,422	N/A	US$ 2,422	
	Westpac Banking Corporation	-	〃	-	US$ 2,394	N/A	US$ 2,394	
	NBN CO LTD	-	〃	-	US$ 2,373	N/A	US$ 2,373	
	Yara International ASA	-	〃	-	US$ 2,360	N/A	US$ 2,360	
	CVS Health Corporation	-	〃	-	US$ 2,354	N/A	US$ 2,354	
	Boston Gas Company	-	〃	-	US$ 2,320	N/A	US$ 2,320	
	Cardinal Health, Inc.	-	〃	-	US$ 2,296	N/A	US$ 2,296	
	GE HealthCare Technologies Inc.	-	〃	-	US$ 2,253	N/A	US$ 2,253	
	Pricoa Global Funding I	-	〃	-	US$ 2,251	N/A	US$ 2,251	
	Boston Scientific Corporation	-	〃	-	US$ 2,190	N/A	US$ 2,190	
	Dominion Energy, Inc.	-	〃	-	US$ 2,186	N/A	US$ 2,186	
	Bimbo Bakeries USA, Inc.	-	〃	-	US$ 2,169	N/A	US$ 2,169	
	Humana Inc.	-	〃	-	US$ 2,115	N/A	US$ 2,115	
	Interstate Power and Light Company	-	〃	-	US$ 2,085	N/A	US$ 2,085	
	CMS Energy Corporation	-	〃	-	US$ 2,072	N/A	US$ 2,072	
	Air Lease Corporation	-	〃	-	US$ 2,046	N/A	US$ 2,046	
	Welltower Inc.	-	〃	-	US$ 2,043	N/A	US$ 2,043	
	Public Service Electric and Gas Company	-	〃	-	US$ 2,018	N/A	US$ 2,018	
	KODIT Global 2023-1 Co., Ltd.	-	〃	-	US$ 1,998	N/A	US$ 1,998	
	Olympus Corporation	-	〃	-	US$ 1,993	N/A	US$ 1,993	
	UBS Group Funding (Jersey) Ltd.	-	〃	-	US$ 1,980	N/A	US$ 1,980	
	Gulf Power Company	-	〃	-	US$ 1,936	N/A	US$ 1,936	
	Shinhan Financial Group Co., Ltd.	-	〃	-	US$ 1,926	N/A	US$ 1,926	
	NBK SPC Limited	-	〃	-	US$ 1,879	N/A	US$ 1,879	
	Element Fleet Management Corp.	-	〃	-	US$ 1,786	N/A	US$ 1,786	
	Mondelez International, Inc.	-	〃	-	US$ 1,785	N/A	US$ 1,785	
	Kentucky Utilities Company	-	〃	-	US$ 1,782	N/A	US$ 1,782	
	Eversource Energy	-	〃	-	US$ 1,778	N/A	US$ 1,778	
	CenterPoint Energy Houston Electric, LLC	-	〃	-	US$ 1,752	N/A	US$ 1,752	
	Evergy Kansas Central, Inc.	-	〃	-	US$ 1,728	N/A	US$ 1,728	
	Georgia-Pacific LLC	-	〃	-	US$ 1,718	N/A	US$ 1,718	
	University of California	-	〃	-	US$ 1,697	N/A	US$ 1,697	
	Gilead Sciences, Inc.	-	〃	-	US$ 1,694	N/A	US$ 1,694	
	KeySpan Corporation	-	〃	-	US$ 1,686	N/A	US$ 1,686	
	The Western Union Company	-	〃	-	US$ 1,673	N/A	US$ 1,673	
	Wells Fargo Bank, National Association	-	〃	-	US$ 1,669	N/A	US$ 1,669	
	Motorola Solutions, Inc.	-	〃	-	US$ 1,658	N/A	US$ 1,658	
	Walmart Inc.	-	〃	-	US$ 1,657	N/A	US$ 1,657	
	UniCredit S.p.A.	-	〃	-	US$ 1,656	N/A	US$ 1,656	
	eBay Inc.	-	〃	-	US$ 1,651	N/A	US$ 1,651	
	Gulfstream Natural Gas System, L.L.C.	-	〃	-	US$ 1,604	N/A	US$ 1,604	
	B.A.T Capital Corporation	-	〃	-	US$ 1,550	N/A	US$ 1,550	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Jefferies Financial Group Inc.	-	Financial assets at fair value through other comprehensive income	-	US$ 1,545	N/A	US$ 1,545	
	Kinder Morgan, Inc.	-	〃	-	US$ 1,538	N/A	US$ 1,538	
	Zoetis Inc.	-	〃	-	US$ 1,533	N/A	US$ 1,533	
	APA Infrastructure Limited	-	〃	-	US$ 1,531	N/A	US$ 1,531	
	Cadence Design Systems, Inc.	-	〃	-	US$ 1,530	N/A	US$ 1,530	
	Genuine Parts Company	-	〃	-	US$ 1,529	N/A	US$ 1,529	
	Essex Portfolio, L.P.	-	〃	-	US$ 1,528	N/A	US$ 1,528	
	Wipro IT Services LLC	-	〃	-	US$ 1,527	N/A	US$ 1,527	
	Entergy Mississippi, LLC	-	〃	-	US$ 1,501	N/A	US$ 1,501	
	Phillips 66 Company	-	〃	-	US$ 1,501	N/A	US$ 1,501	
	Otis Worldwide Corporation	-	〃	-	US$ 1,494	N/A	US$ 1,494	
	Arthur J. Gallagher & Co.	-	〃	-	US$ 1,490	N/A	US$ 1,490	
	NSTAR Electric Company	-	〃	-	US$ 1,481	N/A	US$ 1,481	
	American International Group, Inc.	-	〃	-	US$ 1,479	N/A	US$ 1,479	
	Berkshire Hathaway Energy Company	-	〃	-	US$ 1,461	N/A	US$ 1,461	
	Duke Energy Florida, LLC	-	〃	-	US$ 1,460	N/A	US$ 1,460	
	Darden Restaurants, Inc.	-	〃	-	US$ 1,455	N/A	US$ 1,455	
	CenterPoint Energy, Inc.	-	〃	-	US$ 1,450	N/A	US$ 1,450	
	Dollar General Corporation	-	〃	-	US$ 1,445	N/A	US$ 1,445	
	Jersey Central Power & Light Company	-	〃	-	US$ 1,442	N/A	US$ 1,442	
	The Norinchukin Bank	-	〃	-	US$ 1,368	N/A	US$ 1,368	
	Northrop Grumman Corporation	-	〃	-	US$ 1,315	N/A	US$ 1,315	
	Aon Corporation	-	〃	-	US$ 1,314	N/A	US$ 1,314	
	Andrew W. Mellon Foundation, The	-	〃	-	US$ 1,292	N/A	US$ 1,292	
	Pernod Ricard International Finance LLC	-	〃	-	US$ 1,267	N/A	US$ 1,267	
	Texas Instruments Incorporated	-	〃	-	US$ 1,247	N/A	US$ 1,247	
	Becton, Dickinson and Company	-	〃	-	US$ 1,245	N/A	US$ 1,245	
	Union Pacific Corporation	-	〃	-	US$ 1,241	N/A	US$ 1,241	
	Ecolab Inc.	-	〃	-	US$ 1,208	N/A	US$ 1,208	
	Sysco Corporation	-	〃	-	US$ 1,200	N/A	US$ 1,200	
	Mondelez International Holdings Netherlands B.V.	-	〃	-	US$ 1,153	N/A	US$ 1,153	
	Solvay Finance (America), LLC	-	〃	-	US$ 1,148	N/A	US$ 1,148	
	Ferguson Finance PLC	-	〃	-	US$ 1,117	N/A	US$ 1,117	
	OGE Energy Corp.	-	〃	-	US$ 1,113	N/A	US$ 1,113	
	Nucor Corporation	-	〃	-	US$ 1,086	N/A	US$ 1,086	
	7-Eleven, Inc.	-	〃	-	US$ 1,080	N/A	US$ 1,080	
	Niagara Mohawk Power Corporation	-	〃	-	US$ 1,063	N/A	US$ 1,063	
	AIB Group plc	-	〃	-	US$ 1,057	N/A	US$ 1,057	
	EDP Finance B.V.	-	〃	-	US$ 1,045	N/A	US$ 1,045	
	New York State Electric & Gas Corporation	-	〃	-	US$ 1,024	N/A	US$ 1,024	
	CBRE Services, Inc.	-	〃	-	US$ 1,018	N/A	US$ 1,018	
	Sabine Pass Liquefaction, LLC	-	〃	-	US$ 1,010	N/A	US$ 1,010	
	PacifiCorp	-	〃	-	US$ 1,005	N/A	US$ 1,005	
	MORGAN STANLEY BANK NA FXD-FRN	-	〃	-	US$ 1,003	N/A	US$ 1,003	
	Santander UK plc	-	〃	-	US$ 996	N/A	US$ 996	
	Canadian Pacific Railway Company	-	〃	-	US$ 976	N/A	US$ 976	
	Juniper Networks, Inc.	-	〃	-	US$ 968	N/A	US$ 968	
	American Water Capital Corp.	-	〃	-	US$ 964	N/A	US$ 964	
	Bayer US Finance II LLC	-	〃	-	US$ 962	N/A	US$ 962	
	Lennar Corporation	-	〃	-	US$ 923	N/A	US$ 923	
	LYB Finance Company B.V.	-	〃	-	US$ 923	N/A	US$ 923	
	Assurant, Inc.	-	〃	-	US$ 922	N/A	US$ 922	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	AEP Texas Inc.	-	Financial assets at fair value through other comprehensive income	-	US$ 919	N/A	US$ 919	
	The Interpublic Group of Companies, Inc.	-	〃	-	US$ 918	N/A	US$ 918	
	TC PipeLines, LP	-	〃	-	US$ 904	N/A	US$ 904	
	BAE Systems Finance Inc.	-	〃	-	US$ 902	N/A	US$ 902	
	Brighthouse Financial Global Funding	-	〃	-	US$ 896	N/A	US$ 896	
	Metropolitan Edison Company	-	〃	-	US$ 811	N/A	US$ 811	
	CubeSmart, L.P.	-	〃	-	US$ 801	N/A	US$ 801	
	Cox Enterprises, Inc.	-	〃	-	US$ 788	N/A	US$ 788	
	Southwest Gas Corporation	-	〃	-	US$ 765	N/A	US$ 765	
	PACCAR Financial Corp.	-	〃	-	US$ 764	N/A	US$ 764	
	Voya Financial, Inc.	-	〃	-	US$ 762	N/A	US$ 762	
	Zimmer Biomet Holdings, Inc.	-	〃	-	US$ 762	N/A	US$ 762	
	BP Capital Markets America, Inc.	-	〃	-	US$ 760	N/A	US$ 760	
	Veralto Corporation	-	〃	-	US$ 758	N/A	US$ 758	
	Consolidated Edison Company of New York, Inc.	-	〃	-	US$ 752	N/A	US$ 752	
	TELUS Corporation	-	〃	-	US$ 752	N/A	US$ 752	
	Oklahoma Gas and Electric Company	-	〃	-	US$ 749	N/A	US$ 749	
	Mars, Incorporated	-	〃	-	US$ 743	N/A	US$ 743	
	Avangrid, Inc.	-	〃	-	US$ 736	N/A	US$ 736	
	Hyundai Capital Services, Inc.	-	〃	-	US$ 720	N/A	US$ 720	
	Sodexo, Inc.	-	〃	-	US$ 694	N/A	US$ 694	
	The Allstate Corporation	-	〃	-	US$ 694	N/A	US$ 694	
	Baxter International Inc.	-	〃	-	US$ 660	N/A	US$ 660	
	Automatic Data Processing, Inc.	-	〃	-	US$ 658	N/A	US$ 658	
	Reliance Standard Life Global Funding II	-	〃	-	US$ 656	N/A	US$ 656	
	International Business Machines Corporation	-	〃	-	US$ 653	N/A	US$ 653	
	Southern Power Company	-	〃	-	US$ 639	N/A	US$ 639	
	Florida Hurricane Catastrophe Fund Finance Corporation	-	〃	-	US$ 614	N/A	US$ 614	
	Infor, Inc.	-	〃	-	US$ 613	N/A	US$ 613	
	The Sherwin-Williams Company	-	〃	-	US$ 597	N/A	US$ 597	
	Burlington Resources Inc.	-	〃	-	US$ 588	N/A	US$ 588	
	Columbia Pipelines Holding Company, LLC	-	〃	-	US$ 562	N/A	US$ 562	
	Columbia Pipelines Operating Company LLC	-	〃	-	US$ 536	N/A	US$ 536	
	Skandinaviska Enskilda Banken AB (publ)	-	〃	-	US$ 536	N/A	US$ 536	
	State of Hawaii	-	〃	-	US$ 536	N/A	US$ 536	
	Arizona Public Service Company	-	〃	-	US$ 525	N/A	US$ 525	
	AIA Group Limited	-	〃	-	US$ 512	N/A	US$ 512	
	Mississippi Power Company	-	〃	-	US$ 511	N/A	US$ 511	
	Intesa Sanpaolo S.p.A.	-	〃	-	US$ 509	N/A	US$ 509	
	Monongahela Power Company	-	〃	-	US$ 509	N/A	US$ 509	
	Waste Management, Inc.	-	〃	-	US$ 503	N/A	US$ 503	
	Westpac New Zealand Limited	-	〃	-	US$ 499	N/A	US$ 499	
	Enterprise Products Operating LLC	-	〃	-	US$ 493	N/A	US$ 493	
	Trane Technologies Luxembourg Finance S.A.	-	〃	-	US$ 493	N/A	US$ 493	
	Altria Group, Inc.	-	〃	-	US$ 491	N/A	US$ 491	
	Commonwealth Bank of Australia	-	〃	-	US$ 489	N/A	US$ 489	
	Diageo Capital plc	-	〃	-	US$ 487	N/A	US$ 487	
	McCormick & Company, Incorporated	-	〃	-	US$ 485	N/A	US$ 485	
	Verisk Analytics, Inc.	-	〃	-	US$ 479	N/A	US$ 479	
	DENSO Corporation	-	〃	-	US$ 471	N/A	US$ 471	
	Aker BP ASA	-	〃	-	US$ 431	N/A	US$ 431	
	Phillips 66	-	〃	-	US$ 424	N/A	US$ 424	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				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$ 420	N/A	US$ 420	
	Aflac Incorporated	-	〃	-	US$ 407	N/A	US$ 407	
	Coca-Cola Consolidated, Inc.	-	〃	-	US$ 396	N/A	US$ 396	
	GlaxoSmithKline Capital Inc.	-	〃	-	US$ 391	N/A	US$ 391	
	Sierra Pacific Power Company	-	〃	-	US$ 389	N/A	US$ 389	
	Nuveen, LLC	-	〃	-	US$ 387	N/A	US$ 387	
	CSX Corporation	-	〃	-	US$ 365	N/A	US$ 365	
	Cargill, Incorporated	-	〃	-	US$ 360	N/A	US$ 360	
	Honeywell International Inc.	-	〃	-	US$ 355	N/A	US$ 355	
	Equitable Holdings, Inc.	-	〃	-	US$ 341	N/A	US$ 341	
	Mid-America Apartments, L.P.	-	〃	-	US$ 320	N/A	US$ 320	
	National Grid plc	-	〃	-	US$ 286	N/A	US$ 286	
	QatarEnergy	-	〃	-	US$ 283	N/A	US$ 283	
	Nordson Corporation	-	〃	-	US$ 281	N/A	US$ 281	
	Electricité de France S.A.	-	〃	-	US$ 203	N/A	US$ 203	
	Sprint Spectrum Co Llc	-	〃	-	US$ 116	N/A	US$ 116	
	Beth Israel Deaconess Medical Center, Inc.	-	〃	-	US$ 90	N/A	US$ 90	
	Bank of America Corporation	-	Financial assets at amortized cost	-	US$ 1,090,390	N/A	US$ 1,094,564	
	Wells Fargo & Company	-	〃	-	US$ 1,068,098	N/A	US$ 1,075,639	
	Citigroup Inc.	-	〃	-	US$ 744,664	N/A	US$ 746,193	
	Morgan Stanley	-	〃	-	US$ 571,972	N/A	US$ 574,855	
	JPMorgan Chase & Co.	-	〃	-	US$ 567,099	N/A	US$ 569,835	
	The Goldman Sachs Group, Inc.	-	〃	-	US$ 531,503	N/A	US$ 529,294	
	Goldman Sachs Finance Corp International Ltd	-	〃	-	US$ 209,799	N/A	US$ 209,249	
	BNP Paribas SA	-	〃	-	US$ 44,841	N/A	US$ 44,846	
	Morgan Stanley Bank, N.A.	-	〃	-	US$ 27,003	N/A	US$ 27,116	
	BPCE SA	-	〃	-	US$ 17,696	N/A	US$ 17,699	
	UBS Group AG	-	〃	-	US$ 15,308	N/A	US$ 15,317	
	Athene Global Funding	-	〃	-	US$ 14,814	N/A	US$ 14,820	
	Lloyds Banking Group plc	-	〃	-	US$ 13,275	N/A	US$ 13,278	
	ING Groep N.V.	-	〃	-	US$ 11,434	N/A	US$ 11,487	
	Nationwide Building Society	-	〃	-	US$ 10,636	N/A	US$ 10,602	
	Great-West Lifeco U.S. Finance 2020, Lp	-	〃	-	US$ 9,885	N/A	US$ 9,863	
	Credit Agricole SA London Branch	-	〃	-	US$ 9,748	N/A	US$ 9,744	
	NatWest Group plc	-	〃	-	US$ 9,696	N/A	US$ 9,697	
	Mizuho Financial Group, Inc.	-	〃	-	US$ 9,637	N/A	US$ 9,741	
	Macquarie Group Limited	-	〃	-	US$ 9,632	N/A	US$ 9,635	
	Danske Bank A/S	-	〃	-	US$ 9,625	N/A	US$ 9,628	
	HSBC Holdings plc	-	〃	-	US$ 9,570	N/A	US$ 9,569	
	Hyundai Capital America	-	〃	-	US$ 9,562	N/A	US$ 9,566	
	Barclays PLC	-	〃	-	US$ 9,536	N/A	US$ 9,535	
	Coöperatieve Rabobank U.A.	-	〃	-	US$ 9,430	N/A	US$ 9,426	
	Fédération des caisses Desjardins du Québec	-	〃	-	US$ 9,206	N/A	US$ 9,201	
	NongHyup Bank	-	〃	-	US$ 9,150	N/A	US$ 9,142	
	Nomura Holdings, Inc.	-	〃	-	US$ 9,112	N/A	US$ 9,104	
	Mitsubishi UFJ Financial Group, Inc.	-	〃	-	US$ 8,707	N/A	US$ 8,704	
	Banque Fédérative du Crédit Mutuel	-	〃	-	US$ 8,472	N/A	US$ 8,503	
	Canadian Imperial Bank of Commerce	-	〃	-	US$ 8,467	N/A	US$ 8,466	
	Ventas Realty, Limited Partnership	-	〃	-	US$ 8,383	N/A	US$ 8,385	
	Banco Santander, S.A.	-	〃	-	US$ 8,296	N/A	US$ 8,307	
	Enel Finance International N.V.	-	〃	-	US$ 8,288	N/A	US$ 8,288	
	Protective Life Global Funding	-	〃	-	US$ 8,075	N/A	US$ 8,073	

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Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	CRH America, Inc.	-	Financial assets at amortized cost	-	US$ 8,002	N/A	US$ 7,984	
	Sydney Airport Finance Company Pty Ltd	-	〃	-	US$ 7,830	N/A	US$ 7,827	
	Sumitomo Mitsui Financial Group, Inc.	-	〃	-	US$ 7,801	N/A	US$ 7,813	
	AIG Global Funding	-	〃	-	US$ 7,776	N/A	US$ 7,794	
	Banco Bilbao Vizcaya Argentaria, S.A.	-	〃	-	US$ 7,314	N/A	US$ 7,321	
	Southern California Edison Company	-	〃	-	US$ 5,973	N/A	US$ 5,983	
	Santander UK Group Holdings plc	-	〃	-	US$ 5,682	N/A	US$ 5,681	
	NatWest Markets Plc	-	〃	-	US$ 5,583	N/A	US$ 5,580	
	F&G Global Funding	-	〃	-	US$ 5,520	N/A	US$ 5,533	
	Transurban Finance Company Pty Ltd	-	〃	-	US$ 5,349	N/A	US$ 5,345	
	Hyundai Capital Services, Inc.	-	〃	-	US$ 5,137	N/A	US$ 5,131	
	Svenska Handelsbanken AB (publ)	-	〃	-	US$ 4,810	N/A	US$ 4,830	
	QNB Finance Ltd.	-	〃	-	US$ 4,550	N/A	US$ 4,560	
	DNB Bank ASA	-	〃	-	US$ 4,364	N/A	US$ 4,361	
	Sumitomo Mitsui Trust Bank, Limited	-	〃	-	US$ 4,194	N/A	US$ 4,195	
	Deutsche Bank AG - New York Branch	-	〃	-	US$ 3,992	N/A	US$ 3,988	
	Volkswagen Group of America Finance, LLC	-	〃	-	US$ 3,932	N/A	US$ 3,923	
	Daimler Trucks Finance North America LLC	-	〃	-	US$ 3,912	N/A	US$ 3,920	
	Jackson National Life Global Funding	-	〃	-	US$ 3,365	N/A	US$ 3,361	
	ANZ New Zealand (Int'l) Limited	-	〃	-	US$ 3,314	N/A	US$ 3,312	
	Scottish Power Limited	-	〃	-	US$ 3,181	N/A	US$ 3,189	
	Spectra Energy Partners, LP	-	〃	-	US$ 2,872	N/A	US$ 2,869	
	Ryder System, Inc.	-	〃	-	US$ 2,868	N/A	US$ 2,871	
	Bank of Ireland Group plc	-	〃	-	US$ 2,822	N/A	US$ 2,823	
	PNC Bank, National Association	-	〃	-	US$ 2,799	N/A	US$ 2,800	
	Unum Group	-	〃	-	US$ 1,981	N/A	US$ 1,984	
	Georgia-Pacific LLC	-	〃	-	US$ 1,294	N/A	US$ 1,297	
	GA Global Funding Trust	-	〃	-	US$ 1,194	N/A	US$ 1,196	
	Agency mortgage-backed securities							
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	-	Financial assets at fair value through other comprehensive income	-	US$ 651,715	N/A	US$ 651,715	
	Federal Home Loan Mortgage Corporation	-	〃	-	US$ 496,172	N/A	US$ 496,172	
	Government National Mortgage Association	-	〃	-	US$ 274,580	N/A	US$ 274,580	
	Government bond/Agency bonds							
	United States Department of The Treasury	-	Financial assets at fair value through other comprehensive income	-	US$ 630,062	N/A	US$ 630,062	
	United States Department of The Treasury	-	Financial assets at amortized cost	-	US$ 133,653	N/A	US$ 132,856	
	Asset-backed securities							
	Wells Fargo Commercial Mortgage Trust 2016-Bnk1	-	Financial assets at fair value through other comprehensive income	-	US$ 10,286	N/A	US$ 10,286	
	Gm Financial Consumer Automobile Receivables Trust 2023-3	-	〃	-	US$ 8,998	N/A	US$ 8,998	
	Ford Credit Auto Owner Trust 2021-Rev2	-	〃	-	US$ 7,946	N/A	US$ 7,946	
	Honda Auto Receivables 2024-1 Owner Trust	-	〃	-	US$ 7,685	N/A	US$ 7,685	
	Toyota Auto Loan Extended Note Trust 2023-1	-	〃	-	US$ 7,350	N/A	US$ 7,350	
	Hyundai Auto Receivables Trust 2023-B	-	〃	-	US$ 7,188	N/A	US$ 7,188	
	Citigroup Commercial Mortgage Trust 2015-GC33	-	〃	-	US$ 7,181	N/A	US$ 7,181	
	Ford Credit Auto Owner Trust 2020-REV2	-	〃	-	US$ 7,167	N/A	US$ 7,167	
	G23-182I	-	〃	-	US$ 6,433	N/A	US$ 6,433	
	BBCMS Mortgage Trust 2020-C8	-	〃	-	US$ 6,346	N/A	US$ 6,346	
	Toyota Auto Receivables 2022-B Owner Trust	-	〃	-	US$ 6,328	N/A	US$ 6,328	
	Morgan Stanley Capital I Trust 2021-L6	-	〃	-	US$ 6,133	N/A	US$ 6,133	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Honda Auto Receivables 2023-2 Owner Trust	-	Financial assets at fair value through other comprehensive income	-	US$ 6,031	N/A	US$ 6,031	
	Hudson Yards 2016-10HY Mortgage Trust	-	〃	-	US$ 6,013	N/A	US$ 6,013	
	Bank 2020-BNK26	-	〃	-	US$ 5,983	N/A	US$ 5,983	
	Benchmark 2019-B11 Mortgage Trust	-	〃	-	US$ 5,729	N/A	US$ 5,729	
	Bank 2017 - BNK7	-	〃	-	US$ 5,639	N/A	US$ 5,639	
	Citigroup Commercial Mortgage Trust 2021-PRM2	-	〃	-	US$ 5,593	N/A	US$ 5,593	
	Bank 2021-bnk33	-	〃	-	US$ 5,498	N/A	US$ 5,498	
	Benchmark 2019-B12 Mortgage Trust	-	〃	-	US$ 5,447	N/A	US$ 5,447	
	Morgan Stanley Bank America Merrill Lynch Trust 2016-C30	-	〃	-	US$ 5,437	N/A	US$ 5,437	
	Nissan Auto Receivables 2024-A Owner Trust	-	〃	-	US$ 5,272	N/A	US$ 5,272	
	MSWF Commercial Mortgage Trust 2023-1	-	〃	-	US$ 5,180	N/A	US$ 5,180	
	Benchmark 2023-B39 Mortgage Trust	-	〃	-	US$ 5,161	N/A	US$ 5,161	
	Bank 2023-BNK46	-	〃	-	US$ 5,105	N/A	US$ 5,105	
	Wells Fargo Commercial Mortgage Trust 2021-C59	-	〃	-	US$ 4,900	N/A	US$ 4,900	
	Morgan Stanley Capital I Trust 2016 - BNK2 Fund	-	〃	-	US$ 4,839	N/A	US$ 4,839	
	Wells Fargo Commercial Mortgage Trust 2016-C35	-	〃	-	US$ 4,839	N/A	US$ 4,839	
	CSAIL 2018-CX11	-	〃	-	US$ 4,793	N/A	US$ 4,793	
	GM Financial Revolving Receivables Trust 2021-1	-	〃	-	US$ 4,718	N/A	US$ 4,718	
	Bank 2017-BNK9	-	〃	-	US$ 4,241	N/A	US$ 4,241	
	Msbam 2016-C29	-	〃	-	US$ 4,109	N/A	US$ 4,109	
	Benchmark 2023-V3 Mortgage Trust	-	〃	-	US$ 4,094	N/A	US$ 4,094	
	Nissan Auto Receivables 2024-B Owner Trust	-	〃	-	US$ 3,966	N/A	US$ 3,966	
	Toyota Auto Receivables 2024-D Owner Trust	-	〃	-	US$ 3,926	N/A	US$ 3,926	
	FORDO_24-D	-	〃	-	US$ 3,752	N/A	US$ 3,752	
	Bmw Vehicle Owner Trust 2023-A	-	〃	-	US$ 3,633	N/A	US$ 3,633	
	Gm Financial Consumer Automobile Receivables Trust 2023-4	-	〃	-	US$ 3,622	N/A	US$ 3,622	
	Discover Card Execution Note Trust	-	〃	-	US$ 3,523	N/A	US$ 3,523	
	GM Financial Consumer Automobile Receivables Trust 2023-2	-	〃	-	US$ 3,384	N/A	US$ 3,384	
	American Express Credit Account Master Trust	-	〃	-	US$ 3,338	N/A	US$ 3,338	
	Citigroup Commercial Mortgage Trust 2019-Gc43	-	〃	-	US$ 3,277	N/A	US$ 3,277	
	Msbam 2016-C31	-	〃	-	US$ 3,113	N/A	US$ 3,113	
	Honda Auto Receivables 2023-4 Owner Trust	-	〃	-	US$ 3,048	N/A	US$ 3,048	
	Mercedes-Benz Auto Receivables Trust 2024-1	-	〃	-	US$ 3,009	N/A	US$ 3,009	
	Commerce 2015-CCRE24 Mortgage Trust	-	〃	-	US$ 2,892	N/A	US$ 2,892	
	Bank 2019-Bnk22	-	〃	-	US$ 2,889	N/A	US$ 2,889	
	Five 2023-V1 Mortgage Trust	-	〃	-	US$ 2,857	N/A	US$ 2,857	
	Sreit Commercial Mortgage Trust 2021-Mfp	-	〃	-	US$ 2,772	N/A	US$ 2,772	
	Bmo 2023-C5 Mortgage Trust	-	〃	-	US$ 2,766	N/A	US$ 2,766	
	CGCMT 2017-P8 Mortgage Trust	-	〃	-	US$ 2,727	N/A	US$ 2,727	
	Bank5 2023-5YR1	-	〃	-	US$ 2,674	N/A	US$ 2,674	
	Mercedes-Benz Auto Receivables Trust 2023-2	-	〃	-	US$ 2,585	N/A	US$ 2,585	
	Toyota Auto Receivables 2023-C Owner Trust	-	〃	-	US$ 2,520	N/A	US$ 2,520	
	Honda Auto Receivables 2023-1 Owner Trust	-	〃	-	US$ 2,506	N/A	US$ 2,506	
	Benchmark 2018-B3 Commercial Mortgage Trust	-	〃	-	US$ 2,499	N/A	US$ 2,499	
	Ford Credit Auto Owner Trust 2020-Rev1	-	〃	-	US$ 2,492	N/A	US$ 2,492	
	Gm Financial Consumer Automobile Receivables Trust 2024-1	-	〃	-	US$ 2,478	N/A	US$ 2,478	
	Benchmark 2019-B15 Mortgage Trust	-	〃	-	US$ 2,452	N/A	US$ 2,452	
	GS Mortgage Securities Trust 2015-GC32	-	〃	-	US$ 2,432	N/A	US$ 2,432	
	Hyundai Auto Receivables Trust 2021-B	-	〃	-	US$ 2,432	N/A	US$ 2,432	
	Citigroup Commercial Mortgage Trust 2016-C1	-	〃	-	US$ 2,362	N/A	US$ 2,362	
	Toyota Auto Receivables 2024-A Owner Trust	-	〃	-	US$ 2,305	N/A	US$ 2,305	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Benchmark 2020-B18 Mortgage Trust	-	Financial assets at fair value through other comprehensive income	-	US$ 2,286	N/A	US$ 2,286	
	BANK5 2023-5YR4	-	〃	-	US$ 2,261	N/A	US$ 2,261	
	Citigroup Commercial Mortgage Trust 2015-P1	-	〃	-	US$ 2,231	N/A	US$ 2,231	
	Wells Fargo Commercial Mortgage Trust 2020-C55	-	〃	-	US$ 2,147	N/A	US$ 2,147	
	Bmark 2018-B5	-	〃	-	US$ 2,136	N/A	US$ 2,136	
	Toyota Auto Receivables 2023 D Owner Trust	-	〃	-	US$ 2,131	N/A	US$ 2,131	
	Ford Credit Auto Owner Trust 2023-C	-	〃	-	US$ 2,128	N/A	US$ 2,128	
	Ford Credit Auto Owner Trust 2023-A	-	〃	-	US$ 2,003	N/A	US$ 2,003	
	Benchmark 2018-B4 Mortgage Trust	-	〃	-	US$ 1,970	N/A	US$ 1,970	
	Ubs 2018-C13	-	〃	-	US$ 1,916	N/A	US$ 1,916	
	Dolp Trust 2021-NYC	-	〃	-	US$ 1,895	N/A	US$ 1,895	
	Bank 2017-Bnk6	-	〃	-	US$ 1,872	N/A	US$ 1,872	
	Mercedes-Benz Auto Receivables Trust 2023-1	-	〃	-	US$ 1,691	N/A	US$ 1,691	
	GM Financial Consumer Automobile Receivables Trust 2023-1	-	〃	-	US$ 1,689	N/A	US$ 1,689	
	Hyundai Auto Receivables Trust 2022-A	-	〃	-	US$ 1,569	N/A	US$ 1,569	
	Wells Fargo Commercial Mortgage Trust 2015-C30	-	〃	-	US$ 1,549	N/A	US$ 1,549	
	UBS Commercial Mortgage Trust 2018-C11	-	〃	-	US$ 1,522	N/A	US$ 1,522	
	American Express Credit Account Master Trust , series 2023-1	-	〃	-	US$ 1,508	N/A	US$ 1,508	
	Morgan Stanley Capital I Trust 2021-L5	-	〃	-	US$ 1,386	N/A	US$ 1,386	
	Wells Fargo Commercial Mortgage Trust 2015-C29	-	〃	-	US$ 1,277	N/A	US$ 1,277	
	Ford Credit Auto Owner Trust 2022-C	-	〃	-	US$ 1,251	N/A	US$ 1,251	
	Morgan Stanley Capital I Trust	-	〃	-	US$ 1,223	N/A	US$ 1,223	
	Gs Mortgage Securities Trust 2018-Gs10	-	〃	-	US$ 1,221	N/A	US$ 1,221	
	BANK 2017-BNK5	-	〃	-	US$ 1,146	N/A	US$ 1,146	
	Hyundai Auto Receivables Trust 2021-C	-	〃	-	US$ 1,145	N/A	US$ 1,145	
	FORD CREDIT AUTO OWNER TRUST 2023-REV2	-	〃	-	US$ 1,120	N/A	US$ 1,120	
	Wells Fargo Commercial Mortgage Trust 2018-C44	-	〃	-	US$ 1,005	N/A	US$ 1,005	
	Morgan Stanley Capital I Trust 2015 - UBS8	-	〃	-	US$ 986	N/A	US$ 986	
	Wells Fargo Commercial Mortgage Trust 2016-LC24	-	〃	-	US$ 967	N/A	US$ 967	
	Citigroup Commercial Mortgage Trust 2016-C3	-	〃	-	US$ 963	N/A	US$ 963	
	Hyundai Auto Receivables Trust 2022-B	-	〃	-	US$ 938	N/A	US$ 938	
	Toyota Auto Receivables 2024-B Owner Trust	-	〃	-	US$ 930	N/A	US$ 930	
	Ford Credit Auto Owner Trust 2022-A	-	〃	-	US$ 919	N/A	US$ 919	
	Benchmark 2021-B24 Mortgage Trust	-	〃	-	US$ 859	N/A	US$ 859	
	Bank 2023-Bnk45	-	〃	-	US$ 859	N/A	US$ 859	
	BBCMS Mortgage Trust 2018-C2	-	〃	-	US$ 852	N/A	US$ 852	
	Nissan Auto Receivables 2023-A Owner Trust	-	〃	-	US$ 832	N/A	US$ 832	
	DBJPM 2016-C1 Mortgage Trust	-	〃	-	US$ 776	N/A	US$ 776	
	JPMCC 2017-JP7	-	〃	-	US$ 758	N/A	US$ 758	
	Honda Auto Receivables 2022-2 Owner Trust	-	〃	-	US$ 745	N/A	US$ 745	
	Honda Auto Receivables 2021 - 4 Owner Trust	-	〃	-	US$ 710	N/A	US$ 710	
	Citigroup Commercial Mortgage Trust 2015-GC35	-	〃	-	US$ 700	N/A	US$ 700	
	Hyundai Auto Receivables Trust 2024-C	-	〃	-	US$ 697	N/A	US$ 697	
	Mhc Commercial Mortgage Trust 2021-Mhc	-	〃	-	US$ 697	N/A	US$ 697	
	Wells Fargo Commercial Mortgage Trust 2017-C40	-	〃	-	US$ 597	N/A	US$ 597	
	JPMBB Commercial Mortgage Securities Trust 2016-C1	-	〃	-	US$ 591	N/A	US$ 591	
	JPMCC Commercial Mortgage Securities Trust 2016 - JP3	-	〃	-	US$ 523	N/A	US$ 523	
	Wells Fargo Commercial Mortgage Trust 2015-C28	-	〃	-	US$ 473	N/A	US$ 473	
	JPMDB 2017-C7	-	〃	-	US$ 414	N/A	US$ 414	
	Toyota Auto Receivables 2021-C Owner Trust	-	〃	-	US$ 405	N/A	US$ 405	
	COMM Mortgage Trust Series 2015-LC19	-	〃	-	US$ 339	N/A	US$ 339	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
TSMC Global	Citigroup Commercial Mortgage Trust 2018-C5	-	Financial assets at fair value through other comprehensive income	-	US$ 336	N/A	US$ 336	
	Gm Financial Consumer Automobile Receivables Trust 2022-3	-	〃	-	US$ 267	N/A	US$ 267	
	Ford Credit Auto Owner Trust 2023-B	-	〃	-	US$ 231	N/A	US$ 231	
	Ford Credit Auto Owner Trust 2022-B	-	〃	-	US$ 204	N/A	US$ 204	
	Toyota Auto Receivables 2021-D Owner Trust	-	〃	-	US$ 201	N/A	US$ 201	
	Porsche Financial Auto Securitization Trust 2023-1	-	〃	-	US$ 198	N/A	US$ 198	
	Nissan Auto Receivables 2022-B Owner Trust	-	〃	-	US$ 194	N/A	US$ 194	
	Wells Fargo Commercial Mortgage Trust 2015-NXS3	-	〃	-	US$ 132	N/A	US$ 132	
	Morgan Stanley Capital I Trust 2018-H3	-	〃	-	US$ 107	N/A	US$ 107	
	JPMCC 2015 - JP1	-	〃	-	US$ 91	N/A	US$ 91	
	Non-publicly traded equity investments							
	Primavera Capital Fund II L.P.	-	Financial assets at fair value through other comprehensive income	-	US$ 78,780	4	US$ 78,780	
Emerging Fund	Simple Agreement for Future Equity							
	Eliyan Corp.	-	Financial assets at fair value through Profit or Loss	-	US$ 4,000	N/A	US$ 4,000	
	Convertible bonds							
	Movandi Corporation	-	Financial assets at fair value through Profit or Loss	-	US$ -	N/A	US$ -	
	Non-publicly traded equity investments							
	Lyte AI, Inc.	-	Financial assets at fair value through other comprehensive income	1,325	US$ 10,757	4	US$ 10,757	
	Encharge AI, Inc.	-	〃	445	US$ 6,098	2	US$ 6,098	
	Avicenatech Corp.	-	〃	730	US$ 5,894	2	US$ 5,894	
	Ayar Labs, Inc.	-	〃	345	US$ 5,400	1	US$ 5,400	
	Cerebras Systems, Inc.	-	〃	341	US$ 5,000	-	US$ 5,000	
	Empower Semiconductor, Inc.	-	〃	868	US$ 5,000	2	US$ 5,000	
	Ethernovia Inc.	-	〃	1,021	US$ 5,000	3	US$ 5,000	
	RiVos, Inc.	-	〃	2,568	US$ 5,000	1	US$ 5,000	
	EdgeQ, Inc.	-	〃	1,176	US$ 4,771	2	US$ 4,771	
	NeuReality Ltd.	-	〃	1,217	US$ 4,302	2	US$ 4,302	
	Xsight Labs Ltd.	-	〃	500	US$ 4,002	1	US$ 4,002	
	SiMa Technologies, Inc.	-	〃	564	US$ 4,000	1	US$ 4,000	
	xMEMS Labs, Inc.	-	〃	3,000	US$ 3,240	2	US$ 3,240	
	Atlas Magnetics, Co.	-	〃	1,500	US$ 3,000	3	US$ 3,000	
	Ambiq Micro, Inc.	-	〃	3,318	US$ 3,000	1	US$ 3,000	
	Enfabrica Corporation	-	〃	1,048	US$ 3,000	1	US$ 3,000	
	Kinara, Inc.	-	〃	2,138	US$ 2,980	2	US$ 2,980	
	Reed Semiconductor Corp.	-	〃	500	US$ 2,000	1	US$ 2,000	
	Publicly traded stocks							
	Raspberry Pi Holdings Plc	-	Financial assets at fair value through other comprehensive income	1,364	US$ 10,703	1	US$ 10,703	
TSMC Development	Convertible preferred stocks							
	IMS Nanofabrication Global, LLC	-	Financial assets at fair value through Profit or Loss	-	US$ 432,795	10	US$ 432,795	

(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 YEAR ENDED DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC	Non-publicly traded equity investments													
	TSMC Global	Investments accounted for using equity method	-	-	11	$ 441,225,883	8	$ 261,677,200	-	$ -	$ -	$ -	19	$ 772,437,954
	TSMC Arizona	〃	-	-	10,500	298,604,975	7,350	236,121,500	-	-	-	-	17,850	544,359,678
	JASM	〃	-	-	2,269	47,087,140	742	15,754,106	-	-	-	-	3,011	57,173,512
	VIS	〃	-	-	464,223	13,590,430	42,486	3,738,753	-	-	-	-	506,709	18,300,373
	ESMC	〃	-	-	100	4,768,013	665	13,299,041	30	1,021	(4,263)	5,284	735	17,510,070
	Emerging Fund	〃	-	-	-	1,901,742	-	1,185,722	-	-	163,392	-	-	3,214,022
	VTAF III	〃	-	-	-	257,540	-	-	-	-	680,703	-	-	23,334
	Commercial paper													
	Cathay Financial Holding Co., Ltd.	Financial assets at amortized cost	-	-	697	6,924,665	1,356	13,474,803	1,129	11,290,000	11,290,000	-	924	9,185,663
	Formosa Chemicals & Fibre Corporation	〃	-	-	100	994,540	740	7,352,476	590	5,900,000	5,900,000	-	250	2,479,351
	China Steel Corporation	〃	-	-	200	1,985,094	920	9,136,858	1,000	10,000,000	10,000,000	-	120	1,197,878
	Formosa Plastics Corporation	〃	-	-	100	996,260	350	3,477,989	350	3,500,000	3,500,000	-	100	996,353
	Nan Ya Plastics Corporation	〃	-	-	600	5,976,677	485	4,821,161	1,050	10,500,000	10,500,000	-	35	348,913
	CPC Corporation, Taiwan	〃	-	-	100	995,553	370	3,677,952	470	4,700,000	4,700,000	-	-	-
	Taiwan Power Company	〃	-	-	50	498,916	245	2,427,071	295	2,950,000	2,950,000	-	-	-
TSMC Partners	Fund													
	Carbon Nature SCSp	Financial assets at fair value through Profit or Loss	-	-	-	US$ -	-	US$ 13,939	-	US$ -	US$ -	US$ -	-	US$ 11,413
	Publicly traded stocks													
	ARM Holdings plc	Financial assets at fair value through other comprehensive income	-	-	1,961	US$ 147,353	-	US$ -	850	US$ 101,535	US$ 43,350	US$ 58,185	1,111	US$ 137,026
TSMC Global	Corporate bond													
	Bank of America Corporation	Financial assets at fair value through other comprehensive income	-	-	-	US$ 86,588	-	US$ 42,071	-	US$ 34,981	US$ 35,186	US$ 205	-	US$ 95,674
	Morgan Stanley	〃	-	-	-	US$ 76,777	-	US$ 36,402	-	US$ 27,731	US$ 27,700	US$ 31	-	US$ 87,312
	Wells Fargo & Company	〃	-	-	-	US$ 58,351	-	US$ 35,405	-	US$ 20,340	US$ 20,524	US$ (184)	-	US$ 74,617
	The Goldman Sachs Group, Inc.	〃	-	-	-	US$ 58,554	-	US$ 32,401	-	US$ 18,875	US$ 18,911	US$ (36)	-	US$ 73,642
	JPMorgan Chase & Co.	〃	-	-	-	US$ 62,267	-	US$ 35,675	-	US$ 26,976	US$ 27,187	US$ (211)	-	US$ 72,101
	Citigroup Inc.	〃	-	-	-	US$ 50,436	-	US$ 23,833	-	US$ 18,431	US$ 18,508	US$ (77)	-	US$ 56,810
	HSBC Holdings plc	〃	-	-	-	US$ 30,124	-	US$ 31,600	-	US$ 9,371	US$ 9,596	US$ (225)	-	US$ 52,845
	Hyundai Capital America	〃	-	-	-	US$ 13,567	-	US$ 25,268	-	US$ -	US$ -	US$ -	-	US$ 39,105
	BNP Paribas SA	〃	-	-	-	US$ 20,345	-	US$ 29,092	-	US$ 11,256	US$ 11,296	US$ (40)	-	US$ 38,517
	Lloyds Banking Group plc	〃	-	-	-	US$ 24,131	-	US$ 21,375	-	US$ 9,529	US$ 9,483	US$ 46	-	US$ 36,440

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC Global	Sumitomo Mitsui Trust Bank, Limited	Financial assets at fair value through other comprehensive income	-	-	-	US$ 17,286	-	US$ 23,089	-	US$ 4,594	US$ 4,650	US$ (56)	-	US$ 36,329
	Barclays PLC	〃	-	-	-	US$ 35,277	-	US$ 14,596	-	US$ 14,240	US$ 14,156	US$ 84	-	US$ 35,715
	Nationwide Building Society	〃	-	-	-	US$ 17,760	-	US$ 19,724	-	US$ 1,927	US$ 2,016	US$ (89)	-	US$ 35,644
	NatWest Group plc	〃	-	-	-	US$ 6,360	-	US$ 29,473	-	US$ 1,699	US$ 1,680	US$ 19	-	US$ 34,193
	Principal Life Global Funding II	〃	-	-	-	US$ 17,932	-	US$ 22,252	-	US$ 6,829	US$ 6,958	US$ (129)	-	US$ 33,881
	American Express Company	〃	-	-	-	US$ 13,685	-	US$ 20,710	-	US$ 3,505	US$ 3,530	US$ (25)	-	US$ 31,036
	Banco Santander, S.A.	〃	-	-	-	US$ 29,015	-	US$ 14,561	-	US$ 13,215	US$ 13,308	US$ (93)	-	US$ 30,804
	BPCE SA	〃	-	-	-	US$ 23,875	-	US$ 12,832	-	US$ 6,939	US$ 6,947	US$ (8)	-	US$ 30,045
	Toyota Motor Credit Corporation	〃	-	-	-	US$ 4,261	-	US$ 30,740	-	US$ 4,915	US$ 5,000	US$ (85)	-	US$ 29,997
	Credit Agricole SA London Branch	〃	-	-	-	US$ 20,395	-	US$ 16,321	-	US$ 8,864	US$ 8,799	US$ 65	-	US$ 28,366
	Sumitomo Mitsui Financial Group, Inc.	〃	-	-	-	US$ 45,172	-	US$ 2,412	-	US$ 21,791	US$ 21,906	US$ (115)	-	US$ 26,118
	AIG Global Funding	〃	-	-	-	US$ 18,428	-	US$ 10,208	-	US$ 3,443	US$ 3,418	US$ 25	-	US$ 25,521
	Athene Global Funding	〃	-	-	-	US$ 20,297	-	US$ 10,811	-	US$ 7,084	US$ 7,159	US$ (75)	-	US$ 24,758
	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH	〃	-	-	-	US$ 8,173	-	US$ 17,300	-	US$ 998	US$ 1,000	US$ (2)	-	US$ 24,228
	Deutsche Bank AG - New York Branch	〃	-	-	-	US$ 10,454	-	US$ 21,424	-	US$ 8,470	US$ 8,500	US$ (30)	-	US$ 23,782
	The Toronto-Dominion Bank	〃	-	-	-	US$ 30,523	-	US$ 4,588	-	US$ 11,779	US$ 11,856	US$ (77)	-	US$ 23,563
	Penske Truck Leasing Co., L.P.	〃	-	-	-	US$ 13,095	-	US$ 10,628	-	US$ 381	US$ 399	US$ (18)	-	US$ 23,519
	Volkswagen Group of America Finance, LLC	〃	-	-	-	US$ 16,251	-	US$ 15,690	-	US$ 10,063	US$ 10,056	US$ 7	-	US$ 22,284
	Banque Fédérative du Crédit Mutuel	〃	-	-	-	US$ 14,439	-	US$ 11,057	-	US$ 3,620	US$ 3,592	US$ 28	-	US$ 21,960
	Glencore Funding LLC	〃	-	-	-	US$ 1,556	-	US$ 19,310	-	US$ -	US$ -	US$ -	-	US$ 21,086
	Royal Bank of Canada	〃	-	-	-	US$ 25,469	-	US$ 8,890	-	US$ 13,689	US$ 13,841	US$ (152)	-	US$ 20,863
	General Motors Financial Company, Inc.	〃	-	-	-	US$ -	-	US$ 20,425	-	US$ -	US$ -	US$ -	-	US$ 20,625
	The Bank of Nova Scotia	〃	-	-	-	US$ 16,474	-	US$ 10,965	-	US$ 7,252	US$ 7,413	US$ (161)	-	US$ 20,432
	Bunge Limited Finance Corp.	〃	-	-	-	US$ -	-	US$ 20,603	-	US$ -	US$ -	US$ -	-	US$ 20,202
	Danske Bank A/S	〃	-	-	-	US$ 16,698	-	US$ 13,103	-	US$ 9,748	US$ 9,721	US$ 27	-	US$ 20,157
	RGA Global Funding	〃	-	-	-	US$ 8,977	-	US$ 10,770	-	US$ -	US$ -	US$ -	-	US$ 19,988
	Daimler Trucks Finance North America LLC	〃	-	-	-	US$ 7,013	-	US$ 12,021	-	US$ -	US$ -	US$ -	-	US$ 19,288
	Bank of Montreal	〃	-	-	-	US$ 11,032	-	US$ 9,984	-	US$ 2,943	US$ 2,970	US$ (27)	-	US$ 18,228
	Mitsubishi UFJ Financial Group, Inc.	〃	-	-	-	US$ 36,903	-	US$ 3,400	-	US$ 22,941	US$ 23,219	US$ (278)	-	US$ 18,083
	CNO Global Funding	〃	-	-	-	US$ 3,967	-	US$ 11,731	-	US$ 309	US$ 315	US$ (6)	-	US$ 15,565
	Marsh & McLennan Companies, Inc.	〃	-	-	-	US$ 747	-	US$ 14,975	-	US$ -	US$ -	US$ -	-	US$ 15,564
	U.S. Bancorp.	〃	-	-	-	US$ 16,962	-	US$ 12,369	-	US$ 14,047	US$ 14,129	US$ (82)	-	US$ 15,440
	Roper Technologies, Inc.	〃	-	-	-	US$ 9,177	-	US$ 9,457	-	US$ 3,431	US$ 3,500	US$ (69)	-	US$ 15,407
	BMW US Capital, LLC	〃	-	-	-	US$ -	-	US$ 14,699	-	US$ -	US$ -	US$ -	-	US$ 14,519
	T-Mobile USA, Inc.	〃	-	-	-	US$ 1,526	-	US$ 13,003	-	US$ -	US$ -	US$ -	-	US$ 14,433
	Philip Morris International Inc.	〃	-	-	-	US$ 6,807	-	US$ 10,790	-	US$ 3,424	US$ 3,385	US$ 39	-	US$ 14,276
	Quest Diagnostics Incorporated	〃	-	-	-	US$ -	-	US$ 14,408	-	US$ -	US$ -	US$ -	-	US$ 14,196
	Santander Holdings USA, Inc.	〃	-	-	-	US$ -	-	US$ 13,962	-	US$ -	US$ -	US$ -	-	US$ 14,143
	SMBC Aviation Capital Finance DAC	〃	-	-	-	US$ 1,747	-	US$ 11,997	-	US$ -	US$ -	US$ -	-	US$ 13,873
	Oracle Corporation	〃	-	-	-	US$ 23,751	-	US$ 4,995	-	US$ 14,995	US$ 15,662	US$ (667)	-	US$ 13,824

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC Global	Macquarie Bank Limited	Financial assets at fair value through other comprehensive income	-	-	-	US$ 8,390	-	US$ 10,818	-	US$ 5,804	US$ 5,848	US$ (44)	-	US$ 13,650
	Mercedes-Benz Finance North America LLC	〃	-	-	-	US$ -	-	US$ 16,734	-	US$ 3,574	US$ 3,597	US$ (23)	-	US$ 13,022
	Amphenol Corporation	〃	-	-	-	US$ -	-	US$ 12,737	-	US$ -	US$ -	US$ -	-	US$ 12,833
	American Honda Finance Corporation	〃	-	-	-	US$ 2,087	-	US$ 19,874	-	US$ 8,989	US$ 8,918	US$ 71	-	US$ 12,774
	Jackson National Life Global Funding	〃	-	-	-	US$ 3,563	-	US$ 12,386	-	US$ 3,652	US$ 3,712	US$ (60)	-	US$ 12,563
	The Bank of New York Mellon Corporation	〃	-	-	-	US$ 16,064	-	US$ 5,984	-	US$ 9,757	US$ 9,402	US$ 355	-	US$ 12,428
	BAE Systems plc	〃	-	-	-	US$ -	-	US$ 12,292	-	US$ -	US$ -	US$ -	-	US$ 12,425
	Bristol-Myers Squibb Company	〃	-	-	-	US$ 4,604	-	US$ 21,106	-	US$ 14,572	US$ 14,275	US$ 297	-	US$ 11,585
	Swedbank AB (publ)	〃	-	-	-	US$ 2,399	-	US$ 9,999	-	US$ 946	US$ 1,000	US$ (54)	-	US$ 11,541
	Elevance Health, Inc.	〃	-	-	-	US$ 5,914	-	US$ 9,976	-	US$ 4,804	US$ 4,740	US$ 64	-	US$ 11,154
	Prologis Targeted U.S. Logistics Fund L.P.	〃	-	-	-	US$ -	-	US$ 10,940	-	US$ -	US$ -	US$ -	-	US$ 11,127
	MassMutual Global Funding II	〃	-	-	-	US$ 506	-	US$ 10,025	-	US$ -	US$ -	US$ -	-	US$ 10,851
	DTE Energy Company	〃	-	-	-	US$ 1,685	-	US$ 10,580	-	US$ 1,712	US$ 1,735	US$ (23)	-	US$ 10,651
	National Rural Utilities Cooperative Finance Corporation	〃	-	-	-	US$ 1,445	-	US$ 9,899	-	US$ 950	US$ 999	US$ (49)	-	US$ 10,402
	Hewlett Packard Enterprise Company	〃	-	-	-	US$ -	-	US$ 9,989	-	US$ -	US$ -	US$ -	-	US$ 9,766
	Accenture Capital Inc.	〃	-	-	-	US$ -	-	US$ 12,196	-	US$ 2,980	US$ 2,996	US$ (16)	-	US$ 8,979
	Keurig Dr Pepper Inc.	〃	-	-	-	US$ -	-	US$ 11,790	-	US$ 4,980	US$ 4,987	US$ (7)	-	US$ 6,880
	Fiserv, Inc.	〃	-	-	-	US$ 6,745	-	US$ 10,068	-	US$ 10,634	US$ 10,662	US$ (28)	-	US$ 6,242
	Marriott International, Inc.	〃	-	-	-	US$ 271	-	US$ 9,744	-	US$ 4,582	US$ 4,488	US$ 94	-	US$ 5,525
	AbbVie Inc.	〃	-	-	-	US$ 26,895	-	US$ 8,427	-	US$ 30,655	US$ 30,962	US$ (307)	-	US$ 4,965
	Société Générale Société anonyme	〃	-	-	-	US$ 16,589	-	US$ -	-	US$ 12,218	US$ 12,345	US$ (127)	-	US$ 4,618
	CVS Health Corporation	〃	-	-	-	US$ 24,591	-	US$ -	-	US$ 22,083	US$ 21,803	US$ 280	-	US$ 2,354
	The Kroger Co.	〃	-	-	-	US$ -	-	US$ 14,886	-	US$ 15,049	US$ 14,887	US$ 162	-	US$ -
	Bank of America Corporation	Financial assets at amortized cost	-	-	-	US$ 799,449	-	US$ 558,380	-	US$ 279,000	US$ 278,987	US$ 13	-	US$1,090,390
	Wells Fargo & Company	〃	-	-	-	US$ 619,830	-	US$ 577,074	-	US$ 144,000	US$ 143,976	US$ 24	-	US$1,068,098
	Citigroup Inc.	〃	-	-	-	US$ 271,462	-	US$ 697,689	-	US$ 228,000	US$ 227,997	US$ 3	-	US$ 744,664
	Morgan Stanley	〃	-	-	-	US$ 566,880	-	US$ 293,824	-	US$ 297,000	US$ 296,972	US$ 28	-	US$ 571,972
	JPMorgan Chase & Co.	〃	-	-	-	US$ 391,868	-	US$ 335,127	-	US$ 171,000	US$ 170,999	US$ 1	-	US$ 567,099
	The Goldman Sachs Group, Inc.	〃	-	-	-	US$ 432,811	-	US$ 362,921	-	US$ 267,000	US$ 267,000	US$ -	-	US$ 531,503
	Goldman Sachs Finance Corp International Ltd	〃	-	-	-	US$ 99,905	-	US$ 210,000	-	US$ 100,000	US$ 100,000	US$ -	-	US$ 209,799
	BNP Paribas SA	〃	-	-	-	US$ 9,265	-	US$ 39,266	-	US$ 4,000	US$ 4,000	US$ -	-	US$ 44,841
	Morgan Stanley Bank, N.A.	〃	-	-	-	US$ -	-	US$ 27,014	-	US$ -	US$ -	US$ -	-	US$ 27,003
	BPCE SA	〃	-	-	-	US$ 7,874	-	US$ 9,633	-	US$ -	US$ -	US$ -	-	US$ 17,696
	Athene Global Funding	〃	-	-	-	US$ 5,122	-	US$ 9,583	-	US$ -	US$ -	US$ -	-	US$ 14,814
	Credit Agricole SA London Branch	〃	-	-	-	US$ -	-	US$ 9,727	-	US$ -	US$ -	US$ -	-	US$ 9,748
	NatWest Group plc	〃	-	-	-	US$ -	-	US$ 9,718	-	US$ -	US$ -	US$ -	-	US$ 9,696
	Macquarie Group Limited	〃	-	-	-	US$ -	-	US$ 9,616	-	US$ -	US$ -	US$ -	-	US$ 9,632
	Danske Bank A/S	〃	-	-	-	US$ -	-	US$ 9,613	-	US$ -	US$ -	US$ -	-	US$ 9,625
	HSBC Holdings plc	〃	-	-	-	US$ -	-	US$ 9,582	-	US$ -	US$ -	US$ -	-	US$ 9,570

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
TSMC Global	Hyundai Capital America	Financial assets at amortized cost	-	-	-	US$ -	-	US$ 9,541	-	US$ -	US$ -	US$ -	-	US$ 9,562
	Barclays PLC	〃	-	-	-	US$ -	-	US$ 9,560	-	US$ -	US$ -	US$ -	-	US$ 9,536
	Coöperatieve Rabobank U.A.	〃	-	-	-	US$ -	-	US$ 9,407	-	US$ -	US$ -	US$ -	-	US$ 9,430
	Citigroup Global Markets Holdings Inc.	〃	-	-	-	US$ 99,968	-	US$ -	-	US$ 100,000	US$ 100,000	US$ -	-	US$ -
	Citigroup Global Markets Inc.	〃	-	-	-	US$ 149,951	-	US$ -	-	US$ 150,000	US$ 150,000	US$ -	-	US$ -
	<u>Agency mortgage-backed securities</u>													
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	Financial assets at fair value through other comprehensive income	-	-	-	US$ 658,944	-	US$ 265,914	-	US$ 264,084	US$ 271,966	US$ (7,882)	-	US$ 651,715
	Federal Home Loan Mortgage Corporation	〃	-	-	-	US$ 350,328	-	US$ 294,896	-	US$ 144,307	US$ 146,914	US$ (2,607)	-	US$ 496,172
	Government National Mortgage Association	〃	-	-	-	US$ 225,310	-	US$ 124,487	-	US$ 70,649	US$ 71,381	US$ (732)	-	US$ 274,580
	<u>Government bond/Agency bonds</u>													
	United States Department of The Treasury	Financial assets at fair value through other comprehensive income	-	-	-	US$ 718,479	-	US$ 176,221	-	US$ 276,660	US$ 279,897	US$ (3,237)	-	US$ 630,062
	Federal Home Loan Mortgage Corporation	〃	-	-	-	US$ 6,995	-	US$ 4,996	-	US$ 12,002	US$ 11,990	US$ 12	-	US$ -
	United States Department of The Treasury	Financial assets at amortized cost	-	-	-	US$ 88,940	-	US$ 44,399	-	US$ -	US$ -	US$ -	-	US$ 133,653
	Federal Home Loan Banks	〃	-	-	-	US$ 225,000	-	US$ 30,000	-	US$ 255,000	US$ 255,000	US$ -	-	US$ -
	Federal Home Loan Mortgage Corporation	〃	-	-	-	US$ 135,000	-	US$ 30,000	-	US$ 165,000	US$ 165,000	US$ -	-	US$ -
	<u>Asset-backed securities</u>													
	G23-182I	Financial assets at fair value through other comprehensive income	-	-	-	US$ -	-	US$ 10,151	-	US$ 3,734	US$ 3,735	US$ (1)	-	US$ 6,433
	JPMBB Commercial Mortgage Securities Trust 2014-C24	〃	-	-	-	US$ 9,818	-	US$ -	-	US$ 10,000	US$ 10,016	US$ (16)	-	US$ -
Emerging Fund	<u>Publicly traded stocks</u>													
	Astera Labs, Inc.	Financial assets at fair value through other comprehensive income	-	-	744	US$ 9,680	-	US$ -	744	US$ 64,393	US$ 5,000	US$ 59,393	-	US$ -
Growth Fund	<u>Publicly traded stocks</u>													
	Astera Labs, Inc.	Financial assets at fair value through other comprehensive income	-	-	319	US$ 4,146	-	US$ -	319	US$ 23,243	US$ 250	US$ 22,993	-	US$ -

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

(Concluded)

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(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 06, 2024 (Note)	US$ 2,155,000 (Note)	Based on the terms in the purchase order	96 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 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.	-	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				CTCI Smart Engineering Corporation Da-Cin Construction Co., Ltd. Desiccant Technology Co., Ltd. Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. Gang-Wei Construction Ltd. Hantech Engineering Co., Ltd. Hsieh Kun Co., Ltd. Hueng Luei Process Industry Co., Ltd. Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore) J.C. Yang Architect and Associates JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Jusun Instruments Co., Ltd. Kaohsiung City Government 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 Integrated Pte Ltd Mega Union Technology Incorporated Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Pan Asia (Engineers & Constructors) Corporation								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				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. Transcene Corporation Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd Versum Materials Taiwan Co., Ltd. Wei Shung Technology Corporation Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd. Ying Pao Technology Inc. YUNG CHING CONSTRUCTION CO., LTD. Zhao-Cheng Corp.								

(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	June 05, 2024 (Note)	US$ 11,014,000 (Note)	Based on the terms in the purchase order	182 counterparties (Note), including: ABB Ltd. Accudevice Co., Ltd. Air Liquide Far Eastern Ltd. Allied Supreme Corp. Allis Electric Co., Ltd. Am-Power Machine International Enterprise Co., Ltd. Apollo Sheet Metal, Inc. Atlas Copco Taiwan Ltd. Atlas Technology Corp. Brycon Corporation 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. Corbins, LLC CTCI Corporation Currie and Brown Inc Da-Cin Construction Co., Ltd. Desiccant Technology Co., Ltd.	-	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				EnerMech Mechanical Services, Inc. Evergreen Steel Corporation Exyte Taiwan Co., Ltd. Fortune Electric Co., Ltd. Fu Tsu Construction Co., Ltd. GCON, Inc. Gold Stone Development 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 Jack B. Henderson Construction Company, Inc. Jaie Haour Industry Corporation JG Environmental Technology Co., Ltd. JJmr-Clean-Air Solution Tech.Services Co., Ltd. Job Brokers, Inc. Johnson Controls, Inc. Jusun Instruments Co., Ltd. Kedge Construction Co., Ltd. Kinetic Systems, Inc. Kinetics Technology Corporation L&K Engineering Co., Ltd. Lead-Fu Industrials Corporation Lee Ming Construction Co., Ltd. Li Jin Engineering Co., Ltd Lumax International Corp., Ltd Mandartech Interiors 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				Marketech Integrated Pte Ltd Mega Union Technology Incorporated MornstAir Inc. MSR-FSR, LLC OBR Cooling Towers, Inc Okland Construction Company, Inc. Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. Pan Asia (Engineers & Constructors) Corporation Prime Controls LP Propersys Corp Rosendin Electric, Inc. Ruentex Engineering & Construction Co., Ltd. San Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Shihlin Electric & Engineering Corporation Siemens Limited Solomon Technology Corporation Southland Industries SSOE Inc. Swift Engineering Co., Ltd. T C Boiler Inc Taiwan Gleno Enterprise Co., Ltd. Taiwan Obayashi Corporation Taiwan Puritic Corp. Taiwan Valqua Engineering International, Ltd. TASA Construction Corporation Techgo Industrial Co., Ltd. Trusval Technology Co., Ltd. TUN YI Industrial Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Mandartech Interiors 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: Owner	Prior Transaction of Related Counterparty: Relationships	Prior Transaction of Related Counterparty: Transfer Date	Prior Transaction of Related Counterparty: Amount	Price Reference	Purpose of Acquisition	Other Terms
TSMC	Real estate				Unelectra International Corp. United Integrated Services Co., Ltd Verde Clean, LLC Versum Materials Taiwan Co., Ltd. Wei Shung Technology Corporation Weltall Technology Corporation Wholetech System Hitech Limited World Wide Professional Solutions Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd. YE SIANG Enterprise Co., Ltd. Ying Pao Technology Inc. Yung Ching Construction Co., Ltd. Zhao-Cheng Corp.								
TSMC	Real estate	August 13, 2024 (Note)	US$ 8,320,000 (Note)	Based on the terms in the purchase order	91 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 Chang Chun Petrochemical Co., Ltd. Chen Yuan International Co., Ltd. Chenfull International Co., Ltd. Mandartech Interiors Inc.	-	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				Cheng Deh Fire Protection Industrial Corp.								
					Chern Shuo System Technology Co., Ltd.								
					China Steel Structure Co., Ltd.								
					Chun Yuan Steel Industry Co., Ltd.								
					Cica-Huntek Chemical Technology Taiwan Co., Ltd.								
					Confederate Technology Co., Ltd.								
					Da-Cin Construction Co., Ltd.								
					Desiccant Technology Co., Ltd.								
					Evergreen Steel Corporation								
					Exyte Taiwan Co., Ltd.								
					Fortune Electric Co., Ltd.								
					Fu Tsu Construction Co., Ltd.								
					Gang-Wei Construction Ltd.								
					Hantech Engineering Co., Ltd.								
					Hsieh Kun Co., Ltd.								
					Hueng Luei Process Industry Co., Ltd.								
					Ingersoll-Rand Southeast Asia (Pte) Ltd. Taiwan Branch (Singapore)								
					Jaie Haour Industry Corporation								
					JG Environmental Technology Co., Ltd.								
					JJmr-Clean-Air Solution Tech.Services Co., Ltd.								
					JJP Architects and Planners								
					Jusun Instruments Co., Ltd.								
					Kedge Construction Co., Ltd.								
					Kinetics Technology Corporation								
					L&K Engineering Co., Ltd.								
					Lee Ming Construction 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				Mandartech Interiors Inc. Marketech International Corp. Mega Union Technology Incorporated Organo Technology Co., Ltd. Ovivo Taiwan Co., Ltd. REIJU Construction Co., Ltd. San Fu Chemical Co., Ltd. Schneider Electric Taiwan Co., Ltd. Shihlin Electric & Engineering Corporation Siemens Limited Solomon Technology Corporation Southern Taiwan Science Park Bureau, National Science and Technology Council Swift Engineering Co., Ltd. Taiwan Gleno Enterprise Co., Ltd. TAIWAN POWER COMPANY Taiwan Puritic Corp. TASA Construction Corporation Techgo Industrial Co., Ltd. Tianding construction industry Co., Ltd. Trusval Technology Co., Ltd. Tung Kang Steel Structure Corp. Uangyih-Tech Industrial Co., Ltd. Unelectra International Corp. United Integrated Services Co., Ltd. Versum Materials Taiwan Co., Ltd. Wei Shung Technology Corporation								

(Continued)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
TSMC	Real estate				Weltall Technology Corporation Wholetech System Hitech Limited Yangtech Engineering Co., Ltd. Yankey Engineering Co., Ltd. Ying Pao Technology Inc. Yuan Yi Construction Co., Ltd. Yuanshuo Archi & Construction COMPANY LIMITED YUNG CHING CONSTRUCTION CO., LTD. Zhao-Cheng Corp.								
	Real estate	November 12, 2024 (Note)	US$ 11,215,000 (Note)	Based on the terms in the purchase order	113 counterparties (Note), including: ABB K.K Addtron Technology (Japan) Inc. Bilfinger Water Technologies GmbH Central Taiwan Science Park Bureau, National Science and Technology Council Chen Yuan International Co., Ltd. Drees & Sommer SE Exyte Central Europe Ltd. Hager+Elsässer GmbH IAQ technology Intega GmbH JAPAN MATERIAL Co., Ltd. JG Environmental Technology Co., Ltd. Kajima Corporation Kanto Chemical Engineering Co., Ltd. Kaohsiung City Government	-	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				KENDAI Co., Ltd. Kinetics Germany GmbH Kurita Water Industries Ltd. Lumax International Corp., Ltd. Marketech International Corporation ORGANO CORPORATION Shimizu Corporation Southern Taiwan Science Park Bureau, Ministry of Science and Technology Taikisha Ltd. Taiwan Puritic Corp. Taiwan Valqua Engineering International, Ltd. Taiyo Nippon Sanso Corporation Takenaka Corporation TOPLINE SYSTEM ENGINEERING CO., LTD. Toray Engineering West Co., Ltd. Tosei Technology Japan Co., Ltd. Uangyih-Tech Industrial Co., Ltd. United Integrated Services Co., Ltd.								

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)

TABLE 6

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	$ 2,057,313,208	71	Net 30 days from invoice date (Note)	-	-	$ 209,056,572	84	
	TSMC Arizona	Subsidiary	Sales	1,133,926	-	Net 30 days from the end of the month of when invoice is issued	-	-	102,021	-	
	JASM	Subsidiary	Sales	383,136	-	Net 30 days from the end of the month of when invoice is issued	-	-	12,851	-	
	TSMC Nanjing	Subsidiary	Sales	104,279	-	Net 30 days from the end of the month of when invoice is issued	-	-	5,136	-	
	GUC	Associate	Sales	6,803,593	-	Net 30 days from invoice date	-	-	430,761	-	
	VIS	Associate	Sales	275,630	-	Net 30 days from the end of the month of when invoice is issued	-	-	117,282	-	
	TSMC Nanjing	Subsidiary	Purchases	71,242,715	37	Net 30 days from the end of the month of when invoice is issued	-	-	(4,473,370)	4	
	TSMC China	Subsidiary	Purchases	26,598,235	14	Net 30 days from the end of the month of when invoice is issued	-	-	(1,848,450)	2	
	TSMC Arizona	Subsidiary	Purchases	789,759	-	Net 30 days from the end of the month of when invoice is issued	-	-	(630,869)	1	
	TSMC Washington	Indirect subsidiary	Purchases	5,984,353	3	Net 30 days from the end of the month of when invoice is issued	-	-	(529,200)	-	
	SSMC	Associate	Purchases	3,861,026	2	Net 30 days from the end of the month of when invoice is issued	-	-	(308,424)	-	
	VIS	Associate	Purchases	758,595	-	Net 30 days from the end of the month of when invoice is issued	-	-	(110,224)	-	
TSMC North America	GUC	Associate of TSMC	Sales	7,285,137 (US$ 227,111)	-	Net 30 days from invoice date	-	-	179,266 (US$ 5,471)	-	
VisEra Tech	Xintec	Associate of TSMC	Sales	668,021	7	Net 60 days from the end of the month of when invoice is issued	-	-	104,765	9	

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover Days (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
TSMC	TSMC North America	Subsidiary	$ 214,106,805	32	$ -	-	$ -	$ -
	TSMC Arizona	Subsidiary	256,605	33	-	-	-	-
	VIS	Associate	626,638	Note 3	-	-	-	-
	GUC	Associate	430,761	24	-	-	-	-
TSMC North America	GUC	Associate of TSMC	179,266 (USD 5,471)	6	-	-	-	-
TSMC JDC	TSMC	Parent company	144,709 (JPY 691,723)	Note 2	-	-	-	-
TSMC China	TSMC	Parent company	1,848,450 (RMB 411,693)	28	-	-	-	-
	TSMC Nanjing	The same parent company	27,086,790 (RMB 6,032,827)	Note 2	-	-	-	-
TSMC Nanjing	TSMC	Parent company	4,473,370 (RMB 996,324)	25	-	-	-	-
VisEra Tech	Xintec	Associate of TSMC	104,765	59	-	-	-	-
TSMC Arizona	TSMC	Parent company	44,867,669 (USD 1,369,253)	Note 2	-	-	-	-
TSMC Technology	TSMC	The ultimate parent of the Company	743,091 (USD 22,677)	Note 2	-	-	-	-
TSMC Development	TSMC Washington	Subsidiary	983,040 (USD 30,000)	Note 2	-	-	-	-
TSMC Washington	TSMC	The ultimate parent of the Company	529,200 (USD 16,150)	22	-	-	-	-

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.

Note 3: The ending balance is primarily consisted of royalty receivables, collected in accordance with contractual terms, which is not applicable for the calculation of turnover days.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	$ 2,057,313,208	-	71%
				Receivables from related parties	209,056,572	-	3%
				Other receivables from related parties	5,050,233	-	-
				Accrued expenses and other current liabilities	179,886,276	-	3%
				Other noncurrent liabilities	71,433,597	-	1%
		TSMC China	1	Purchases	26,598,235	-	1%
		TSMC Nanjing	1	Purchases	71,242,715	-	2%
				Payables to related parties	4,473,370	-	-
		TSMC Technology	1	Research and development expenses	4,916,181	-	-
		TSMC Washington	1	Purchases	5,984,353	-	-
1	TSMC China	TSMC Nanjing	3	Other receivables from related parties	27,086,790	-	-

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

No. 3 represents the transactions between subsidiaries.

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

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2024
(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 December 31, 2024			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 1) (Foreign Currencies in Thousands)	Note
				December 31, 2024 (Foreign Currencies in Thousands)	December 31, 2023 (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	$ 616,839,509	$ 355,162,309	19	100	$ 772,437,954	$ 37,342,396	$ 37,342,396	Subsidiary
	TSMC Arizona	Phoenix, Arizona, U.S.A.	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	565,786,810	329,665,310	17,850	100	544,359,678	(14,298,315)	(14,298,315)	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	76,694,630	1,723,648	1,723,648	Subsidiary
	JASM	Kumamoto, Japan	Manufacturing, sales, and testing of integrated circuits and other semiconductor devices	68,384,148	52,630,042	3,011	73	57,173,512	(4,375,561)	(3,139,299)	Subsidiary
	VIS	Hsinchu, Taiwan	Manufacturing, sales, packaging, testing and computer-aided design of integrated circuits and other semiconductor devices and the manufacturing and design service of masks	13,919,430	10,180,677	506,709	28	18,300,373	7,046,424	1,981,445	Associate
	ESMC	Dresden, Germany	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	18,112,326	4,814,293	735	70	17,510,070	(556,876)	(389,813)	Subsidiary
	VisEra Tech	Hsinchu, Taiwan	Research, design, development, manufacturing, sales, packaging and test of color filter	4,224,082	4,224,082	213,619	67	12,204,760	1,738,905	1,171,464	Subsidiary
	SSMC	Singapore	Manufacturing and sales of integrated circuits and other semiconductor devices	5,120,028	5,120,028	314	39	11,387,185	2,606,393	1,011,020	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	7,856,923	1,141,666	1,141,666	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	4,220,609	1,669,720	684,743	Associate
	GUC	Hsinchu, Taiwan	Researching, developing, manufacturing, testing and marketing of integrated circuits	386,568	386,568	46,688	35	3,512,938	3,450,587	1,202,159	Associate
	Emerging Fund	Cayman Islands	Investing in technology start-up companies	2,688,915	1,666,585	-	99.9	3,214,022	(17,367)	(17,349)	Subsidiary
	TSMC 3DIC	Yokohama, Japan	Engineering support activities	1,144,356	1,144,356	49	100	1,343,370	177,952	177,952	Subsidiary
	TSMC Europe	Amsterdam, the Netherlands	Customer service and supporting activities	15,749	15,749	-	100	631,939	41,506	41,506	Subsidiary
	TSMC JDC	Yokohama, Japan	Engineering support activities	410,680	410,680	15	100	418,383	42,836	42,836	Subsidiary
	TSMC Japan	Yokohama, Japan	Customer service and supporting activities	83,760	83,760	6	100	129,226	4,694	4,694	Subsidiary
	TSMC Korea	Seoul, Korea	Customer service and supporting activities	13,656	13,656	80	100	43,764	1,913	1,913	Subsidiary
	VTAF III	Cayman Islands	Investing in technology start-up companies	561,975	1,242,679	-	98	23,334	1,062	1,041	Subsidiary
	VTAF II	Cayman Islands	Investing in technology start-up companies	158,394	260,300	-	98	6,246	(3,177)	(3,113)	Subsidiary
TSMC Partners	TSMC Development	Delaware, U.S.A	Investing in companies involved in semiconductor manufacturing	19,232,811 (US$ 586,939)	19,232,811 (US$ 586,939)	-	100	39,971,252 (US$ 1,219,826)	(346,954) (US$ (10,922))	Note 2	Subsidiary
	TSMC Technology	Delaware, U.S.A	Engineering support activities	467,993 (US$ 14,282)	467,993 (US$ 14,282)	-	100	1,559,346 (US$ 47,587)	351,561 (US$ 10,949)	Note 2	Subsidiary
	TSMC Canada	Ontario, Canada	Engineering support activities	75,366 (US$ 2,300)	75,366 (US$ 2,300)	2,300	100	424,072 (US$ 12,942)	52,594 (US$ 1,643)	Note 2	Subsidiary
VTAF III	Growth Fund	Cayman Islands	Investing in technology start-up companies	40,498 (US$ 1,236)	75,217 (US$ 2,295)	-	100	-	4,254 (US$ 132)	Note 2	Subsidiary
TSMC Development	TSMC Washington	Washington, U.S.A	Manufacturing, sales and testing of integrated circuits and other semiconductor devices	-	-	293,637	100	5,186,093 (US$ 158,267)	(1,001,385) (US$ (31,319))	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.

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(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, 2024 (US$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024 (US$ in Thousands)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					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)	$ 11,273,152	100%	$ 11,359,207 (Note 2)	$ 110,272,686	$ -
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)	25,954,842	100%	25,960,901 (Note 2)	116,846,280	-

Accumulated Investment in Mainland China as of December 31, 2024 (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)	$ 2,594,145,519 (Note 3)

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

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

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

Taiwan Semiconductor Manufacturing Company Limited

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Shareholders (Note 1)	Shares	
	Total Shares Owned	Ownership Percentage (Note 2)
ADR-Taiwan Semiconductor Manufacturing Company Ltd.	5,313,843,923	20.49%
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.