

## Research Update

# Taiwan Semiconductor Manufacturing Co. Ltd. Ratings Affirmed At 'twAAA/twA-1+'; Outlook Stable

September 26, 2019

## Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term and 'twA-1+' short-term issuer credit ratings on **Taiwan Semiconductor Manufacturing Co. Ltd.** (TSMC). The outlook on the long-term rating is stable. At the same time, we affirmed our 'twAAA' issue rating on the company's unsecured corporate bonds. The ratings on TSMC reflect the company's dominant market position in the global semiconductor foundry business, advanced technology capability supporting very strong profitability, and very low debt leverage. These strengths are partly offset by the high cyclicity and capital-intensive nature of the semiconductor foundry industry and rapid technological changes that could rapidly erode TSMC's market position if the company fails to maintain its technology leadership.

## Related Criteria

- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com](http://www.taiwanratings.com) - June 26, 2018
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings - March 28, 2018
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Technology Hardware And Semiconductors Industry - November 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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# Ratings List

## Ratings Affirmed

### Taiwan Semiconductor Manufacturing Co. Ltd.

Issuer Credit Ratings	twAAA/Stable/twA-1+
Unsecured Corporate Bond Issue Rating	twAAA

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.taiwanratings.com](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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