

Rating Research Services

2014 Ratings Roundup Report

Primary Credit Analyst:

Andrea Lin; (886) 2 8722-5853; andrea.lin@taiwanratings.com.tw

Secondary Contacts:

Raymond Hsu, CFA; (886) 2 8722-5827; raymond.hsu@taiwanratings.com.tw

Andy Chang, CFA, FRM; (886) 2 8722-5815; andy.chang@taiwanratings.com.tw

Table Of Contents

Corporate Ratings

Financial Service Ratings

Structured Finance Ratings

Fixed-Income Fund Ratings

Corporate, Financial, And Structured Finance Sector Default Experience

2014 Ratings Roundup Report

Creditworthiness among rated companies and transactions under our review was generally steady in 2014, which reflected a generally stabilizing global economy and gradual improvement in the domestic economy amid upward, albeit slowing, momentum in Asia-Pacific. An upswing in the pace of U.S. economic recovery since the second quarter of the year has supported some trade-driven improvement in the global economy over the same period. This is despite a lower-than-predicted growth trajectory in China and the market's uneasiness of a triple dip recession in the eurozone (European Economic and Monetary Union). In general, macroeconomic risks somewhat subsided in 2014 compared to the previous year.

Taiwan Ratings Corp. downgraded fewer entities or transactions in 2014 than in either of the past two years. Other negative rating actions (including CreditWatch placements and outlook revisions) were mostly linked to merger and acquisition activity between financial institutions. In addition, we took several positive rating actions (including rating upgrades, CreditWatch placements, and outlook revisions) during the year. This was mostly in response to rated entities' strengthening financial profiles and our updated rating assessment of some non-bank financial institutions (NBFIs) following Standard & Poor's Ratings Services' criteria revision in December 2014. Overall, we made six rating adjustments (four upgrades and two downgrades), and 27 outlook revisions (18 upward and nine downward) within corporate and financial institution sectors in 2014. We also upgraded one asset-backed securities (ABS) and one money market fund during the year.

Overview:

- Excluding rating changes following the launch of new criteria, our ratings on financial institutions remained generally stable, while corporate ratings came under less downward pressure in 2014 than in the previous two years.
- Rating outlooks maintained a negative rating bias at the end of 2014, but the negative bias has eased slightly amid a stabilizing macro economy.
- Structured finance transactions and fixed-income funds have maintained stable credit profiles.

Creditworthiness was relatively stable in Taiwan's corporate and financial sectors in 2014 compared to the past two years (see table 1). Excluding rating adjustments under Standard & Poor's revised NBFI criteria (four upgrades on a securities-centric financial group), we made only one downgrade in each of the corporate and financial sectors and made no upgrades in 2014 (see table 1a).

Table 1 | [Download Table](#)

Long-term Corporate And Financial Institution Rating Changes In Taiwan (2010-2014)

	2014		2013		2012		2011		2010	
	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade
Corporates	0	1	3	5	1	5	3	2	3	2
Financial institutions	4	1	7	0	4	0	12	6	5	2
Banks*	1	1	1	0	2	0	9	2	0	0
Insurers	0	0	6	0	1	0	1	1	0	2
Securities companies¶	2	0	0	0	0	0	2	1	4	0
Financial holding companies	1	0	0	0	0	0	0	2	0	0
Other financial institutions	0	0	0	0	1	0	0	0	1	0
Total	4	2	10	5	5	5	15	8	8	4

*Includes bills finance companies and finance companies. ¶Includes securities finance companies.

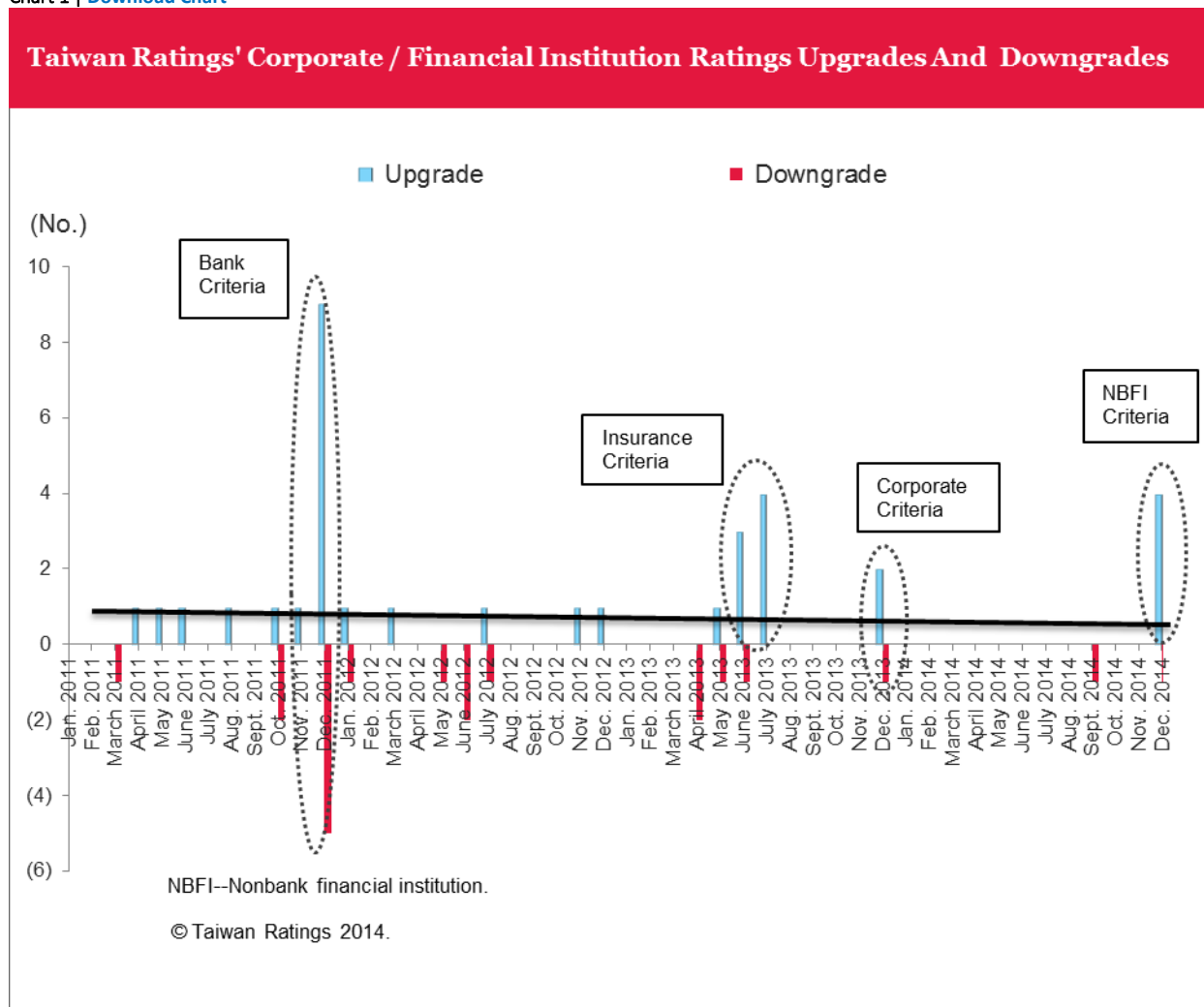
Table 1a | [Download Table](#)

Long-term Corporate And Financial Institution Rating Changes In 2014 (Excluding The Impact Of Standard & Poor's Revised Nonbank Financial Institution Criteria)

	2014	
	Upgrade	Downgrade
Corporates	0	1
Financial institutions	0	1
Banks	0	1
Insurers	0	0
Securities companies	0	0
Financial holding companies	0	0
Other financial institutions	0	0
Total	0	2

We made fewer downgrades in the corporate sector in 2014 than in each of the past two years mostly as a result of relatively stable creditworthiness in the sector amid improving export demand. In 2014, the only downgrade in the sector was on **United Microelectronics Corp.** due to the company's weakening technology position compared with substantial growth in the semiconductor foundry sector as a whole. By contrast, we made five downgrades in 2013, as a result weak global and regional demand constraining the profitability of some rated corporates.

Financial sectors, on the other hand, had a relatively stable-to-positive rating trend in 2014 compared with 2013. We made four upgrades on **Yuanta Securities Co. Ltd.** and related group members under Standard & Poor's revised NBFi criteria. We also made one downgrade in 2014, which was on **Standard Chartered Bank (Taiwan) Ltd.**, and reflected the downgrade of its U.K.-based parent given the local subsidiary's highly strategic role within the group (see chart 1).

Chart 1 | [Download Chart](#)

Upward revisions on rating outlooks and CreditWatch actions outnumbered downward revisions in 2014 (see tables 2 and 2a). This was particularly true in the corporate sector, where we made nine upward outlook revisions during the year. There were no downward revisions in the corporate sector. The outlook revisions on corporate ratings mainly reflected stable demand and strengthening profitability driven by an improving global economy, declining material costs, and company specific reasons such as **Formosa Plastics Corp.** group's effort to reduce leverage.

Conversely, the number of outlook revisions on financial institutions ratings was balanced with nine upward and nine downward outlook changes in 2014. These outlook revisions mainly reflected the outlook changes on the foreign parent groups and the effects of mergers and acquisitions among Taiwan financial institutions. There were no outlook changes as a result of Standard & Poor's revised NBFII criteria.

Table 2 | [Download Table](#)

Outlook Revisions On Corporate And Financial Institution Ratings 2010-2014										
	2014		2013		2012		2011		2010	
	Upward	Downward	Upward	Downward	Upward	Downward	Upward	Downward	Upward	Downward
Corporates	9	0	2	5	0	2	2	12	10	1
Financial institutions	9	9	15	3	5	16	10	3	19	1
Banks*	4	2	3	2	3	4	3	1	9	0
Insurers	0	1	7	0	0	6	1	0	3	1
Securities companies [¶]	2	3	2	0	1	2	4	1	3	0
Financial holding companies	2	2	3	1	1	4	2	1	3	0
Other financial institutions	1	1	0	0	0	0	0	0	1	0
Total	18	9	17	8	5	18	12	15	29	2

*Includes bills finance companies and finance companies. ¶Includes securities finance companies. Note: Data do not include revisions from CreditWatch Positive to Positive or CreditWatch Negative to Negative, or CreditWatch Developing to Stable.

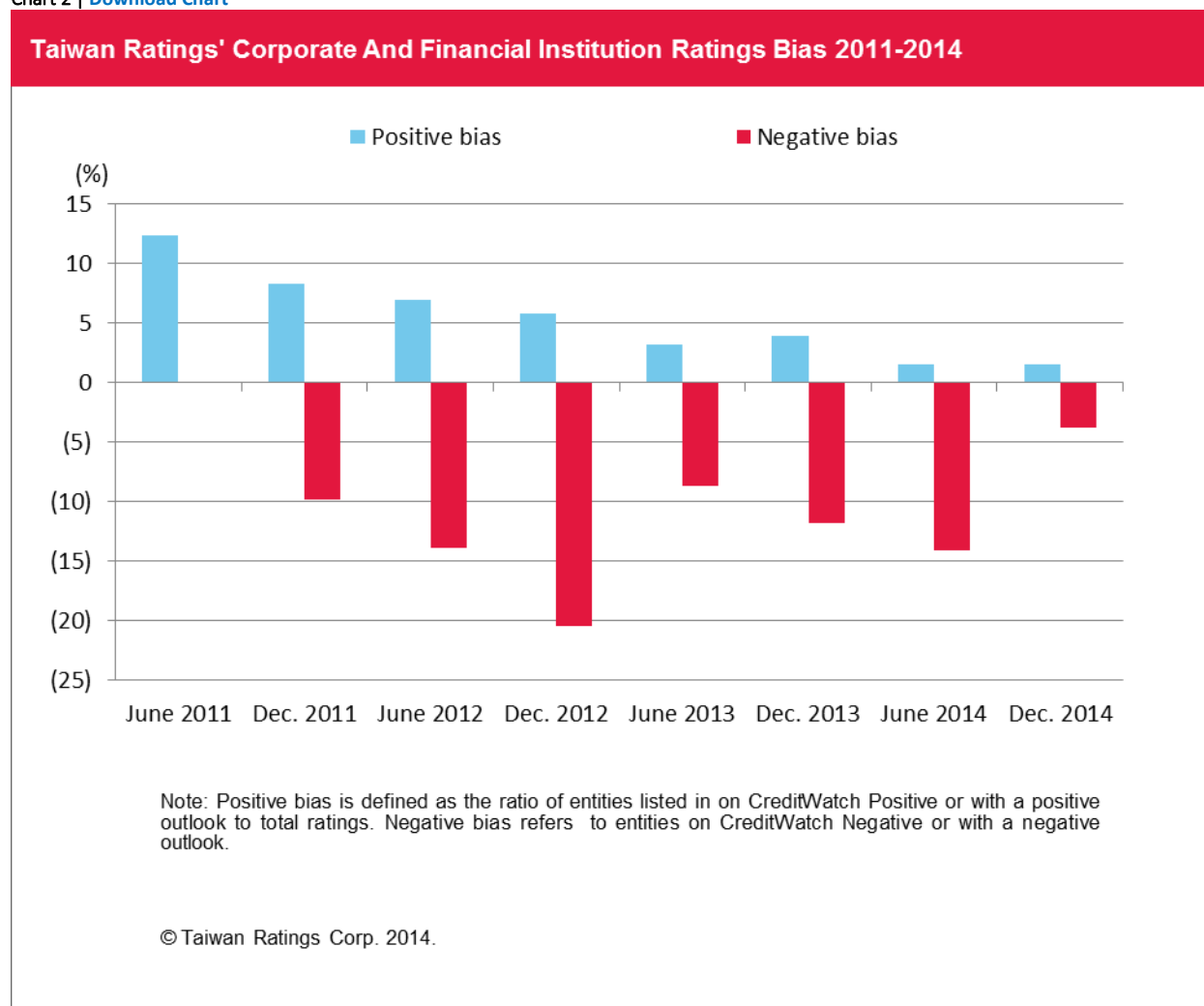
Table 2a | [Download Table](#)

Outlook Revisions In 2014 (Excluding The Impact Of Standard & Poor's Revised Nonbank Financial Institution Criteria)

	2014	
	Upward	Downward
Corporates	9	0
Financial institutions	9	9
Banks	4	2
Insurers	0	1
Securities companies	2	3
Financial holding companies	2	2
Other financial institutions	1	1
Total	18	9

Negative rating bias in Taiwan Ratings' rated pool eased to 4% at the end of 2014, down from 12% at the end of 2013 (see chart 2). This change mainly reflects the outlook revision back to stable on four core companies of the Formosa Plastics group, as well as outlook revisions back to stable on some financial institutions. The reduced negative bias is also due to our removal of the ratings on several financial institutions from CreditWatch Negative following the resolution of mergers and acquisitions by such entities.

Positive rating bias also dipped slightly to 2% in 2014 from 4% in 2013, due to the removal of some financial institution ratings from CreditWatch Positive or the revision of a positive rating outlook back to stable.

Chart 2 | [Download Chart](#)

Negative rating bias continued to outpace positive rating bias at the end of 2014, while over 90% of our rated pool has stable outlooks as of the same time. The negative bias on our corporate ratings comes from three entities whose financial profiles remain likely to weaken. Conversely, the negative bias on financial institution ratings reflects the parent group outlook of some foreign financial institutions' subsidiaries or branches in Taiwan. The positive rating bias within our ratings pool reflects two corporate entities on which we adjusted the ratings outlook to positive from stable in 2014, in response to our expectation of their improving profitability.

By contrast, rated structured finance transactions maintained somewhat stable credit profiles in 2014 (see table 3). There were only a couple of rating changes during the year--one of which was tied to the placement of the ratings on a related financial institution on CreditWatch Negative, and one linked to a transaction's relatively higher credit enhancement level when the deal entered into amortization. Excluding these rating changes, structured finance transactions have generally performed in line with our expectations. The rating withdrawals during the year resulted from the full pay-down of notes.

Table 3 | [Download Table](#)

Structured Finance New Issue Ratings And Ratings Changes In 2014						
Asset type	New	Withdrawn due to Full Paydown	Upgrade	Downgrade	Watch Pos	Watch Neg
Residential mortgage-backed securities	0	2	0	0	0	0
Asset-backed securities	2	2	1	0	0	0
Collateralized bond obligations	0	4	0	0	0	1
Collateralized loan obligations	0	0	0	0	0	0
Ground lease	0	0	0	0	0	0
Real estate asset trust	0	0	0	0	0	0
Total	2	8	1	0	0	1
Structured Finance New Issue Ratings And Ratings Changes In 2013						
Asset type	New	Withdrawn due to Full Paydown	Upgrade	Downgrade	Watch Pos	Watch Neg
Residential mortgage-backed securities	0	1	0	0	0	0
Asset-backed securities	0	0	0	0	0	0
Collateralized bond obligations	0	0	0	0	0	0
Collateralized loan obligations	0	0	0	0	0	0
Ground lease	0	0	0	0	0	0
Real estate asset trust	0	0	0	0	0	0
Total	0	1	0	0	0	0

Note: Numbers for Watch Pos and Watch Neg refer to the actions taken to place the ratings on CreditWatch with positive or negative implications.

Rating performance was also relatively stable in the fixed-income fund sector in 2014. Taiwan Ratings upgraded one money market fund, assigned one new rating, and withdrew four ratings at the fund manager's request during the year.

Corporate Ratings

Rating performance ended the negative trend amid a stabilizing macro economy

Corporate rating performance was relatively stable in 2014, marking a distinct change from recent years when falling market demand and the global economic slowdown dragged down corporate ratings. We downgraded only one credit and made no downward adjustment to the rating outlooks on corporate issuers in 2014; meanwhile we made no upgrades during the year but made nine upward rating outlook adjustments (see table 4). These rating actions were the result of a stabilizing local and global economy, as well as company-specific reasons, including efforts by rated companies to reduce debt and an evolution in the competitiveness of specific issuers.

Table 4 | [Download Table](#)

Corporate Sector Upgrades			
Issuer	To	From	Date
Nil			
Corporate Sector Downgrades			
Issuer	To	From	Date
United Microelectronics Corp.	twAA- / Stable / twA-1+	twAA / Negative / twA-1+	9/25/2014
Corporate Sector Outlook Revisions			
Issuer	To	From	Date
TECO Electric & Machinery Co. Ltd.	twA / Positive / twA-1	twA / Stable / twA-1	2/12/2014
Cheng Shin Rubber Ind. Co. Ltd.	twA / Positive / twA-2	twA / Stable / twA-2	2/21/2014
Nan Ya Printed CircuitBoard Corp.	twA+ / Stable / twA-1	twA+ / Negative / twA-1	10/29/2014
Formosa Heavy Industries Corp.	twA+ / Stable / twA-1	twA+ / Negative / twA-1	10/29/2014
Formosa Taffeta Co. Ltd.	twA+ / Stable / twA-1	twA+ / Negative / twA-1	10/29/2014
Formosa Plastics Corp.	twAA- / Stable / twA-1+	twAA- / Negative / twA-1+	10/29/2014
Nan Ya Plastics Corp.	twAA- / Stable / twA-1+	twAA- / Negative / twA-1+	10/29/2014
Formosa Chemicals & Fibre Corp.	twAA- / Stable / twA-1+	twAA- / Negative / twA-1+	10/29/2014
Formosa Petrochemical Corp.	twAA- / Stable / twA-1+	twAA- / Negative / twA-1+	10/29/2014
Corporate Sector Ratings On / Off Credit Watch			
Nil			

As China's growth momentum slows and external demand has yet to meaningfully improve, some Taiwanese corporates continue to experience oversupply, albeit to a lesser extent. This industrywide risk is reflected in our downward rating actions during the past couple of years on some entities within high-cyclicality sectors. While we have made multiple positive outlook revisions to stable from negative on local corporates, we nonetheless believe that competition and continued oversupply in major industries such as shipping and chemicals could constrain further improvement in the business and financial risk profiles of rated companies in 2015. This is despite the likelihood of continued global economic recovery and lower commodity prices over the next year.

Five new issuer credit ratings assigned and one rating withdrawal

We assigned new credit ratings on five corporate entities and withdrew one corporate rating in 2014 (see table 5).

Table 5 | [Download Table](#)

Corporate Sector New Issuer Ratings		
Issuer	Ratings assigned	Date
Uni-President China Holdings Ltd.	twAA- / Stable / twA-1	1/17/2014
Sinyi Realty Inc.	twA / Stable / twA-2	5/2/2014
Formosa Taffeta Co. Ltd.	twA+ / Negative / twA-1	6/18/2014
Pacific Hospital Supply Co. Ltd.	twA- / Stable / twA-2	9/3/2014
Formosa Heavy Industries Corp.	twA+ / Negative / twA-1	10/15/2014
Corporate Sector Ratings Withdrawn		
Issuer	Ratings prior to withdrawal	Date
Ho-Ping Power Co.	twAA- / Stable / twA-1+	12/8/2014

Financial Service Ratings

Credit profiles mostly remained stable due to low credit charges and ample liquidity

Taiwan's financial institutions (including banks, insurers, securities companies, and financial holding companies) maintained steady rating performances in 2014, under a stable operating environment. Credit profiles across the financial services industry remained largely unchanged over the year, helped by low credit charges, ample liquidity, and manageable investment returns, despite some volatility in capital markets. Excluding rating actions that we took following the NBF1 criteria revision, we made only one downgrade on a bank following a similar rating action by Standard & Poor's on the bank's overseas parent. We also adjusted the rating outlooks back to stable on several financial institutions or removed the ratings from CreditWatch following the entities' respective mergers and acquisitions. Additional outlook revisions followed our evaluation of an entity's stabilizing capital and earnings and a change in the credit outlook of an entity's parents overseas (see table 6).

Table 6 | [Download Table](#)

Financial Institutions Upgrades				
Issuer	To	From	Date	
Yuanta Securities Co. Ltd.	twAA / Stable / twA-1+	twAA- / Stable / twA-1+	12/12/2014	
Yuanta Commercial Bank	twAA / Stable / twA-1+	twAA- / Stable / twA-1+	12/12/2014	
Yuanta Securities Finance Co. Ltd.	twAA / Stable / twA-1+	twAA- / Stable / twA-1+	12/12/2014	
Yuanta Financial Holding Co. Ltd.	twAA- / Stable / twA-1+	twA+ / Stable / twA-1	12/12/2014	
Financial Institutions Downgrades				
Issuer	To	From	Date	
Standard Chartered Bank (Taiwan) Ltd.	twAA+ / Negative / twA-1+	twAAA / Negative / twA-1+	12/1/2014	
Financial Institutions Outlook Revisions				
Issuer	To	From	Date	
Yuanta Commercial Bank	twAA- / Stable / twA-1+	twAA- / Positive / twA-1+	1/14/2014	
Yuanta Securities Co. Ltd.	twAA- / Stable / twA-1+	twAA- / Positive / twA-1+	1/14/2014	
Yuanta Securities Finance Co. Ltd.	twAA- / Stable / twA-1+	twAA- / Positive / twA-1+	1/14/2014	
Yuanta Financial Holding Co. Ltd.	twA+ / Stable / twA-1	twA+ / Positive / twA-1	1/14/2014	
Citigroup Global Markets Taiwan Securities	twAA / Stable / twA-1+	twAA / Negative / twA-1+	1/22/2014	
Sunny Bank	twBBB+ / Stable / twA-2	twBBB+ / Negative / twA-2	9/17/2014	
Financial Institutions Ratings On / Off Credit Watch				
Issuer	To	From	Date	
China Development Industrial Bank	twAA- / Watch Neg / twA-1+	twAA- / Stable / twA-1+	2/12/2014	
KGI Securities Co. Ltd.	twAA- / Watch Neg / twA-1+	twAA- / Stable / twA-1+	2/12/2014	
China Development Financial Holding Corp.	twA+ / Watch Neg / twA-1	twA+ / Stable / twA-1	2/12/2014	
CDC Finance & Leasing Corp.	twA / Watch Neg / twA-1	twA / Stable / twA-1	2/12/2014	
Bank of Panhsin	twBBB- / Stable / twA-3	twBBB- / Watch Neg / twA-3	4/28/2014	
Taiwan Life Insurance Co. Ltd.	twA+ / Stable / --	twA+ / Watch Pos / --	6/19/2014	
CTBC Bank Co. Ltd.	twAA+ / Stable / twA-1+	twAA+ / Watch Neg / twA-1+	7/22/2014	
CTBC Financial Holding Co. Ltd.	twAA- / Stable / twA-1+	twAA- / Watch Neg / twA-1+	7/22/2014	
China Development Industrial Bank	twAA- / Stable / twA-1+	twAA- / Watch Neg / twA-1+	8/4/2014	
KGI Securities Co. Ltd.	twAA- / Stable / twA-1+	twAA- / Watch Neg / twA-1+	8/4/2014	
China Development Financial Holding Corp.	twA+ / Stable / twA-1	twA+ / Watch Neg / twA-1	8/4/2014	
CDC Finance & Leasing Corp.	twA / Stable / twA-1	twA / Watch Neg / twA-1	8/4/2014	

The bulk of rating actions that we took in December 2014 followed Standard & Poor's introduction of revised NBF1 criteria. Major ratings changes under the application of the criteria included the upgrade of four entities within the **Yuanta Financial Holding Co. Ltd.** (Yuanta FHC) group. The upgrades were driven by the recognition of Yuanta Securities

very strong business stability without any annual loss record, as well as strong capitalization. The ratings on the holding company, **Yuanta Commercial Bank**, and **Yuanta Securities Finance Co. Ltd.** move in tandem with those on Yuanta Securities, the latter two because of their core group status.

Two new issuer ratings assigned with three rating withdrawals

We assigned two new ratings and withdrew three existing ratings on financial institutions in 2014 (see table 7).

Table 7 | [Download Table](#)

Financial Institutions New Issuer Ratings		
Issuer	Ratings assigned	Date
Société Générale, Taipei Branch	twAA+ / Negative / twA-1+	9/4/2014
Cosmos Bank	twAA- / Stable / twA-1+	9/12/2014
Financial Institutions Ratings Withdrawn		
Issuer	Ratings prior to withdrawal	Date
Banco Bilbao Vizcaya Argentaria, S.A. Taipei Branch	twA / Stable / twA-1	2/6/2014
Citibank Securities (Taiwan) Ltd.	twAA / Stable / twA-1+	11/28/2014
DBS Bank (Taiwan) Ltd.	twAAA / Stable / twA-1+	12/22/2014

Structured Finance Ratings

Stable rating performances despite volatility from dependency rating changes

Structured finance transactions under our surveillance maintained generally stable rating performances in 2014, supported by stable counterparty support, steady underlying asset performances, and the transactions' payment structure arrangement. Stable asset performance together with increased credit enhancement under a sequential pay-down structure, led us to upgrade one ABS tranche during the year. However, some rating volatility remained throughout the year, due to changes in the transactions' dependency ratings. We took some rating actions--on CreditWatch and off CreditWatch--on a collateralized bond obligation (CBO) transaction, the ratings on which are linked to a bank, following our similar rating actions on the bank (see table 8).

Table 8 | [Download Table](#)

Structured Finance Upgrades				
Class of certificate	Transaction	To	From	Date
Class B	Chaillease 2010 Securitization SPT	twAA(sf)	twA(sf)	1/17/2014
Structured Finance Downgrades				
Class of certificate	Transaction	To	From	Date
Nil				
Structured Finance On / Off Credit Watch				
Class of certificate	Transaction	To	From	Date
Class B	Standard Bank CBO 2007-1	twAA-p(sf) / Watch Neg	twAA-p(sf)	2/18/2014
Class B	Standard Bank CBO 2007-1	twAA-p(sf)	twAA-p(sf) / Watch Neg	8/8/2014

We assigned new ratings to a structured finance transaction in 2014 and withdrew ratings on eight tranches of notes

We assigned new ratings to an ABS transaction issued in July 2014. The new transaction highlights market acceptance for Taiwan securitization offerings, despite the slow recovery in domestic securitization markets. We made eight rating withdrawals in ABS, CBO, and residential mortgage backed securities (RMBS) sectors following the rated notes' full redemption during the year (see table 9).

Table 9 | [Download Table](#)

Structured Finance New Issue Ratings			
Class of certificate	Transaction	Ratings assigned	Date
Class A	Chailease 2014 Securitization Special Purpose Trust	twAAA(sf)	7/24/2014
Class B	Chailease 2014 Securitization Special Purpose Trust	twA(sf)	7/24/2014
Structured Finance Ratings Withdrawn			
Class of certificate	Transaction	Ratings prior to withdrawal	Date
Class A2	Capital Securities CBO 2006-1	twAA+p(sf)	3/20/2014
Class B	Capital Securities CBO 2006-1	twAA+(sf)	3/20/2014
Class C	Capital Securities CBO 2006-1	twAA+(sf)	3/20/2014
Class A	Chailease 2010 Securitization Special Purpose Trust	twAAA(sf)	6/26/2014
Class B	Jih-Sun Securities CBO 2007-1	twAAA(sf)	7/11/2014
Class B	Chailease 2010 Securitization Special Purpose Trust	twAA(sf)	8/27/2014
Class C	Chinatrust RMBS	twAAA(sf)	9/25/2014
Class D	Chinatrust RMBS	twAAA(sf)	9/25/2014

Fixed-Income Fund Ratings

One rating upgrade due to revised risk appetite

Our rated fixed-income funds maintained generally stable ratings in 2014, despite continued yield competition that propels some fixed income funds to pursue more aggressive investments. The only rating change during the year was the upgrade of a money market fund, due to the fund's superior asset quality and the fund manager's stringent investment control (see table 10).

Table 10 | [Download Table](#)

Fixed-Income Fund Ratings Upgrades			
Fund	To	From	Date
BlackRock TWD Money Market Fund	twAAAf/--	twAA+f/--	4/21/2014

The majority of the rated fixed-income funds have maintained stable asset credit quality over the past 12 months despite uncertainties over funds' asset quality due to yield competition and a sharp fluctuation in fund size. Aside from the single rating action mentioned above, we assigned one new rating and withdrew four ratings at the request of the fund managers (see table 11).

Table 11 | [Download Table](#)

Fixed-Income Fund New Ratings		
Fund	Ratings assigned	Date
CTBC Hua Win Money Market Fund	twAAf/--	2/13/2014
Fixed-Income Fund Ratings Withdrawn		
Fund	Rating prior to withdrawal	Date
ING Taiwan Select Money Market Fund	twAA+f/--	6/6/2014
ING Taiwan Hong-Yang Money Market Fund	twAAf/--	6/6/2014
Nua Nan Phoenix Money Market Fund	twAAf/--	12/16/2014
Nua Nan Kirin Money Market Fund	twAAf/--	12/16/2014

Corporate, Financial, And Structured Finance Sector Default Experience

There were no defaults in our rated pool of Taiwanese corporates, financial institutions, and structured finance securitizations in 2014.

For corporate and financial institutions, the absence of defaults was due to the effect of our small issuer pool size and the majority position held by high ratings (more than 80% of entities are rated 'twA-' or above) in our issuer pool. The zero default rate also continues to reflect non-financial corporations' adequate access to liquidity, corporate issuers' relatively prudent financial policy, and a generally stable financial market in Taiwan amid mild growth in the domestic economy.

The stable performance of underlying assets and related transaction parties supported the zero default of rated structured finance transactions in 2014.

Under Taiwan Ratings' policies, only a Rating Committee can determine a Credit Rating Action (including a Credit Rating change, affirmation or withdrawal, Rating Outlook change, or CreditWatch action). This commentary and its subject matter have not been the subject of Rating Committee action and should not be interpreted as a change to, or affirmation of, a Credit Rating or Rating Outlook.

Copyright © 2014 by Taiwan Ratings Corporation (TRC). All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of TRC. The Content shall not be used for any unlawful or unauthorized purposes. TRC and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively TRC Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. TRC Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. TRC DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall TRC be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. TRC credit ratings are opinions about relative credit risk. TRC's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. TRC assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. TRC does not act as a fiduciary or an investment advisor except where registered as such. While TRC has obtained information from sources it believes to be reliable, TRC does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. TRC cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, TRC reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. TRC disclaims any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

TRC keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of TRC may have information that is not available to other TRC business units. TRC has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

TRC may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. TRC reserves the right to disseminate its opinions and analyses. TRC's public ratings and analyses are made available on its Web sites, www.taiwanratings.com (free of charge), and rrs.taiwanratings.com.tw (subscription), and may be distributed through other means, including via TRC publications and third-party redistributors.