

Media Release

# 2018 Annual Taiwan Ratings Corp. Corporate And Structured Finance Default And Rating Transition Studies Published

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Among nonfinancial corporate entities and financial services companies rated by Taiwan Ratings Corp. (TRC), the upgrade ratio (the proportion of ratings that were raised) in 2018 surpassed 10%, while there were no downgrades or defaults, according to "**2018 Annual Taiwan Ratings Corp. Corporate Default And Rating Transition Study**," published today by S&P Global Fixed Income Research. Ratings stability (as measured by the proportion of ratings that remained the same from the start of the year to the end of the year) was 85.8%, higher than the historical weighted average of 76.8%.

"Last year was the second year in a row with no downgrades or defaults," said Taiwan Ratings credit analyst Irene Lai.

The study found that TRC's ratings continue to show a clear correspondence between rating and default remoteness, with default rates among investment-grade ratings well below those of speculative-grade ratings across all time frames. This finding is consistent with the performance of S&P Global Ratings' global scale ratings.

Meanwhile, the credit quality of structured finance securities on which TRC has assigned ratings improved during 2018, according to "**2018 Annual Taiwan Structured Finance Default Study And Rating Transitions**," also published today. There was one upgrade and no downgrades or defaults among the five ratings outstanding at the beginning of the year. Despite some volatility in underlying assets, this was not sufficient to cause downward ratings movements in any transactions.

Of the 91 Taiwan structured finance ratings assigned since the beginning of 2003, there have been four defaults in total, giving an overall lifetime default rate of 4.4%. The lifetime upgrade rate stands at 49.5%, while the lifetime downgrade rate is at 11.0%.

For more details please see the full report, which is available on our public website at [www.taiwanratings.com](http://www.taiwanratings.com) as well as to subscribers of our paid website at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). Members of the media can obtain a copy by contacting our media head, Simon Chen at (886) 2-8722-5871 or [simon.chen@taiwanratings.com.tw](mailto:simon.chen@taiwanratings.com.tw).

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