

Research Update:

# Ratings Affirmed On Taiwan Cooperative Financial Holding Co. Ltd. And Taiwan Cooperative Bank Ltd.; Outlooks Stable

January 16, 2020

## Rationale

Taiwan Ratings Corp. today affirmed its long-term and short-term issuer credit ratings on **Taiwan Cooperative Financial Holding Co. Ltd.** and **Taiwan Cooperative Bank Ltd.**, as well as our issue credit ratings on the bank's various senior and unsecured subordinated debts (see Ratings List). The outlook on the long-term ratings is stable.

The ratings reflect our assessment of the group's good market position and established franchise in Taiwan's banking sector, strong capitalization, as well as satisfactory funding and liquidity profile. Counterbalancing factors include the group's mediocre profitability relative to similar-rated global peers. The ratings on the bank also reflect the implicit support from the Taiwan government, given the bank's high systemic importance in Taiwan's banking system. In addition, the ratings on the holding company reflect its relative subordination to its major operating subsidiaries.

## Related Criteria

- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions - November 09, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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## Ratings List

### Ratings Affirmed

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#### Taiwan Cooperative Bank Ltd.

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Issuer Credit Rating	twAA+/Stable/twA-1+
Unsecured senior debenture	twAA+
Unsecured subordinate debenture	twAA
Unsecured subordinate debenture	twA+

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#### Taiwan Cooperative Financial Holding Co. Ltd.

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Issuer Credit Ratings	twAA-/Stable/twA-1+
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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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