

Research Update:

# Taiwan Cooperative Bank Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

March 23, 2020

## Rationale

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **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 rating is stable.

The ratings on Taiwan Cooperative Bank reflect the bank's good market position and established franchise in Taiwan's banking industry, as well as strong capitalization and satisfactory funding and liquidity profile. Counterbalancing factors include the bank's mediocre profitability relative to similar-rated global peers. The ratings also reflect the 'bbb' anchor for banks in Taiwan and our view of implicit support for Taiwan Cooperative Bank from the Taiwan government, given to the bank's high systemic importance in the domestic banking system.

## Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- TRC Financial Services Issue Credit Rating Criteria, [www.taiwanratings.com](http://www.taiwanratings.com) - July 31, 2019
- 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 | 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

#### Taiwan Cooperative Bank Ltd.

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

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