

Research Update:

Land Bank of Taiwan Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

May 27, 2020

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Land Bank of Taiwan**. The outlook on the long-term rating is stable. At the same time, we affirmed our issue credit ratings on the bank's various outstanding debt (see Ratings List). The ratings on Land Bank reflect our view that the Taiwan government would provide timely support to the bank, if needed, due to the bank's high importance in the local banking industry. The ratings on Land Bank also reflect our assessment of the bank's good domestic franchise and above-average funding capability considering its 100% government-owned image. These factors are offset by the bank's below-average capitalization relative to its risk profile compared with that of domestic banks, as well as higher property related loan exposure.

Related Criteria

- General Criteria: Group Rating Methodology, Jul 01 2019
- Understanding Taiwan Ratings' Rating Definitions, Jun 26 2018
- General Criteria: Methodology For National And Regional Scale Credit Ratings, Jun 25 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Jul 20 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- TRC Financial Services Sector Issue Credit Rating Criteria, Sep 23 2014
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, Jul 17 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov 09 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov 09 2011
- General Criteria: Use Of Credit Watch And Outlooks, Sep 14 2009

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

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Ratings List

Ratings Affirmed

Land Bank of Taiwan

Issuer Credit Rating	twAA/Stable/twA-1+
Basel III Unsecured Subordinated Debentures	twA
Basel III Perpetual, Non-cumulative Subordinated Debenture	twBBB
Basel II Unsecured Subordinated Debentures	twAA-

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