

Research Update:

The Shanghai Commercial & Savings Bank Ltd. Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

December 9, 2020

Rating Action

Taiwan Ratings Corp today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **The Shanghai Commercial & Savings Bank Ltd.** The outlook on the long-term rating is stable. At the same time, we affirmed our ratings on the bank's various subordinated unsecured debentures (see Ratings List).

The ratings on Shanghai Commercial & Savings Bank reflect the bank's strong capitalization on a consolidated basis, satisfactory risk management with good record of credit loss experience for its Taiwan operation, established franchise in trade finance and cross-strait corporate banking business in Taiwan, as well as adequate funding and liquidity. This is despite the bank's relatively small scale by domestic comparison, given that keen competition somewhat constraints its profitability in Taiwan.

Related Criteria & Research

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- 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: Principles Of Credit Ratings - February 16, 2011
- 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
- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019

PRIMARY CREDIT ANALYST

Patty Wang
Taipei
+886-2-8722-5823
patty.wang
@spglobal.com
patty.wang
@taiwanratings.com.tw

SECONDARY CONTACT

Eunice Fan
Taipei
+886-2-8722-5818
eunice.fan
@spglobal.com
eunice.fan
@taiwanratings.com.tw

Related Research

– Taiwan Ratings' Ratings Definitions – August 10, 2020

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

Ratings List

Ratings Affirmed

The Shanghai Commercial & Savings Bank Ltd.

Issuer Credit Rating	twAA/Stable/twA-1+
Unsecured Subordinated Debenture (NDSB)	twAA-
Unsecured Subordinated Debenture (with NVCC)	twA+

NDSB--Non-deferrable subordinated debt; NVCC-Non viability contingent capital.

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 for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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