

Research Update:

# Cathay United Bank Co. Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

September 28, 2021

## Rating Action

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

The ratings on Cathay United Bank reflect our view of support from the Taiwan government under times of financial distress, given the bank's moderate systematic importance to the domestic banking industry. In addition, the ratings reflect the bank's solid local franchise, strong capitalization, and diversified funding and liquidity profile that benefits from the parent **Cathay Financial Holding Co. Ltd.** group's diverse and widespread customer base. Cathay United Bank's moderate profitability and diversification by global standards tempers these strengths.

## Related Criteria & Research

### Related Criteria

- 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
- 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
- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019

### Related Research

- Taiwan Ratings' Ratings Definitions - August 10, 2020

(Unless otherwise stated, these articles are published on [www.taiwanratings.com](http://www.taiwanratings.com))

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## Ratings List

### Ratings Affirmed

#### Cathay United Bank Co. Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
Unsecured Subordinated Debenture (Legacy, Without non viability clause)	twAA
Unsecured Subordinated Debenture (with non viability clause)	twAA-
Perpetual Non-cumulative Subordinated Debenture	twA

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