

Research Update:

# Ratings On CTBC Financial Holding Co. Ltd And Core Subsidiaries Affirmed; Outlooks Stable

September 28, 2021

## Rationale

Taiwan Ratings Corp. today affirmed its various ratings on **CTBC Financial Holding Co. Ltd.** (CTBC FHC) and its core subsidiaries, **CTBC Bank Co. Ltd.** and **Taiwan Life Insurance Co. Ltd.** (see ratings list). The outlooks on the ratings remain stable. Our assessment of the CTBC FHC group credit profile reflects the consolidated credit profile of CTBC Bank and Taiwan Life, given that these companies account for about 68% and 31%, respectively, of the group's total assets as of the end of June 2021.

The ratings on CTBC FHC and its core subsidiaries reflect the group's strong market presence and satisfactory funding and liquidity in Taiwan's financial market. The ratings also reflect the banking subsidiary's strong capitalization, while somewhat moderated by the insurance unit's weaker capitalization. The ratings on CTBC Bank also reflect a moderate level of government support due to its systemic importance in Taiwan. The ratings on CTBC FHC also reflect a degree of subordination to its operating subsidiaries as the non-operating holding company.

## 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: 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: Group Rating Methodology - July 01, 2019

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- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010

## Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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

## Ratings List

### Ratings Affirmed

#### CTBC Financial Holding Co. Ltd.

Issuer Credit Rating	twAA-/Stable/twA-1+
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#### CTBC Bank Co. Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
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#### Taiwan Life Insurance Co. Ltd.

Issuer Credit Rating	twAA/Stable
Financial Strength Rating	twAA/Stable

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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