

Media Release:

Co-Operative Assets Management Co. Ltd. Ratings Affirmed Under Revised Criteria; Outlook Stable

December 21, 2021

Overview

- We have reviewed our ratings on Co-Operative Assets Management Co. Ltd. under our revised criteria.
- We have affirmed the 'twA+/twA-1' issuer credit ratings on the leasing company. The stable outlook remains unchanged

Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **Co-Operative Assets Management Co. Ltd.** The outlook on the long-term rating is stable.

Rationale

The ratings on Co-Operative Assets Management reflect our view that the company would receive support from its financially stronger parent, Taiwan Cooperative Financial Holding Co. Ltd. group, if needed. The ratings also reflect the asset management company's strong capitalization on a consolidated basis and adequate funding and liquidity supported by the group. This is despite the company's limited operating scale and weakened asset quality in the leasing segment business due to several defaults

Outlook

The stable rating outlook on Co-Operative Assets Management Co. Ltd. mainly reflects our view that the company will remain a strategically important entity of the Taiwan Cooperative group over the next two years. The outlook also reflects our expectation that the credit profile of the group's core banking subsidiary, Taiwan Cooperative Bank Ltd., as well as Co-op AMC's stand-alone credit profile, will remain stable over the same period.

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Downside scenario

We may lower the rating on Co-Operative Assets Management if the company's stand-alone credit profile weakens, which could result from significant deterioration in capitalization or asset quality due to aggressive business expansion.

Upside scenario

Conversely, we could raise the rating on Co-Operative Assets Management if the company demonstrates material improvement in its operating scale while at the same time maintaining reasonable profitability.

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- 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: Principles Of Credit Ratings - February 16, 2011

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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

Ratings List

Ratings Affirmed

Co-Operative Assets Management Co. Ltd.

Issuer Credit Rating	twA+/Stable/twA-1
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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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