

Media Release:

Fubon Bank (China) Co. Ltd. Ratings Affirmed At 'twAA/twA-1+' Under Revised Criteria; Outlook Stable

January 25, 2022

Overview

- We reviewed **Fubon Bank (China) Co. Ltd.** under our revised criteria.
- We affirmed our 'twAA/twA-1+' issuer credit ratings on the bank. The rating outlook remains stable.

Rating Action

Taiwan Ratings Corp today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on Fubon Bank (China). The outlook on the long-term rating is stable.

Rationale

The affirmation follows a revision to our criteria for rating banks and nonbank financial institutions and for determining a Banking Industry Country Risk Assessment (BICRA; see "Financial Institutions Rating Methodology" and "Banking Industry Country Risk Assessment Methodology And Assumptions," both published Dec. 9, 2021).

The ratings on Fubon Bank (China) reflect our view that the bank will remain a highly strategic subsidiary of Taiwan-domiciled Fubon Financial Holding Co. Ltd. group over the next one to two years, and our belief that the bank benefits from a degree of parental support.

Outlook

The stable outlook on Fubon Bank (China) Co. Ltd. reflects our expectation that the bank will remain a highly strategic subsidiary of **Fubon Financial Holding Co. Ltd.** group. The outlook also reflects our view that the group will maintain a stable credit profile over the next one to two years.

Downward scenario

We may downgrade Fubon Bank (China) if the group's credit profile weakens.

Upward scenario

We may raise the rating if we view Fubon Bank (China) as a core entity of the group. This could happen if the bank improves its operating performance, thereby becoming one of the major and stable profit contributors to the group. We may also raise the rating if the group's credit profile improves. However, we view both scenarios as unlikely over the next 12–24 months.

PRIMARY CREDIT ANALYST

Eunice Fan

Taipei

+886-2-2175-6818

eunice.fan

@spglobal.com

eunice.fan

@taiwanratings.com.tw

SECONDARY CONTACT

Patty Wang

Taipei

+886-2-2175-6823

patty.wang

@spglobal.com

patty.wang

@taiwanratings.com.tw

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- 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
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- 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

Fubon Bank (China) Co. Ltd.

Issuer Credit Rating	twAA/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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