

Research Update:

Land Bank of Taiwan Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

May 26, 2022

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **Land Bank of Taiwan**. The outlook on the long-term rating is stable. At the same time, we affirmed our issue credit ratings on the bank's outstanding debt (see Ratings List).

The ratings on Land Bank reflect our view that the Taiwan government would ensure full and timely support to the bank, if needed, due to the bank's high systemic importance to the local banking industry. The ratings also reflect our assessment of the bank's good domestic franchise and above-average funding capability considering its 100% government-owned image. These factors are offset by Land Bank's below-average capitalization relative to its risk profile when compared with domestic banks', and its higher construction loan exposure.

Related Criteria & Research

Related Criteria

- 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: 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
- 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
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- 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)

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Ratings List

Ratings Affirmed

Land Bank of Taiwan

Issuer Credit Rating	twAA+/Stable/twA-1+
Basel II Unsecured Subordinated Debentures	twAA
Unsecured Subordinated Debenture Issue Credit Rating	twA

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