

Media Release:

Taipei Fubon Commercial Bank Co. Ltd.'s Upcoming Series 111-4 Debentures Rated 'twAA-'

September 2, 2022

Rating Action

Taiwan Ratings Corp. today assigned its 'twAA-' issue rating to **Taipei Fubon Commercial Bank Co. Ltd.'s** (twAA+/Stable/twA-1+) Series 111-4 seven-year unsecured subordinated debentures. The amount of the issuance will be about new Taiwan dollar (NT\$) 5 billion. Taipei Fubon Commercial Bank will mainly use the funds raised from the debentures to improve its capital adequacy ratio. Any material change in the proposed terms, conditions, or amount of this issue could affect the ratings.

Rationale

The issue rating on the Series 111-4 unsecured subordinated debenture is two notches below the issuer credit rating on Taipei Fubon Commercial Bank, the starting point for the notching. This is because we expect that support from the parent **Fubon Financial Holding Co. Ltd.** to the bank will also cover the bank's hybrid capital instruments. One notch reflects the debentures' nonviability contingency clause with loss absorbing characteristics, and the other notch reflects the debentures' subordinated status.

Related Criteria & Research

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022
- 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
- TRC Financial Services Issue Credit Rating Criteria - July 31, 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

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Related Research

– Taiwan Ratings' Ratings Definitions – November 11, 2021

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

Ratings List

New Ratings

Taipei Fubon Commercial Bank Co. Ltd.

Series 111-4 Issue Credit Rating	twAA-
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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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