

Research Update:

Ratings Affirmed On Taiwan Cooperative Financial Holding Co. Ltd. And Taiwan Cooperative Bank Ltd.; Outlooks Stable

January 16, 2023

Rating Action

Taiwan Ratings Corp. today affirmed its long-term and short-term issuer credit ratings on **Taiwan Cooperative Financial Holding Co. Ltd.** and **Taiwan Cooperative Bank Ltd.**, as well as our issue credit ratings on the bank's unsecured subordinated debts (see Ratings List). The outlook on the long-term ratings is stable.

The ratings reflect our assessment of the group's good market position and established franchise in Taiwan's banking sector, the bank's strong capitalization, as well as strong funding and adequate liquidity profile. Counterbalancing factors include the group's mediocre profitability relative to similar-rated global peers. The ratings on the bank also reflect our view of a high likelihood of support from the Taiwan government in times of need, given the bank's high systemic importance in the domestic banking system. In addition, the ratings on the holding company reflect its relative subordination to its major operating subsidiaries.

Related Criteria & Research

Related Criteria

- 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
- 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
- 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
- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

PRIMARY CREDIT ANALYST

Eric Lin

Taipei

+886-2-2175-6830

eric.lin

@spglobal.com

eric.lin

@taiwanratings.com.tw

SECONDARY CONTACT

Eunice Fan

Taipei

+886-2-2175-6818

eunice.fan

@spglobal.com

eunice.fan

@taiwanratings.com.tw

Ratings List

Ratings Affirmed

Taiwan Cooperative Financial Holding Co. Ltd.

Issuer Credit Rating	twAA-/Stable/twA-1+
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Taiwan Cooperative Bank Ltd.

Issuer Credit Rating	twAAA/Stable/twA-1+
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Issue Credit Rating	twA+
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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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