

Research Update:

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

May 16, 2023

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 rating 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 strong funding capability considering its 100% government-owned image. Land Bank's below-average capitalization relative to its risk profile when compared with domestic banks', and its higher construction loan exposure offset these strengths.

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
- 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

Related Research

- Taiwan Ratings' Ratings Definitions - November 11, 2021

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

PRIMARY CREDIT ANALYST

Jason Fu

Taipei

+886-2-2175-6831

jason.fu

[@spglobal.com](mailto:jason.fu@spglobal.com)

[jason.fu](mailto:jason.fu@taiwanratings.com.tw)

[@taiwanratings.com.tw](mailto:jason.fu@taiwanratings.com.tw)

SECONDARY CONTACT

Yuhan Lan

Taipei

+886-2-2175-6810

yuhan.lan

[@spglobal.com](mailto:yuhan.lan@spglobal.com)

[yuhan.lan](mailto:yuhan.lan@taiwanratings.com.tw)

[@taiwanratings.com.tw](mailto:yuhan.lan@taiwanratings.com.tw)

Ratings List

Ratings Affirmed

Land Bank of Taiwan

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

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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