

Research Update:

# Cathay United Bank Co. Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

September 18, 2023

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **Cathay United Bank Co. Ltd.** The outlook on the long-term rating is stable. At the same time, we affirmed the issue ratings on the bank's various unsecured subordinated debentures (see ratings list).

The ratings on Cathay United Bank reflect our view of support from the Taiwan government to the bank under times of financial distress, given the bank's moderate systemic importance to the domestic banking industry. In addition, the ratings reflect the bank's solid local franchise, strong capitalization, and diversified funding and liquidity profile that benefits from the parent **Cathay Financial Holding Co. Ltd.** group's diverse and widespread customer base. Cathay United Bank's moderate profitability and diversification by global standards temper these strengths.

## Related Criteria & Research

### Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- 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

### Related Research

- Taiwan Ratings' Ratings Definitions - November 11, 2021

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## Ratings List

### Ratings Affirmed

#### Cathay United Bank Co. Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
Unsecured Subordinated Debenture	twAA-
Perpetual Non-cumulative Subordinated Debenture	twA

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