

Research Update:

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

September 27, 2023

Rationale

Taiwan Ratings Corp. today affirmed its ratings on **CTBC Financial Holding Co. Ltd.** (CTBC FHC) and its core subsidiary, **CTBC Bank Co. Ltd.** (see ratings list). The outlook on the ratings remains stable. Our assessment of the CTBC FHC group credit profile primarily reflects the consolidated credit profile of its two key subsidiaries, CTBC Bank and **Taiwan Life Insurance Co. Ltd.**, given that the companies account for about 72% and 28%, respectively, of the group's total assets as of the end of June 2023.

The ratings on CTBC FHC and its core subsidiaries reflect the group's strong market presence and satisfactory funding and liquidity in Taiwan's financial market. The ratings also reflect the group's solid capitalization at the consolidated group level, underpinned by the bank subsidiary's strong capitalization which is somewhat moderated by the insurance unit's weaker capitalization. In addition, the ratings on CTBC Bank reflect a moderate level of government support given its systemic importance in Taiwan. Furthermore, the ratings on CTBC FHC reflect a degree of subordination to its operating subsidiaries as the non-operating holding company.

Related Criteria & Research

Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology, Jun 08 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, Mar 02 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec 09 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec 09 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct 10 2021
- General Criteria: Group Rating Methodology, Jul 01 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Jul 20 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

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Ratings List

Ratings Affirmed

CTBC Financial Holding Co. Ltd.

Issuer Credit Rating	twAA-/Stable/twA-1+
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CTBC Bank Co. Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
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