

Media Release:

Taiwan Shin Kong Commercial Bank's Upcoming Series 113-1 Subordinated Debentures Rated 'twA-'

April 22, 2024

Rating Action

Taiwan Ratings Corp. today assigned its 'twA-' issue rating to **Taiwan Shin Kong Commercial Bank Co. Ltd.'s** (twA+/Negative/twA-1) Series 113-1 unsecured subordinated debentures. The issuance amount will be up to new Taiwan dollar (NT\$) 3 billion for tranche A and tranche B combined, with tranche A maturing in seven years and tranche B maturing in 10 years. The bank will mainly use the funds raised from the debentures to improve its regulatory capital adequacy ratio.

The issue rating on the Series 113-1 unsecured subordinated debentures is two notches below the issuer credit rating on Taiwan Shin Kong Commercial Bank, the starting point for the notching. The bank is the core entity of **Shin Kong Financial Holding Co. Ltd.** group and the group credit profile influences the creditworthiness of the bank's hybrid issued, in our view. One notch difference reflects the debentures' nonviability contingency clause with loss absorbing characteristics, while the other notch reflects the debentures' subordinated status. Any material change in the proposed terms, conditions, or amount of this issue could affect the rating.

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
- 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: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

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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

Rating Assigned

Taiwan Shin Kong Commercial Bank Co. Ltd.

113-1 Unsecured Subordinated Debenture 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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