

Research Update:

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

September 23, 2024

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 Cathay United 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. The bank's moderate profitability and diversification by global standards temper these strengths.

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - April 30, 2024
- 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
- General Criteria: Principles Of Credit Ratings - February 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

Cathay United Bank Co. Ltd.

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