

Research Update:

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

September 25, 2024

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Cathay Financial Holding Co. Ltd.** (Cathay FHC). The outlook on the long-term rating is stable.

The ratings continue to reflect our view that the consolidated group credit profile is anchored by the group's flagship subsidiary, **Cathay Life Insurance Co. Ltd.** The insurer represents the majority of the group's total assets and shareholders' equity. Cathay Life has a leading market position by most measures, an extensive retail customer base, and solid franchise in Taiwan's life insurance industry.

In addition, the ratings reflect Cathay FHC group's more balanced business diversification than other domestic financial groups, and satisfactory investment diversification with strong underlying liquidity. However, these strengths are somewhat offset by the group's average capitalization, albeit a common weakness among Taiwan-based insurer-centric financial holding groups. The ratings on the holding company also reflect its subordination to the group's core entities.

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## Related Criteria & Research

### Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions - November 15, 2023
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- 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](http://www.taiwanratings.com))

## Ratings List

### Ratings Affirmed

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#### Cathay Financial Holding Co. Ltd.

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Issuer Credit Rating	twAA/Stable/twA-1+
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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](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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