Bulletin:

Agricultural Bank Capital Injection Reiterates Solid Government Support

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This report does not constitute a rating action.

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Taiwan Ratings Corp. said today that it believes the government's latest capital injection into **Agricultural Bank of Taiwan** will help the bank maintain adequate capitalization over the next few years. The capital injection reinforces our assessment of the bank as a government related entity with an extremely high likelihood of government support.

On July 16, 2026, Agricultural Bank of Taiwan's (twAAA/Stable/twA-1+) largest shareholder, the Ministry of Agriculture, completed a new Taiwan dollar (NT$) 2 billion capital injection into the bank via a new common share issuance in the bank. This capital injection underscores our view of the bank's status as a government-related entity based on its critical policy role and very strong link to the Taiwan government.

We believe the capital injection will enable the bank to maintain adequate capitalization with a solid capital buffer, largely in line with our previous base case scenario. We included the capital plan in our earlier projections for the bank, given our view of the government's strong and continuing commitment to maintain the bank's creditworthiness. We estimate Agricultural Bank's risk-adjusted capital ratio will range from 7.9%-8.3% in 2026 and 7.2%-7.8% in 2027-2028 following the capital boost, which remains an adequate level of capitalization, in our view.