

Research Update

Yuanta Commercial Bank Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

January 21, 2019

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Yuanta Commercial Bank**. The outlook on the long-term rating is stable. At the same time, we affirmed the ratings on the company's various unsecured subordinated debentures (see Ratings List).

The rating affirmation reflects the 'bbb' anchor for banks operating mostly in Taiwan, as well as Yuanta Commercial Bank's strong capitalization and adequate funding and liquidity profile. Counterbalancing these rating strengths are the bank's moderate profitability and above-average growth appetite. The ratings also reflect the implicit support from **Yuanta Financial Holding Co. Ltd.** group, given the bank's core status within the group.

Related Criteria

- General Criteria: Group Rating Methodology - November 19, 2013
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018
- TRC Financial Services Sector Issue Credit Rating Criteria, www.taiwanratings.com - September 23, 2014
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions - November 09, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

Yuanta Commercial Bank

| | |
|-----------------------------------|--------------------|
| Issuer Credit Ratings | twAA/Stable/twA-1+ |
| Unsecured subordinated debentures | twAA- |
| Unsecured subordinated debentures | twA+ |

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