

Research Update

Land Bank of Taiwan Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

May 30, 2019

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Land Bank of Taiwan**. The outlook on the long-term rating is stable. At the same time, we affirmed our issue credit ratings on the bank's various outstanding debt (see Ratings List). The ratings on Land Bank reflect our view that the Taiwan government would ensure full and timely support to the bank, if needed, due to the bank's high importance to the government and the domestic banking system. The ratings on Land Bank also reflect our assessment of the bank's good domestic franchise and above-average funding capability considering its image as a wholly government-owned entity. Land Bank's below-average capitalization relative to its risk profile compared with domestic banks' and its higher exposure concentration on real estate industry partly offset these strengths.

Related Criteria

- 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: Group Rating Methodology - November 19, 2013
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- 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

Land Bank of Taiwan

Issuer Credit Ratings	twAA/Stable/twA-1+
Basel III Unsecured Subordinated Debentures	twA
Basel III Perpetual, Non-cumulative Subordinated Debenture	twBBB
Basel II Unsecured Subordinated Debentures	twAA-

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