

## Research Update

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

September 26, 2019

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **CTBC Financial Holding Co. Ltd.** (CTBC FHC). The outlook on the long-term issuer credit rating is stable. Our assessment of the CTBC FHC group credit profile reflects the consolidated credit profile of **CTBC Bank Co. Ltd.** and Taiwan Life Insurance Co. Ltd., given that the companies account for about 69% and 31%, respectively, of the group's total assets as of the end of 2018.

We assess CTBC FHC has satisfactory capitalization at the consolidated group level, compared with the bank subsidiary's strong capitalization, and is moderated by the insurance unit's organic growth and weaker capitalization based on S&P Global Ratings' insurance capital model. The ratings on CTBC FHC also reflect a degree of subordination to its operating subsidiaries as the non-operating holding company.

## Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- 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
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com.tw](http://www.taiwanratings.com.tw) - June 26, 2018

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# Ratings List

**Ratings Affirmed**

**CTBC Financial Holding Co. Ltd.**

Issuer Credit Ratings	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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