

Research Update

CTBC Bank 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 Bank Co. Ltd.** The outlook on the long-term rating is stable.

The ratings on CTBC Bank reflect the bank's strong business position in the domestic market with good franchise in both retail and corporate banking. The bank has demonstrated above average and stable earnings on a stand-alone basis compared to other domestic banks. CTBC Bank also has a diversified business mix and revenue sources, given its better geographic diversity and above-average contribution to revenue from fee income on a consolidated basis after incorporating its overseas banking subsidiaries. The ratings also reflect the bank's strong capitalization relative to its risk profile and factor in a degree of implicit support from the Taiwan government due to the bank's moderate systemic importance. Counterbalancing factors include CTBC Bank's moderate profitability by international standards and higher growth strategy compared with its domestic peers'.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 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: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

CTBC Bank Co. Ltd.

Issuer Credit Rating

twAA+/Stable/twA-1+

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 for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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