

Research Update

The Shanghai Commercial & Savings Bank Ltd. Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

December 3, 2019

Rationale

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

The ratings on Shanghai Commercial & Savings Bank reflect the bank's strong capitalization on a consolidated basis, satisfactory risk management with good record of credit loss experience, established franchise in trade finance and cross-strait corporate banking business in Taiwan, as well as adequate funding and liquidity. This is despite the bank's relatively small scale by domestic comparison, given that keen competition somewhat constraints its profitability in Taiwan.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- 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
- 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
- TRC Financial Services Issue Credit Rating Criteria, www.taiwanratings.com - July 31, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019

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Ratings List

Ratings Affirmed

The Shanghai Commercial & Savings Bank Ltd.

Issuer Credit Rating	twAA/Stable/twA-1+
Unsecured Subordinated Debenture	twAA-
Unsecured Subordinated Debenture	twA+

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