

Research Update:

Mega International Commercial Bank Co. Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

March 23, 2020

Rating Action

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

The ratings on Mega Bank reflect the bank's well-established franchise especially in Taiwan's foreign exchange and offshore banking businesses, above-average overseas diversification, strong capitalization, and adequate funding and liquidity supported by a strong corporate banking franchise. The ratings also reflect our belief in the likelihood of implicit support from the government of Taiwan in times of financial stress. That's based on our view of the bank's high systemic importance in Taiwan's financial sector and foreign exchange market. These strengths are somewhat tempered by the bank's slightly moderate profitability by international standards.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- 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
- TRC Financial Services Issue Credit Rating Criteria, www.taiwanratings.com - July 31, 2019
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018

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Ratings List

Ratings Affirmed

Mega International Commercial Bank Co. Ltd

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

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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