

Research Update:

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

September 23, 2020

## Rationale

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 below).

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. The ratings also reflect our belief in the likelihood of implicit support from the government of Taiwan in times of financial distress. This is 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 & Research

### Related Criteria

- 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: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Group Rating Methodology - July 01, 2019
- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011

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## Related Research

– Taiwan Ratings' Ratings Definitions – August 10, 2020

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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-

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