

Research Update:

Ratings On Mega Bills Finance Corp. Affirmed At 'twAA+/twA-1+'; Outlook Stable

September 29, 2020

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **Mega Bills Finance Corp.** (Mega BFC) The outlook on the long-term rating is stable. The ratings on Mega BFC mainly reflect the potential support from the parent **Mega Financial Holding Co. Ltd.** group, given our assessment of Mega BFC as a core subsidiary to its parent group. The ratings also reflect Mega BFC's strong business stability because of its leading position in the domestic bills finance industry as well as the company's asset-liability mismatch due to its operating features.

Mega BFC's increasing risk exposure over the last 18 months has slightly eroded its capital. Nonetheless, we expect the company to maintain relatively strong capital over the next one to two years, given Mega BFC's satisfactory quality of capital and earnings plus its prudent discipline over business and capital controls.

Related Criteria & Research

Related Criteria

- 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 | General: Nonbank Financial Institutions Rating Methodology - December 09, 2014
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- 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: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

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Related Research

– Taiwan Ratings' Ratings Definitions – August 10, 2020

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Ratings Affirmed

Mega Bills Finance Corp.

Issuer Credit Rating	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 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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