

Research Update:

Chang Hwa Commercial Bank Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

October 22, 2021

Rationale

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

The ratings on Chang Hwa Bank reflect our view that the Taiwan government would provide timely support to the bank, if needed, given the bank's moderate systemic importance in Taiwan's banking industry. The ratings also reflect the bank's strong capitalization relative to its risk profile, satisfactory market present in Taiwan's banking sector, and adequate funding profile supported by its good franchise. Counterbalancing factors include Chang Hwa Bank's relatively concentrated business profile primarily in traditional lending business and moderate profitability compared with that of international peers.

Related Criteria & Research

Related Criteria

- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- 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: Principles Of Credit Ratings - February 16, 2011
- 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
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021

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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

Chang Hwa Commercial Bank Ltd.

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

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.

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