

Research Update:

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

October 24, 2022

## Rating Action

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

The ratings on Chang Hwa Commercial Bank continue to reflect our view that the Taiwan government is likely to 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, its good domestic market positions supported by an established banking franchise, as well as its adequate funding and liquidity profile. Counterbalancing factors include a relatively concentrated business profile primarily in traditional lending business and moderate profitability compared with that of international peer banks.

## Related Criteria & Research

### Related Criteria

- 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
- TRC Financial Services Sector Issue Credit Rating Criteria – July 31, 2019
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022

### Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021
- (Unless otherwise stated, these articles are published on [www.taiwanratings.com](http://www.taiwanratings.com))

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## Ratings List

### Ratings Affirmed

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#### Chang Hwa Commercial Bank Ltd.

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

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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](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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