

Research Update:

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

March 28, 2024

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **Next Commercial Bank Co. Ltd.** (Next Bank). The outlook on the long-term rating is stable.

The ratings on Next Bank reflect the bank's strong capitalization relative to its risk profile, adequate liquidity backed by sizeable highly liquid assets, as well as potential technical support from **Chunghwa Telecom Co. Ltd.** and **Mega International Bank Co. Ltd.** The ratings also reflect our view of a very high likelihood that the largest shareholder, Chunghwa Telecom would support Next Bank, given our assessment of the bank's strategic importance to the Chunghwa Telecom group. These strengths are tempered by Next Bank's small, albeit improving, market presence and developing deposit franchise in Taiwan's highly competitive banking sector, as well as the bank's unseasoned risk exposure during high expansion.

## Related Criteria & Research

### Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- 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: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

### 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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#### Next Commercial Bank Co. Ltd.

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Issuer Credit Rating

twA+/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](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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