

Research Update:

Mega International Commercial Bank Ratings Affirmed At 'twAAA/twA-1+' On Strong Capitalization; Outlook Stable

September 24, 2024

Rationale

Taiwan Ratings Corp. today affirmed its 'twAAA' 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.

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, and strong capitalization. The ratings also reflect the bank's adequate funding and liquidity supported by its strong corporate banking franchise.

In addition, the ratings reflect a high likelihood of support from the government of Taiwan in times of distress, given the bank's high systemic importance in Taiwan's financial sector, and the bank's policy role to provide offshore banking services and handle government foreign financial matters. These strengths are somewhat tempered by the bank's slightly moderate profitability by international standards and potential competition as other domestic banks expand their foreign currency businesses.

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - April 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022
- 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
- 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: National And Regional Scale Credit Ratings Methodology - June 08, 2023

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Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

Ratings List

Ratings Affirmed

Mega International Commercial Bank Co. Ltd.

Issuer Credit Rating	twAAA/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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