

Research Update:

# Hua Nan Securities Co. Ltd. Ratings Affirmed At 'twAA-/twA-1+'; Outlook Stable

June 18, 2020

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA-' long term and 'twA-1+' short term issuer credit ratings on **Hua Nan Securities Co. Ltd.** The outlook on the long-term rating is stable.

## Rationale

The ratings on Hua Nan Securities reflect the potential support from the parent **Hua Nan Financial Holdings Co. Ltd.** group due to the securities company's highly strategic importance to the group's business strategy. In our view, Hua Nan Securities' strong capitalization remains its key credit strength even though it has weakened following the firm's substantial losses amid rising market volatility in March 2020. Counterbalancing these strengths are the company's revenue concentration on domestic brokerage business and scale disadvantage.

## Related Criteria

- Understanding Taiwan Ratings' Rating Definitions - June 26, 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: 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: Use Of CreditWatch And Outlooks - September 14, 2009

(Unless otherwise stated, these articles are published on [www.taiwanratings.com](http://www.taiwanratings.com))

## Ratings List

Ratings Affirmed;

**Hua Nan Securities Co. Ltd.**

Issuer Credit Rating

twAA-/Stable /twA-1+

### PRIMARY CREDIT ANALYST

**Yuhan Lan**

Taipei

+886-2-8722-5810

Yuhan.lan

@spglobal.com

Yuhan.lan

@taiwanratings.com.tw

### SECONDARY CONTACT

**Jenny Lin**

Taipei

+886-2-8722-5811

jenny.lin@spglobal.com

jenny.lin

@taiwanratings.com.tw

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