

Research Update:

CTBC Asset Management Co. Ltd. Ratings Affirmed At 'twA+/twA-1'; Outlook Stable

June 22, 2020

Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long term ratings and 'twA-1' short term issuer credit ratings on **CTBC Asset Management Co. Ltd.** (CTBC AMC). The outlooks on the long-term rating is stable.

Rationale

The affirmation reflect the implicit support from the company's financially stronger parent, CTBC Financial Holding Co. Ltd. group, It also reflects the asset management company's very strong capitalization on a consolidated basis and adequate funding and liquidity supported by the group. Counterbalancing factors include the limited scale and operating performance of CTBC AMC's business in Taiwan as well as in China through its leasing entity, CTBC Leasing. CTBC AMC faces higher economic risks compared with other Taiwan-based non-bank financial institutions, which are mostly locally based, given CTBC AMC's sizable risk exposure in China on a consolidated basis.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- 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: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- 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: Use Of CreditWatch And Outlooks - September 14, 2009

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

PRIMARY CREDIT ANALYST

Yuhan Lan

Taipei

+886-2-8722-5810

yuhan.lan

@spglobal.com

yuhan.lan

@taiwanratings.com.tw

SECONDARY CONTACT

Patty Wang

Taipei

+886-2-8722-5823

patty.wang

@spglobal.com

patty.wang

@taiwanratings.com.tw

Ratings List

Ratings Affirmed

CTBC Asset Management Co. Ltd.

Issuer Credit Rating

twA+/Stable /twA-1

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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