

Research Update:

Cathay Securities Corp. Ratings Affirmed At 'twAA-/twA-1+'; Outlook Negative

September 25, 2020

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Cathay Securities Corp.** The outlook on the long-term rating is negative and mirrors that of the group credit profile. The ratings on Cathay Securities reflect its highly strategic status within the **Cathay Financial Holding Co. Ltd.** group, and hence the ratings will move in tandem with the direction of the group credit profile. We also believe Cathay Securities has very strong capitalization. The company's pursuit to enhance earnings via increasing its trading exposure along with its relatively small, albeit improving, business scale temper these strengths.

Related Criteria & Research

Related Criteria

- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- 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

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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

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Ratings List

Ratings Affirmed

Cathay Securities Corp.

Issuer Credit Rating	twAA-/Negative/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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