

Research Update:

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

May 27, 2021

Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **MasterLink Securities Corp.** The outlook on the long-term rating is negative to reflect our view of group's credit profile and MasterLink Securities' deteriorating capitalization.

The ratings on MasterLink Securities reflect our view that its parent, **Shin Kong Financial Holding Co. Ltd.** will timely provide financial support to MasterLink Securities, if needed, given the securities subsidiary plays a highly strategic important role within the group. The ratings also reflect MasterLink Securities' still very strong capitalization relative to its overall risk profile despite it is on a declining trend. The ratings further reflect the company's industry average risk control and adequate market position compared with that of other domestic brokers. Counterbalancing factors include the MasterLink Securities' high reliance on short-term, confidence-sensitive funding sources and the inherent volatility of its earnings profile.

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

MasterLink Securities Corp.

Issuer Credit Rating

twA+/Negative/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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