

Research Update:

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

May 29, 2023

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **Hua Nan Commercial Bank Ltd.** The outlook on long-term ratings is stable. At the same time, we affirmed the issue credit ratings on the unsecured subordinated debt (see Rating List).

The ratings reflect our assessment of Hua Nan Bank's strong capitalization, good domestic market positions supported by an established banking franchise, as well as satisfactory funding and liquidity profile. Counterbalancing factors include moderate profitability by international standards and the bank's relatively concentrated revenue stream compared with global peers'. The ratings on Hua Nan Bank also reflect its moderate systemic importance in Taiwan's banking system with government support.

## Related Criteria & Research

### Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Mar 02 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec 09 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec 09 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct 10 2021
- General Criteria: Group Rating Methodology, Jul 01 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, Jun 25 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Jul 20 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- TRC Financial Services Sector Issue Credit Rating Criteria, Sep 23 2014
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

### Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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## Ratings List

### Ratings Affirmed

#### Hua Nan Commercial Bank Ltd

Issuer Credit Rating	twAA+/Stable/twA-1+
Unsecured Subordinated Debenture	twA+

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