

Research Update

Hua Nan Financial Holdings Co. Ltd. And Hua Nan Commercial Bank Ltd. Ratings Affirmed; Outlook Stable

May 15, 2019

Rating Action

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

The ratings reflect our assessment of the group's strong capitalization, good domestic market positions (supported by an established banking franchise), prudent risk control, and satisfactory funding and liquidity profile. Counterbalancing factors include continuing competitive pressure on the group's profitability and its relatively concentrated revenue structure by international standards.

Related Criteria

- General Criteria: Group Rating Methodology - November 19, 2013
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions - November 09, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- TRC Financial Services Sector Issue Credit Rating Criteria, www.taiwanratings.com - September 23, 2014
- Criteria | Financial Institutions | Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions - January 29, 2015

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Ratings List

Ratings Affirmed

Hua Nan Commercial Bank Ltd

Issuer Credit Ratings	twAA+/Stable/twA-1+
Unsecured Subordinated Debenture	twAA
Unsecured Subordinated Debenture	twA+
Perpetual Non-Cumulative Unsecured Subordinated Debenture	twA+

Hua Nan Financial Holdings Co. Ltd

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

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