

Bulletin:

KGI Securities To Strengthen Capital Buffer Through Cash Injection

October 5, 2026

This report does not constitute a rating action.

Taiwan Ratings Corp. said today that a proposed capital injection to **KGI Securities Co. Ltd.** could bolster the broker's capital buffer.

On Sept. 30, 2026, KGI Financial Holding Co. Ltd., the parent holding company, announced its plan to issue up to 720 million new shares (between new Taiwan dollar (NT\$) 20 billion-NT\$25 billion), with around 70% of the cash proceeds injected directly into KGI Securities. The move aims to capture the vibrant capital market amid strong growth in AI demand and enhance the broker's capitalization to support future business expansion and market competitiveness.

We believe the capital injection will enable KGI Securities to maintain strong capitalization with a strengthened capital buffer over the next two years. We anticipate the broker's risk-adjusted capital ratio improving by 2.0%-2.5% after the cash injection. Our base-case projection before the proposed injection ranges from 10%-11% over the next two years. The capital enhancement plan also supports our view that KGI Securities will remain a core member of the parent group which could provide timely support as needed.

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