

Media Release:

Outlooks Revised On TS Financial Holdings And Various Subsidiaries On Stabilizing Group Credit Profile; Ratings Affirmed

October 28, 2026

Overview

- We assess that the consolidated credit profile of **TS Financial Holding Co. Ltd.** (TS FHC) group has stabilized following improvement in the Shin Kong Life Insurance Co. Ltd.'s stand-alone credit profile (SACP). We also believe TS FHC group will effectively manage the post-merger integration of key operating subsidiaries over the next two years.
- These factors help alleviate pressure on the group credit profile following its merger with the financially weaker Shin Kong Financial Holding Co. Ltd. (Shin Kong FHC) group.
- We revised the rating outlook on TS FHC and **Taishin D.A. Finance Co. Ltd.** to stable from negative to reflect our view that the group will largely retain its credit profile over the next two years.
- We also revised the rating outlook on **Taishin International Bank Co. Ltd.** (Taishin Bank) and **Taiwan Shin Kong Commercial Bank Co. Ltd.** (Shin Kong Bank) to positive from developing to reflect the likelihood that we may raise the ratings if we factor in potential government support should the combined banking unit sustain a meaningful domestic deposit share over the next two years.
- At the same time, we affirmed our ratings on TS FHC, Taishin Bank, Shin Kong Bank, and Taishin D.A. Finance.

Rating Action

Taiwan Ratings Corp. today revised its outlook on the long-term ratings on TS FHC and Taishin D.A. Finance to stable from negative and affirmed the long- and short-term issuer credit ratings on the two entities. At the same time, we revised the outlook on the long-term ratings on Taishin Bank and Shin Kong Bank to positive from developing and affirmed the long- and short-term issuer credit ratings on the two banking units (see Ratings List).

Rationale

Consolidated group credit profile has stabilized following improvement in Shin Kong Life's SACP. We have revised upward our assessment of the life subsidiary's SACP to 'bbb' from 'bbb-' on S&P Global Ratings global ratings scale to reflect the insurer's improved earnings performance and stabilized financial risk profile in recent quarters following the merger of the respective life

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insurance units of the Shin Kong FHC and TS FHC groups. This has somewhat alleviated pressure on the group credit profile given the significant weightings of the weaker combined life insurance operation relative to the group's core banking units. TS FHC group merged with the former Shin Kong FHC group in 2025. In our view, TS FHC group will remain bank-centric with Taishin Bank dominating over half of the group's total assets and credit profile over the next two years. We assess the bank's SACP at 'bbb+'.

TS FHC group can effectively manage the post-merger integration of key operating subsidiaries over the next two years. Several operating subsidiaries have already completed their legal mergers, including life insurance, securities, financial leasing and financial advisory units. Taishin Bank and Shin Kong Bank will merged in early 2027. While the mergers with the former Shin Kong FHC group have enhanced the market rankings of TS FHC group and greatly expanded the market share of its key banking, life insurance, and securities subsidiaries, we believe it will take more time for synergies to emerge amid stiff domestic competition.

The ratings on Taishin Bank and Shin Kong Bank could benefit from government support post-merger. That's because of the meaningful share of domestic deposits that will be held by the combined banking unit, which could reach 5%-6% on a pro-forma basis. In such a case, we could assess the banking unit as a moderate systemic important bank in Taiwan with potential uplift for the ratings from government support.

Outlook on TS FHC

The stable rating outlook on TS FHC reflects our view that the group will largely retain its credit profile and effectively manage the post-merger integration of key operating subsidiaries over the next two years. We also expect the group will remain bank-centric with Taishin Bank dominating over half of the group's total assets over the same period.

Downward scenario

We may lower our rating on TS FHC if we believe the group credit profile weakens due to either:

- We assess the SACP of Taishin Bank has weakened due to deterioration in its capital strength over the next two years, or
- We assess the SACP of Shin Kong Life has weakened, driven by deterioration in operating performance, below average return on average assets, and heightened earnings volatility over the next two years.

Upward scenario

We may raise the long-term rating on TS FHC if the group can demonstrate good operating performance comparable to similar rated domestic peers along with an expanded operating scale over the next two years.

Outlook on Taishin Bank and Shin Kong Bank

The positive rating outlook on Taishin Bank and Shin Kong Bank reflects our view that we could upgrade the units after factoring in potential government support. This could occur if the combined banking unit can maintain a meaningful domestic deposit share post-merger and we view the bank has moderate systemic importance in the domestic banking system.

Downward scenario

- We may revise the outlook to stable if we assess the combined banking unit has not maintained its deposit market share due to some disruption to the integration process; or
- We may lower the ratings if the combined bank cannot maintain its capitalization at a strong level, and it does not maintain its deposit market share and franchise post-merger.

Upward scenario

We may upgrade Taishin Bank and Shin Kong Bank if we assess the combined banking unit's credit profile has strengthened with substantially expanded scale and earnings stability. Under such a scenario, we will factor in a degree of government support, given the combined banking unit's moderate systemic importance in Taiwan's banking system.

Outlook on Taishin D.A. Finance

The stable rating outlook on Taishin D.A. Finance reflects our view that the group will largely retain its credit profile and effectively manage the post-merger integration of key operating subsidiaries over the next two years. We also believe that Taishin D.A. Finance will remain a strategically important entity under the TS FHC group, and that the group will support the finance subsidiary, if needed.

Downward scenario

We may lower the long-term rating on Taishin D.A. Finance if any of the following occur:

- We believe the overall group credit profile has weakened;
- Taishin D.A. Finance's asset quality deteriorates to consistently worse than the domestic industry average;
- Taishin D.A. Finance expands its China business beyond our earlier forecast and without prudent capital management; or
- We assess the importance of Taishin D.A. Finance to the parent group has weakened.

Upward scenario

We may upgrade Taishin D.A. Finance if the TS FHC group can demonstrate good operating performance comparable to similar rated domestic peers along with an expanded scale over the next two years.

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - May 05, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions - October 13, 2025
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

Related Research

- Shin Kong Life Outlook Revised To Stable From Negative On Stabilizing Group Credit Profile; 'twA+' Ratings Affirmed – Oct. 28, 2026

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

Ratings List

Outlook Action; Ratings Affirmed

	To	From
TS Financial Holding Co. Ltd.		
Issuer Credit Ratings	twA+/Stable/twA-1	twA+/Negative/twA-1
Taishin International Bank Co. Ltd.		
Issuer Credit Ratings	twAA-/Positive/twA-1+	twAA-/Developing/twA-1+
Taiwan Shin Kong Commercial Bank Co. Ltd.		
Issuer Credit Ratings	twAA-/Positive/twA-1+	twAA-/Developing/twA-1+
Unsecured Subordinated Debenture	twA	
Taishin D.A. Finance Co. Ltd.		
Issuer Credit Ratings	twA+/Stable/twA-1	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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