

Bulletin

# Capital Injection For Yuanta Life Demonstrates Its Highly Strategic Group Status

September 27, 2019

Taiwan Ratings Corp. said today that its issuer credit rating and outlook on Yuanta Life Insurance Co. Ltd. (twA+/Stable/--) are not affected by a recent announcement of a NT\$14 billion capital injection plan from its parent, Yuanta Financial Holding Co. Ltd. We view Yuanta Life as highly strategic to the financially stronger Yuanta FHC group. Hence, our rating on Yuanta Life reflects a high level of implicit group support, and moves in tandem with our assessment of the group credit profile. On the stand-alone credit profile of Yuanta Life, we view this capital injection plan, which will double Yuanta Life's shareholder's equity as of June 30, 2019, will substantially strengthen the insurer's overall capitalization with a bigger buffer to pursue business growth and absorb potential capital market volatility. The strong commitment from the group to support the insurer's business growth and capital adequacy is also evidence of the insurer's highly strategic role within the group.

This report does not constitute a rating action

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September 27, 2019

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