

Research Update:

Ratings Affirmed On China Development Financial Holding Corp. And Subsidiaries; Outlooks Stable

October 28, 2021

Rating Action

Taiwan Ratings Corp. today affirmed its long- and short-term issuer credit ratings on **China Development Financial Holding Corp.** and subsidiaries **KGI Bank**, and **KGI Securities Co. Ltd.** At the same time, we affirmed our issue credit rating on the holding company's debts (see Ratings List). The outlook on the long-term ratings is stable.

Our assessment of the group credit profile reflects the consolidated credit profile of the bank and securities subsidiaries but mostly with the group's life insurance unit, **China Life Insurance Co. Ltd.**, which dominates the overall group credit profile. Therefore, the ratings on the various group units will move in tandem with our ratings on China Life. The rating outlook also reflects our view that China Life's overall credit profile will remain stable with satisfactory capital and earnings over the next one to two years. We believe the group will register an industry average operating performance over the next one to two years while at the same time its key subsidiaries will maintain their current level of capitalization.

Related Criteria & Research

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010
- TRC Financial Services Issue Credit Rating Criteria - July 31, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- 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

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- 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
- Criteria | Financial Institutions | General: Nonbank Financial Institutions Rating Methodology - December 09, 2014

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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

Ratings List

Ratings Affirmed

China Development Financial Holding Corp.

Issuer Credit Rating	twAA-/Stable/twA-1+
Unsecured subordinated corporate bond	twA

KGI Bank

Issuer Credit Rating	twAA/Stable/twA-1+
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KGI Securities

Issuer Credit Rating	twAA/Stable/twA-1+
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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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