

Bulletin:

Share Issuance Offers Slight Capital Boost For Mercuries Life

July 15, 2022

This report does not constitute a rating action.

A proposed share issuance by **Mercuries Life Insurance Co. Ltd.** will strengthen the insurer's capitalization, albeit only slightly, if it materializes. The capital plan has no impact on our ratings or outlook of the insurer.

Taiwan-based Mercuries Life (twA/Negative/--) recently announced a plan to bolster its capitalization and regulatory risk-based capital level through the issuance of one billion new common shares. We do not expect the issuance to significantly improve the insurer's stand-alone credit profile. That's because the capital injection, if completed, will account for only about 6% of the insurer's total adjusted capital as of the end of fiscal 2021. Nonetheless, we view the insurer's proactive capital plan as a key measure to prevent further deterioration in its capital and earnings amid continuing market volatility.

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