Research Update:

KGI Financial Holding And KGI Life Insurance Ratings Affirmed; Outlook Stable

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Rating Action

KGI Life Insurance Co. Ltd. and KGI Financial Holding Co. Ltd.

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **KGI Financial Holding Co. Ltd.** (KGI FHC). The outlook on the long-term rating is stable. We also affirmed our 'twA' issue credit rating on the holding company's debts. At the same time, we affirmed our 'twAA' issuer credit rating and financial strength rating on **KGI Life Insurance Co. Ltd.** The outlook on the ratings is stable. We also affirmed our 'twAA-' issue credit rating on the insurer's subordinated corporate bond.

Our assessment of the KGI FHC group credit profile reflects the consolidated credit profile of KGI Life, KGI Bank Co. Ltd., and KGI Securities Co. Ltd., and our view that the insurer dominates the overall group credit profile. The ratings on KGI FHC reflect the group's slightly superior consolidated capitalization compared with other insurance-centric financial holding groups and adequate business diversification. Counterbalancing factors include the group's higher investment concentration risks in the financial institutions sector and foreign exchange risk exposure by global standards, attributed mainly to its life insurance arm. In addition, the ratings on KGI FHC reflect a notch of subordination to its operating entities.

The ratings continue to reflect KGI Life's strong competitive position in Taiwan's life insurance sector where it has a satisfactory track record of good profitability. In addition, the ratings reflect the insurer's exceptional liquidity from the good asset quality of its investment portfolio. We expect KGI Life's capital buffer to remain above the domestic peer average over the next two years. Counterbalancing these strengths are KGI Life's higher foreign exchange exposure and investment concentration risk in the financial sector by global standards and the vulnerability of the insurer's capital adequacy to external volatilities, which is an industry trait in Taiwan.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions - October 13, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions - November 15, 2023
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- 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, 2011General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

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

Ratings List

Ratings Affirmed

KGI Financial Holding Co. Ltd.	
Issuer Credit Rating	twAA-/Stable/twA-1+
Unsecured Subordinated Corporate Bond	twA

KGI Life Insurance Co. Ltd.	
Issuer Credit Rating	twAA/Stable/--
Financial Strength Rating	twAA/Stable/--
Series 112-1 and Series 113-1 Unsecured Subordinated Corporate Bond	twAA-