

Media Release:

Mercuries Life Insurance Co. Ltd. 'twA-' Ratings Placed On CreditWatch Positive On Merger Announcement

November 6, 2025

Overview

- **E.SUN Financial Holding Co. Ltd.** (E.SUN FHC) has made a tender fully offer for **Mercuries Life Insurance Co. Ltd.** We view this move as credit positive for Mercuries Life, given the likelihood of wider support from financially stronger E.SUN FHC group post-merger.
- We have therefore placed our 'twA-' issuer credit and financial strength ratings on Mercuries Life on CreditWatch with positive implications.
- We expect to resolve the CreditWatch placement upon transaction close and after a detailed review of the proposed operations and capital structure for Mercuries Life post-merger.

Rating Action

Taiwan Ratings Corp. today placed its 'twA-' financial strength and issuer credit ratings on Mercuries Life on CreditWatch with positive implications.

Rationale

The CreditWatch placement signals the potential uplift to the creditworthiness of Mercuries Life if the deal materializes. In our view, Mercuries Life's capital and earnings is marginal relative to its risk profile and sensitive to market volatilities while E.SUN FHC group has a scale advantage and greater financial strength in Taiwan's financial sector. We anticipate that Mercuries Life, as the group's sole insurance entity, would benefit from the resources and support shared within the wider E.SUN FHC group, especially regarding financial resources.

In our view, Mercuries Life makes a good strategic fit to E.SUN FHC group, given the group has been searching for expansion opportunities in the domestic financial services sector. Acquiring Mercuries Life could also align the group with other top-tier peers where there is already a common trend to seek better synergies and diversity by operating both financial institution and insurance businesses.

The proposed deal remains subject to the approval of both companies' shareholders and the local regulator. The merger has already been unanimously approved by both companies' boards on Nov. 5, 2025. E.SUN FHC plans to offer a share swap for 100% of Mercuries Life's common shares for a consideration of one share of Mercuries Life for 0.2486 shares of E.SUN FHC.

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Credit Watch

We expect to resolve the CreditWatch placement upon transaction close and after we obtain sufficient additional information on the insurer's proposed operations and capital structure post-merger. We could raise our ratings on Mercuries Life if we believe the merger will strengthen the insurer's credit profile through the likely support from the financially stronger parent. The ratings will remain unchanged if the merger does not materialize.

Related Criteria & Research

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov 15 2023
- General Criteria: National And Regional Scale Credit Ratings Methodology, Jun 08 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct 10 2021
- General Criteria: Group Rating Methodology, Jul 01 2019
- Criteria | Insurance | General: Insurers Rating Methodology, Jul 01 2019
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

Related Research

- Taiwan Ratings' Ratings Definitions – Nov. 11, 2021

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

Ratings List

CreditWatch Action

	To	From
Mercuries Life Insurance Co. Ltd.		
Issuer Credit Rating	twA-/Watch Pos	twA-/Stable
Financial Strength Rating	twA-/Watch Pos	twA-/Stable

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