

Media Release:

# Ratings On Yuanta Life Insurance Co. Ltd. Affirmed At 'twAA' On Stable Group Support; Outlook Stable

January 27, 2026

## Overview

- **Yuanta Life Insurance Co. Ltd.'s** asset liability management has hovered around the local domestic life sector average over the past two years underpinning our improving our assessment of the insurer's capital and earnings over the period.
- We have therefore revised upward our assessment of Yuanta Life's financial risk profile to strong from satisfactory. At the same time, a decline in the insurer's liquid assets relative to stressed assets led us to revise downward our assessment of its liquidity to adequate from exceptional. The changes have no impact on the ratings.
- We affirmed our 'twAA' issuer credit rating and financial strength rating on Yuanta Life to reflect our view of the insurer's core status within **Yuanta Financial Holding Co. Ltd.** (Yuanta FHC) group and potential group support under all foreseeable circumstances.
- The stable rating outlook reflects our expectation that Yuanta FHC group will maintain strong capitalization over the next two years. We base this on our view of the group's prudent growth strategy and proactive capital management over the period.

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## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term insurer financial strength and issuer credit ratings on Yuanta Life. The outlook on the ratings is stable.

## Rationale

**The rating affirmation reflects the insurer's core status to Yuanta FHC group and likely group support.** We believe that Yuanta Life will maintain a strong connection with the parent group and continue to benefit from stable business referrals and the Yuanta FHC group's operational and financial resources, if needed. The group's strong commitment to support the insurer's business growth and capital adequacy underpins Yuanta Life's critical group role. This is demonstrated by via several rounds of capital injection totaling new Taiwan dollar (NT\$) 5 billion over the past two years. The group also intends to develop the insurer as its third profit engine in addition to securities-related and banking businesses.

**We now assess Yuanta Life's capital and earnings and overall financial risk profile as strong compared with satisfactory previously.** Our assessment of strong capital and earnings reflects our view that Yuanta Life can maintain redundant capital under a severe stress scenario (a 99.8% confidence level) over the next one to two years. Yuanta Life has a good track record of asset liability management over the past two years which is close to the domestic life sector average over the period. As with its peers, Yuanta Life's asset liability management duration mismatch has narrowed over the same period, supported by higher sales of interest-sensitive life products with shorter effective liability duration that were adequately matched by long-term fixed income investments with an increasing asset tenor.

We also assess the insurer has a relatively lower burden from high guaranteed rate products compared with its larger peers and has a stable record of recurring yields to cover the cost of its liabilities. This underpins our view of the insurer's strengthened capital and earning after applying the industry average risk charge for its asset liability management. We believe the company will maintain similar control over its asset liability management under the IFRS 17 regime.

**We revised downward our assessment of Yuanta Life's liquidity to adequate from exceptional.**

The insurer's liquid assets have become lower relative to its stress assets under slower growth of its investment-grade fixed income and rising equity investments, which we view as having lower liquidity. This trend is likely to persist over the coming two years as the insurer seeks to enhance its yields.

## Outlook

The stable rating outlook on Yuanta Life reflects our view that the insurer will remain a core member of the parent Yuanta FHC group over the next two years with group support under all foreseeable situations. We also believe Yuanta Life will maintain strong control over its distribution network and continue to develop products that serve the needs of the group's clients over the period.

In addition, we forecast Yuanta Life's capitalization will remain strong over 2026-2027 with prudent asset liability management. At the same time, we forecast the insurer will maintain prudent risk controls over its investment portfolio, including effective management of its foreign exchange risks.

### Downward scenario

We may lower the ratings on Yuanta Life if:

- The group embarks on an aggressive growth strategy that is beyond our base-case assumption, either organically or via mergers and acquisitions and without adequate business and financial risk controls, or if the group adopts more aggressive capital policies than we expected. Yuanta FHC group's inability to maintain strong capital and earnings would demonstrate such an aggressive strategy; or
- The group's flagship company, Yuanta Securities Co. Ltd., fails to maintain its leading market position in major product lines and above-average profitability.

### Upward scenario

We may raise the long-term rating on Yuanta Life if the group can improve its risk-adjusted capital ratio sustainably above 15%, though we view such an event as unlikely over the next two years considering the group's growth strategy.

## Rating Score Snapshot

### Yuanta Life Insurance Co. Ltd.

<b>Business Risk Profile</b>	<b>Fair</b>
Competitive position	Satisfactory
IICRA	Moderately High Risk
<b>Financial Risk Profile</b>	<b>Strong</b>
Capital and earnings	Strong
Risk exposure	Moderately low
Funding structure	Neutral
<b>Modifiers</b>	
Governance	Neutral
Liquidity	Adequate
<b>Financial Strength Rating</b>	twAA

IICRA--Insurance Industry And Country Risk Assessment. SACP--Stand-alone credit profile.

## Related Criteria

- 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: 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, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

## Related Research

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

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## Ratings List

### Ratings Affirmed

#### Yuanta Life Insurance Co. Ltd.

Financial Strength Rating	twAA/Stable/--
Issuer Credit Rating	twAA/Stable/--

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](http://www.taiwanratings.com) for further information.

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