

Research Update:

# Yulon Finance Corp. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

June 25, 2025

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Yulon Finance Corp.** The outlook on the long-term rating remains stable. The ratings on Yulon Finance reflect the company's strong business position in the domestic car financing and leasing sectors, strong capitalization relative to the consolidated risk profile, and adequate funding and liquidity profile. Yulon Finance's moderate risk control framework compared with local banks somewhat tempers these strengths.

We view Yulon Finance's stand-alone credit characteristics to be superior to those of the parent **Yulon Motor Co. Ltd.** group. In addition, we assess Yulon Finance to be an insulated entity within the Yulon Motor group, which allows for a one notch uplift to the issuer credit rating on Yulon Finance above the group credit profile.

## Related Criteria & Research

### Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb 10 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Apr 30 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, Jun 08 2023
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec 09 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec 09 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct 10 2021
- General Criteria: Group Rating Methodology, Jul 01 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

### Related Research

- Taiwan Ratings' Ratings Definitions –November 11, 2021

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# Ratings List

**Ratings Affirmed**

**Yulon Finance Corp.**

Issuer Credit Rating	twA/Stable/twA-1
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