

Media Release:

# Carplus Auto Leasing Corp. Upgraded To 'twA/twA-1' From 'twA-/twA-2' Following Similar Action On Parent; Outlook Stable

February 10, 2020

## Overview

- We assess Carplus as a core subsidiary of its parent, Yulon Finance, and an important profit contributor with close integration to the parent. The ratings on Carplus move in tandem with our assessment of Yulon Finance's credit profile.
- We are raising our long- and short-term issuer credit ratings on Carplus to 'twA/twA-1' from 'twA-/twA-2' following our similar rating action on the parent.
- The rating outlook is stable to reflect the rating outlook on the parent.

## Rating Action

Taiwan Ratings Corp. today raised its long- and short-term issuer credit ratings on **Carplus Auto Leasing Corp.** to 'twA/twA-1' from 'twA-/twA-2'. The outlook on the long-term rating is stable.

## Rationale

The upgrade follows the similar rating action that we took today on Carplus' parent **Yulon Finance Corp.** As a core subsidiary of Yulon Finance, the ratings on Carplus will move in tandem with those on its parent.

We view Carplus as a core subsidiary to Yulon Finance, given that Carplus is an important profit contributor of its parent company and plays an integral strategic role as sole auto leasing service provider to the parent's customers. In addition, we believe Yulon Finance supports Carplus' prudent underwriting risk controls and stable funding profile.

### PRIMARY CREDIT ANALYST

**Jack Yang**  
Taipei  
+886-2-8722-5816  
jack.yang  
@taiwanratings.com.tw  
jack.yang  
@spglobal.com

### SECONDARY CONTACT

**Eunice Fan**  
Taipei  
+886-2-8722-5818  
eunice.fan  
@taiwanratings.com.tw  
eunice.fan  
@spglobal.comLocation

## Outlook

The stable outlook on Carplus reflects the credit outlook on Yulon Finance, given Carplus' core status to the parent. The ratings on Carplus will move in tandem with our assessment on Yulon Finance's credit profile.

### Downward scenario

We may lower the long-term rating on Carplus if Yulon Finance's credit profile weakens.

### Upward scenario

Conversely, we may raise the long-term rating on Carplus if we raise our ratings on the parent; however, we view this to be remote over the next two years.

## Related Criteria & Research

### Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- Understanding Taiwan Ratings' Rating Definitions - June 26, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- Criteria | Financial Institutions | General: Nonbank Financial Institutions Rating Methodology - December 09, 2014
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

### Related Research

- Yulon Finance Corp. Upgraded To 'twA/twA-1' From 'twA-/twA-2' On Level Of Credit Insulation From Parent Group; Outlook Stable, [www.taiwanratings.com](http://www.taiwanratings.com), February 10, 2020

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## Ratings List

### Upgraded

	To	From
<b>Carplus Auto Leasing Corp.</b>		
Issuer Credit Rating	twA/Stable/twA-1	twA-/Stable/twA-2

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. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

## Media Release: Ratings On Carplus Auto Leasing Corp. Upgraded To 'twA/twA-1' In Order To Follow Similar Action On Parent

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