

Research Update:

# Union Finance & Leasing (Int'l) Corp. Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

May 28, 2020

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Union Finance & Leasing (Int'l) Corp.** The outlook on the long-term rating is stable. The ratings reflect Union Finance's strategic importance to its parent, **Union Bank of Taiwan**, and the ratings on the finance and leasing company move in tandem with the parent's credit profile. In addition, the ratings reflect Union Finance's small business scale but strong capitalization and adequate risk control with superior loss experience compared with other financial companies in Taiwan. Despite Union Finance faces relatively high foreign exchange risks and property market volatility from the unhedged position of its property investment in Japan, we believe the company's capitalization is still able to absorb this exposure.

## 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

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## Ratings List

### Ratings Affirmed

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#### Union Finance & Leasing (Int'l) Corp

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Issuer Credit Rating

twA-/Stable/twA-2

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