

Research Update:

Yulon Finance Corp. Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

June 18, 2020

Rating Action

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Yulon Finance Corp.** The outlook on the long-term rating is 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 its risk profile, and adequate funding and liquidity profile. Yulon Finance's moderate risk control framework compared to that of 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. We also assess Yulon Finance to be an insulated entity within the group, which allows for a one notch uplift to the issuer credit rating on Yulon Finance above the group credit profile.

Related Criteria

- 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: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

Yulon Finance Corp.

Issuer Credit Rating

twA-/Stable/twA-2

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