

Research Update:

# Fortune Motors Co. Ltd. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

December 28, 2020

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Fortune Motors Co. Ltd.** The outlook on the long-term rating is stable. We assess Fortune Motors to have very strong capitalization relative to its risk profile and an adequate business position in Taiwan's car sales and car installment financing businesses.

Counterbalancing these strengths are Fortune Motor's relatively relaxed underwriting standard compared with that in the banking industry as well as the company's high reliance on market-sensitive wholesale funding. The stable outlook also reflects our expectation that Fortune Motors will remain a strategically important subsidiary to its parent group, China Motor Corp., over the next two years.

## Related Criteria & Research

### Related Criteria

- General Criteria: Principles Of Credit Ratings - February 16, 2011
- 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: Group Rating Methodology - July 01, 2019

### Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

(Unless otherwise stated, these articles are published on [www.taiwanratings.com](http://www.taiwanratings.com))

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## Ratings List

### Ratings Affirmed

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#### Fortune Motors Co. Ltd.

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Issuer Credit Rating

twA/stable/twA-1

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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).

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