

Research Update:

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

June 11, 2024

## 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 remains positive. The ratings on Yulon Finance reflect the company's strong business position in the domestic car financing and leasing sectors, strong capitalization relative to 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. In addition, we 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 & Research

### Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - April 30, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions - March 02, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - December 09, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology - December 09, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- General Criteria: Principles Of Credit Ratings - February 16, 2011

### Related Research

- Taiwan Ratings' Ratings Definitions - November 11, 2011

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### PRIMARY CREDIT ANALYST

**Patty Wang**

Taipei

+886-2-2175-6823

patty.wang

@spglobal.com

patty.wang

@taiwanratings.com.tw

### SECONDARY CONTACT

**Yuhan Lan**

Taipei

+886-2-2175-6810

yuhan.lan

@spglobal.com

yuhan.lan

@taiwanratings.com.tw

## Ratings List

### Ratings Affirmed

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#### Yulon Finance Corp.

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Issuer Credit Rating	twA-/Positive/twA-2
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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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