

Research Update

First Financial Holdings Co. Ltd. And First Commercial Bank Ltd. Ratings Affirmed; Outlook Stable

August 23, 2019

Rating Action

Taiwan Ratings Corp. today affirmed its long-term and short-term issuer credit ratings on **First Financial Holding Co. Ltd.** and **First Commercial Bank Ltd.**, as well as our issue credit ratings on the bank's various senior and unsecured subordinated debts (see Ratings List). The outlook on the long-term ratings is stable.

The ratings reflect our assessment of the group's strong capitalization, good domestic market positions supported by an established banking franchise, and satisfactory funding and liquidity profile. The ratings on the bank also reflect a moderately high level of support from the Taiwan government, given the bank's moderate systemic importance. Counterbalancing factors include continuing competitive pressure on the group's profitability and its relatively concentrated revenue structure by international standards.

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings - April 07, 2017
- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- TRC Financial Services Issue Credit Rating Criteria, www.taiwanratings.com - July 31, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions - July 01, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology - July 20, 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions - July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions - November 09, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions - November 09, 2011
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

First Commercial Bank Ltd.

Issuer Credit Ratings	twAA+/Stable/twA-1+
Senior Debenture	twAA+
Unsecured Subordinated Debenture	twAA
Unsecured Subordinated Debenture	twA+
Perpetual Non-cumulative Unsecured Subordinated Debenture	twA-

First Financial Holding Co. Ltd.

Issuer Credit Ratings	twAA-/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 for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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