

Research Update:

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

August 28, 2020

Rationale

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 remains 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 & Research

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Jul 01 2019
- General Criteria: Group Rating Methodology, Jul 01 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, Jun 25 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Jul 20 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, Jul 17 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov 09 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov 09 2011

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

PRIMARY CREDIT ANALYST

Yuhan Lan

Taipei
+886-2-8722-5810
yuhan.lan
@spglobal.com
yuhan.lan
@taiwanratings.com.tw

SECONDARY CONTACT

Eva Chou

Taipei
+886-2-8722-5822
eva.chou
@spglobal.com
eva.chou
@taiwanratings.com.tw

Ratings List

Ratings Affirmed

First Commercial Bank Ltd.

Issuer Credit Rating	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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