

Research Update:

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

August 23, 2024

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 rating on the bank's unsecured subordinated debenture (see Ratings List). The outlook on the long-term ratings is stable.

The ratings reflect our assessment of the bank's strong capital and earnings, and good domestic market positions supported by an established banking franchise. In addition, the ratings on the bank 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 business profile by international standards. The ratings on the non-operating holding company also reflect its structural subordination relative to the core operating bank.

Related Criteria & Research

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Apr 30 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, Jun 08 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, Mar 02 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec 09 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec 09 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct 10 2021
- General Criteria: Group Rating Methodology, Jul 01 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- General Criteria: Principles Of Credit Ratings, Feb 16 2011

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

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Ratings List

Ratings Affirmed

First Commercial Bank Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
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Unsecured Subordinated Debenture	twA+
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First Financial Holding Co. Ltd.

Issuer Credit Rating	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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