

First Financial Holding

3Q 2016 Earnings Result

Nov. 29, 2016



Disclaimer

This presentation is provided by First Financial Holding Co., Ltd. (“FFHC”). The information contained within is not reviewed or reviewed by any accountant or any independent third party. Users should read this material in conjunction with all other public financial and operational information filed to the competent authorities by FFHC. While we endeavor to provide accurate, complete and consistent information herein, FFHC makes no guarantee or warranties as to the accuracy or correctness of all the material contained. After this presentation is released to the public, we undertake no obligation to update any relevant data to reflect any change hereafter.

Users should also notice that this presentation may contain forward-looking statements. Statements that are not historical facts, including statements relating to the implementation of strategic initiatives, future business development and economic performance are forward-looking statements. By their nature, forward-looking statements involve uncertainties, risks, assumptions and other factors that could cause actual developments and results to differ materially from our statement in this presentation. These factors include, but not limited to, regulatory developments, competitive conditions, technological developments, general economic conditions and management changes.

The information, statements or opinions in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation respect to such securities or other financial instruments. First Group and all its affiliates representatives, no matter for their negligence or any other reasons, should not be liable for any loss or damages arising from the use of or interpretation by others of information contained within this presentation or any matter related to this document.

Contents

- At a Glance
- Financial Highlight
- Operating Results
- Appendix



At a Glance

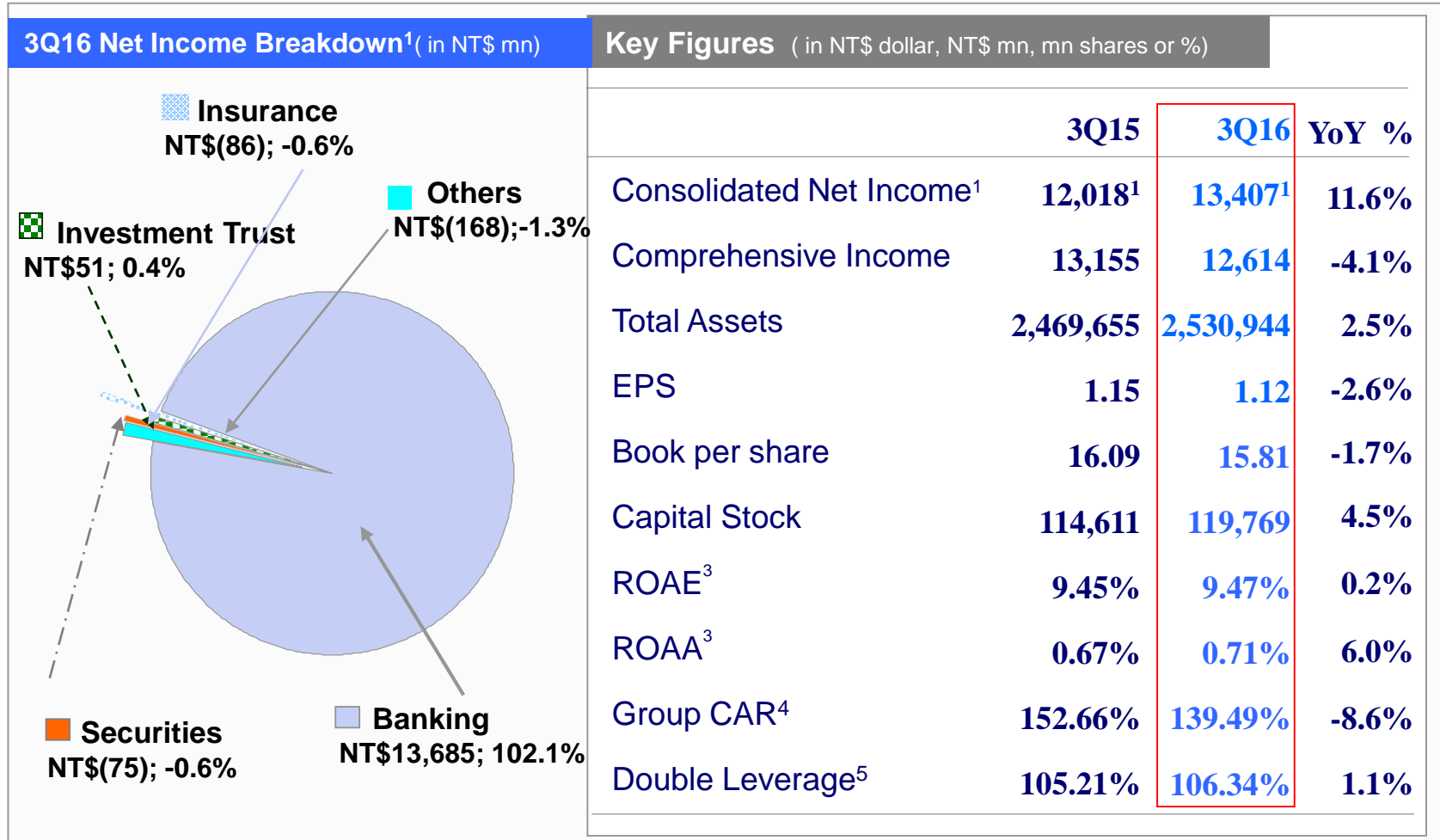
3Q 2016 – End of Domestic Rate Trough

- ◆ **Bank remained the major growth driver as its core earnings climbed:**
Total of net interest & fee income (YoY+3.0%) reached year high in 3Q16 despite CBC's rate cuts, reflecting FB's stable underlying and diversified portfolio strategy.
- ◆ **Normalized credit cost will continue as domestic Macro remains under pressure:**
End of subdued credit cost due to sluggish economy home and abroad.
- ◆ **Margin bottom-out for 4Q16 :**
Leveraging loan book on overseas F/X lending helps boost the spread if Fed hikes rate in 4Q16.
- ◆ **Glory & Honors :**
In 2016, FFHC has been honorably selected by the Dow Jones Sustainability Indices (DJSI) as an index component of the 2016 DJSI Emerging Markets Indices for the first time.



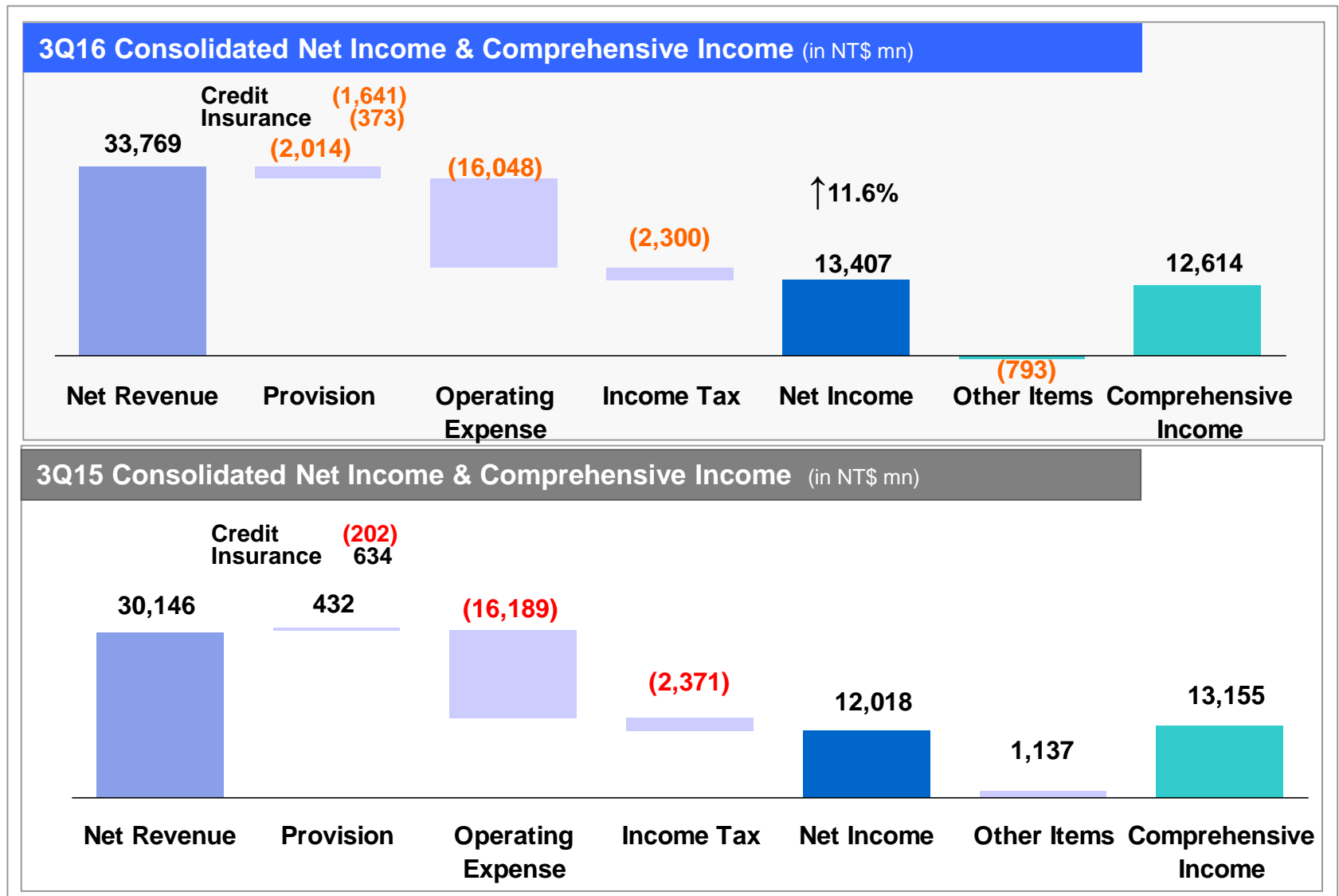
3Q 2016 Financial Highlight

3Q 2016 Key Figures

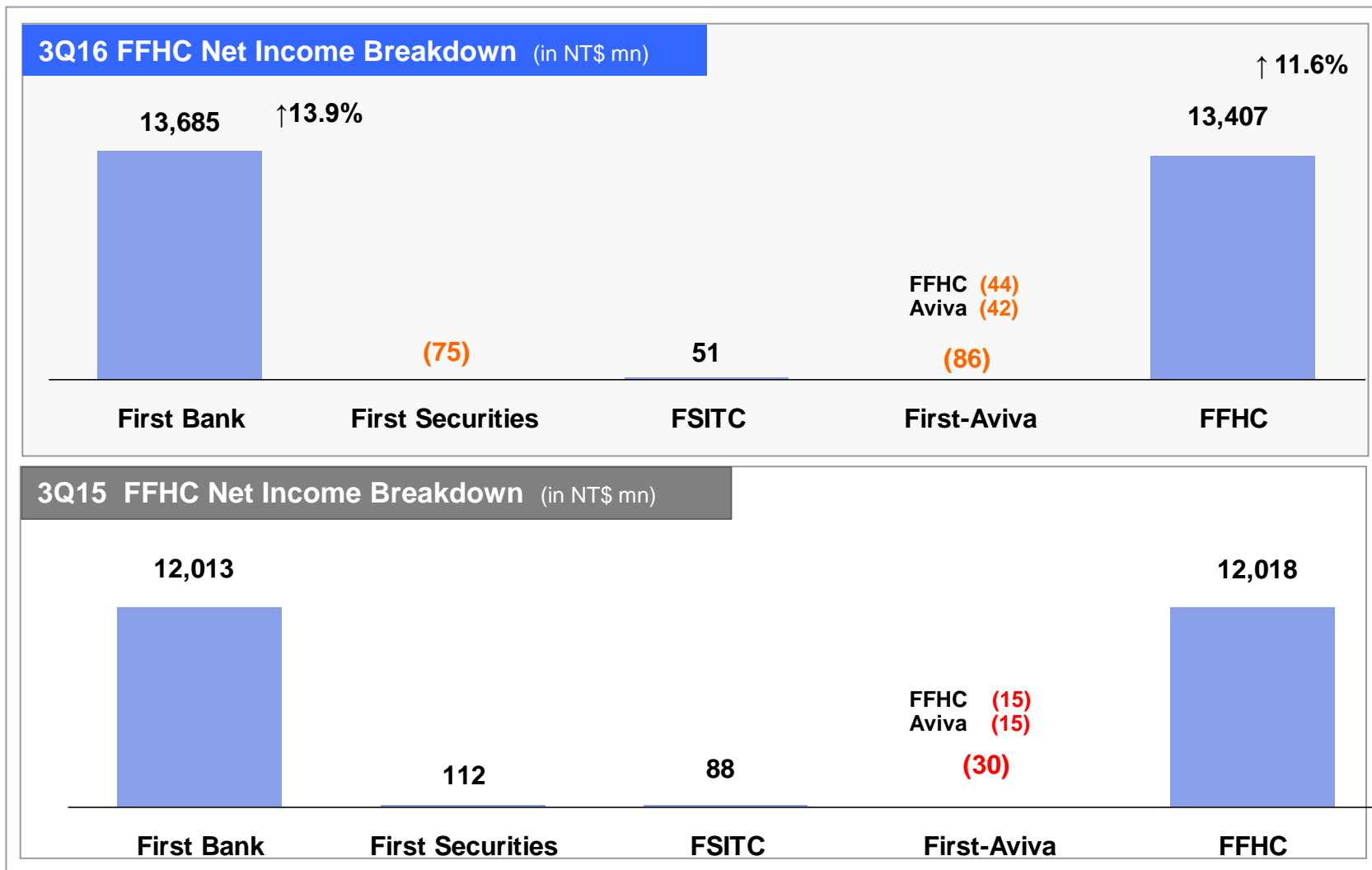


1. Based on the classification of specific company's business units, financial information by business segments should be listed individually.
 2. Comprehensive Income Statement is required by IFRS.
 3. Annualized figures. . 4. Preliminary data for CAR.
 5. Double Leverage = Equity Investment / Shareholder Equity

Net Income & Comprehensive Income



Net Income Breakdown by Subsidiaries*

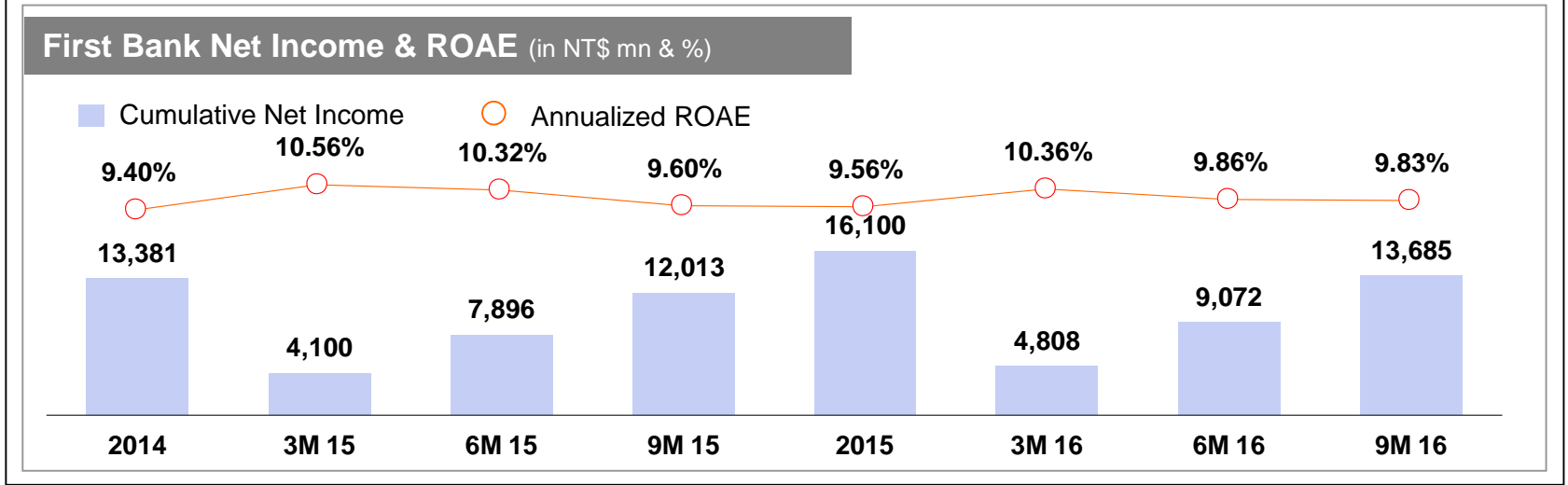
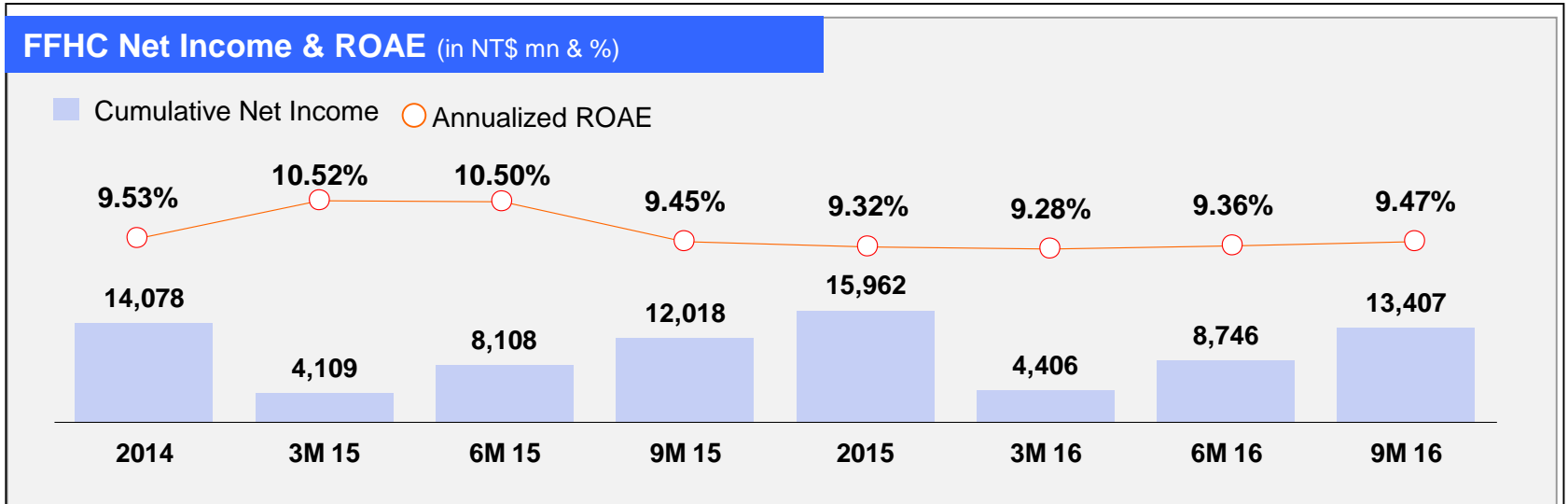


* Major 4 subsidiaries were listed.



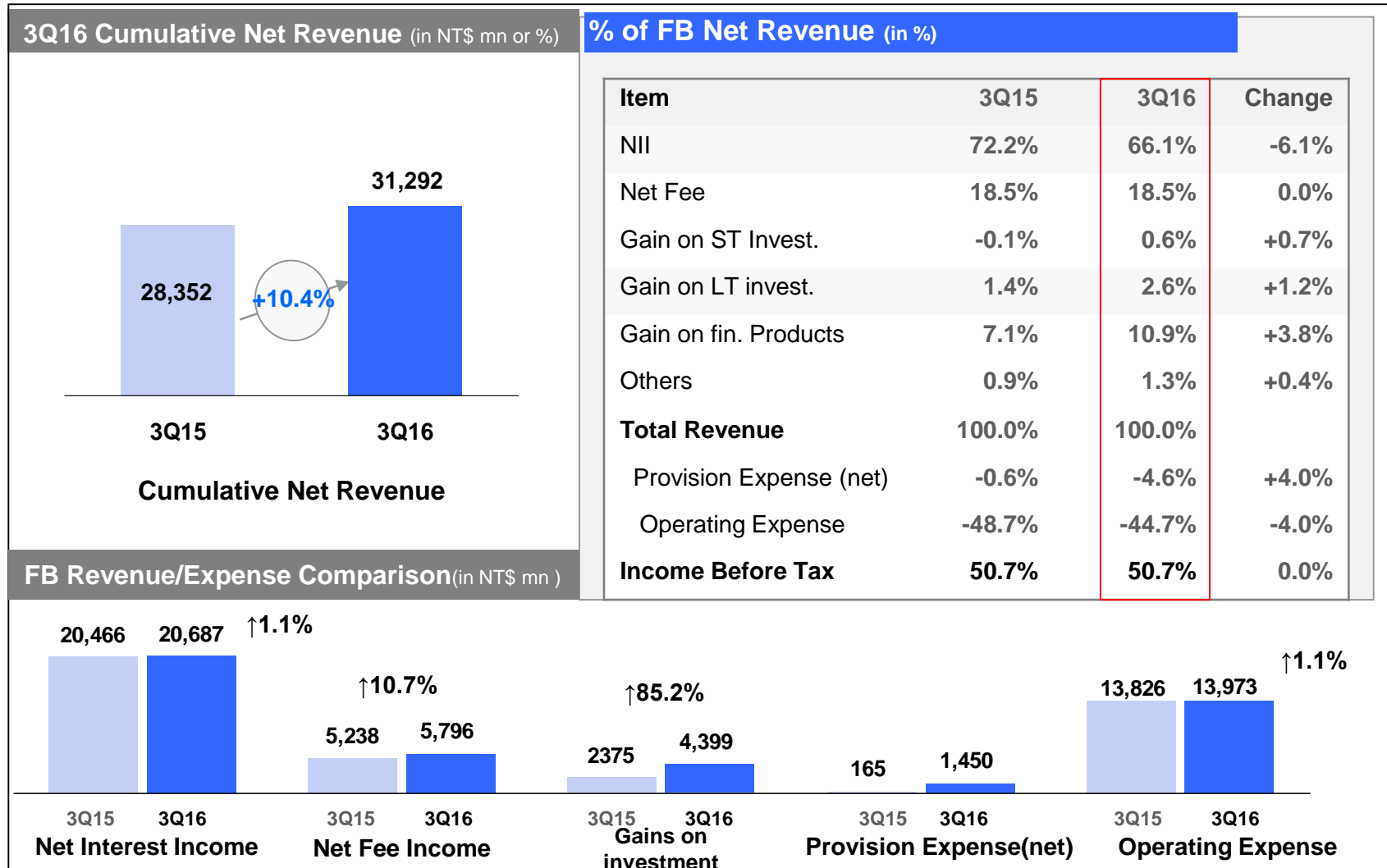
3Q 2016 Operating Results

FFHC & First Bank Profitability -After Tax



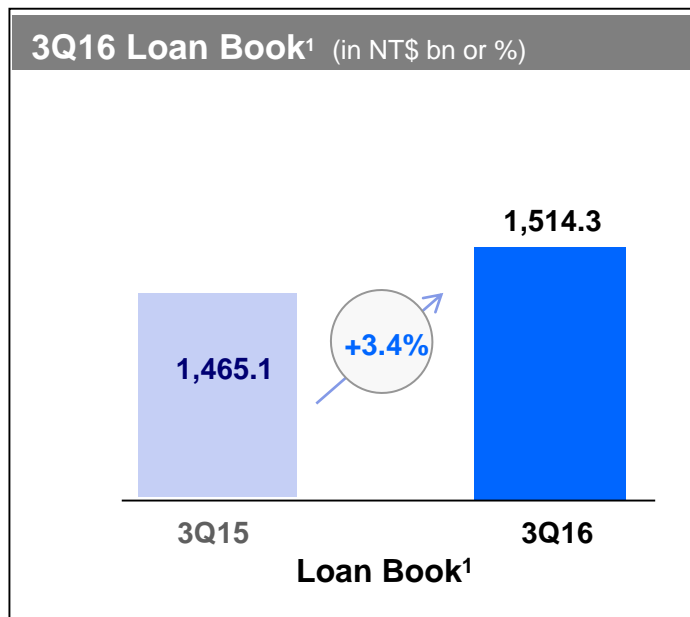
1. Minority interests included

FB 3Q 16 Pre-tax Profit



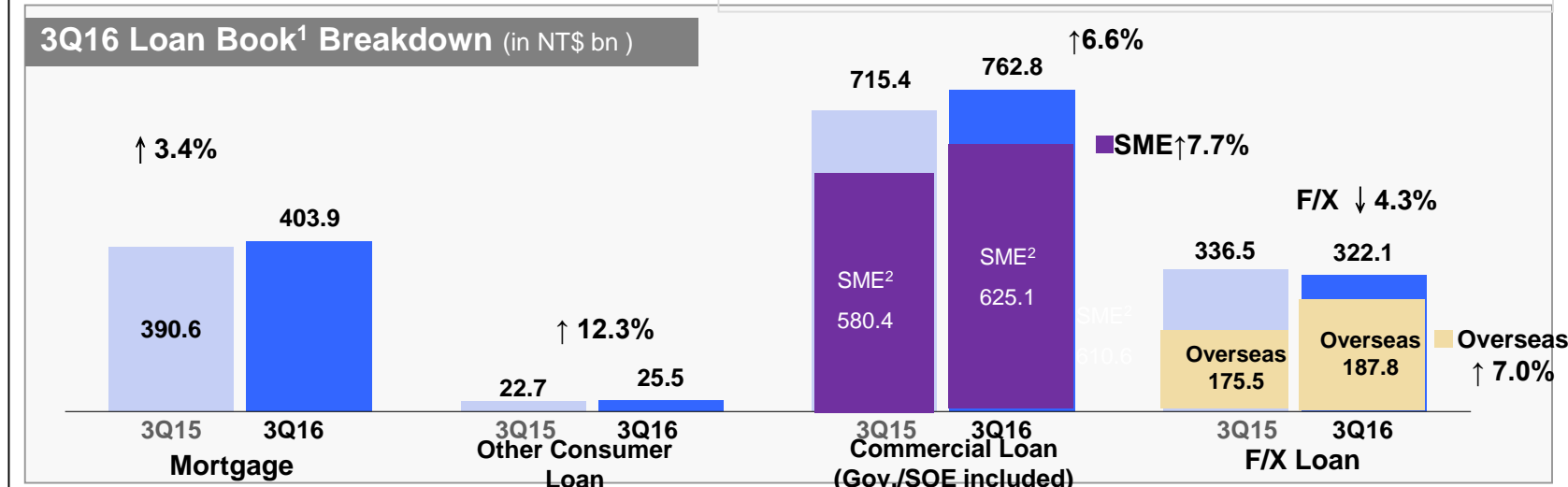
Preliminary data

FB 3Q16 Loan Book Mix



% of Loan Book¹

Item	3Q15	3Q16	Change
Consumer	28.2%	28.4%	+0.2%
Mortgage	26.7%	26.7%	0.0%
Other Consumer Loan	1.5%	1.7%	+0.2%
Corporate Banking	71.8%	71.6%	-0.2%
Commercial Loan (Gov./SOE included)	48.8%	50.3%	+1.5%
--- SME	39.6%	41.3%	+1.7%
F/X/ Loan	23.0%	21.3%	-1.7%
--- Overseas	12.0%	12.4%	+0.4%
Loan Book¹	100.0%	100.0%	

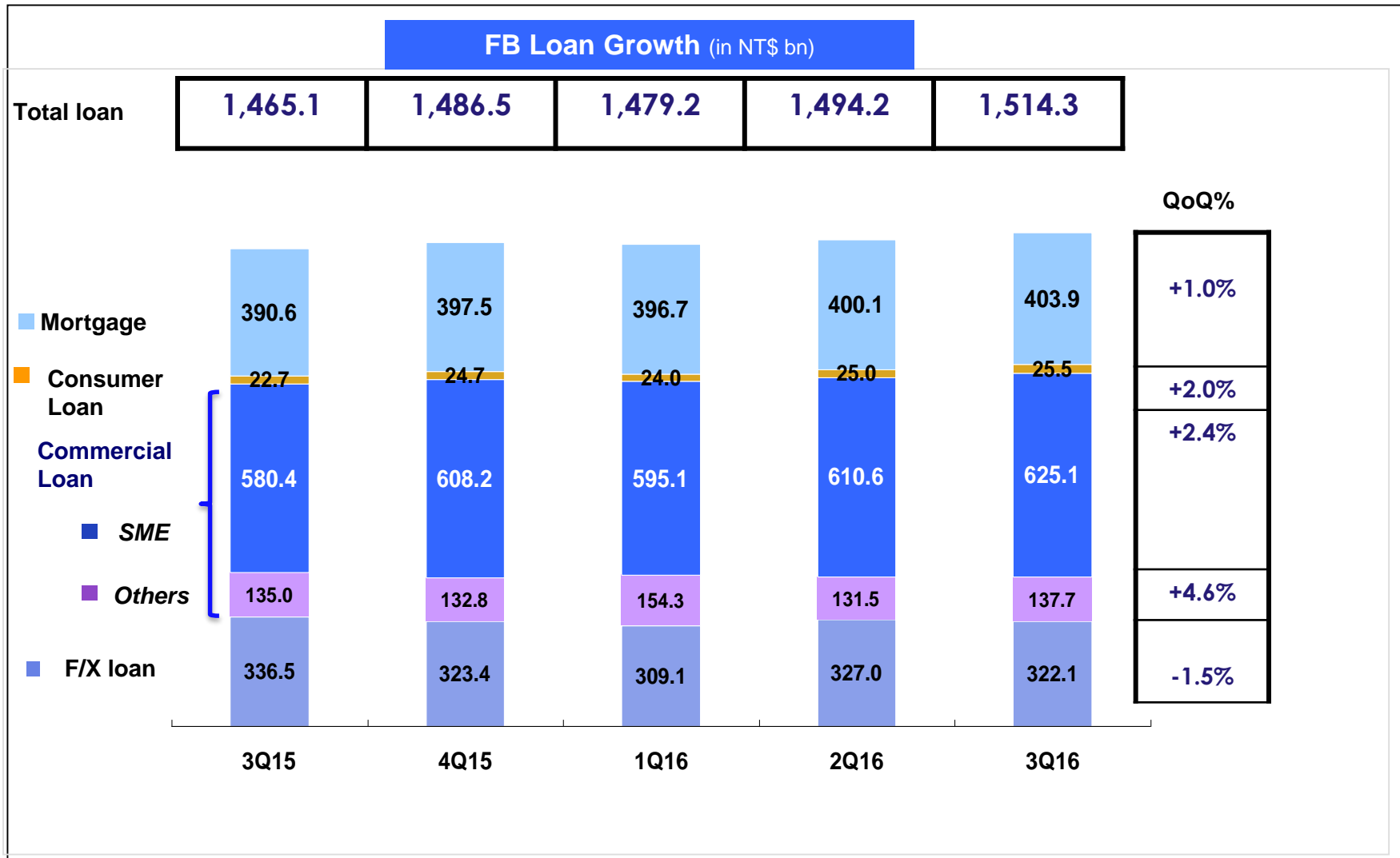


1. Loan Book does not include NALs

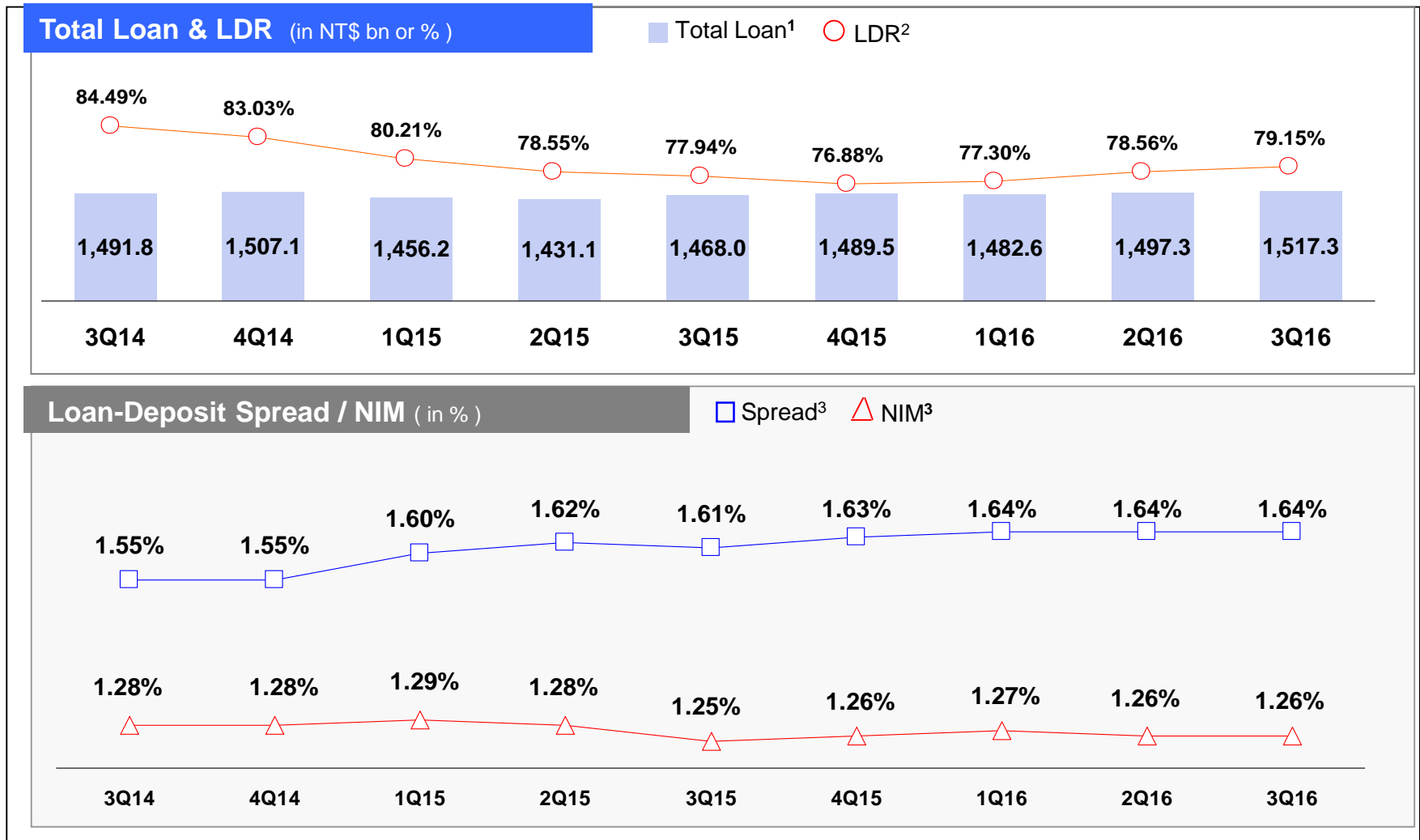
2. SME as defined by the "Act for Development of Small & Medium Enterprises; both NTD & Foreign currency loan included

FB Loan Breakdown

-QoQ Comparison



FB 3Q16 LDR, SPREAD & NIM

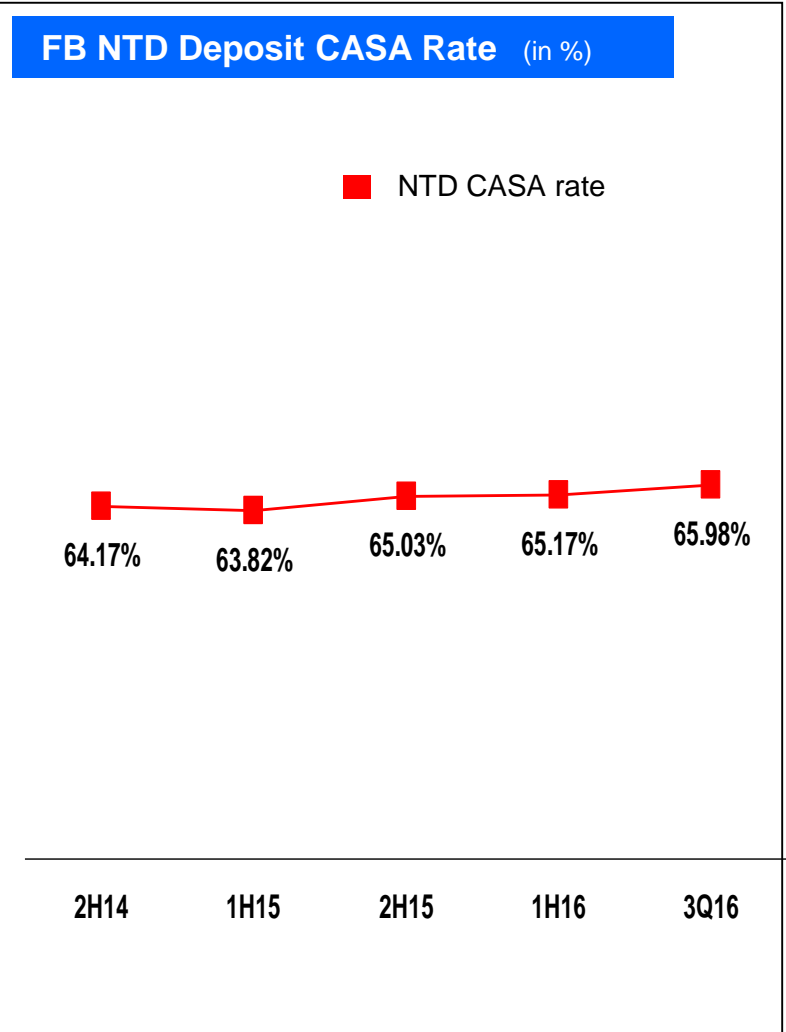
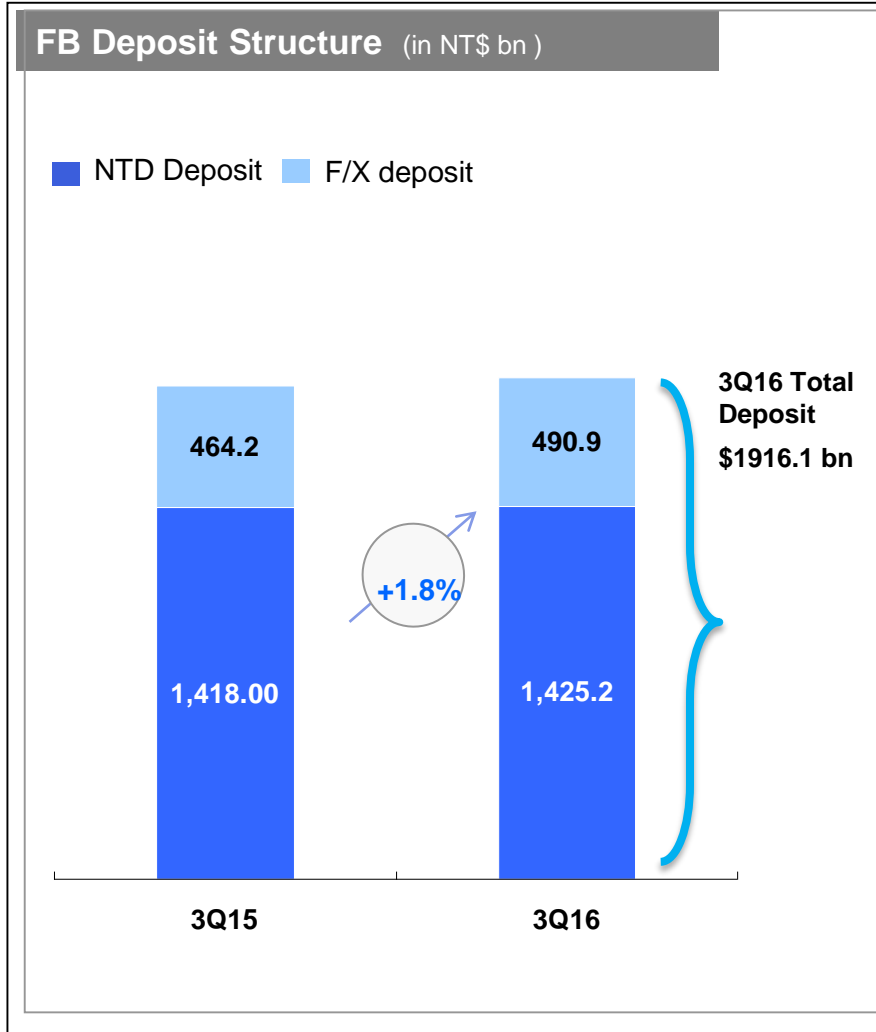


1. Total Loan = loan + import/export negotiation + NALs

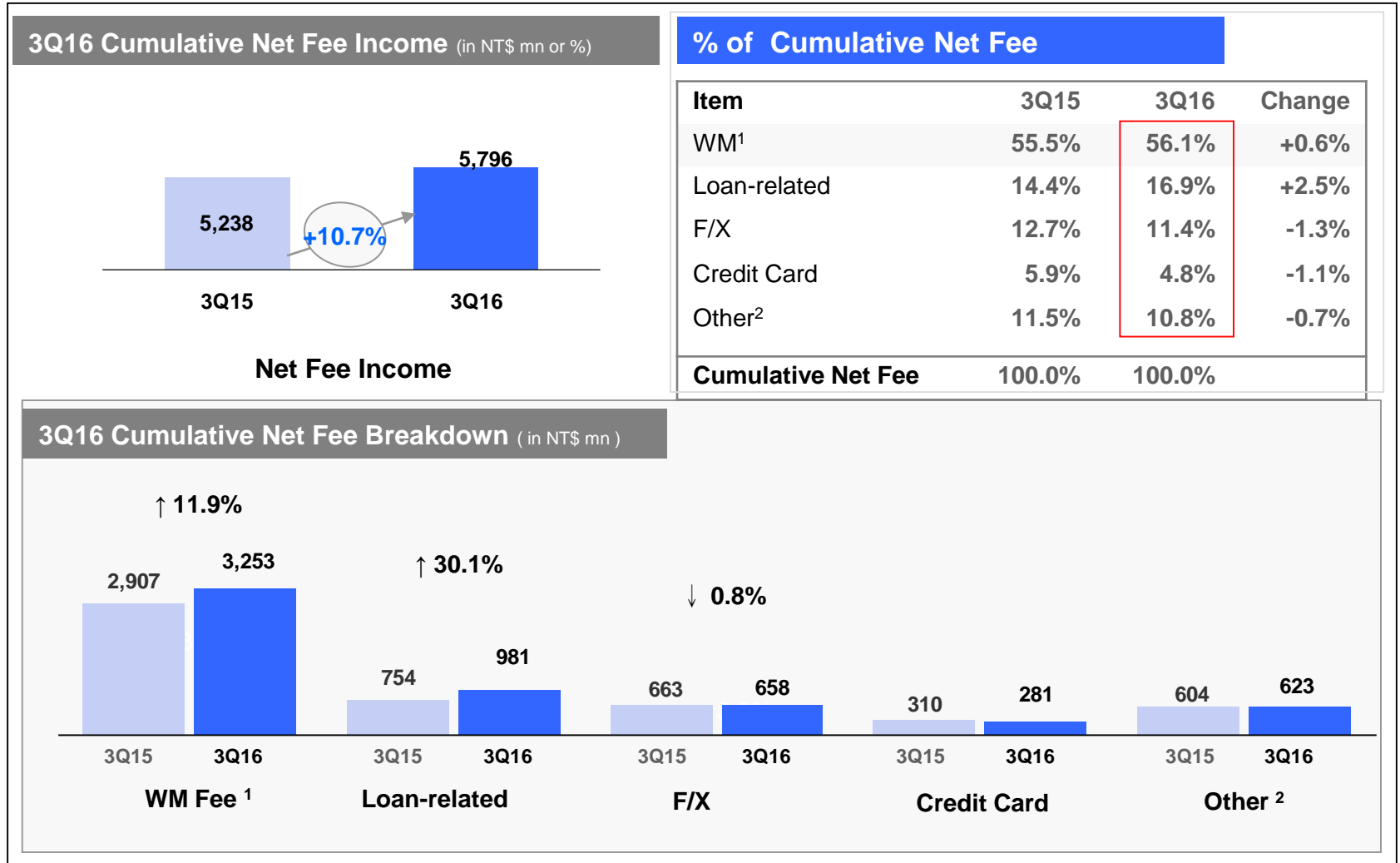
2. LDR = Total loan / Total deposit, starting from 2012, total deposit does not include structured deposit.

3. Annual cumulative Average Spread and NIM

FB 3Q16 Deposit Mix



FB 3Q16 Fee Income Breakdown



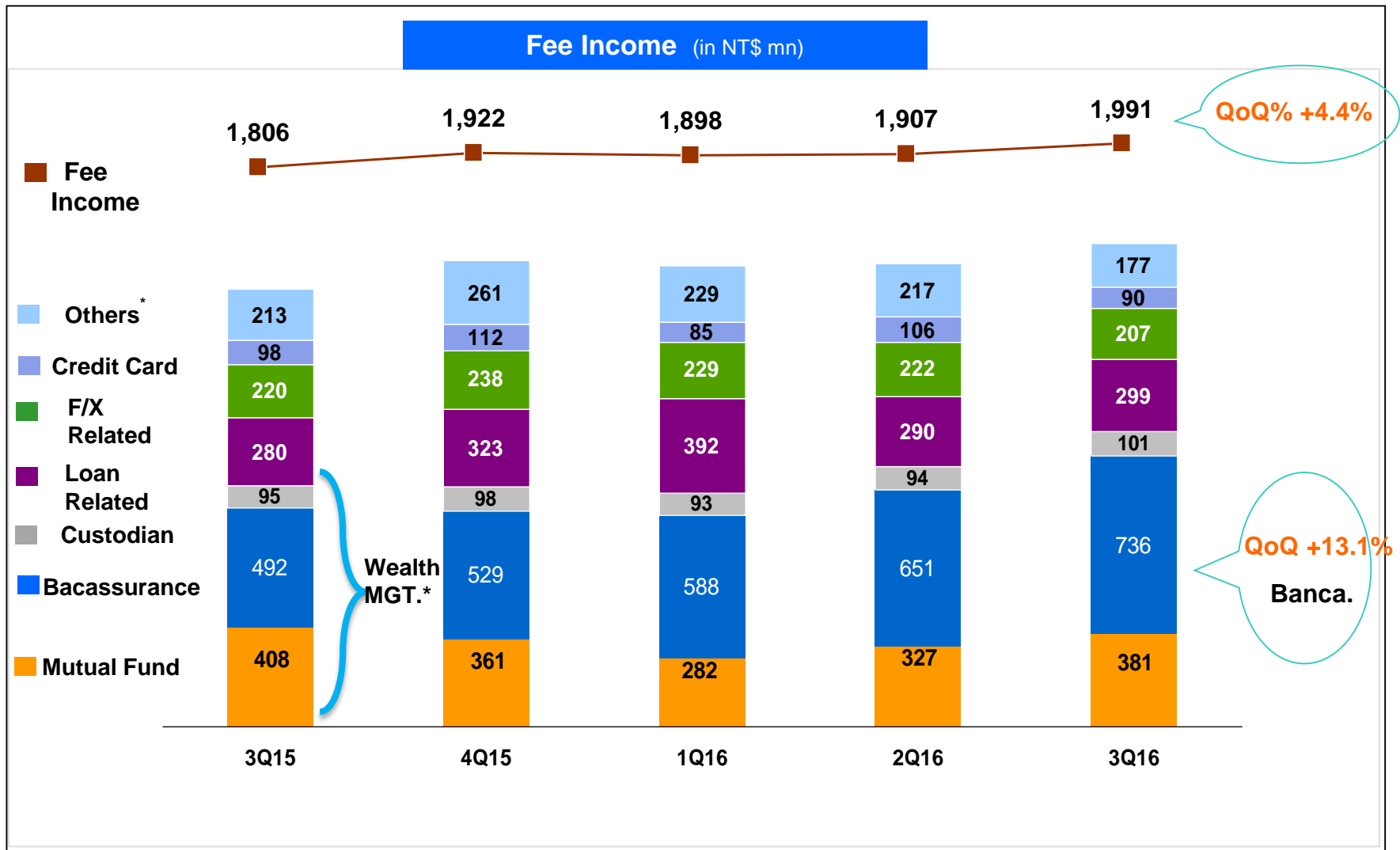
1. WM Fee = Custodian Fee + Trust-related Fee + Bancassurance Fee

2. Other represents network service fee, including overseas branches

3. Starting from July, 2016, property and casualty insurance fee income reclassified from others to WM(bancassurance) due to re-organization.

FB Fee Income Breakdown

-QoQ Comparison

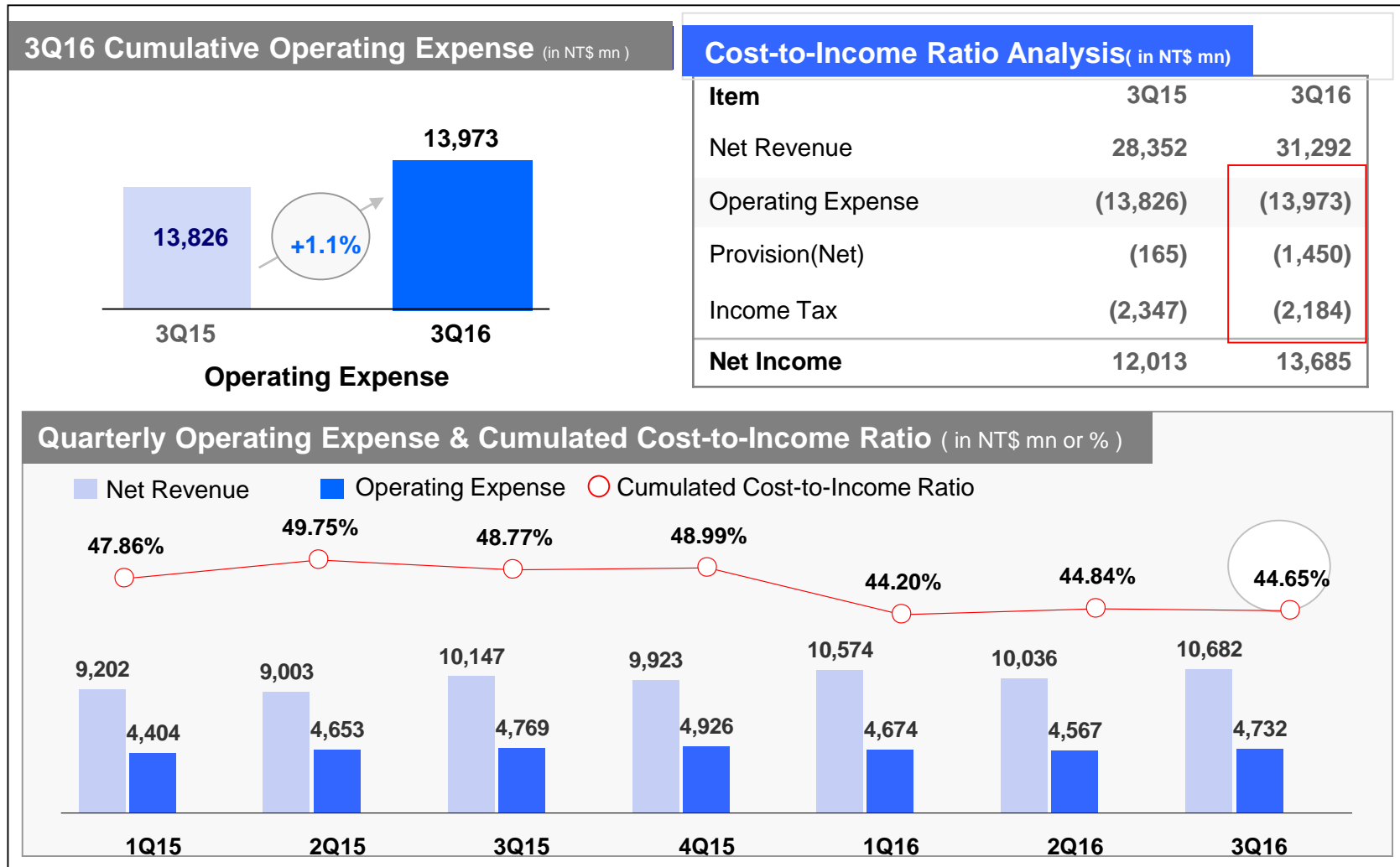


* Wealth Management Fee = Fund sales + Bancassurance + Custodian

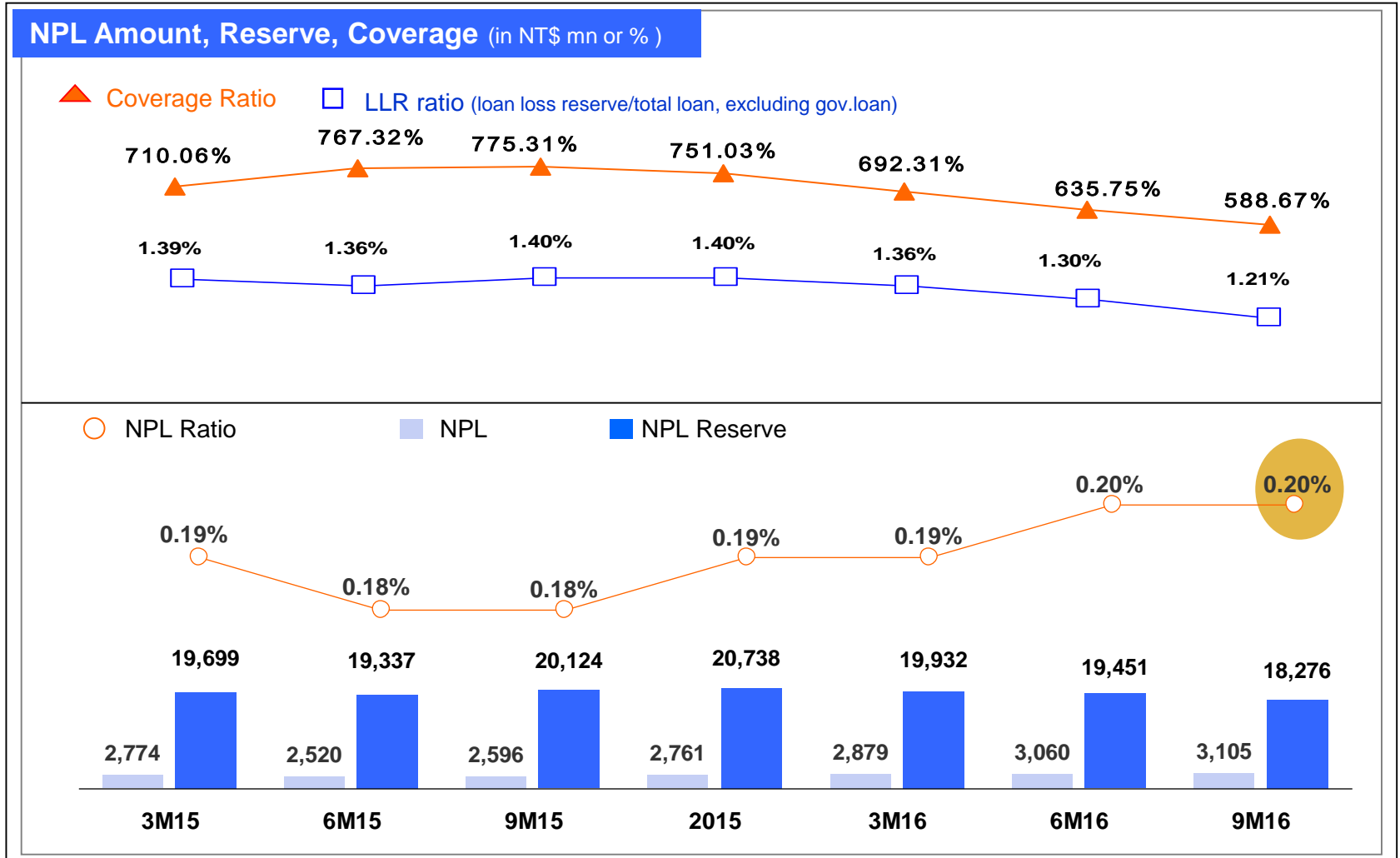
*Other represents network service fee, including overseas branches

Starting from July. 2016, property and casualty insurance fee income reclassified from others to WM(bancassurance) due to re-organization.

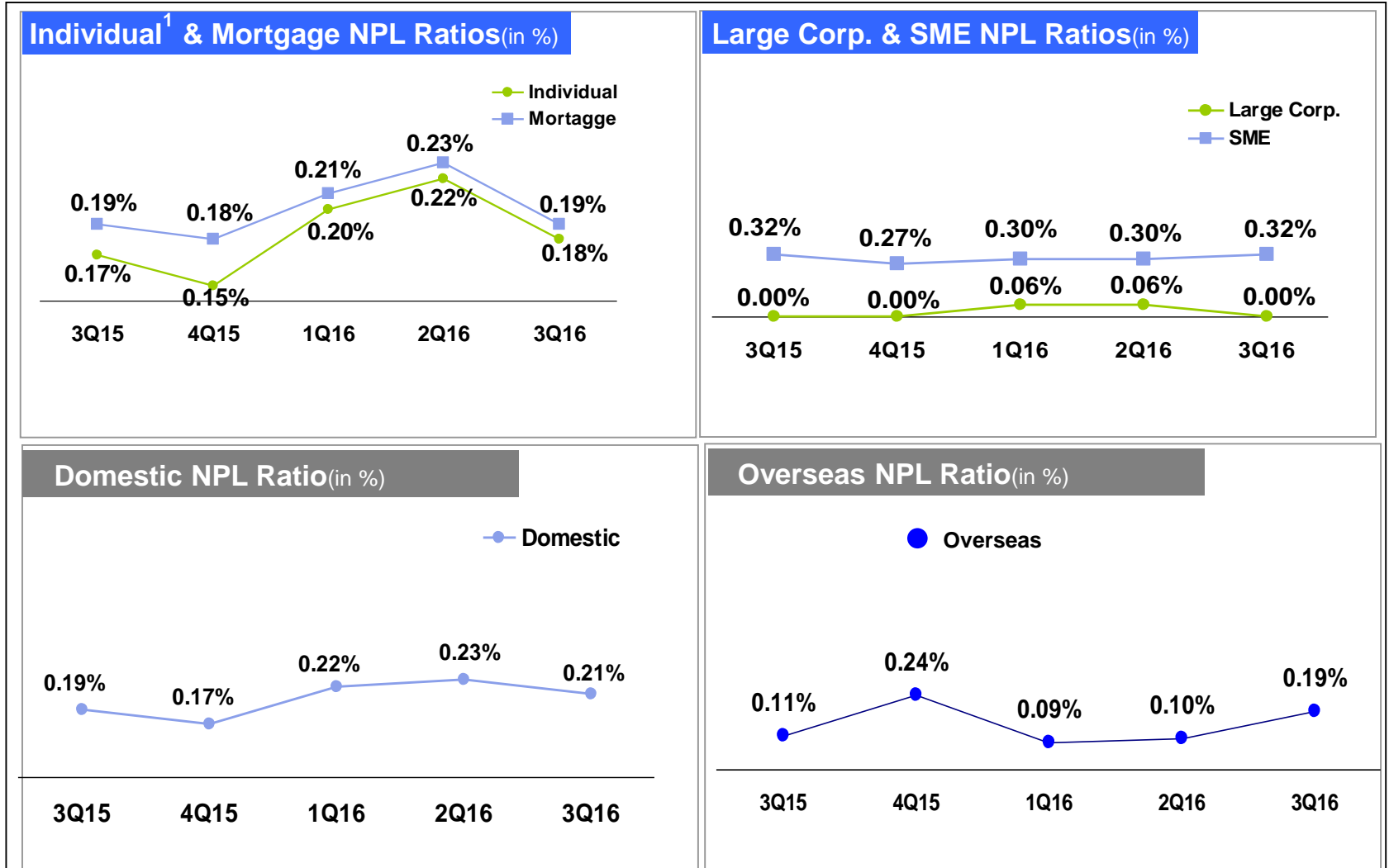
FB 3Q16 Cost-to-Income Ratio



FB 3Q16 Asset Quality

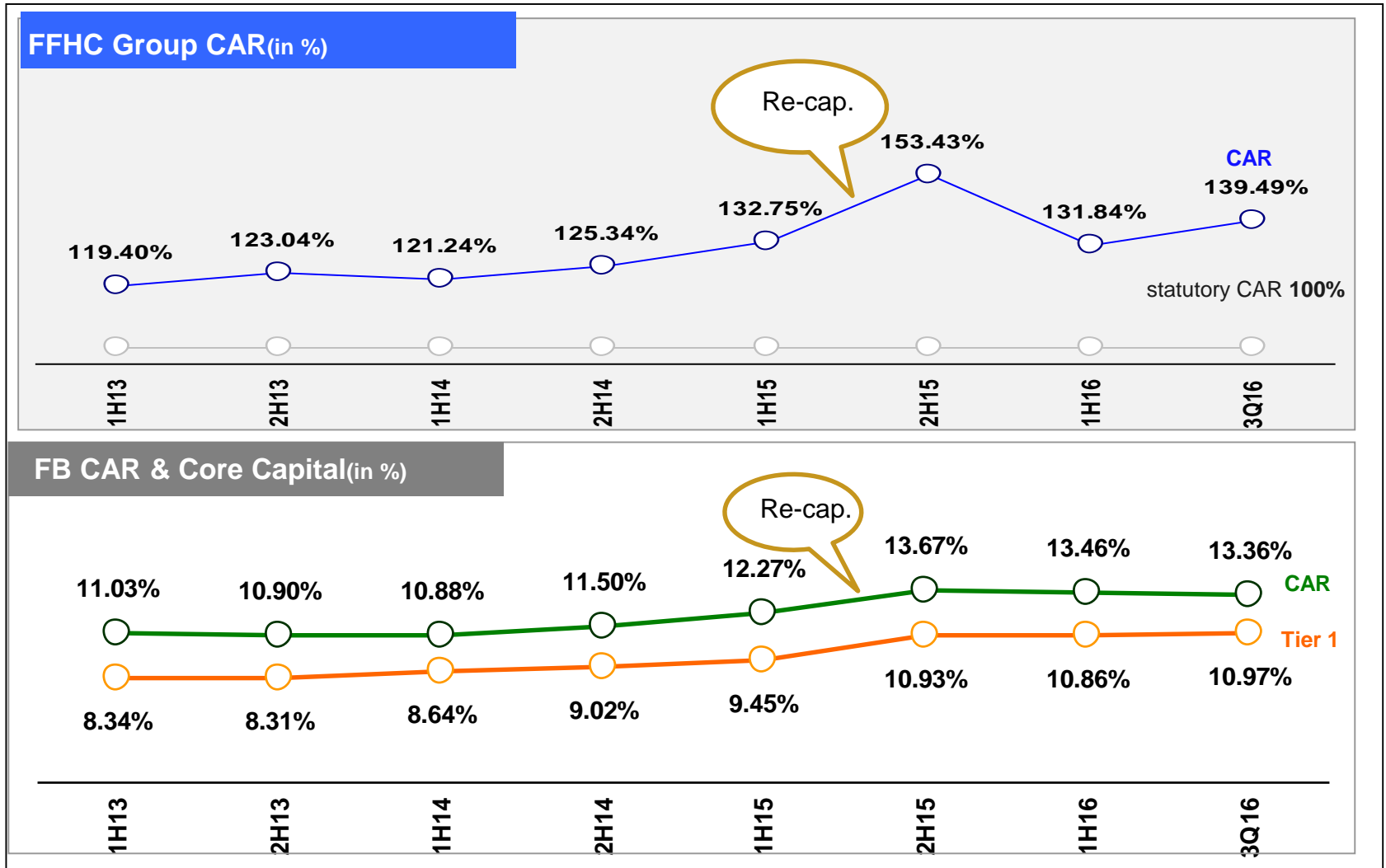


FB NPL Migration by Sectors



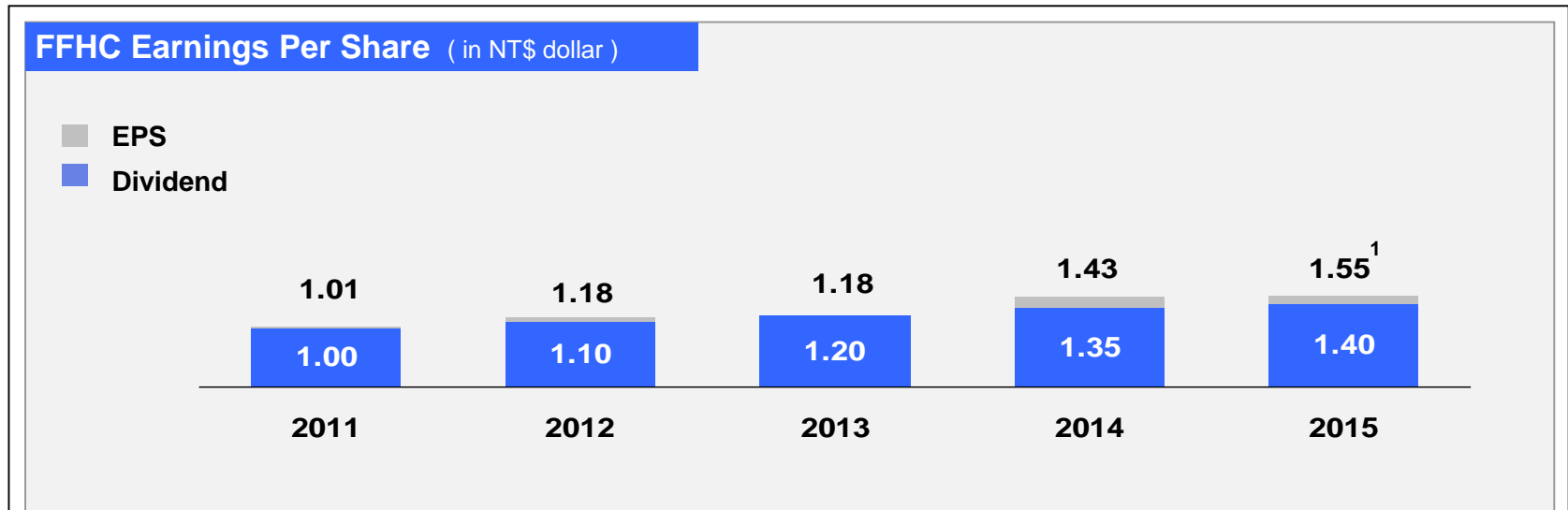
1. Individual: mortgage and non-mortgage loan included
 2. bad-debt recovery not included.

CAR & Core Capital



- Leverage ceiling for holding companies in Taiwan: Double Leverage < 125% ; Debt Ratio < 30%
- Preliminary data for 3Q16

Shareholder Return



FFHC Dividend History (in NT\$ dollar)

	2011	2012	2013	2014	2015
Cash dividend	0.40	0.45	0.50	0.70	0.95
Stock dividend	0.60	0.65	0.70	0.65	0.45
Total dividend	1.00	1.10	1.20	1.35	1.40
CASH Payout ratio	39.6%	38.1%	42.4%	49.0%	61.3%

1. EPS is adjusted retroactively for stock dividends.



Appendix

FFHC Consolidated Statement of Comprehensive Income

FFHC Consolidated Statement of Comprehensive Income (in NT\$ million or %)						
	IFRSs			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Net interest income	25,932	28,278	28,452	21,168	21,437	1.3%
Net service fee & commission	6,632	7,428	8,502	6,277	6,736	7.3%
Net Insurance revenue	688	(6,533)	121	(98)	736	--
Gain on financial assets meas. at fair value through P/L	859	1,373	1,152	668	2,502	274.6%
Real estate investment gain	88	172	146	143	94	-34.3%
Gain on AFS financial assets	315	417	541	507	881	73.8%
Income from equity invest.	97	(26)	(588)	(661)	(131)	--
Net gain on F/X	1,368	2,172	1,707	1,332	(62)	-104.7%
Assets impairment loss	3	(6)	(10)	5	(39)	--
Others	484	911	825	805	1,615	100.6%
Ner Revenue	36,466	34,186	40,848	30,146	33,769	12.0%
Net Provision for credit losses	(4,047)	(4,015)	(518)	(202)	(1,641)	--
Recovered(provided) for insurance res.	(397)	7,101	540	634	(373)	--
Operating Expense	(18,973)	(20,789)	(21,893)	(16,189)	(16,048)	-0.9%
Income from continued op. before tax	13,049	16,483	18,976	14,389	15,707	9.2%
Income tax expenses	(2,172)	(2,405)	(3,014)	(2,371)	(2,300)	-3.0%
Consolidated net income	10,877	14,078	15,962	12,018	13,407	11.6%
Other Items	1,262	3,420	413	1,137	(793)	-169.7%
Comprehensive Income	12,139	17,497	16,375	13,155	12,614	-4.1%
Net Income attributed to:						
Parent	10,889	14,085	16,006	12,033	13,449	11.8%
Minority interests	(12)	(7)	(44)	(15)	(42)	--
Comprehensive Income attributed to:						
Parent	12,242	17,542	16,461	13,216	12,609	-4.6%
Minority interests	(104)	(45)	(86)	(61)	5	-108.2%
EPS ¹ (NT\$)	1.18	1.43	1.55	1.15	1.12	-2.6%

FFHC Non-consolidated Income Statement

FFHC Standalone Income Statement Summary in NT\$ million, NT\$, or %

	Full Year Results			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Operating revenues						
Income from long-term investment	11,112	13,904	16,431	12,267	13,772	12.3%
Other income ¹	226	289	213	210	240	14.3%
Total revenues	11,339	14,194	16,644	12,477	14,012	12.3%
Loss from long-term investment	(12)	(8)	(114)	(125)	(183)	46.4%
Operating expenses	(233)	(264)	(373)	(217)	(254)	17.1%
Other expenses and losses	(145)	(159)	(192)	(143)	(107)	-25.2%
Income from continued op. before tax	10,949	13,763	15,965	11,992	13,468	12.3%
Income from continued po. after tax	10,889	14,085	16,006	12,033	13,449	11.8%
Income from discontinued op., net of ta	0	0	0	0	0	--
Net income	10,889	14,085	16,006	12,033	13,449	11.8%
EPS ² (NT\$)	1.18	1.43	1.55	1.15	1.12	-2.6%

1. Including income other than long-term investment

2. EPS is adjusted retroactively for stock dividends

FFHC Balance Sheet

FFHC Balance Sheet Summary in NT\$ million or million shares						
	Full Year Results			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Non-consolidated Balance Sheet Data						
Long-term investment	145,469	167,888	197,454	194,009	201,362	3.8%
Total non-consolidated assets	151,546	172,071	201,923	200,869	203,085	1.1%
Total liabilities	10,817	18,126	14,283	16,473	13,725	-16.7%
Total shareholders' equity	140,729	153,945	187,640	184,396	189,360	2.7%
Consolidated Balance Sheet Data						
Total consolidated assets	2,263,385	2,355,709	2,500,096	2,469,655	2,530,944	2.5%
Total liabilities	2,122,179	2,201,332	2,312,109	2,284,888	2,341,231	2.5%
Total shareholders' equity	141,206	154,377	187,987	184,767	189,713	2.7%
Parent's shareholders' equity	140,729	153,945	187,640	184,396	189,361	2.7%
Minority interests	477	432	347	371	352	-5.1%
Current shares outstanding	86,535	92,593	114,611	114,611	119,769	4.5%
*figures may not match due to rounding						

FFHC Key Ratios

FFHC Key Ratios	Full Year Results			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
	After-tax ROAA (Annualized ratio)	0.50%	0.61%	0.66%	0.67%	0.71%
After-tax ROAE (Annualized ratio)	7.94%	9.53%	9.32%	9.45%	9.47%	0.2%
Book Per Share	16.26	16.63	16.37	16.09	15.81	-1.7%
Capital Stock	86,535	92,593	114,611	114,611	119,769	4.5%
Double leverage ¹	103.37%	109.06%	105.23%	105.21%	106.34%	1.1%
Group CAR ²	123.04%	125.34%	153.43%	152.66%	139.49%	-8.6%
Debt Ratio ³	7.14%	10.53%	7.07%	8.20%	6.77%	-17.4%

1. Double leverage ratio = Long-term investment / Equity
2. Updated semi-annually.
3. Non-consolidated basis.

FB Income Statement

FB Comprehensive Income Statement Summary(Standalone)						
in NT\$ million or %						
	IFRSs			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Net interest income	24,865	27,138	27,494	20,466	20,687	1.1%
Net fee income	5,397	6,190	7,160	5,238	5,796	10.7%
Net gain on ST invest.	76	(151)	(49)	(13)	176	-1453.8%
Net gain on LT invest.	711	666	598	386	827	114.2%
Net gain on other fin. products	1,887	3,496	2,823	2,002	3,396	69.6%
Other net income	(160)	181	249	273	410	50.2%
Net revenue	32,776	37,520	38,275	28,352	31,292	10.4%
Operating expenses	(16,269)	(17,736)	(18,752)	(13,826)	(13,973)	1.1%
Pre-provision pre-tax profit	16,507	19,784	19,523	14,526	17,319	19.2%
Provision expense	(7,090)	(6,161)	(3,027)	(1,832)	(2,647)	44.5%
Adjustment: bad-debt recovery	3,168	2,240	2,554	1,666	1,197	-28.2%
Income before tax	12,584	15,862	19,050	14,360	15,869	10.5%
Income tax	(1,940)	(2,481)	(2,950)	(2,347)	(2,184)	-6.9%
Net income	10,645	13,381	16,100	12,013	13,685	13.9%
Other items	1,165	3,242	995	1,918	(809)	-142.2%
Comprehensive income	11,810	16,623	17,095	13,932	12,876	-7.6%
EPS	1.44	1.81	2.00	1.48	1.54	0.04

FB Key Ratios

FB Key Ratios	Full Year Results			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Loan to deposit spread	1.55%	1.55%	1.63%	1.61%	1.64%	1.86%
Net Interest Margin	1.26%	1.28%	1.26%	1.25%	1.26%	0.80%
Cost to income ratio ³	49.64%	47.27%	48.99%	48.73%	44.65%	-8.37%
Loan to deposit ratio ¹	83.50%	83.03%	76.88%	77.94%	79.15%	1.55%
NPL ratio	0.47%	0.20%	0.19%	0.18%	0.20%	11.11%
Gross Provision ratio	1.09%	1.24%	1.19%	1.22%	1.00%	-18.03%
LLR ratio (excluding gov. loan)	1.26%	1.37%	1.40%	1.40%	1.21%	-13.57%
Coverage ratio	261.73%	680.71%	694.56%	775.31%	588.67%	-24.07%
CAR	10.90%	11.50%	13.67%	13.68%	13.36%	-2.34%
Tier-1	8.31%	9.02%	10.93%	11.08%	10.97%	-0.99%
ROAA ²	0.50%	0.60%	0.69%	0.68%	0.75%	10.29%
ROAE ²	8.35%	9.40%	9.56%	9.60%	9.83%	2.40%

1. Loan to deposit ratio = total loan / total deposit

2. Annualized figures.

3. Starting from 2013, data are illustrated with T-IFRS

FB Loan Yields

FB Loan Yields	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
NTD Yields & Costs											
Loan Rate	2.13%	2.12%	2.16%	2.20%	2.18%	2.18%	2.19%	2.18%	2.06%	2.01%	1.95%
Deposit Rate	0.61%	0.60%	0.60%	0.60%	0.59%	0.59%	0.59%	0.56%	0.52%	0.49%	0.45%
Spread	1.52%	1.52%	1.56%	1.60%	1.59%	1.59%	1.60%	1.62%	1.54%	1.52%	1.50%
FX Yields & Costs											
Loan Rate	2.52%	2.65%	2.51%	2.29%	2.52%	2.57%	2.31%	2.74%	2.91%	2.85%	2.89%
Deposit Rate	0.87%	0.98%	0.92%	0.84%	0.88%	0.85%	0.72%	0.83%	0.84%	0.75%	0.72%
Spread	1.65%	1.67%	1.59%	1.45%	1.65%	1.72%	1.59%	1.91%	2.07%	2.10%	2.17%

FB Loan Quality

FB NPL Migration in NT\$ million or %

	Full Year Results		2016 Quarterly			Year-over-Year Comparison		
	2014	2015	Q1	Q2	Q3	3Q15	3Q16	Change
NPL- beginning	6,774	2,951	2,761	2,879	3,060	2,951	2,761	-6.4%
Net new NPL influx	(118)	2,201	1,637	1,628	1,983	1,496	5,248	250.8%
<i>Domestic</i>	----	----	1,607	891	1,391	1,023	3,889	280.2%
<i>Overseas</i>	----	----	30	737	592	473	1,359	187.3%
Net write-offs	(3,705)	(2,391)	(1,519)	(1,447)	(1,938)	(1,851)	(4,904)	164.9%
NPL- ending balance	2,951	2,761	2,879	3,060	3,105	2,596	3,105	19.6%
Allowance for loan loss- beginning	17,730	20,089	20,738	19,932	19,451	20,089	20,738	3.2%
Provisions for loan loss	5,863	2,919	740	971	850	1,761	2,561	45.4%
Net write-offs	(3,705)	(2,391)	(1,519)	(1,447)	(1,938)	(1,851)	(4,904)	164.9%
Others	201	121	(27)	(5)	(87)	125	(119)	-195.2%
Allowance for loan loss- ending	20,089	20,738	19,932	19,451	18,276	20,124	18,276	-9.2%
Recovery from bad debt	2,240	2,554	569	352	277	1,666	1,198	-28.1%
<i>Domestic</i>	1,501	2,213	546	316	253	1,445	1115	-22.8%
<i>Overseas</i>	679	282	8	22	9	176	39	-77.8%
<i>Credit card</i>	60	59	15	14	15	45	44	-2.2%

1. Non-consolidated basis

First Securities Financial Results Summ

in NT\$ million or %

	Full Year Results			2015	Year-over-Year Comparison		
	2013	2014			3Q15	3Q16	Change
First Sec Income Statement Summary							
Total operating income							
Brokerage commission	683	803	Brokerage commission	753	553	499	-9.8%
Net interest income	278	335	Net interest income	315	244	221	-9.4%
Underwriting commission	76	38	Underwriting commission	53	46	19	-58.7%
Principle transaction gains, net	277	187	Transaction gains through F/V, net	217	108	57	47.2%
Other operating income	25	63	Other operating income	125	115	91	-20.9%
Total operating income	1,339	1,426	Total operating income	1463	1,066	887	-16.8%
Total operating expenses	(1,275)	(1,367)	Total operating expenses	(1,363)	(1,025)	(971)	5.3%
Non-operating income	93	54	Non-operating income	64	62	36	-41.9%
Income before tax	156	114	Income before tax	164	103	(48)	146.6%
Income tax	(17)	(40)	Income tax	10	9	(27)	-400.0%
Cummulative effect of change in accounting principles	0	0	Cummulative effect of change in accounting principles	0	0	0	--
Net income	140	74	Net income	174	112	(75)	167.0%

First Sec Key Ratios

ROAE (Annualized)	2.19%	1.14%
ROAA (Annualized)	0.80%	0.40%
Brokerage market share	1.72%	1.57%
Margin loan market share	2.37%	2.41%

First Sec Key Ratios

ROAE (Annualized)	2.65%	2.31%	-1.59%	168.8%
ROAA (Annualized)	0.92%	0.81%	-0.55%	167.9%
Brokerage market share	1.58%	1.54%	1.54%	0.00%
Margin loan market share	2.64%	2.56%	2.89%	0.33%

FSITC Operating Report

FSITC Income Statement Summary in NT\$ million or %	Full Year Results			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
	Total operating income					
Management fee	485	513	464	357	330	-7.6%
Sales service fee	1	1	1	1	4	300.0%
Total operating income	486	514	465	358	334	-6.7%
Operating expenses	(370)	(433)	(370)	(273)	(283)	3.7%
Non-operating income	8	14	26	19	10	-47.4%
Income before tax	124	95	120	104	61	-41.3%
Income tax	(21)	(16)	(18)	(15)	(10)	-33.3%
Income after tax	103	79	102	88	51	-42.0%
Cummulative effect of change in accounting principles	0	0	0	0	0	--
Net income	103	79	102	88	51	-42.0%
FSITC Key Ratios						
AUM	74,577	72,651	97,016	81,051	92,198	13.8%
AUM Ranking	10	11	8	13	11	--

1. Non-consolidated basis

First–Aviva Operating Report

First-Aviva Financial Results Summary in NT\$ million or %

	Full Year Result			Year-over-Year Comparison		
	2013	2014	2015	3Q15	3Q16	Change
Income Statement Summary						
Operating Revenue	10,338	14,903	11,576	9,928	5,295	-46.7%
Premium Income	9,301	13,436	11,820	10,193	5,593	-45.1%
Other insurance income	82	136	233	168	181	7.7%
Net Investment Income	955	1,331	(476)	(433)	(479)	10.6%
Operating Cost	(9,999)	(14,531)	(11,164)	(9,619)	(5,019)	-47.8%
Reinsurance commission	(13)	(20)	(27)	(20)	(24)	20.0%
Reserves	(4,741)	(1,623)	(2,994)	(3,106)	1,801	-158.0%
Claims	(4,864)	(12,230)	(7,412)	(5,910)	(6,302)	6.6%
Commission	(361)	(633)	(691)	(556)	(444)	-20.1%
Others	(20)	(25)	(40)	(27)	(50)	--
Operating Expenses	(363)	(397)	(501)	(366)	(362)	-1.1%
Sales related expenses	(59)	(88)	(113)	(77)	(48)	-37.7%
Management expenses	(304)	(309)	(388)	(262)	(314)	19.8%
Other expense	0	0	0	0	0	#DIV/0!
Profit/Loss of Operation	(24)	(25)	(89)	(30)	(86)	186.7%
Non-Operating Profit	0	11	0	0	0	--
Profit/Loss Before Tax	(24)	(14)	(89)	(30)	(86)	186.7%
Income tax	0	(1)	(1)	0	0	--
Net Income after tax	(24)	(15)	(90)	(30)	(86)	186.7%
Key Ratios						
ROAE(Annualized ratio)	-2.21%	-1.60%	-11.26%	-4.89%	-16.16%	230.5%
ROAA(Annualized ratio)	-0.09%	-0.05%	-0.28%	-0.12%	-0.36%	200.0%

* FFHC claims 51% of First-Aviva operating results.



Q&A