CCXAP assigns first-time long-term credit rating of A_g- to Bank of Chengdu Co., Ltd., with stable outlook.

Hong Kong, 24 November 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned first-time long-term credit rating of A_g- to Bank of Chengdu Co., Ltd. ("BOCD" or the "Bank"), with stable outlook.

The A_g- long-term credit rating of BOCD is underpinned by the Bank's (1) strong market franchise in Chengdu City, with asset scale ranking among the top city commercial banks; (2) steady net profit growth driven by rapid business expansion; and (3) diversified capital supplementation channels.

However, the rating is constrained by the Bank's (1) relatively high loan industry concentration; and (2) liquidity management challenges arising from maturity mismatch between assets and liabilities.

The rating also incorporates our expectation that the Bank has a high likelihood of receiving extraordinary support from the Chengdu Municipal Government given its (1) significant market position in Chengdu City's financial system; (2) dominant stake owned by the government; and (3) track record of receiving support.

Corporate Profile

Headquartered in Chengdu, BOCD was established in December 1996 under the name Chengdu Urban Cooperative Bank. In August 2008, it was renamed Bank of Chengdu Co., Ltd. The Bank introduced Hong Leong Bank Berhad as a foreign strategic investor in 2008. On 31 January 2018, Bank of Chengdu was listed on the Shanghai Stock Exchange (Stock Code: 601838). The Bank is a state-controlled city commercial bank and the first A-share listed bank in Sichuan Province. As of 31 December 2025, Bank of Chengdu operated 261 branches, including 15 tier-one branches and 31 directly affiliated sub-branches. The Bank's business scope covers banking services, foreign exchange services, foreign exchange settlement and sales, public securities investment fund sales, and securities investment fund custody. As of 30 September 2026, the Chengdu State-owned Assets Supervision and Administration Commission ("Chengdu SASAC") indirectly held 30.9% of the Bank's shares through state-owned enterprises ("SOEs") in Chengdu such as Chengdu Jiaozi Financial Holding Group Co., Ltd.'s ("CJFH") and was the ultimate controller.

Rating Rationale

Credit Strengths

Strong market franchise in Chengdu City. As a local state-controlled city commercial bank, BOCD has adhered to its market positioning of serving urban and rural residents, small and micro enterprises, and the local economy. Through years of operation, its business foundation has been continuously consolidated and its market share steadily expanded, giving it an

important position in the local financial system. As of the end of March 2026, the Bank's deposit and loan market shares in Chengdu City maintained a leading ranking in the Chengdu region.

Steady net profit growth driven by rapid business expansion. BOCD's business has continued to develop, with profitable assets maintaining relatively rapid growth. Driven by relatively rapid growth in profitable assets, its net interest income rose from 2024 to 2025, with profitability comparing favorably with peers. From 2023 to 2025, the Bank's cost-to-income ratio declined steadily. Over the same period, pre-provision profit grew continuously. The Bank maintained a certain level of provisioning, with asset impairment provisions increasing slightly in 2025. Meanwhile, the Bank's net profit increased from 2023 to 2025.

Diversified capital supplementation channels. BOCD was listed on the main board of the Shanghai Stock Exchange in January 2018, providing it with relatively diversified channels for capital replenishment. In February 2025, the Bank completed the redemption of its convertible bonds upon conversion, thereby replenishing its core tier-one capital. The Bank has also supplemented its additional tier-one capital through the issuance of perpetual capital bonds.

High likelihood to receive government support in times of need. Given its regional importance in Chengdu City, any failure by BOCD to honor its obligations would trigger severe repercussions across the financial systems of Chengdu City and Sichuan Province. A default by the Bank could raise doubts about the credibility of the Chengdu Municipal Government and even affect the development of the Chengdu-Chongqing economic circle, thereby generating high reputation risk. Taking into account the Bank's market share and important position in the local financial system as well as the local government's status as actual controller, we believe that the Chengdu Municipal Government has high willingness to support the Bank.

Credit Challenges

Relatively high loan industry concentration. Reflecting regional economic characteristics and its own positioning, BOCD's corporate loans are mainly concentrated in leasing and business services, water conservancy, environment and public facilities management, wholesale and retail, manufacturing, and construction. As of end-2025, the top five industries together accounted for more than 60% of total loans, indicating relatively high industry concentration. As of end-2025, loans to the top 10 borrowers accounted for more than 40% of net capital.

Liquidity management challenges arising from maturity mismatch between assets and liabilities. BOCD's liquidity resources are considered relatively adequate. Its liquidity ratio (measured by high liquid assets/total assets) slightly decreased from end-2023 to end-2025. The Bank's liquid assets consisted mostly of bond investments with good liquidity. However, the Bank's loans, bonds, and non-standard investments had relatively long tenors, while its deposits were mainly repayable on demand and short-term time deposits. As of 31 December 2025, deposits repayable on demand represented more than 20% of financial liabilities, indicating a maturity mismatch between assets and liabilities, which may exert some pressure on liquidity.

Rating Outlook

The stable outlook on BOCD's rating reflects our expectation that the willingness and ability of the Chengdu Municipal Government to provide support is unlikely to change, and that the Bank will sustain its leading market position and relatively solid financial profile in the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of receiving government support increases; (2) the Bank's macro profile strengthens, such as higher sovereign rating for China, significant improvement in corporate debt leverage, or better credit condition in China; and (3) the Bank's finance profile improves, such as increase in profitability and stability, and the diversification of loan book.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of receiving government support decreases; (2) the Bank's macro profile weakens, such as lower sovereign rating for China, heightened corporate debt level, or worsened credit condition in China; or (3) the Bank's finance profile deteriorates, such as hindered profitability, material deterioration in asset quality, and unexpected decline in liquidity.

Rating Methodology

The methodology used in this rating is the Rating Methodology for Banks (November 2021).

Regulatory Disclosures

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The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Christy Liu
Assistant Director of Credit Ratings
+852-2860 7127
christy_liu@ccxap.com

Elle Hu
Executive Director of Credit Ratings
+852-2860 7120
elle_hu@ccxap.com

Client Services: +852-2860 7111

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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656