



Chongqing Municipality In Focus

S&P Global
Ratings

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This report does not constitute a rating action

Key Takeaways

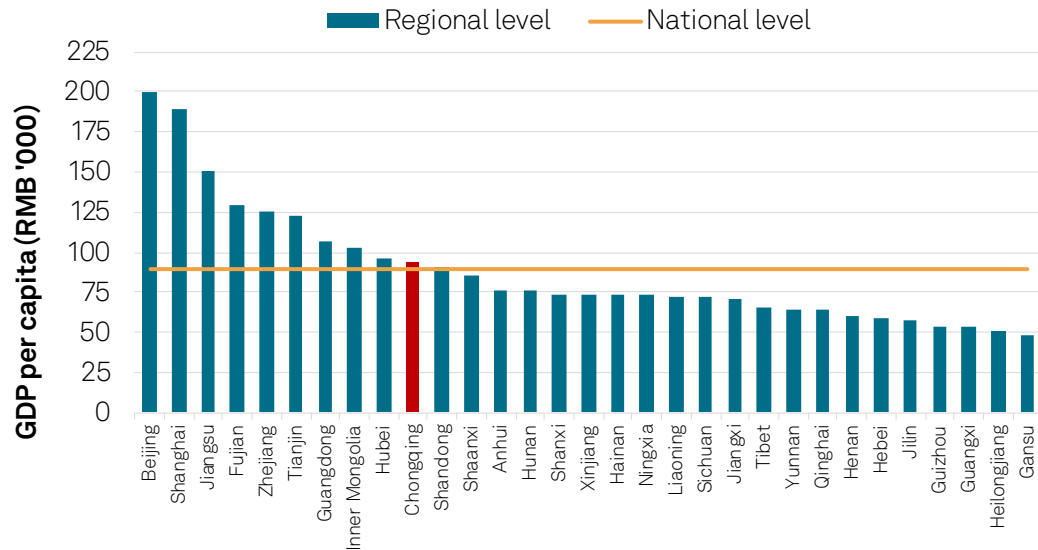
- We view Chongqing's creditworthiness (including tier-one and tier-two) as average across domestic peers.
- Its elevated deficits will gradually normalize amid increasing borrowing constraints mandated by the central government. Steady industrial upgrading and resilient consumption will also help repair Chongqing's deficit and debt burden over the next two years.
- Among Chongqing's lower-tier governments, the city center districts are generally well off with strong growth momentum, though they also undertake more debt-financed infrastructure projects. Outer suburb districts are constrained by their low income.
- As one of the 12 regions identified as high risk by the central government, Chongqing is likely to keep facing constraints around financing new projects, especially those undertaken by local government financing vehicles (LGFVs). Within that, outer suburban districts will encounter more stringent debt control given their low income and lack of promising industrial clustering.
- Government support for state-owned enterprises (SOEs) in the region will be differentiated—prioritizing those with a significant policy mandate.
- We think Chongqing SOEs will moderate their debt growth, as they switch focus to containing debt risk over expansion. Bond market access has weakened for the region's SOEs due to past restructurings of certain SOEs.
- Chongqing's top regional banks are of average size. Capital buffers remain decent for banks covered in this report, with asset quality being the main risk. Pressure on net interest margins and credit costs will weigh on profitability.

Regional Highlights

Inter-regional analysis

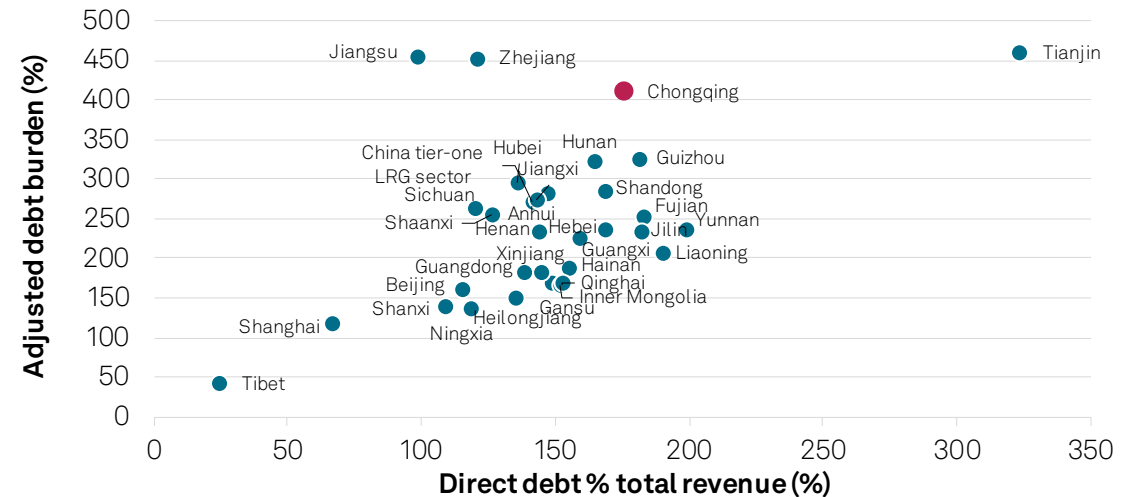
- Chongqing maintains an average income level among domestic peers. Its investments into the new energy vehicle sector has propelled industrial upgrading and lifted long-term growth potential.
- Chongqing's debt burden is one of the highest among tier one governments, driven by heavy infrastructure investments to meet the central government's mandates on the western development initiative.

Chongqing's economy is on par with the national average



Data as of December 2023. RMB--Chinese renminbi. Sources: LRGs' bureau of statistics. S&P Global Ratings.

Government debt burden is above average



Data as of December 2023. We use whole region data to identify regional features, which may not directly lead into the credit metrics of LRGs. Please refer to our glossary for a definition of terms.

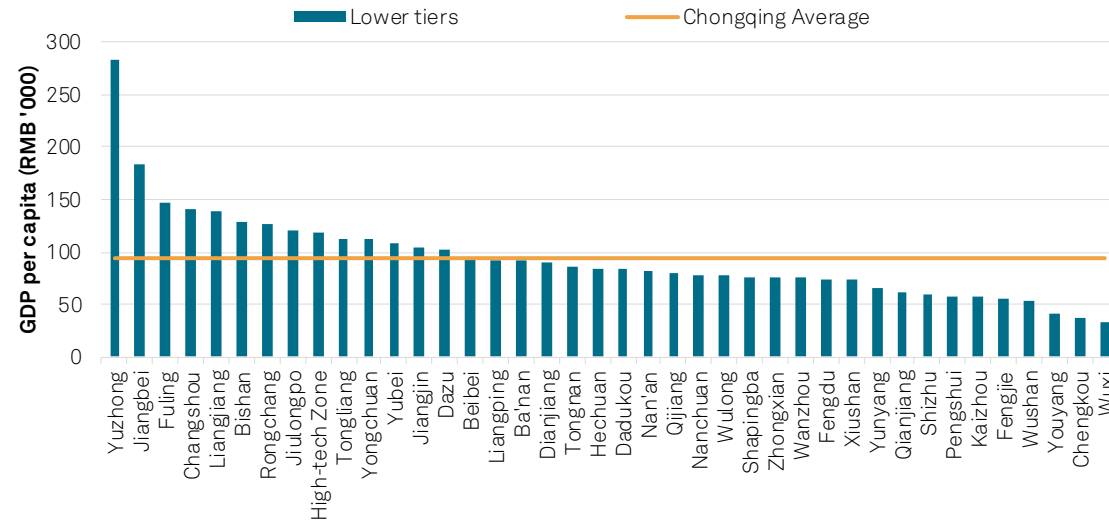
Sources: LRGs' bureau of finance. Wind. S&P Global Ratings.

Regional Highlights

Intra-regional analysis

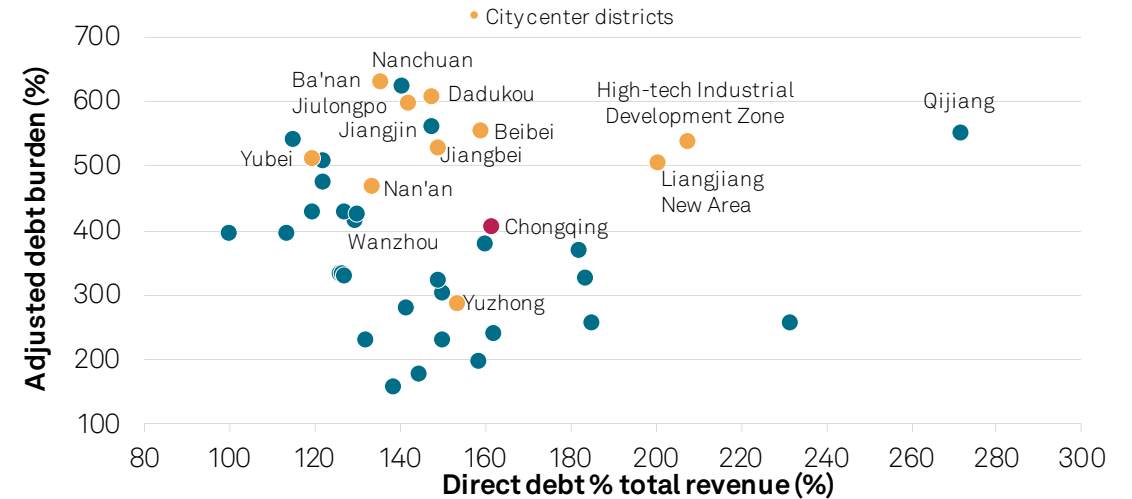
- Chongqing has significant economic disparity. City center districts (Yuzhong, Jiangbei, etc.) are the growth drivers with sophisticated industrial bases and consumption power. The east and north are mostly urban-rural fringe areas with relatively low urbanization rates.
- City center districts, the most developed within Chongqing, generally carry more debt and have larger spending responsibilities, given most of the city's large infrastructure projects lie in these districts.

City center districts benefit from higher-end industry cluster



Data as of December 2023. RMB--Chinese renminbi. Sources: LRGs' bureau of statistics. S&P Global Ratings.

City center area generally carry more debt



Data as of December 2022. Red dot refers to Chongqing whole city. We use whole city data to identify regional features, which may not directly lead into the credit metrics of LRGs. Please refer to our glossary for a definition of terms.

Sources: LRGs' bureau of finance. Wind. S&P Global Ratings.

Our Research Scope

Our series on Chinese administrative regions uses publicly available information to provide analytical opinions based on key credit metrics. These LRGs form the backbone of the mainland economy and, together with government-related entities (GREs) and financial institutions (FIs), are among China's highest-volume debt issuers.

We distinguish between "LRG level" and "whole region" data. We apply our analysis on an individual basis, which means we largely focus on LRG-level government financial statements, with the whole-region data serving as a supplement to capture risks associated with lower tier governments. In its simplest sense, province-level data are the primary figures under analysis. We round out our views using whole-province data, which encompass the cities, districts, and other lower-tier governments within the region.

Measures of creditworthiness. For LRGs, we assess creditworthiness of non-U.S. LRGs by combining our assessment of the institutional framework and individual credit profiles on governments to arrive at the anchor, a core element of our credit assessment. We cover the economy, budgetary performance, and debt burden, as three of the five credit factors to assess the individual credit profile on an LRG. Our analysis of the other two factors--financial management and liquidity--typically requires substantial judgment and interpretation of limited public data, but we generally view these two factors as supporting the creditworthiness of most LRGs.

For GREs, our analysis largely focuses on government capacity to support its debt as a sector, and not government capacity to pay its own debt. We identify three measures to gauge government capacity to support its SOE sector: SOE size, SOE creditworthiness, and LRG control over nonbudget resources. Our metrics only refer to non-FI SOEs. We use data provider Wind covering 70%-80% of LRG-controlled SOEs, measured by aggregated assets stated by Chinese government. Our analysis does not encompass wider financial resources that LRGs control. Debt and funding options vary widely in their form and complexity and cannot be easily captured using simple metrics.

For FIs, we assess stand-alone credit profiles based primarily on our analysis of the four individual credit factors: business position, capital and earnings, risk position, and funding and liquidity.

Chongqing Municipal Government



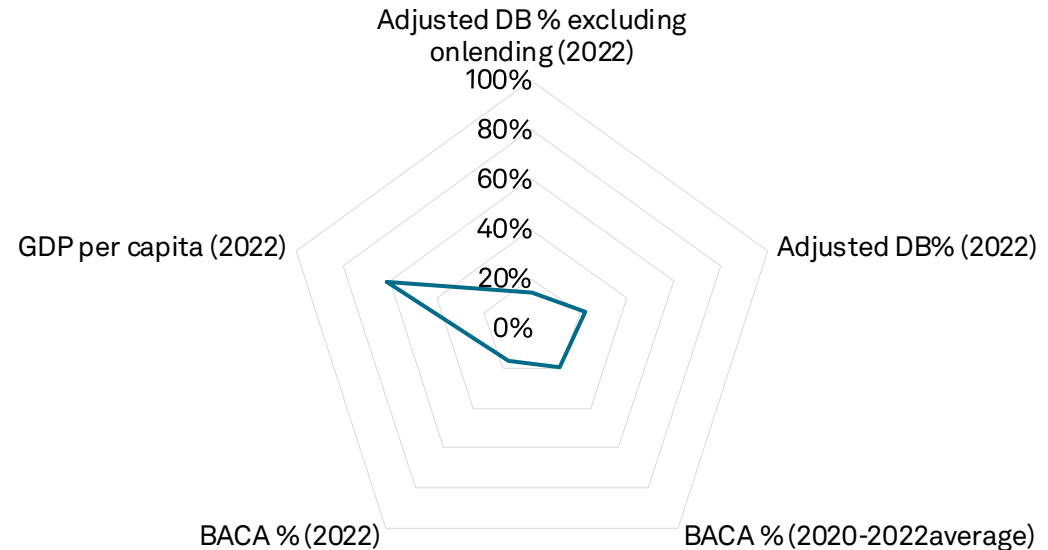
Municipal Government

Overview

- We categorize the Chongqing municipal government as a tier-one government operating within a “very predictable and well balanced” institutional framework.
- Its individual credit profile is constrained by elevated deficits and a heavy debt burden. China’s western development initiative will continue to press Chongqing’s investment burden, while its mountainous terrain further complicates infrastructure difficulty and therefore high investment cost.
- Nonetheless, Chongqing’s growing economy and large central-government transfers will help repair its deficit and debt burden.
- Infrastructure has been financed via both government and LGFV borrowings. However, future LGFV borrowings will be constrained by the derisking policy.

Chongqing benefits from strong economic growth and transfers

Local rank (higher % indicates stronger relative credit profile)



Rank among China's 36 tier-one LRGs. Please refer to our glossary for a definition of terms.

Sources: LRGs' bureau of finance and bureau of statistics. Wind. S&P Global Ratings.

Municipal Government

Measures of creditworthiness



Economy

- GDP per capita in line with the national average.
- Strong growth driven by steady industrial upgrading. Auto electrification is higher end and supports long-term tax generation.
- Chongqing's consumption is robust at 50.2% of GDP in 2023, 12.8ppt higher than the national average.



Debt burden

- Very high debt burden from LRGs and LGFVs, driven by the western development initiative—with targets of CNY 140 bil. investment on related transport and urban renewal. It may have to cut other spendings to make room for this initiative.
- Contingent SOE liability risk is manageable, given diversification within the sector and generally self-supportive credit profiles., and a selective stance on government support to commercial SOEs.



Liquidity

- A satisfactory liquidity position, through control of a large amount of deposits and liquid assets.
- Strong access to domestic bond markets.



Financial management

- General guidance set out on financial planning, budget goals consistently met.



Budgetary performance

- Weaker budgetary performance relative to tier-one peers due to spending intensity and higher spending responsibility on the municipal level.
- Strong economic growth and consistent transfer support from central government should help repair deficit.

Municipal Government

Measures of creditworthiness

Chongqing maintains elevated deficits

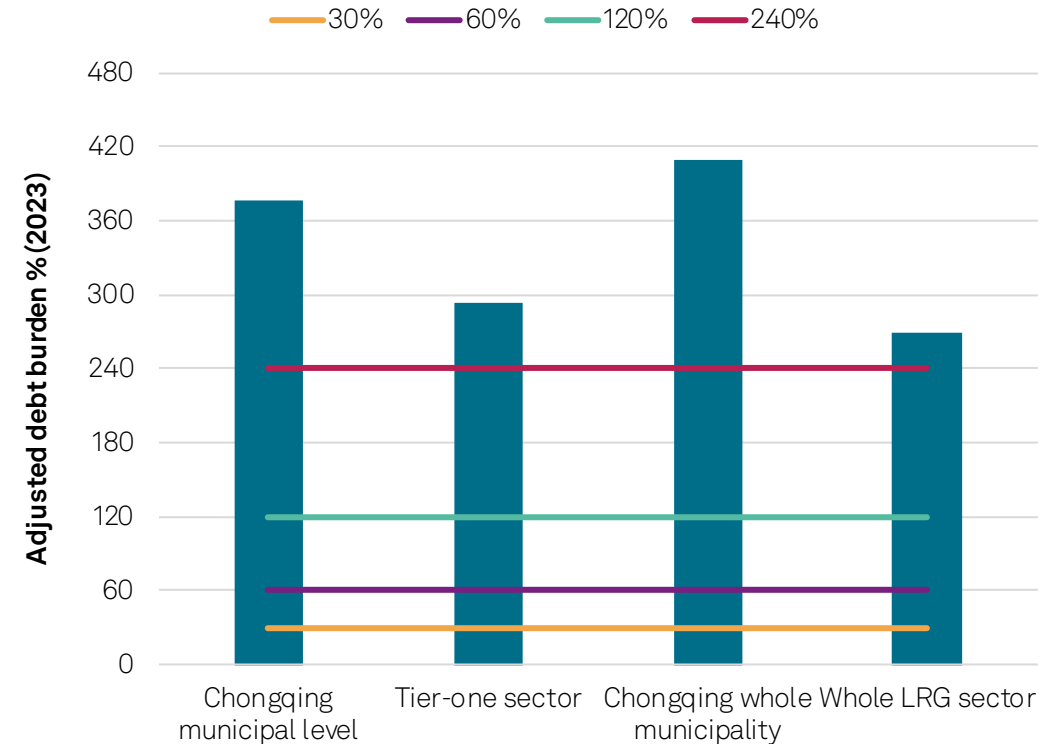
BACA % (2021-2023 average)



Thresholds are extracted from "S&P Methodology For Rating Local And Regional Governments Outside of The U.S." Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. Wind. S&P Global Ratings.

Heavy debt burden driven by the western development

Adjusted debt burden % (2023)

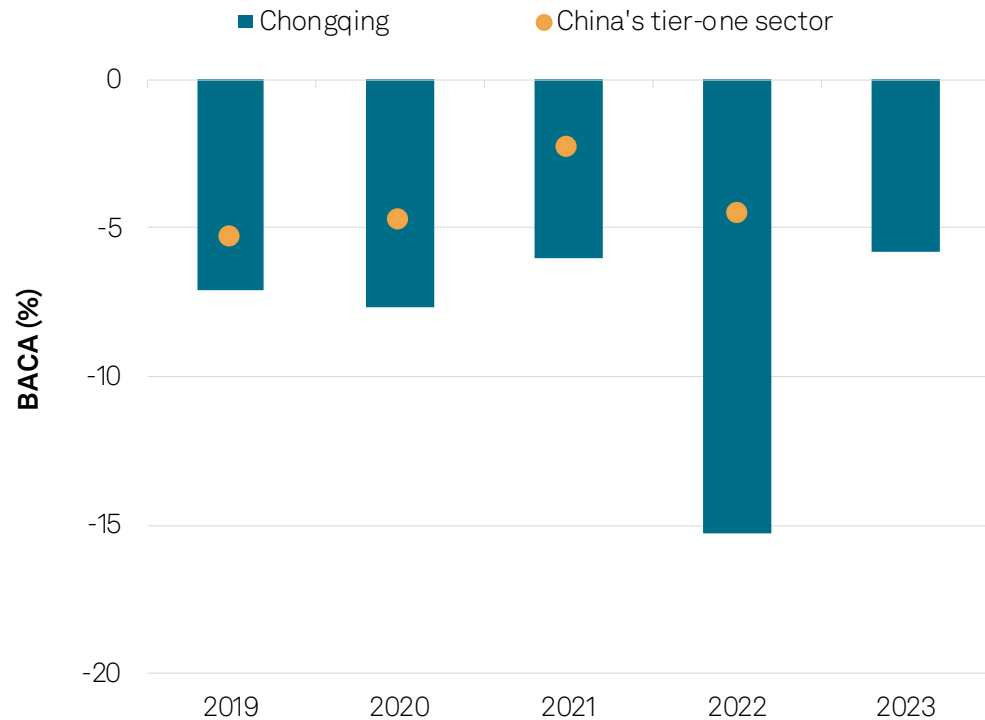


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Municipal Government

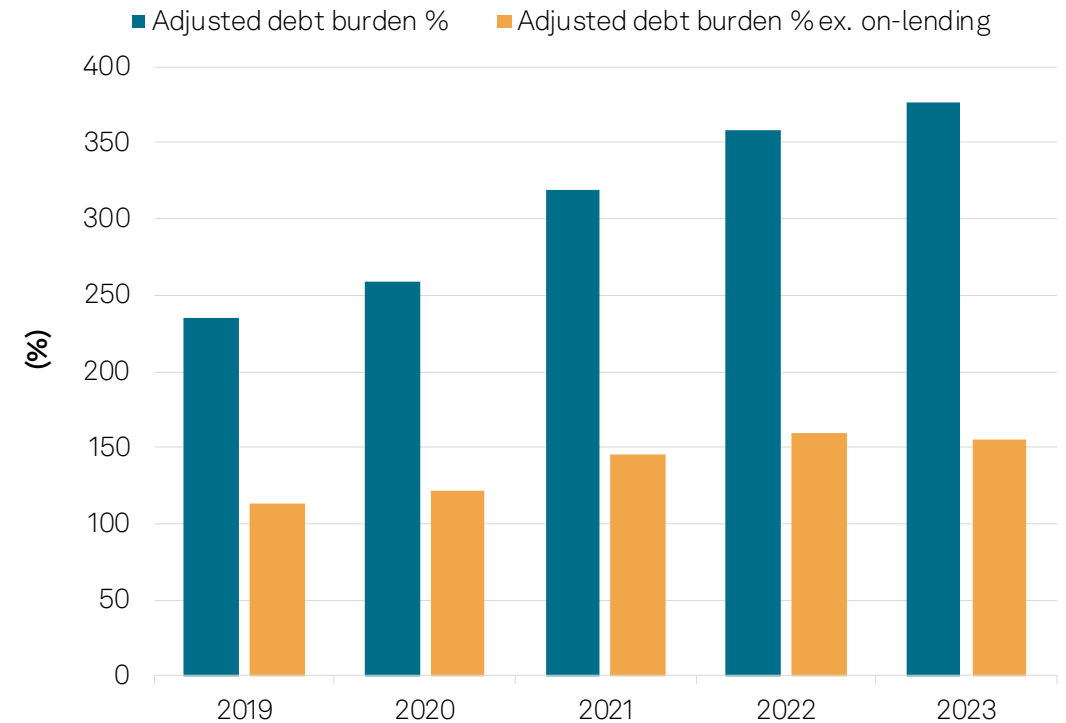
Measures of creditworthiness

Deficits likely to stay elevated given Chongqing's still large infrastructure pipelines



Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. S&P Global Ratings.

The municipality's rising debt burden driven by both municipal level and lower-tier governments



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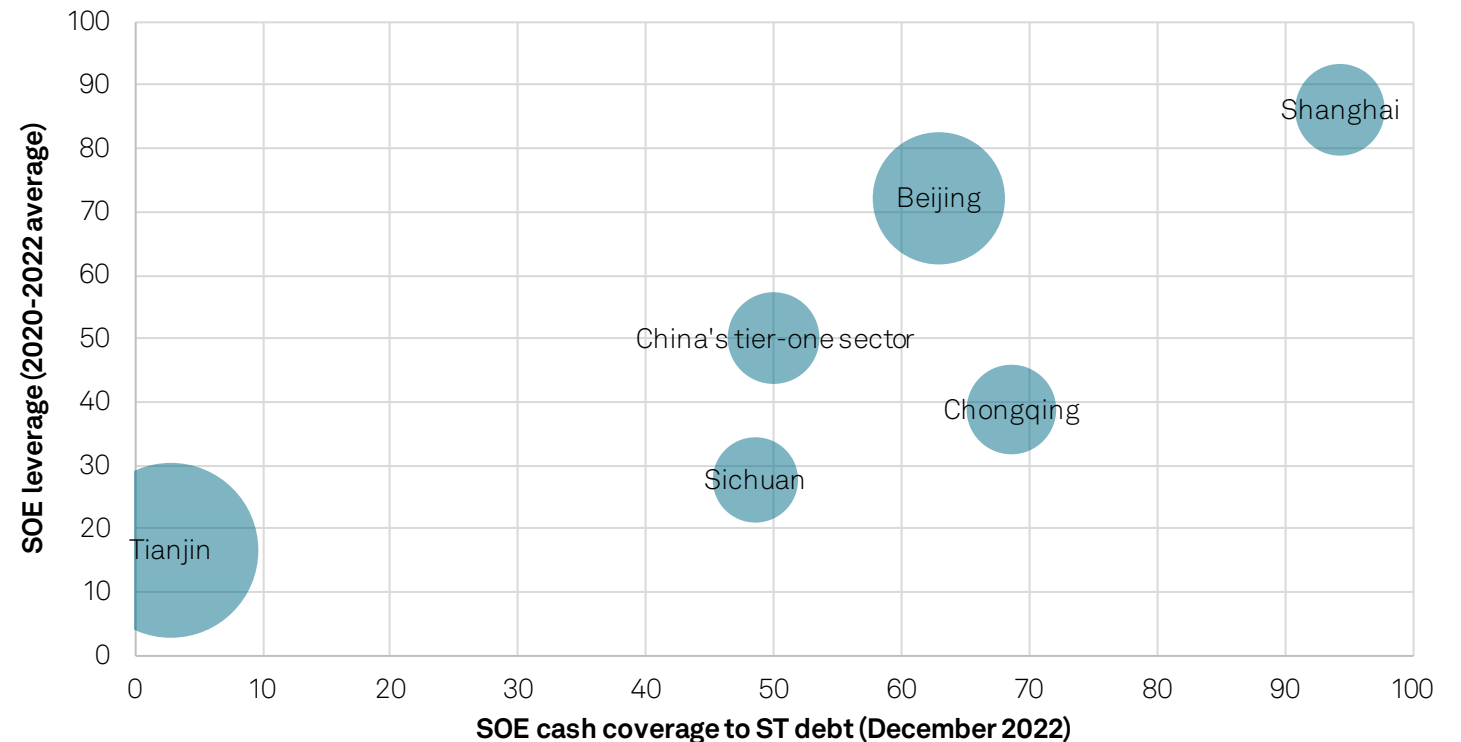
Municipal Government

Measures of SOE support

- Relatively sufficient capacity exists at the municipal level to support the SOE sector in a scenario of modest stress. However, such support is likely to be increasingly differentiated.
- The SOE debt size for Chongqing is in line with the sector average of China tier-one LRGs.
- Overall, municipal level SOEs' credit profiles are constrained by higher leverage. This is due to their higher exposure to critical infrastructure projects that are asset heavy.
- SOE debt at the municipal level (tier one), and district level (tier two) makes up 36% and 64% of all SOE debt, respectively.

Chongqing municipal government has an average SOE sector

Local rank (higher % indicates stronger relative credit profile)



Rank among China's 36 tier-one LRGs. Higher SOE leverage % indicates higher rank and lower leverage among SOEs. Bubble size represents SOE debt % LRG total revenue. Please refer to our glossary for a definition of terms. Sources: Wind, S&P Global Ratings.

Municipal Government

Key features of Chongqing SOEs



SOE debt size

- Municipal level nonfinancial-institution SOE debt relative to LRG total revenue is in line with that of domestic peers.
- Transportation, industrial investment firms take up a large share of SOE debt.
- Local banks and other financial institutions pose moderate contingent liability risks to the government.



SOE creditworthiness

- SOEs are highly leveraged relative to both domestic and international peers.
- Selected SOEs are highly indebted due to a focus on asset-heavy infrastructure projects. That said, relatively diverse sector coverage and average liquidity buffers mitigate the risk.



Administrative capacity to support SOEs amid stress

- Chongqing will likely prioritize support for SOEs that have higher policy importance.
- The government prefers market measures to resolve commercial SOE distress.
- SOE management framework is largely aligned with central government guidelines.



Financial resources to support SOEs

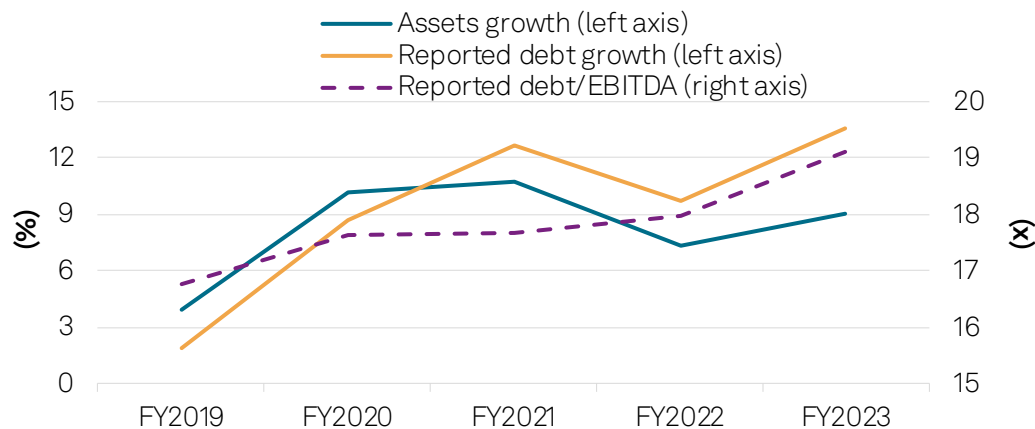
- The municipality has capacity to support its SOEs under a modest stress scenario. Support won't be uniform.
- Sufficient levels of liquid assets exist under both government, SOE accounts.
- Banking resources could provide an additional buffer.

Municipal Government

Chongqing municipal-level SOEs will focus on containing debt risks

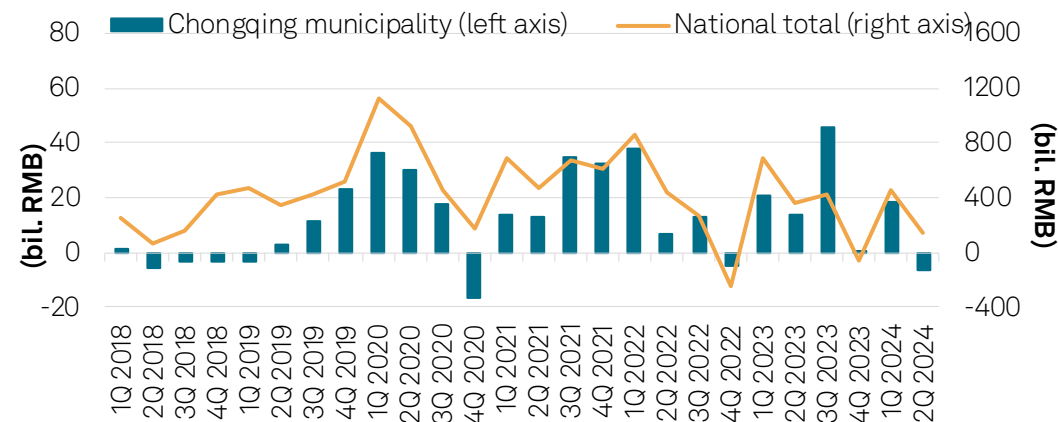
- Infrastructure and urban development-related capital spending with special topographic features of Chongqing has driven up leverage for municipal-level SOEs—the ones mainly engaging in airports, toll roads, property and energy operations.
- Being one of the 12 regions identified as “high debt risk”, infrastructure spending and debt growth in Chongqing should moderate, with the policy focus on containing default risks.
- Due to credit events and reorganizations of certain Chongqing SOEs in the past, Chongqing SOEs are facing higher funding costs and less funding access in bond markets.

Municipal SOE leverage could stabilize at elevated level



Financials aggregate provincial-level SOEs only. Source: Wind, S&P Global Ratings.

Net refinancing dropped since 4Q23 due to debt-policy tightening for the 12 high-risk regions



Chongqing SOE domestic bond quarterly net refinancing amount (whole municipal all levels)
Source: Wind, S&P Global Ratings.

Municipal Government

Recent high-profile credit events in Chongqing

- We expect differentiation in support for distressed Chongqing SOEs, with priority for SOEs aligned with, or critical, to the municipality's policy goals.
- But the governments may try to coordinate resources to bolster distressed entities.
- One example is the commercially driven Chongqing Energy, which defaulted in 2021. While the SOE later repaid all outstanding bonds, it still filed for bankruptcy in 2022 and acquired a new controlling to complete the restructuring.
- This is similar to the approach taken for Chongqing Steel's restructuring back in 2017, demonstrating the government's long-term preference for market-oriented measures.

Credit events in Chongqing have been concentrated in commercial SOEs

| SOE* legal name | Region | SOE*'s ultimate LRG owner | LRG fiscal tier | SOE* debt % whole region SOE debt |
|---|-------------------|---------------------------|-----------------|-----------------------------------|
| Lanzhou Investment (Holdings) Ltd. | Gansu | Lanzhou (City of) | Tier two | 15.1% |
| Guangxi Liuzhou Dongcheng Investment and Development Group Co. Ltd. | Guangxi | Liuzhou (City of) | Tier two | 3.1% |
| Zunyi Road and Bridge Engineering Co. Ltd. | Guizhou | Zunyi (City of) | Tier two | 3.0% |
| Gaomi City Construction Investment Group Co. Ltd. | Shandong | Gaomi (City of) | Tier three | 0.2% |
| Qingdao Hualan Development Group Co. Ltd. | Qingdao, Shandong | Licang (District of) | Tier two | 1.5% |
| Chongqing Energy Investment Group Co. Ltd. | Chongqing | Chongqing (Municipal of) | Tier one | 2.3% |

Note: We use 2021 debt numbers for the Lanzhou case, 2020 debt numbers for the Chongqing case, and 2022 debt numbers for the rest. We define credit event as a missed payment or restructuring of any financial obligations, including bank loans, short-term paper, and bonds. Please refer to our glossary for a definition of terms. *SOE here refers to the distressed SOE. Sources: Wind, S&P Global Ratings.

District Governments



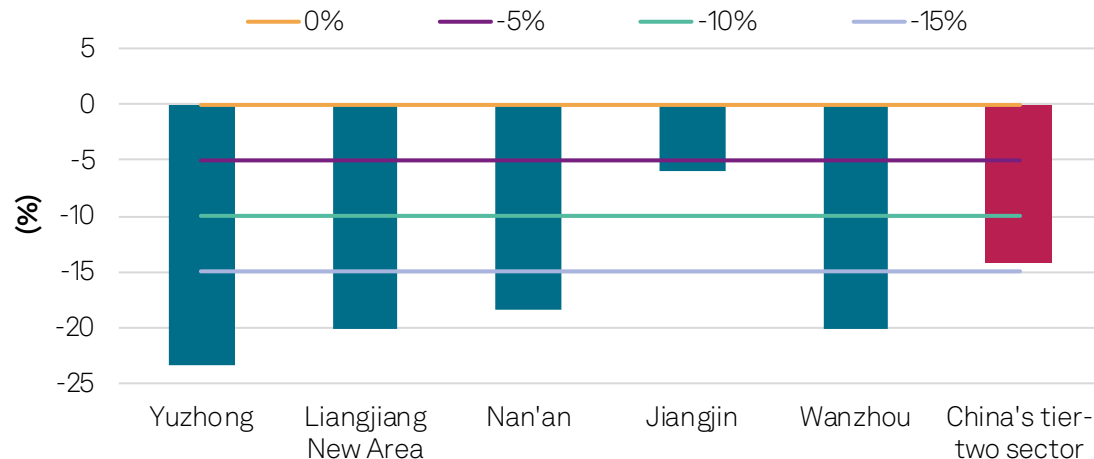
District Governments

Overview--Converging credit profiles as higher-income districts bear more deficit and debt

- We categorize 40 district governments under Chongqing as tier-two, with an institutional framework of “evolving but balanced”. Five district governments are selected for comparison. They account for 33% of Chongqing’s GDP.
- City center districts are generally well off with strong growth momentum. However, they also undertake most of the large infrastructure projects pressing fiscal deficits and debt burden. Future public investment will be mainly from these city center districts.
- Outer suburbs districts are less developed with less potential.

Deficits are generally elevated compared with peers’

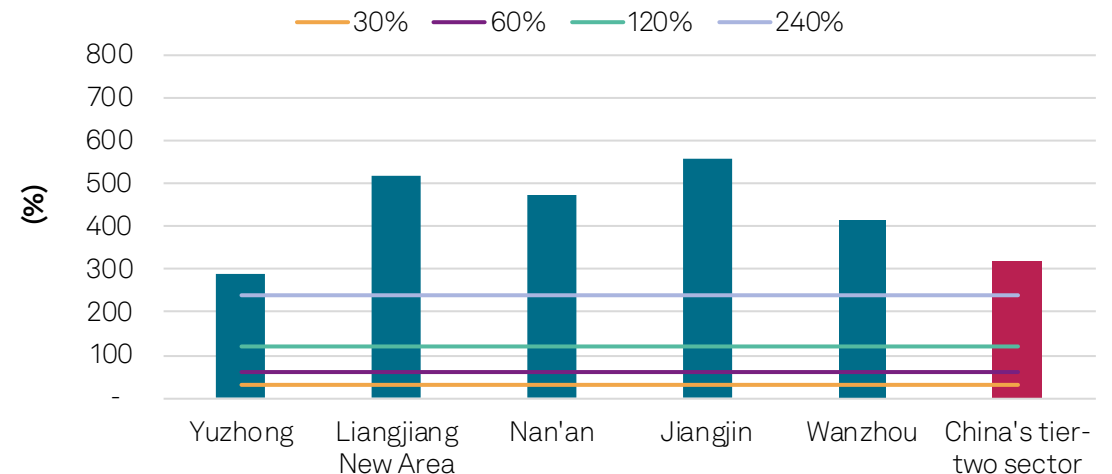
BACA % (2020-2022 average)



Thresholds are extracted from “S&P Methodology For Rating Local And Regional Governments Outside of The U.S.” Please refer to our glossary for a definition of terms. Sources: LRGs’ bureau of finance. S&P Global Ratings.

Debt levels are very high by global standards

Adjusted debt burden % (2022)



Thresholds are extracted from “S&P Methodology For Rating Local And Regional Governments Outside of The U.S.” Please refer to our glossary for a definition of terms. Sources: LRGs’ bureau of finance. Wind. S&P Global Ratings.

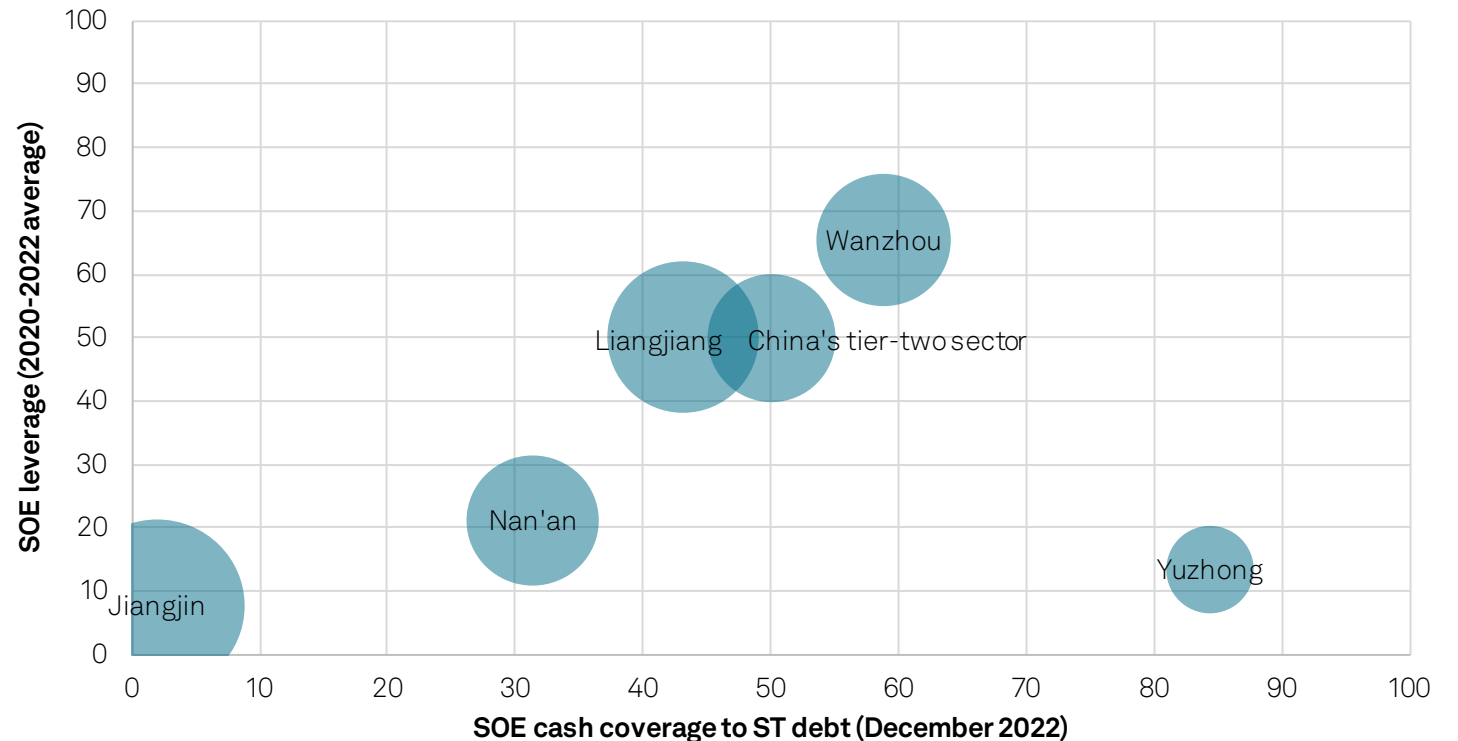
District Governments

Measures of SOE support

- The capacity of Chongqing district governments to support SOEs is generally in line with tier-two peers.
- However, it varies among LRGs.
- Wanzhou's government capacity is supported by its exposure to commercial SOEs that have relatively better financial metrics.
- Jiangjin has much larger SOE debt exposure with the weakest metrics due to heavy infrastructure investments in its functional zone.
- While still at the weaker end, Nan'an's capacity to support its SOEs is likely on a gradual recovery trajectory, amid the government's increasing debt control.

SOE metrics are divergent relative to other China tier-two governments

Local rank (higher % indicates stronger relative credit profile)

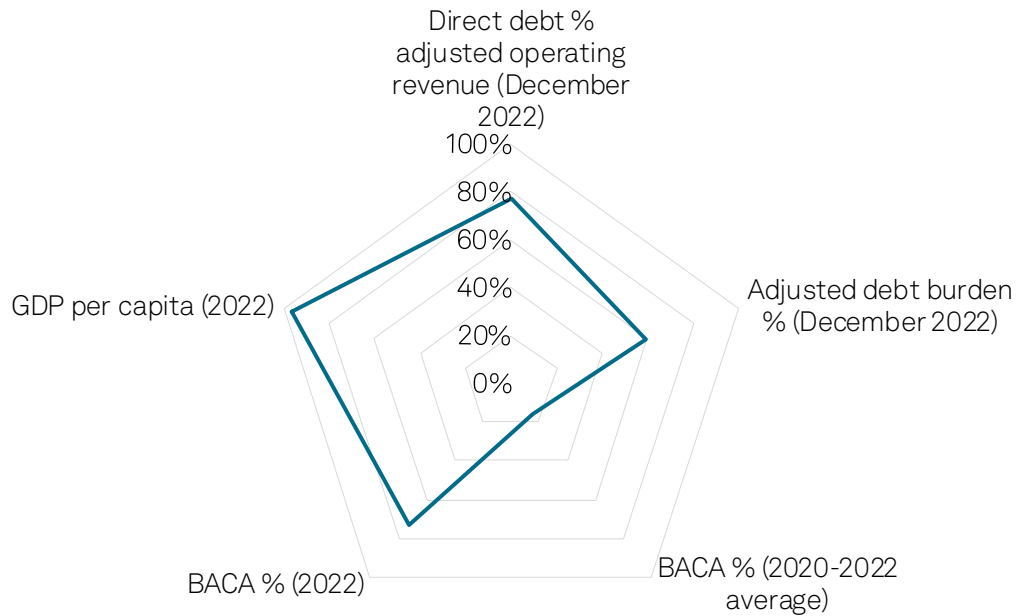


Rank among 52 Chinese tier-two LRGs. Higher SOE leverage % indicates higher rank and lower leverage among SOEs. Bubble size represents SOE debt % LRG total revenue. Please refer to our glossary for a definition of terms. Sources: Wind, S&P Global Ratings.

District Governments | Yuzhong

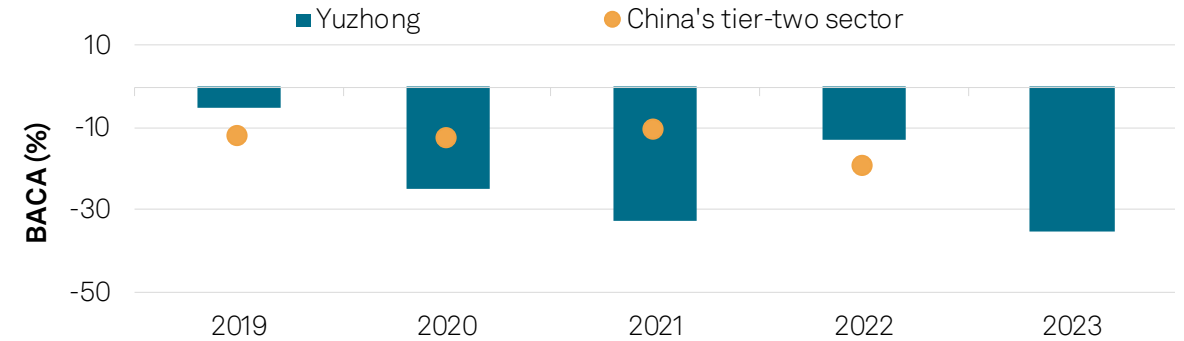
Wealthy economy anchors its credit profile

Local rank (higher % indicates stronger credit profile)



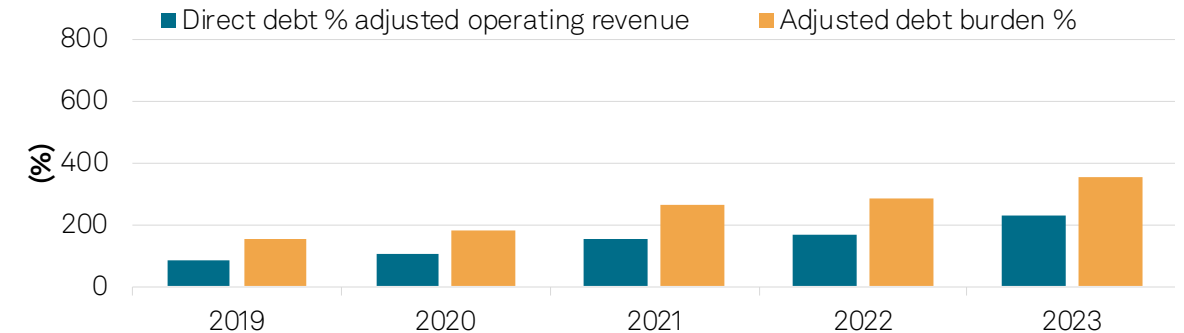
Rank among 52 Chinese tier-two LRGs. Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. LRGs' bureau of statistics. Wind. S&P Global Ratings.

Continued urban renewal push drives up budget deficits



Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. S&P Global Ratings.

Rising debt burden driven by government borrowings



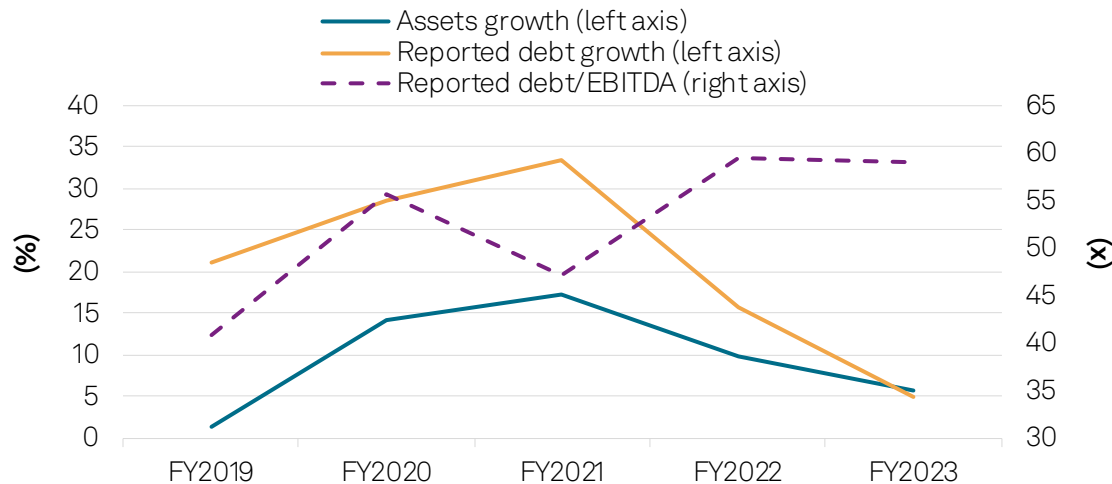
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District Governments | Yuzhong

Yuzhong SOEs' debt growth has slowed down

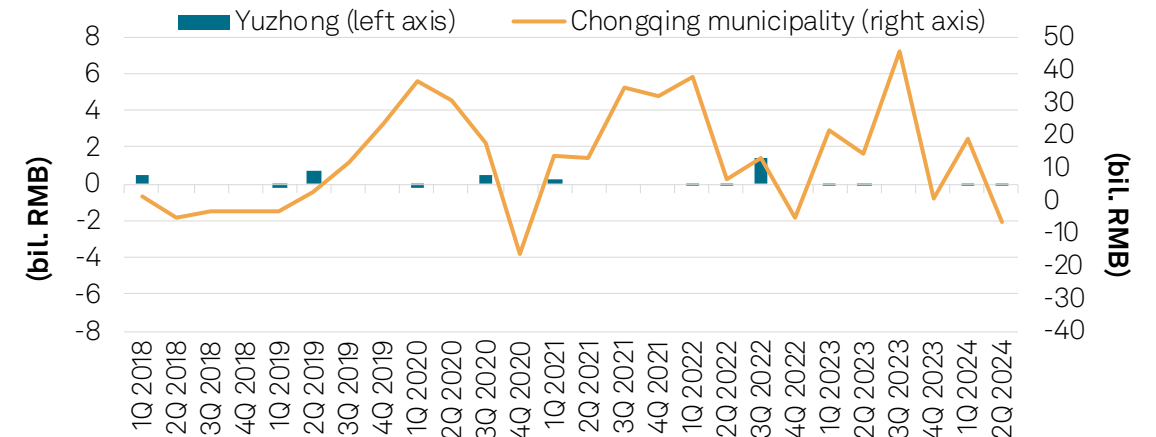
- Chongqing Yuzhong State-owned Asset Operation and Management Co. is the key LGFV for Yuzhong district.
- Infrastructure and affordable housing development within Yuzhong district is the main driver of debt growth. Debt growth could moderate due to the scarcity of land in this district, as Yuzhong is in central Chongqing and more developed than other districts.
- Bond issuance premium is lower than average level among Chongqing SOEs, supported by the prime location and stable economic growth.

Leverage stabilized as spending and debt growth slowed



Financials aggregate district-level SOEs only. Sources: Wind, S&P Global Ratings.

Muted bond issuance since 2023 by the key LGFV

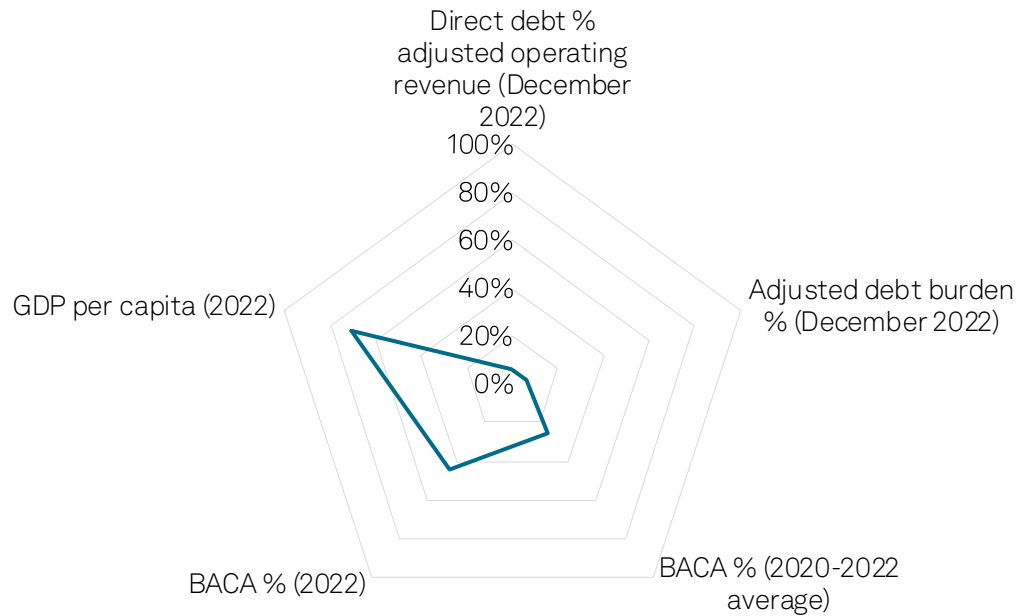


Yuzhong SOEs domestic bond quarterly net refinancing amount (whole district all levels)

Sources: Wind, S&P Global Ratings.

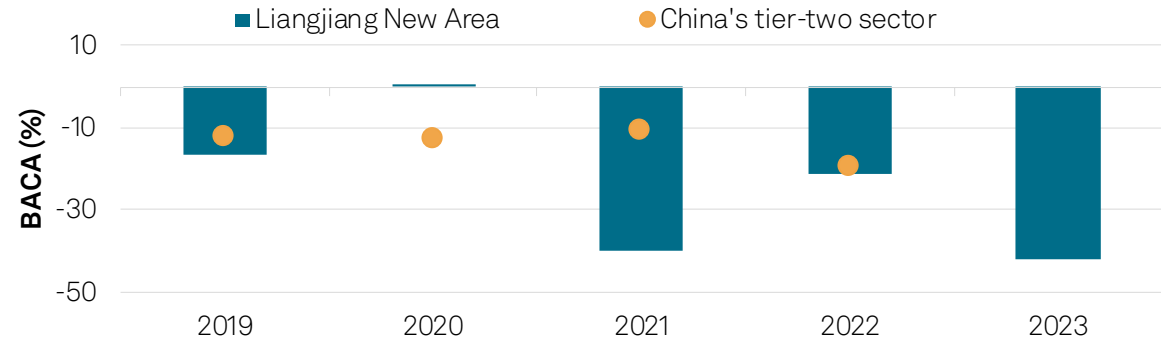
District Governments | Liangjiang New Area

Heavy infrastructure investment constrains its credit profile
Local rank (higher % indicates stronger credit profile)



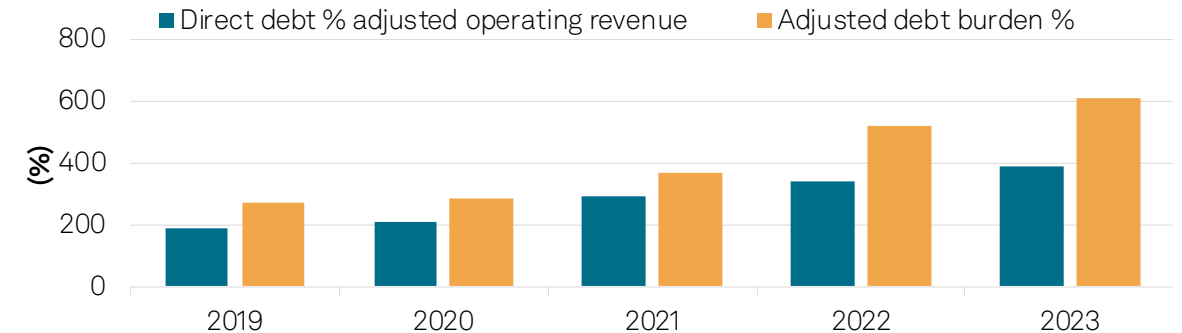
Rank among 52 Chinese tier-two LRGs. Please refer to our glossary for a definition of terms.
Sources: LRGs' bureau of finance. LRGs' bureau of statistics. Wind. S&P Global Ratings.

Industrial park construction weighs on budgetary performance



Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. S&P Global Ratings.

Fast debt pick-up from direct borrowings and LGFVs



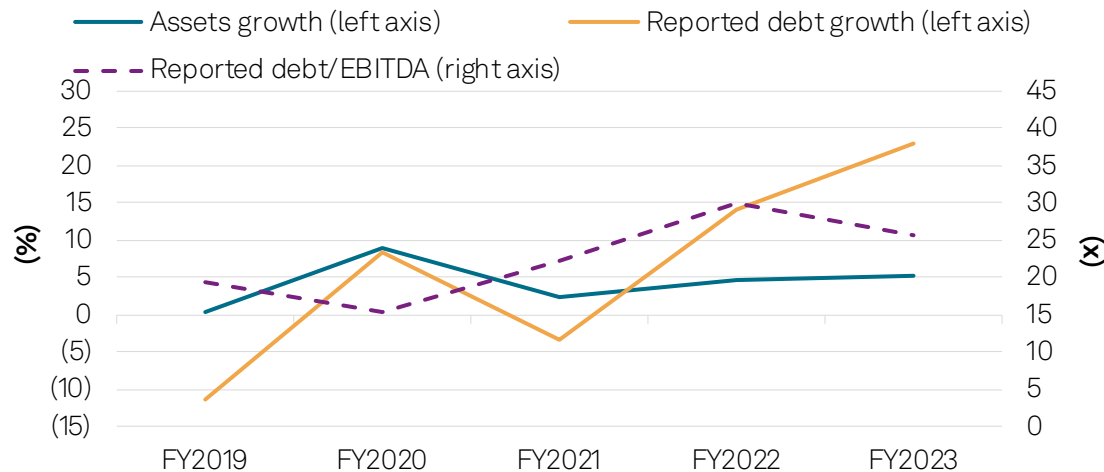
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District Governments | Liangjiang New Area

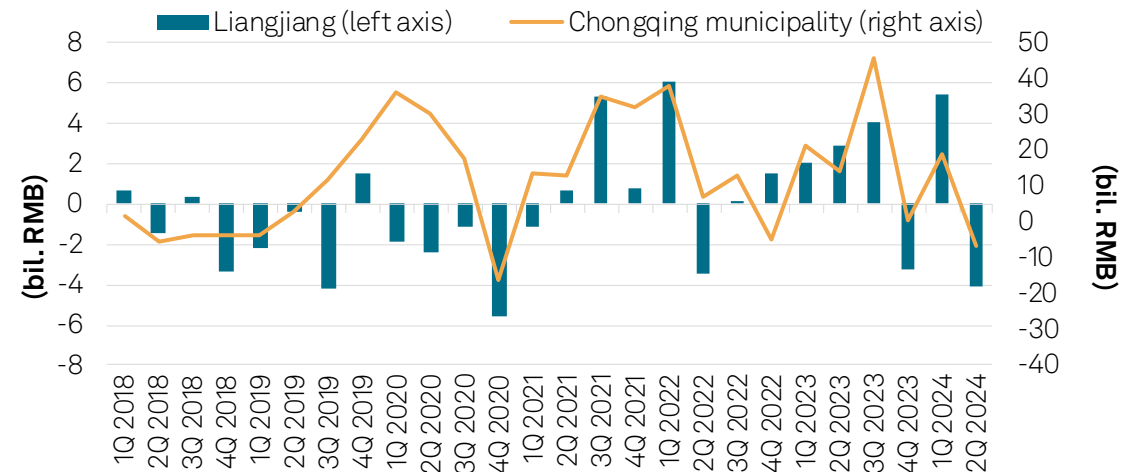
Liangjiang New Area SOEs are among the most active issuing districts of Chongqing

- Key LGFV of the district, Liangjiang New Area Development Investment Group is one of SOEs in Chongqing with the largest outstanding bonds, of over RMB30 billion as of end-June 2024.
- As the third national development and open zone in China, SOEs in Liangjiang New Area enjoy relatively low funding costs and have high issuance volume. Very high debt growth in the district may hurt financing capability of SOEs in the area going forward.

Debt to develop the new area pushed up leverage



Liangjiang New Area SOEs are active borrowers versus other district and can issue longer term with lower costs



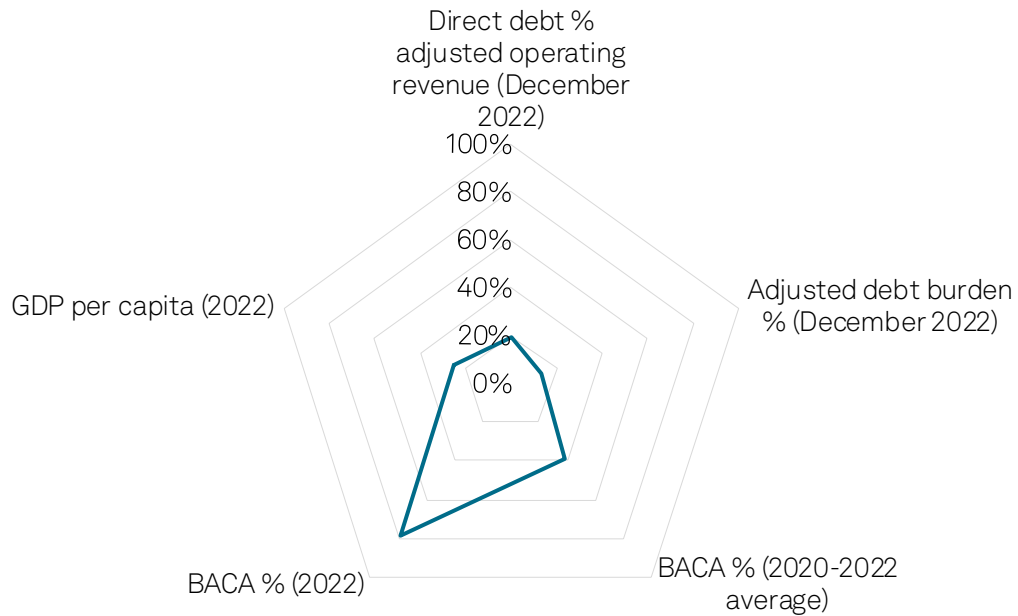
Financials aggregate district-level SOEs only. Sources: Wind, S&P Global Ratings.

Liangjiang New Area SOE domestic bond quarterly net refinancing amount (whole district all levels) Sources: Wind, S&P Global Ratings.

District Governments | Nan'an

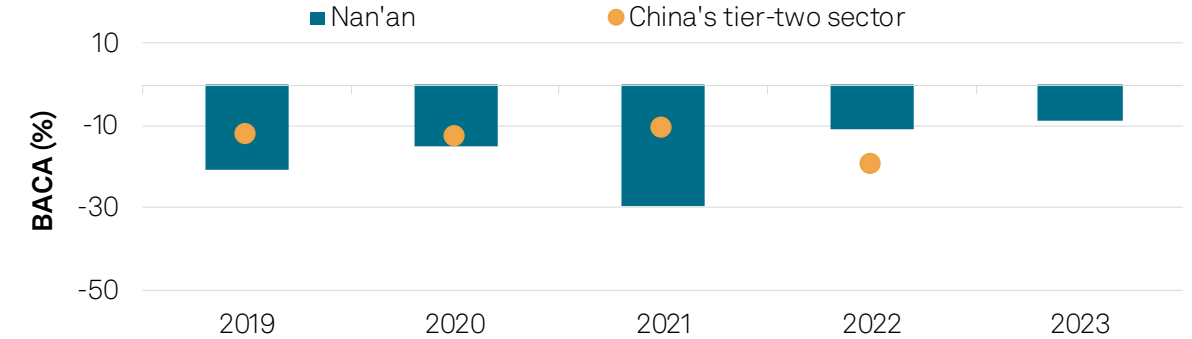
Gradual recovery on credit profile driven by likely fiscal consolidation

Local rank (higher % indicates stronger credit profile)



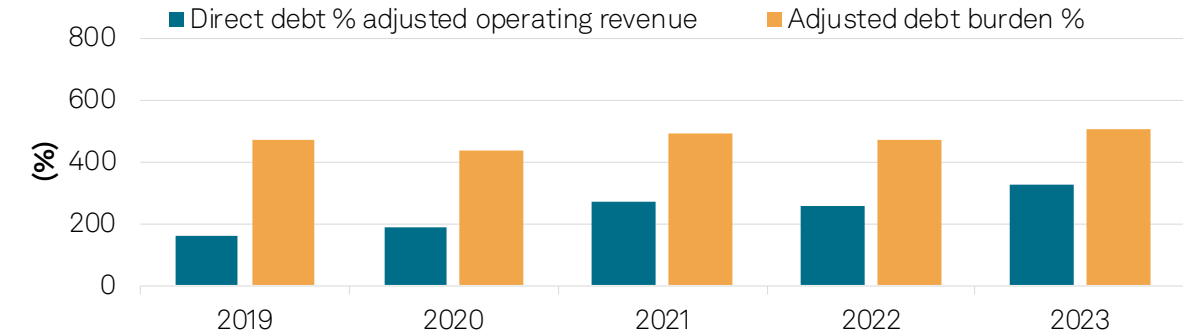
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Restoring budgetary performance through capex cuts



Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. S&P Global Ratings.

Stabilizing debt burden on debt control for LRG and LGFVs



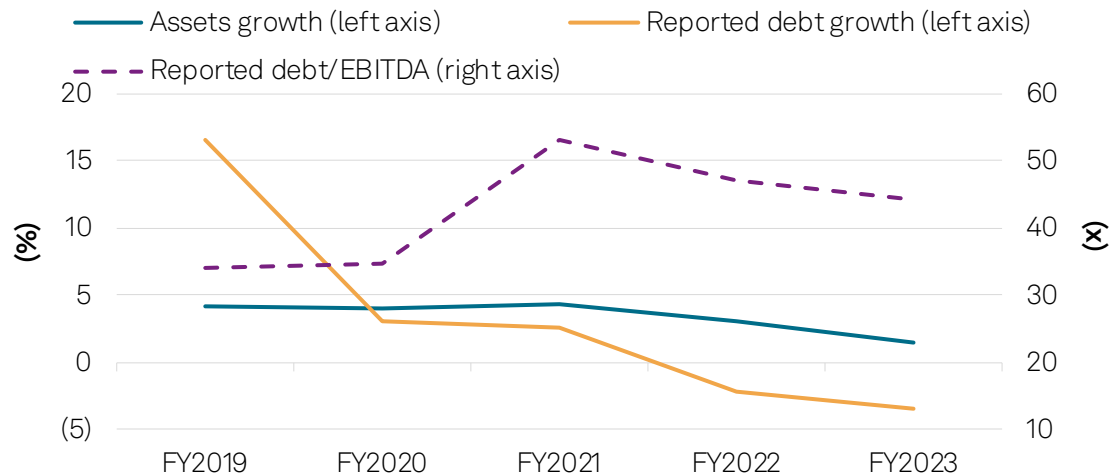
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District Governments | Nan'an

Nan'an SOEs have been repaying their debt in the past two years.

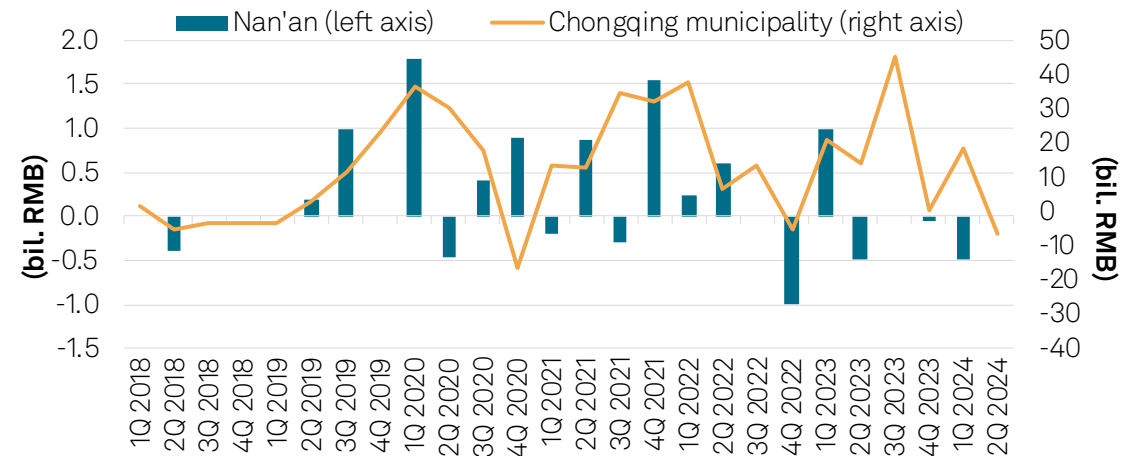
- Nan'an SOEs have relatively high levels of outstanding debt in Chongqing. We expect Nan'an SOEs will focus more on containing debt risks than expanding assets going forward. Government support is evident by direct cash support for debt repayment and settlement of receivables.
- Financial leverage is on a declining trend for major SOEs in Nan'an with a blended reported debt to EBITDA ratio down from 53x in 2021 to 44x in 2023. And Nan'an SOEs have reported net financing cash outflows in the past two years.

Debt is on a declining trend for major SOEs



Financials aggregate district-level SOEs only. Sources: Wind, S&P Global Ratings.

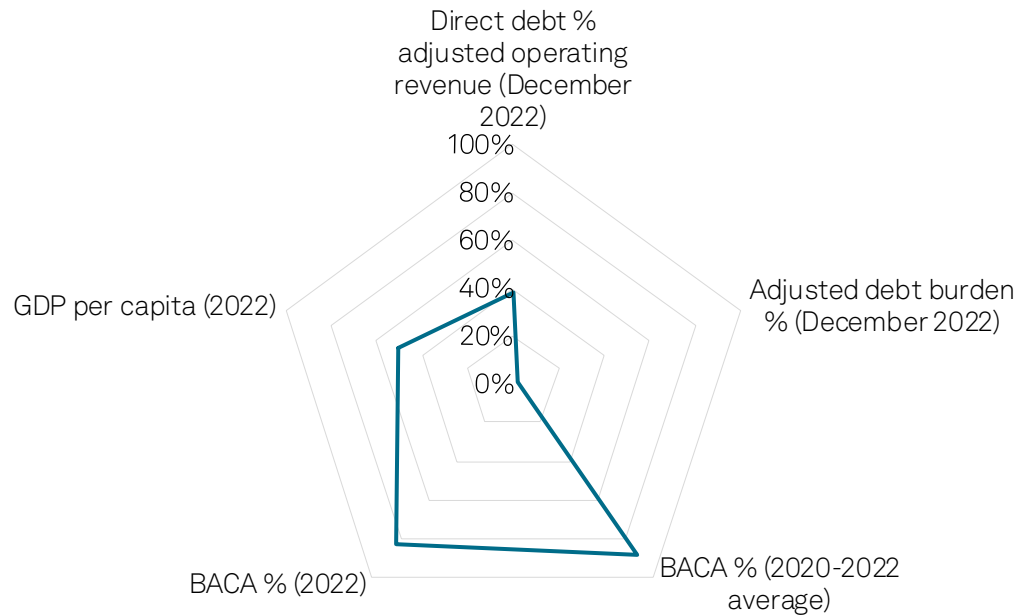
Small issuance by Nan'an SOEs as issuance was mainly for refinancing



Nan'an SOE domestic bond quarterly net refinancing amount (whole district all levels) Sources: Wind, S&P Global Ratings.

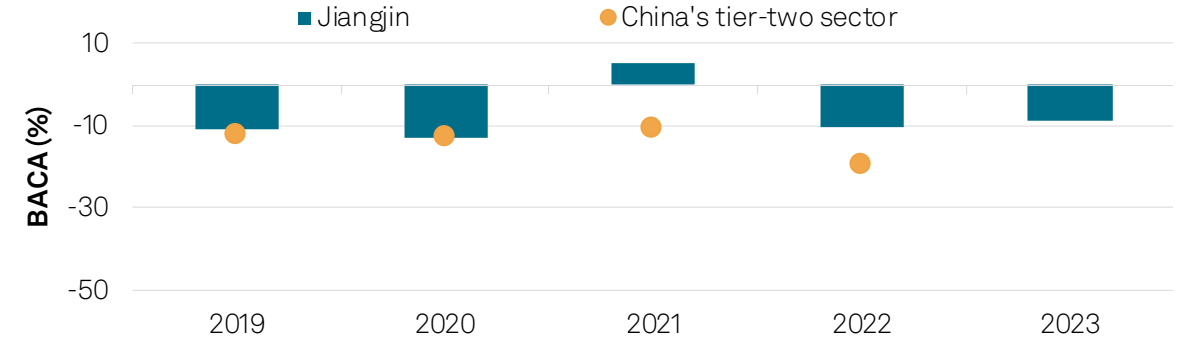
District Governments | Jiangjin

Large and growing LGFV debt presses creditworthiness
Local rank (higher % indicates stronger credit profile)



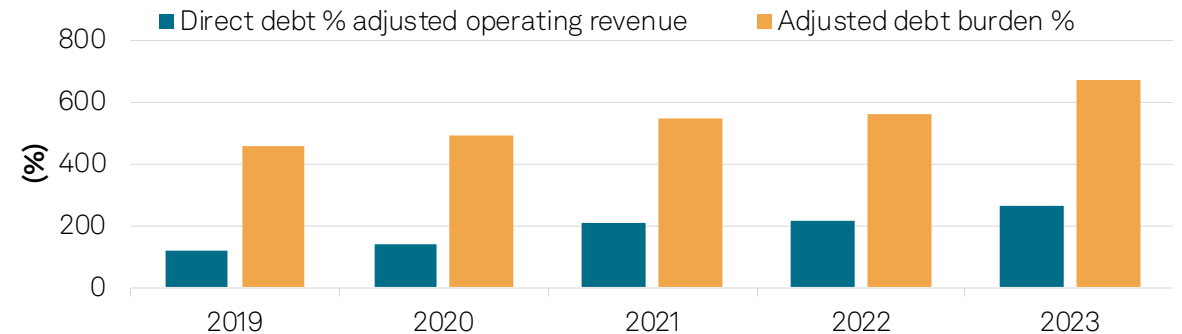
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Large LGFV borrowings signals that on-budget spending does not reflect ultimate liabilities



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Growing debt risk from its large LGFV sector



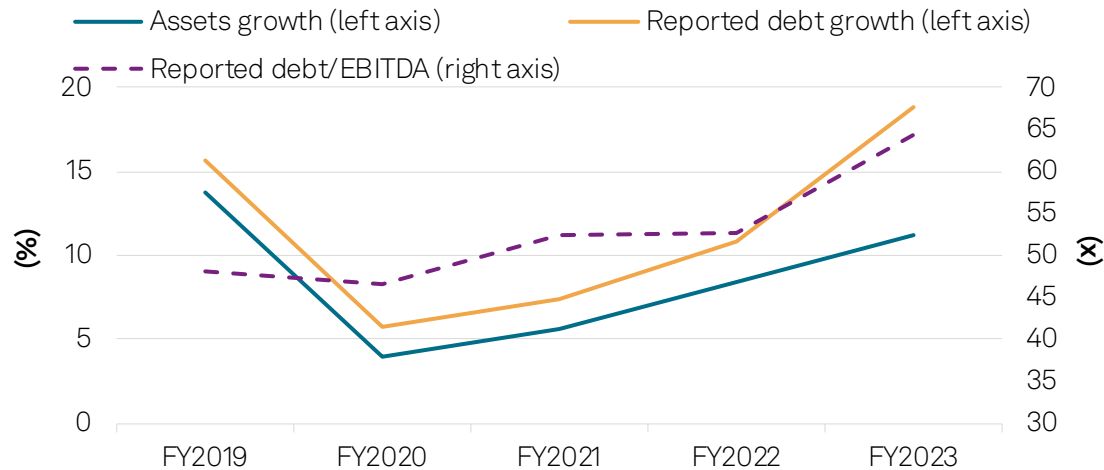
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District Governments | Jiangjin

Zone developers are leveraging up for urban development of the district.

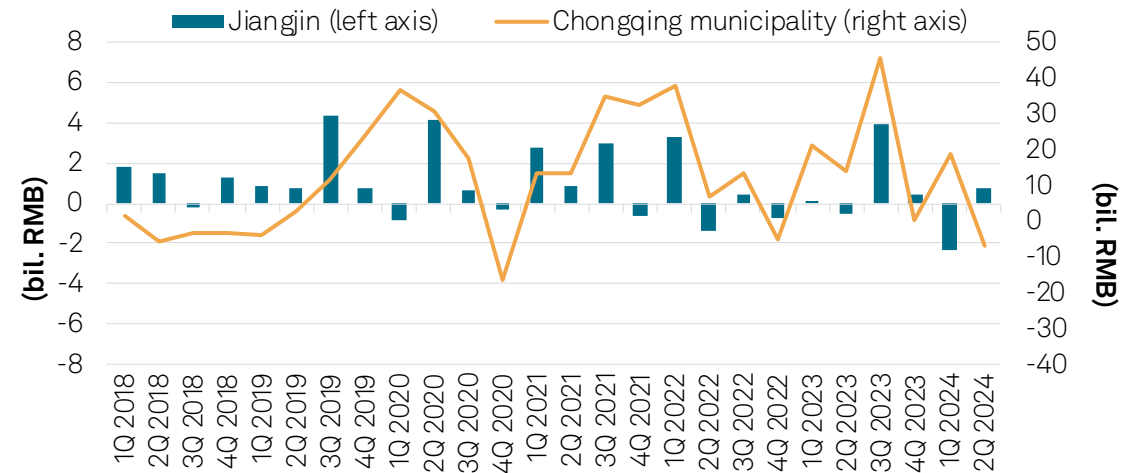
- Key SOEs in Jiangjin have a high reliance on cash flows from government, including subsidy, capital injection and cash settlement for past services. Jiangjin’s manufacturing-led economy growth underpins the government’s capability to support its SOEs.
- Jiangjin SOEs are facing relatively higher refinancing risks than other districts, with about 39% of outstanding bonds due in 2024 and 2025.

Elevated financial leverage with accelerated debt growth in the past three years.



Financials aggregate district-level SOEs only. Sources: Wind, S&P Global Ratings.

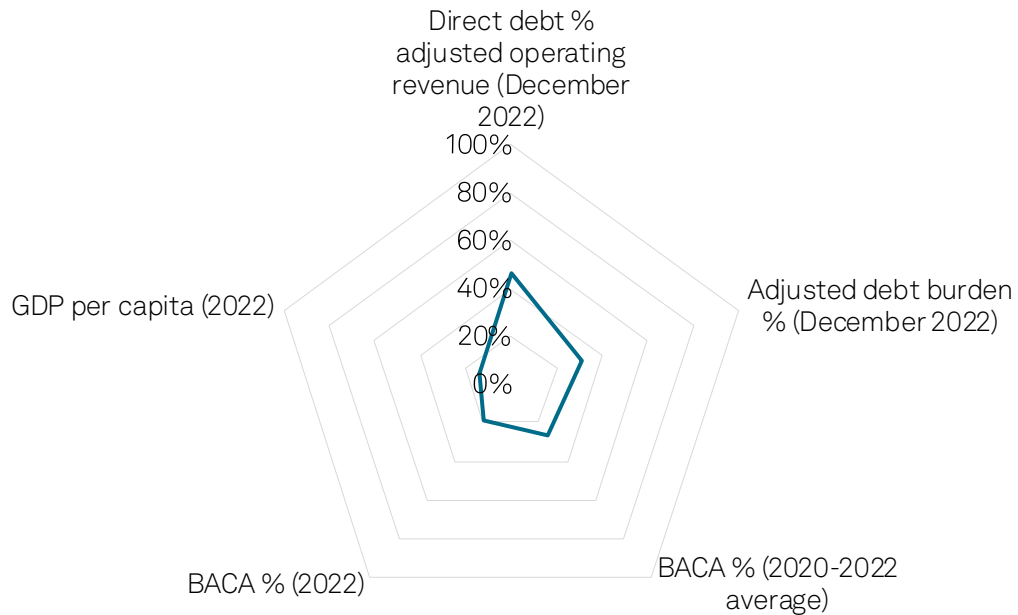
Net issuance dropped significantly since 4Q23, following the city’s trend.



Jiangjin SOE domestic bond quarterly net refinancing amount (whole district all levels) Sources: Wind, S&P Global Ratings.

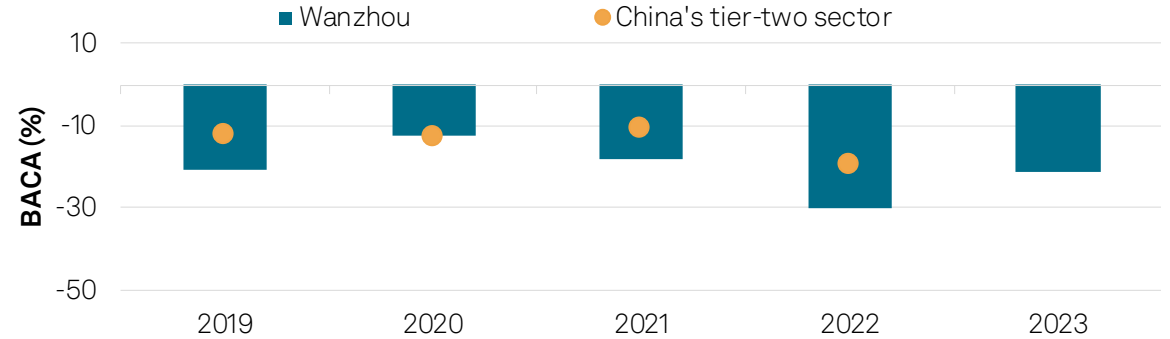
District Governments | Wanzhou

Weaker credit profile constrained by low income and heavy investment in its economic zone



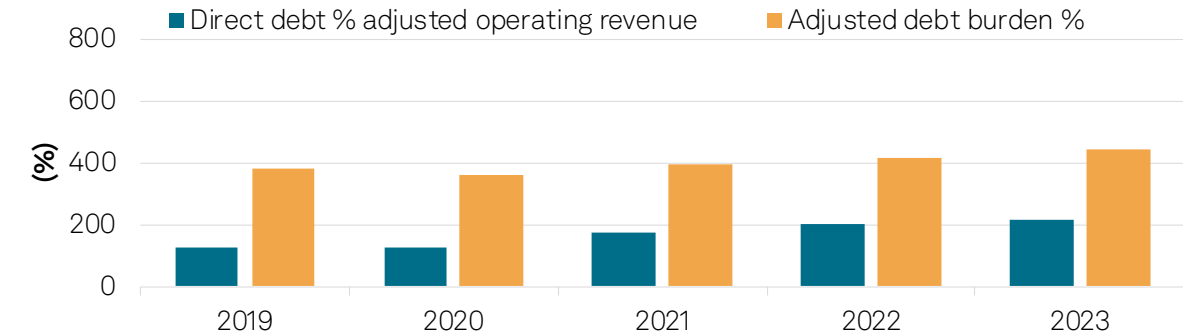
Rank among 52 Chinese tier-two LRGs. Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. LRGs' bureau of statistics. Wind. S&P Global Ratings.

Elevated deficits on industrial park investments



Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. S&P Global Ratings.

Heavy debt burden driven by both LGFV and government borrowings



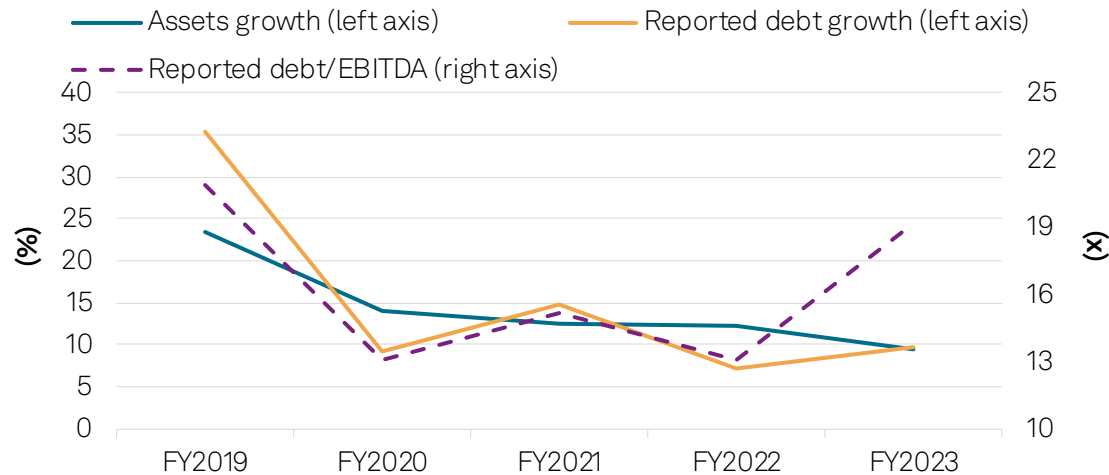
Note: trading revenue is excluded from its LGFV revenue calculation. Please refer to our glossary for a definition of terms. Sources: LRGs' bureau of finance. Wind. S&P Global Ratings.

District Governments | Wanzhou

The only active issuing district in Three Gorges Reservoir Area in northeastern Chongqing

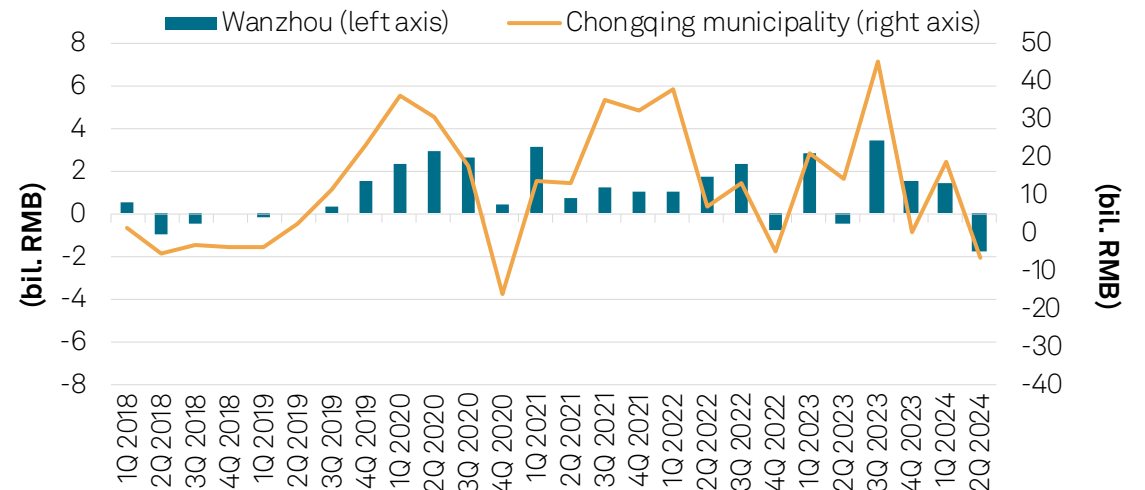
- Wanzhou SOEs have higher debt than most those of most Chongqing districts. This is mainly due to development needs for Wanzhou Economy and Technology Zone--the only national economic development zone in Three Gorges Reservoir Area.
- Debt growth has moderated since 2020. Fluctuations in government subsidies--which accounted for 70%-80% of Wanzhou key SOEs' EBITDA--has led to the changes in financial leverage ratios.

Debt growth and leverage moderated since 2020.



Financials aggregate district-level SOEs only. Sources: Wind, S&P Global Ratings.

Wanzhou has the largest issuance size among districts in northeastern Chongqing.



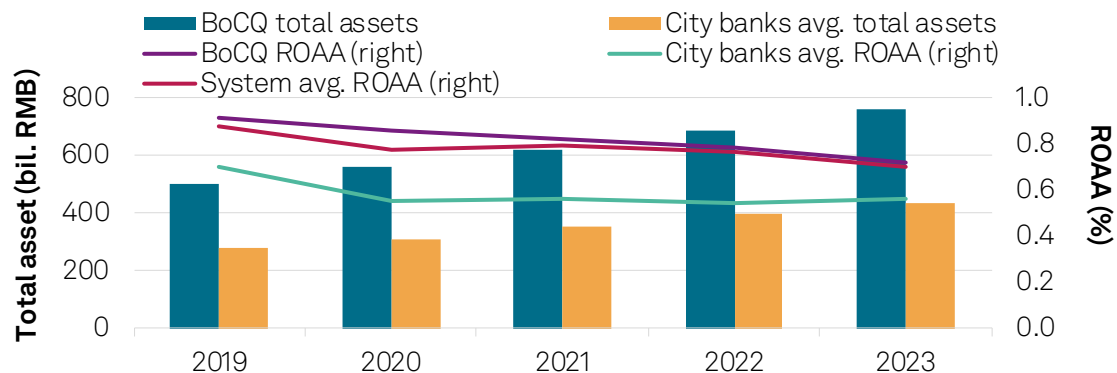
Wanzhou SOE domestic bond quarterly net refinancing amount (whole district all levels) Sources: Wind, S&P Global Ratings.

Key Financial Institutions In Chongqing

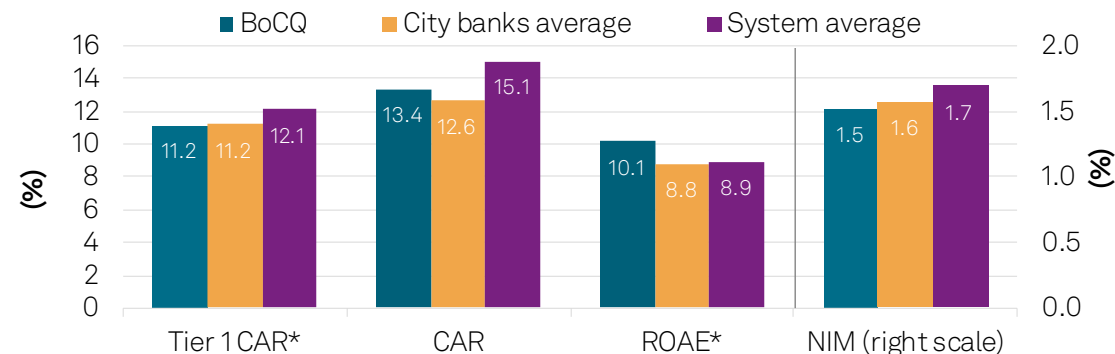


Bank of Chongqing: LGFV concentration constrains asset quality

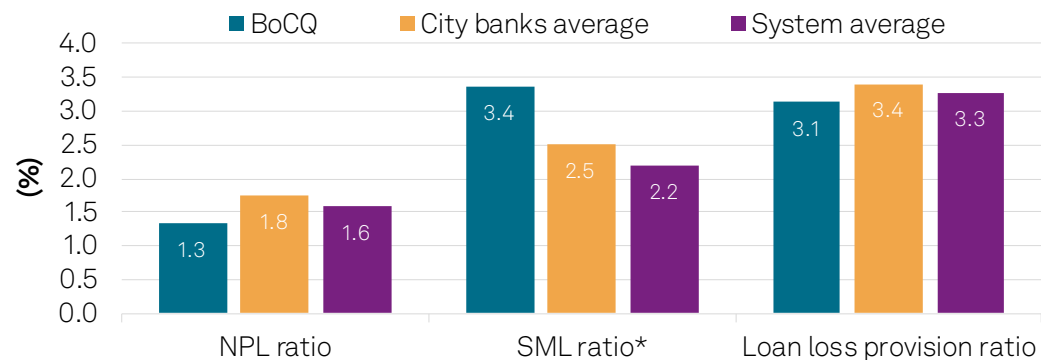
Solid franchise in Chongqing region



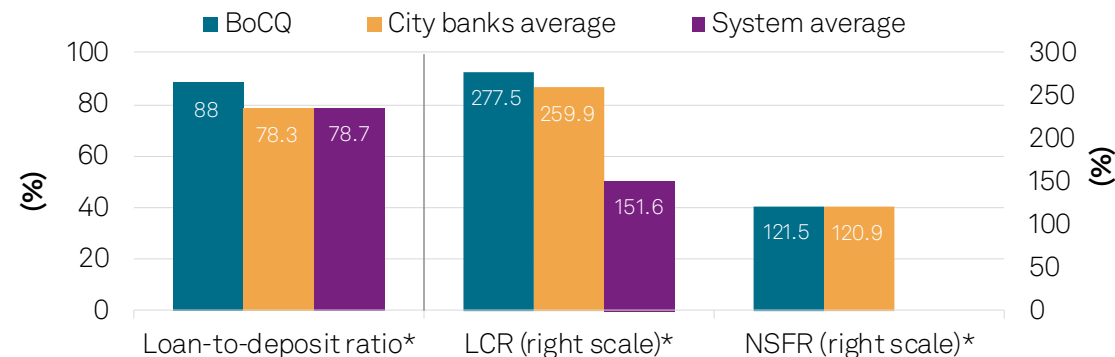
Moderate capitalization supported by capital raising



Higher than average NPL+SML with high LGFV exposure



High quality liquid asset supports liquidity

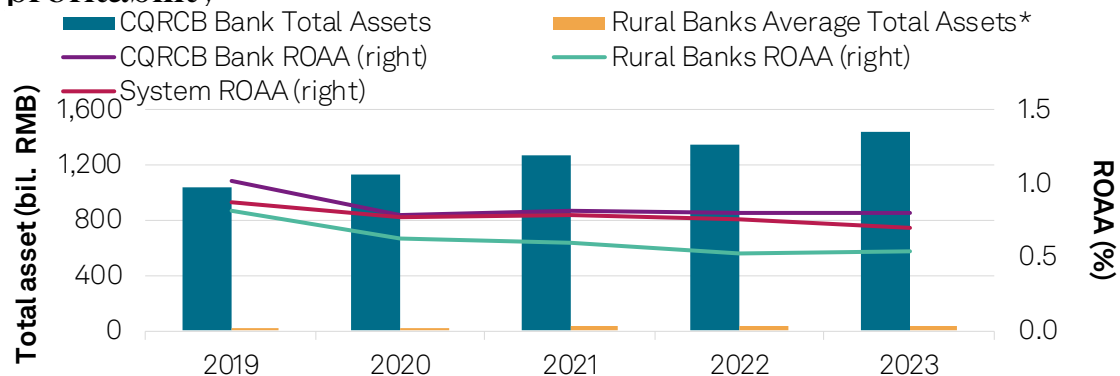


Data as of Dec 31, 2023. *The ratios are calculated by averaging the number of city commercial banks with available data: average tier-1 CAR (37), ROAE (29), SML ratio (29), loan-to-deposit ratio (42), LCR (31), and NSFR (27). BoCQ--Bank of Chongqing. ROAA--Return on average assets. CAR--Capital adequacy ratio. NIM--Net interest margin. NPL--Nonperforming loans. SML--Special mentioned loans. LCR--Liquidity Coverage Ratio. NSFR--Net stable funding ratio.

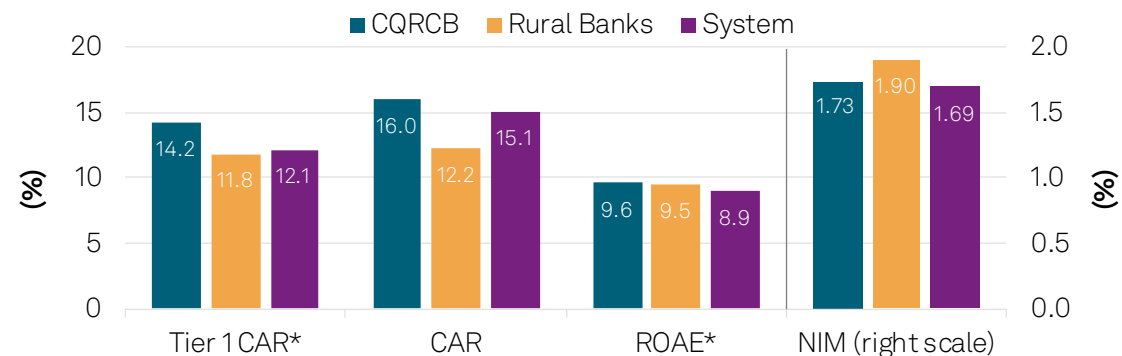
Source: Company filings, WIND, National Financial Regulatory Administration, S&P Global Ratings. Writer: Yutong Zou.

CQRCB: Strong liquidity profile supported by ample retail deposits

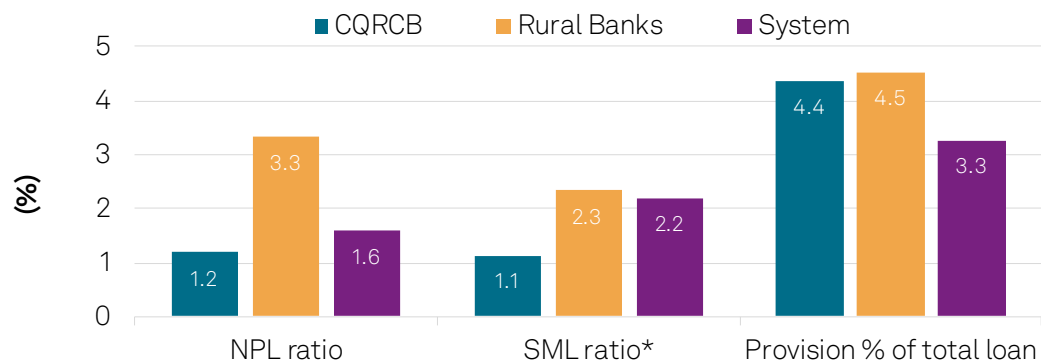
Largest listed rural bank with above peer average profitability



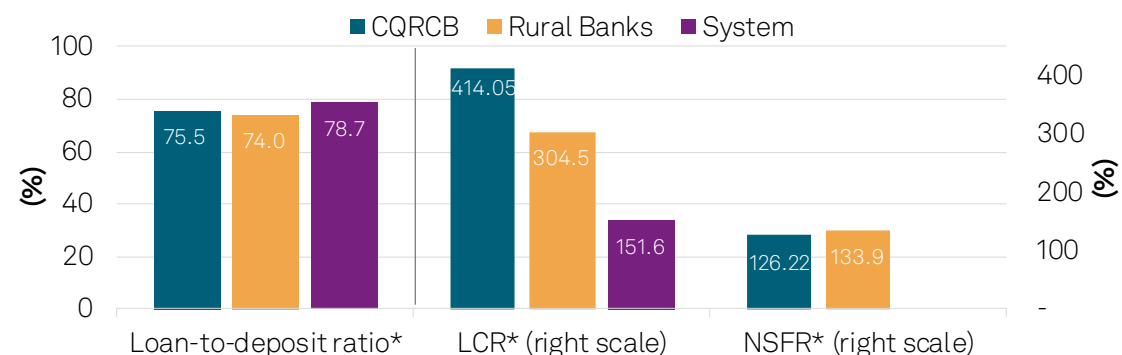
Capitalization supported by moderating asset growth



Regulatory penalty in 2022 on asset quality metrics reporting



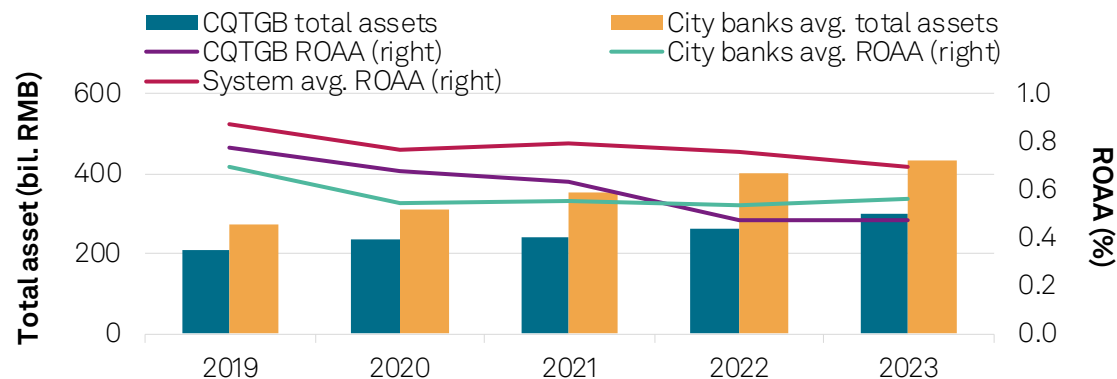
Solid retail deposits support a strong liquidity profile



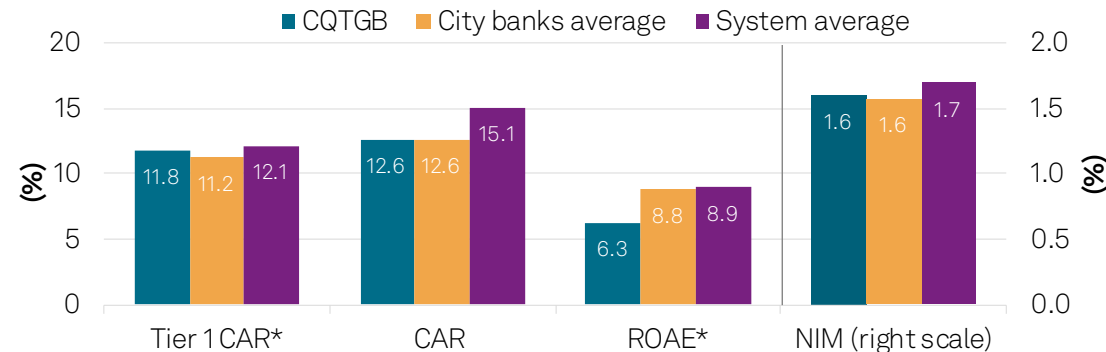
Data as of Dec 31, 2023. *The ratios are calculated by averaging the number of rural commercial banks with available data: average tier-1 CAR (99), ROAE (16), SML ratio (13), loan-to-deposit ratio (124), LCR (11), and NSFR (8). CQRCB--Chongqing Rural Commercial Bank. ROAA--Return on average assets. CAR--Capital adequacy ratio. ROAE--Return on average equity. NIM--Net interest margin. NPL--Nonperforming loans. SML--Special mentioned loans. LCR--Liquidity coverage ratio. NSFR--Net stable funding ratio. Sources: Company data, WIND, National Financial Regulatory Administration. Writer: Shaohua Guo.

CQTGB: Capitalization dragged by recent issues

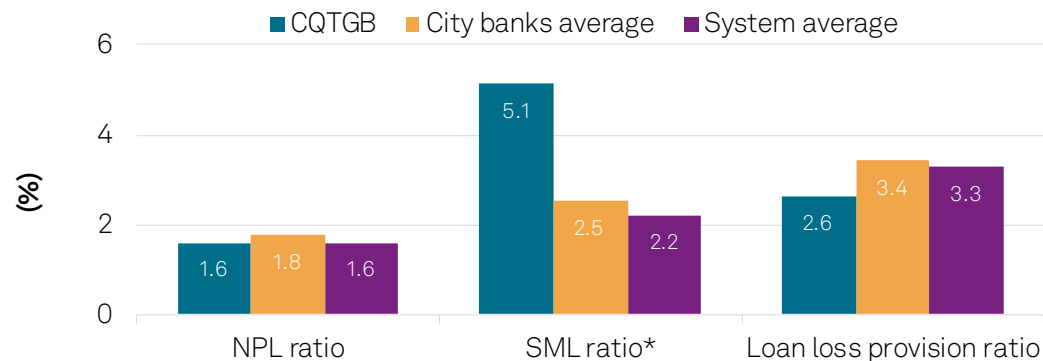
Small regional bank, with 3yr CAGR 15% in gross loans



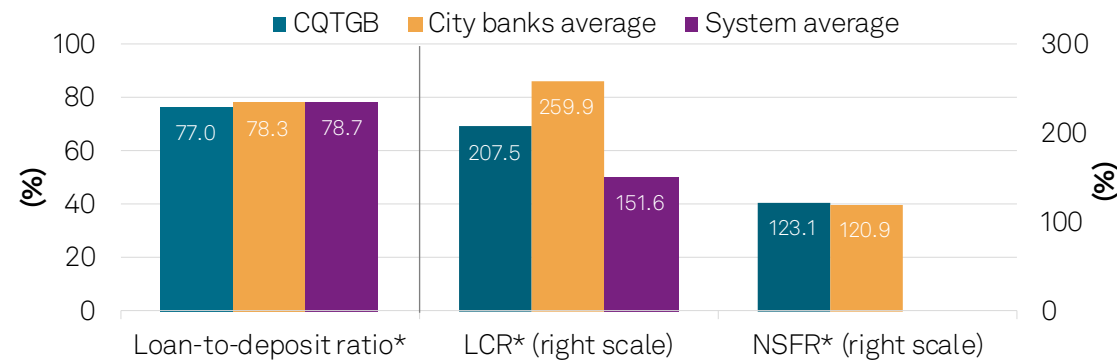
Capital pressured by strong growth and low provision



Material single client concentration, and high SML

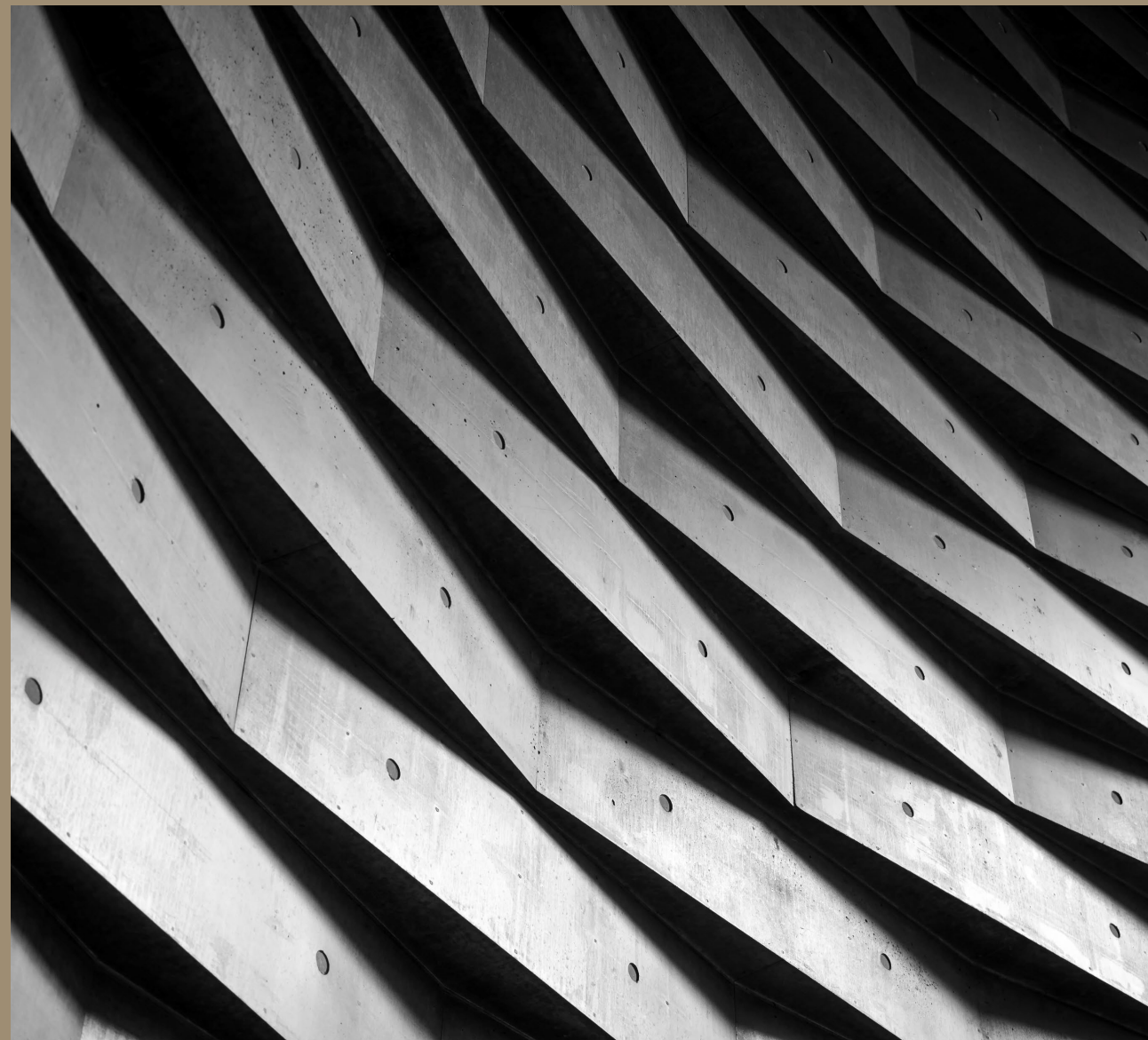


Retail deposits support its funding base



Data as of Dec 31, 2023. *The ratios are calculated by averaging the number of city commercial banks with available data: average tier-1 CAR (37), ROAE (29), SML ratio (29), loan-to-deposit ratio (42), LCR (31), and NSFR (27). CQTGB--Chongqing Three Gorges Bank. ROAA--Return on average assets. CAR--Capital adequacy ratio. ROAE--Return on average equity. NIM--Net interest margin. NPL--Nonperforming loans. SML--Special mention loans. LCR--Liquidity coverage ratio. NSFR--Net stable funding ratio. Sources: Company data, Wind, National Financial Regulatory Administration. Writer: Shaohua Guo.

Appendix



Appendix

Key metrics of Chongqing and the Chinese LRG sector

| | GDP scale (bil. RMB) | GDP per capita (RMB) | LRG total revenue (bil. RMB) | LRG debt (bil. RMB) | SOE debt (bil. RMB) | Real GDP growth (%) | BACA (%) | Adjusted debt burden (%) | Adjusted debt burden ex. on-lending(%) |
|--------------------------------------|-------------------------|-------------------------|------------------------------------|------------------------|------------------------|------------------------|----------|-----------------------------|--|
| Chongqing municipal level: | | | | | | | | | |
| 2021-2023 average | 2,906 | 90,559 | 456 | 294 | 708 | 5.7 | (9.0) | 352 | 153 |
| 2023 | 3,015 | 94,135 | 479 | 328 | 814 | 6.1 | (5.8) | 377 | 155 |
| China tier-one LRG sector: | | | | | | | | | |
| 2021-2023 average | 120,299 | 85,344 | 14,345 | 5,256 | 24,869 | 5.5 | (3.1) | 270 | 57 |
| 2023 | 126,058 | 89,358 | 15,287 | 5,766 | 27,779 | 5.2 | (2.8) | 293 | 57 |
| Chongqing whole municipality: | | | | | | | | | |
| 2021-2023 average | 2,906 | 90,559 | 668 | 1,031 | 2,019 | 5.7 | (20.4) | 392 | N.A. |
| 2023 | 3,015 | 94,135 | 699 | 1,226 | 2,248 | 6.1 | (19.2) | 410 | N.A. |
| China whole LRG sector: | | | | | | | | | |
| 2021-2023 average | 120,299 | 85,344 | 29,626 | 35,384 | 65,242 | 5.5 | (15.2) | 258 | N.A. |
| 2023 | 126,058 | 89,358 | 28,876 | 40,736 | 74,297 | 5.2 | (15.9) | 270 | N.A. |

Please refer to our glossary for a definition of terms. LRG--local regional government. bil.--Billion. RMB--Chinese renminbi. N.A.--Not available.
Sources: LRGs' bureau of finance and bureau of statistics. Wind. S&P Global Ratings.

Appendix

Key metrics of Chongqing districts

| | GDP scale (bil. RMB, 2022) | GDP per capita (RMB, 2022) | LRG-level | | | Whole-LRG | | |
|---|-------------------------------|-------------------------------|---------------------------------------|------------------------------|------------------------------|---------------------------------------|------------------------------|------------------------------|
| | | | LRG total revenue (bil. RMB, 2022) | LRG debt (bil. RMB, 2022) | SOE debt (bil. RMB, 2022) | LRG total revenue (bil. RMB, 2022) | LRG debt (bil. RMB, 2022) | SOE debt (bil. RMB, 2022) |
| Chongqing (Municipality of) | 3,015 | 94,135 | 425 | 297 | 686 | 626 | 1,007 | 2,000 |
| Liangjiang New Area (District of) | 465 | 139,771 | 29 | 58 | 102 | 29 | 58 | 102 |
| High-tech Industrial Development Zone (District of) | 76 | 119,550 | 18 | 37 | 24 | 18 | 37 | 24 |
| Yubei (District of) | 244 | 108,269 | 17 | 21 | 48 | 17 | 21 | 48 |
| Jiulongpo (District of) | 187 | 121,404 | 19 | 27 | 51 | 19 | 27 | 51 |
| Jiangbei (District of) | 174 | 184,000 | 15 | 22 | 53 | 15 | 22 | 53 |
| Yuzhong (District of) | 163 | 283,000 | 9 | 14 | 11 | 9 | 14 | 11 |
| Fuling (District of) | 163 | 146,500 | 21 | 23 | 91 | 21 | 23 | 91 |
| Jiangjin (District of) | 140 | 104,274 | 17 | 25 | 80 | 17 | 25 | 80 |
| Yongchuan (District of) | 128 | 111,718 | 15 | 17 | 55 | 15 | 17 | 55 |
| Wanzhou (District of) | 118 | 75,840 | 22 | 29 | 63 | 22 | 29 | 63 |
| Shapingba (District of) | 114 | 76,434 | 12 | 28 | 84 | 12 | 28 | 84 |
| Ba'nan (District of) | 109 | 91,106 | 15 | 20 | 68 | 15 | 20 | 68 |
| Hechuan (District of) | 102 | 83,365 | 15 | 18 | 62 | 15 | 18 | 62 |
| Nan'an (District of) | 99 | 81,421 | 19 | 25 | 51 | 19 | 25 | 51 |
| Bishan (District of) | 98 | 128,840 | 14 | 19 | - | 14 | 19 | - |
| Changshou (District of) | 96 | 140,000 | 14 | 17 | 72 | 14 | 17 | 72 |
| Rongchang (District of) | 85 | 127,491 | 11 | 14 | 21 | 11 | 14 | 21 |
| Dazu (District of) | 85 | 101,358 | 13 | 16 | 61 | 13 | 16 | 61 |
| Qijiang (District of) | 80 | 79,790 | 10 | 26 | 47 | 10 | 26 | 47 |

Please refer to our glossary for a definition of terms. bil.--Billion. RMB--Chinese renminbi. Sources: LRGs' bureau of finance and bureau of statistics. Wind. S&P Global Ratings.

Appendix

Key metrics of Chongqing districts

| | GDP scale (bil. RMB, 2022) | GDP per capita (RMB, 2022) | LRG-level | | | Whole-LRG | | |
|-------------------------|-------------------------------|-------------------------------|---------------------------------------|------------------------------|------------------------------|---------------------------------------|------------------------------|------------------------------|
| | | | LRG total revenue (bil. RMB, 2022) | LRG debt (bil. RMB, 2022) | SOE debt (bil. RMB, 2022) | LRG total revenue (bil. RMB, 2022) | LRG debt (bil. RMB, 2022) | SOE debt (bil. RMB, 2022) |
| Beibei (District of) | 78 | 93,283 | 9 | 15 | 28 | 9 | 15 | 28 |
| Tongliang (District of) | 78 | 113,426 | 14 | 14 | 21 | 14 | 14 | 21 |
| Kaizhou (District of) | 69 | 57,600 | 12 | 16 | 24 | 12 | 16 | 24 |
| Yunyang (County of) | 60 | 65,892 | 11 | 18 | 8 | 11 | 18 | 8 |
| Liangping (District of) | 59 | 92,457 | 9 | 16 | 12 | 9 | 16 | 12 |
| Tongnan (District of) | 58 | 85,446 | 9 | 11 | 25 | 9 | 11 | 25 |
| Dianjiang (County of) | 57 | 89,323 | 8 | 13 | 11 | 8 | 13 | 11 |
| Zhongxian (County of) | 54 | 76,398 | 8 | 12 | - | 8 | 12 | - |
| Nanchuan (District of) | 43 | 77,123 | 8 | 12 | 54 | 8 | 12 | 54 |
| Fengjie (County of) | 41 | 55,341 | 9 | 11 | 19 | 9 | 11 | 19 |
| Fengdu (County of) | 41 | 74,620 | 8 | 13 | 15 | 8 | 13 | 15 |
| Xiushan (County of) | 37 | 74,202 | 8 | 11 | 9 | 8 | 11 | 9 |
| Dadukou (District of) | 36 | 83,106 | 7 | 10 | 18 | 7 | 10 | 18 |
| Pengshui (County of) | 30 | 58,163 | 8 | 11 | 14 | 8 | 11 | 14 |
| Qianjiang (District of) | 30 | 60,902 | 8 | 15 | 25 | 8 | 15 | 25 |
| Wulong (District of) | 27 | 77,086 | 6 | 8 | 15 | 6 | 8 | 15 |
| Yuyang (County of) | 24 | 40,449 | 8 | 14 | 5 | 8 | 14 | 5 |
| Wushan (County of) | 24 | 52,734 | 7 | 11 | - | 7 | 11 | - |
| Shizhu (County of) | 23 | 59,566 | 6 | 10 | 5 | 6 | 10 | 5 |
| Wuxi (County of) | 13 | 34,011 | 6 | 8 | - | 6 | 8 | - |
| Chengkou (County of) | 7 | 36,660 | 4 | 10 | - | 4 | 10 | - |

Please refer to our glossary for a definition of terms. bil.--Billion. RMB--Chinese renminbi. Sources: LRGs' bureau of finance and bureau of statistics. Wind. S&P Global Ratings.

Appendix

Top corporate SOEs in Chongqing (municipal level) and our sampled districts

| SOE (non-FI) | SOE (non-FI) | Reference LRG* | Tier of LRG | Total debt (bil. RMB,2023) |
|-------------------------|--|-----------------------------------|-------------|----------------------------|
| 重庆城市交通开发投资(集团)有限公司 | Chongqing City Transportation Development & Investment Group Co. Ltd | Chongqing (City of) | T1 | 143 |
| 重庆渝富控股集团有限公司 | Chongqing Yufu Holding Group Co. Ltd | Chongqing (City of) | T1 | 129 |
| 重庆高速公路集团有限公司 | Chongqing Expressway Group Co. Ltd. | Chongqing (City of) | T1 | 129 |
| 重庆两江新区开发投资集团有限公司 | Chongqing Liangjiang New Area Development & Investment Group Co. Ltd. | Liangjiang New Area (District of) | T2 | 87 |
| 重庆高新开发建设投资集团有限公司 | Chongqing High-tech Development and Construction Investment Group Co. Ltd. | Chongqing (City of) | T1 | 83 |
| 重庆发展投资有限公司 | Chongqing Development Investment Co. Ltd | Chongqing (City of) | T1 | 58 |
| 西部(重庆)科学城江津园区开发建设集团有限公司 | Western (Chongqing) Science City Jiangjin Park Development and Construction Group Co. Ltd | Jiangjin (District of) | T2 | 53 |
| 重庆万州经济技术开发(集团)有限公司 | Chongqing Wanzhou Economic and Technological Development (Group) Co. Ltd. | Wanzhou (District of) | T2 | 49 |
| 重庆市城市建设投资(集团)有限公司 | Chongqing City Construction Investment Corporation | Chongqing (City of) | T1 | 47 |
| 重庆市地产集团有限公司 | Chongqing Real Estate Group Co. Ltd. | Chongqing (City of) | T1 | 36 |
| 重庆水务环境控股集团有限公司 | Chongqing Water Environment Holding Group Co. Ltd. | Chongqing (City of) | T1 | 34 |
| 重庆市江津区华信资产经营(集团)有限公司 | Jiangjin District Huaxin Asset Management (Group) Co. Ltd. | Jiangjin (District of) | T2 | 31 |
| 重庆市水利投资(集团)有限公司 | Chongqing Water Conservancy Investment Group Co. LTD | Chongqing (City of) | T1 | 31 |
| 重庆市南岸区城市建设发展(集团)有限公司 | Chongqing Nanan Urban Construction & Development Group Co. Ltd. | Nan'an (District of) | T2 | 31 |
| 重庆市万盛经济技术开发区开发投资集团有限公司 | Chongqing Wansheng Economic and Technological Development Zone Development Investment Group Co. Ltd. | Chongqing (City of) | T1 | 23 |

Data as of December 2023. The list shows top 15 SOEs by total debt within the sampled cities. The aggregate accounts for 82% of the total debt of the 32 SOEs. *Reference government refers to the largest government owner as listed in Wind. Please refer to our glossary for a definition of terms. FI-Financial institution. T1-Tier one. T2-Tier two. bil.-Billion. RMB-Chinese renminbi.

Sources: LRGs' State-owned Assets Supervision and Administration. Wind. S&P Global Ratings.

Appendix

Top financial institution SOEs in Chongqing region

| SOE (FI) | SOE (FI) | Reference LRG* | Tier of LRG | Assets (bil. RMB, 2023) | Total loan (bil. RMB, 2023) | Total regulatory capital (bil. RMB, 2023) | CAR % (2023) |
|----------------|--|-----------------------------|-------------|-------------------------|-----------------------------|---|--------------|
| 重庆农村商业银行股份有限公司 | Chongqing Rural Commercial Bank Co. Ltd. | Chongqing (Municipality of) | T1 | 1,441 | 647 | 138 | 16.0 |
| 重庆银行股份有限公司 | Bank of Chongqing Co. Ltd. | Chongqing (Municipality of) | T1 | 760 | 381 | 70 | 13.4 |
| 重庆三峡银行股份有限公司 | Chongqing Three Gorges Bank Co. Ltd. | Chongqing (Municipality of) | T1 | 302 | 152 | 24 | 12.6 |

Data as of December 2023.

*Reference government refers to the largest government owner as listed in Wind. Please refer to our glossary for a definition of terms. FI--Financial institution. T1--Tier one. T2--Tier two. bil.--Billion. RMB--Chinese renminbi.

Sources: LRGs' State-owned Assets Supervision and Administration. Wind. S&P Global Ratings.

Glossary

- Note on our data: We use settlement data for 2022 and before. For provincial level and China tier-one sector data, we use adjusted revenue for key ratio calculations. For tier-two and tier-two sector data, we are currently using reported revenue numbers.
- LRG: Local and regional government.
- Tier-one LRG: Provinces, autonomous regions, municipalities, and cities with state-planning status.
- Tier-two LRG: Cities, autonomous prefectures, and districts of municipalities.
- Tier-one sector: An aggregation of 36 tier-one LRGs, as defined in our risk indicator article for such tier-one governments (see "Related Research," below).
- Tier-two sector: An aggregation of 48 tier-two LRGs, as defined in our risk indicator article for such tier-two governments (see "Related Research," below).
- BACA: Balance after capital account of LRGs.
- BACA %: Adjusted total revenue subtracted by adjusted total expenditure, as a percentage of adjusted total revenues.
- Direct debt: Debts directly issued under the name of a given LRG.
- Direct debt % total revenue: Direct debt, as a percentage of an LRG's total revenues (note: this ratio references soft guidance by China authorities and is irrelevant to our credit metrics.)
- Adjusted debt burden: Sum of direct debt and debt of LGFVs that are classified by Wind.
- Adjusted debt burden %: Adjusted debt burden, as a percentage of consolidated operating revenues of an LRG and those of LGFVs.
- Adjusted debt burden % ex. on-lending: Adjusted debt burden excluding on-lending to lower-tier LRGs, as a percentage of operating revenues of an LRG and those of LGFVs.
- SOEs: State-owned enterprises controlled by LRGs.
- LGFVs: SOEs that are classified as LGFV by Wind.
- SOE debt % LRG total revenue: Aggregated debt of SOEs controlled by LRGs as a proportion of LRG total revenues.
- SOE sector leverage (or SOE leverage): The proportion of an SOE's aggregated debt to aggregated EBITDA.
- SOE cash coverage to ST debt: SOEs' cash and short-term securities measured against their short-term debt.

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Related Research

- [What Are The Credit Implications Of China's Various Programs To Support Growth?](#), Mar 28, 2024
- [China LGFVs' Bigger Housing Role: Risk Control Matters](#), Mar 27, 2024
- [China LRG in Focus- Zhejiang Province](#), Mar. 21, 2024
- [China's Fiscal Bid To Stanch Local SOE Debt Risk](#), Nov. 2, 2023
- [China's District And County Recovery Crimped By Property Slide And Debt Checks](#), Sept 13, 2023
- [China LRG in Focus- Hubei Province](#), Oct. 5, 2023
- [China LRG in Focus- Guangxi Province](#), Sept. 13, 2023
- [China LRG in Focus- Yunnan Province](#), July 6, 2023
- [China LRG in Focus-- Shandong Province](#), June 7, 2023
- [China LRG in Focus—Henan Province](#), May 22, 2023
- [China LRG in Focus-- Fujian Province](#), March 13, 2023
- [China LRG in Focus-- Guizhou Province](#), Jan. 11, 2023
- [Institutional Framework Assessment: China Provincial Governments' Capital-Light Framework To Support Fiscal Positions](#), Aug. 10, 2023
- [Institutional Framework Assessment: China's Push To Delink LRGs From SOEs Relieves Some Pressure On Tier-Two Governments' Elevated Debt](#), Aug. 10, 2023
- [What Are China's Options To Resolve Local-Government SOE Debt Risk?](#), Aug. 2, 2023
- [China Provincial Governments' Risk Indicators](#), June 24, 2023
- [Stimulus Is A Highwire Act For China's City Governments Facing Property Go-Slow](#), June 20, 2023
- [Credit FAQ: What The "Two Sessions" Say About Chinese Government Finances](#), March 19, 2023
- [Clock Is Ticking For The Debt-Led Growth Of China Local Governments](#), Feb. 21, 2023



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