

Lianhe Global has affirmed ‘A-’ global scale Long-term Issuer Credit Rating of Xiamen International Bank Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 6 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘A-’ global scale Long-term Issuer Credit Rating of Xiamen International Bank Co., Ltd. (“XIB”). The Outlook is Stable.

Key Rating Rationales

The Issuer Rating reflects XIB’s established network in economically advanced regions in mainland China, as well as Hong Kong and Macau, stable funding sources and adequate liquidity. In addition, we expect that there is a high possibility that the Fujian Provincial People’s Government (“the Fujian government”) would provide strong support to XIB if needed, considering XIB’s strong linkage with the Fujian government as a provincial financial institution in Fujian. The rating also considers XIB’s new issuance of Tier 2 capital bonds to replenish capital. However, its core Tier 1 capital adequacy is under pressure, along with weakening asset quality and profitability.

The Stable Outlook reflects our expectation that XIB will maintain its established market position, strategic importance in local financial system and its linkage with the Fujian government

Rating Sensitivities

We would consider downgrading XIB’s rating if there is 1) a significant decrease in its capital adequacy and liquidity, or 2) a notable deterioration in its asset quality and profitability, or 3) a weakened funding structure, or 4) a perceived weakening linkage between the Fujian government and XIB.

We would consider upgrading XIB’s rating if it were to 1) improve its capital adequacy and asset quality significantly, and 2) improve its profitability, and 3) improve the diversification of business and loan portfolio.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this XIB’s rating is Lianhe Global’s Banking Rating Criteria published on 20 March 2023 which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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