

## Zhuhai Rural Commercial Bank Co., Ltd.

### Summary

Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Banking
Date	26 May 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB-’ global scale Long-term Issuer and Issuance Credit Rating of Zhuhai Rural Commercial Bank Co., Ltd. (“ZRCB”); Issuer Rating Outlook is Stable.

### Summary

The Issuer Rating reflects ZRCB’s established franchise and extensive branch network in Zhuhai, adequate capitalization and stable funding profile. In addition, we expect that there is a high possibility that the Zhuhai government would provide moderately strong support to ZRCB if needed, considering their strong linkage and ZRCB’s strategic role in promoting local economic growth and maintaining regional financial stability. The rating also considers ZRCB’s limited operating scale, relatively high sector and geographic concentrations, and sustained pressure on loan quality and profitability.

Lianhe Global has also affirmed ‘BBB-’ global scale Long-term Issuance Credit Rating of the senior unsecured bonds issued by ZRCB at the same time. A full list of affirmed issuance rating is included in this press release.

The Stable Outlook reflects our expectation that ZRCB will maintain its market position in Zhuhai and its linkage with the Zhuhai government while maintaining good capital adequacy and liquidity.

### Rating Rationale

**Established Strong Franchise in Zhuhai with Steady Growth:** ZRCB is a major financial institution in Zhuhai, an important city in the economically well-developed Greater Bay Area and one of five economic special zones in China that provides the bank with a favorable operating environment. ZRCB has the largest branch network in Zhuhai, covering its urban areas, rural regions, and islands. As of end-2025, the bank held market shares of 6.07% in deposits and 4.78% in loans, ranking behind the large state-owned banks but ahead of nationwide joint-stock bank peers.

ZRCB maintained steady asset growth, with total assets surpassing RMB100 billion in 2025. Corporate lending grew rapidly, supported by the bank’s alignment with the Zhuhai government’s “Manufacturing-First” strategy and its focus on local manufacturing enterprises. By end-2025, corporate loans accounted for 67.14% of the bank’s total loan book, up from 58.57% at end-2022. However, ZRCB faces intense price competition in Zhuhai’s banking market. Its small operating scale limits pricing power and product competitiveness relative to larger peers, while sector and geographical concentration remain high.

**Strong Government Linkage with High Support Propensity:** Following the transfer of management control from Guangdong Rural Credit Union to the Zhuhai government in 2021, ZRCB became a directly government-managed institution. In addition, a high proportion of its shares was held by state-owned enterprises (“SOEs”) in Zhuhai. Considering ZRCB’s strong linkage between the Zhuhai government and its strategic role in promoting local economic growth, especially in supporting micro, small and medium enterprises (“MSMEs”) and rural development and maintaining regional financial stability, we expect that there is a high possibility that the Zhuhai government would provide moderately strong support to ZRCB if needed.

### Analysts

Roy Luo, CFA, FRM, CESGA  
(852) 3462 9582  
[roy.luo@lhratingsglobal.com](mailto:roy.luo@lhratingsglobal.com)

Rechel Chen  
(852) 3462 9589  
[rechel.chen@lhratingsglobal.com](mailto:rechel.chen@lhratingsglobal.com)

### Applicable Criteria

[Banking Rating Criteria \(20 March 2023\)](#)

**Stable Funding Base; Capital Remains Adequate:** ZRCB maintains a stable funding profile, underpinned by a granular retail deposit base. As of end-2025, customer deposits accounted for 83.80% of total fundings, with personal deposits making up 68.25% of total deposits, providing the bank with a sticky and diversified funding source and lowering its reliance on wholesale funding. Meanwhile, the bank maintains a sizable stock of highly liquid assets, including government bonds and certificates of deposit. As of end-2025, its high-quality liquid asset adequacy ratio stood at 1.42x.

ZRCB's capital position remains adequate. The capital adequacy ratio and tier-1 capital adequacy ratio registered 15.73% and 14.58% respectively as of end-2025, well above regulatory requirement. However, its capital ratios have gradually trended downward since the 2022 capital injection, as continued business growth consumed capital while internal capital generation remained relatively weak.

**Sustained Pressure on Loan Quality and Profitability:** ZRCB's loan quality remains under pressure, as the weak economy continues to weigh on borrowers' repayment capacity, particularly among MSMEs, which constitute the bank's core customer segment. Nevertheless, the bank's non-performing loan ("NPL") ratio declined to 1.24% in 2025 from 1.32% in 2024, supported by strengthened asset quality controls and more proactive NPL disposal. However, the special mention loan ratio increased, reflecting a rise in loan restructurings, all of which were classified as special mention loans.

Profitability remains subdued amid continued net interest margin compression and elevated credit costs. The net interest margin narrowed to 1.22% in 2025 from 1.50% in 2024 and 1.81% in 2023, reflecting policy-driven lending rate cuts and persistent deposit cost rigidity. Consequently, ZRCB's net interest income dropped by 12.11% to RMB107 million from RMB122 million over the same period. Yet, supported by higher bond investment income and lower credit impairment losses, the bank's net profit increased slightly year on year.

## Rating Sensitivities

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

We would consider upgrading ZRCB's rating if it were to 1) improve its operating scale without significantly compromising its capital adequacy and asset quality, and 2) lower the concentration of its loans portfolio, and 3) improve its profitability.

## Full List of Issuance Rating

A full list of affirmed Issuance Rating is included below. Any rating action on ZRCB's rating would result in a similar rating action on its senior unsecured bonds:

- CNY500 million 3.5% senior unsecured green bonds due 2026 affirmed at 'BBB-'

## Company Profile

ZRCB, formerly known as Zhuhai Rural Credit Cooperative, was founded in 1952 and is a locally incorporated bank in Zhuhai. It is the largest bank in the city in terms of agricultural lending and the number of MSME customers. As of end-2025, Zhuhai-based SOEs constituted the majority of the top ten shareholders and collectively held a 42.12% stake, and the bank's and management control has been under the Zhuhai government since 2021.

As a rural commercial bank, ZRCB focuses on MSMEs, agricultural and rural clients and inclusive finance. Leveraging its established network and government background in Zhuhai, the bank has built a strong deposit franchise, supported by personal deposits, SOE deposits and social security funds. In recent years, it has also actively expanded its manufacturing customer base to further diversify its loan portfolio.

### ZRCB's Summary Financials and Key Ratios

(RMB million)	2023	2024	2025
<b>Total Assets</b>	<b>91,409</b>	<b>100,832</b>	<b>107,856</b>
- Cash and interbank placements	9,196	9,023	11,187
- Loans and advances to customers	46,107	50,851	53,330
- Financial investments	33,086	36,777	38,558
<b>Total Liabilities</b>	<b>81,126</b>	<b>90,289</b>	<b>97,168</b>
- Customers deposits	65,441	71,755	76,959
- Market fundings	11,085	13,077	14,873
<b>Operating Revenue</b>	<b>1,810</b>	<b>1,797</b>	<b>1,498</b>
- Net interest income	1,317	1,220	1,073
- Net fee and commission incomes	42	46	41
- Investment income	306	360	424
- Fair value changes	85	145	-50
<b>Operating expense</b>	<b>1,148</b>	<b>1,390</b>	<b>1,089</b>
- SG&A	678	643	669
- Impairment charges	447	724	405
Pre-impairment operating profit	1,114	1,132	819
Net Profit	601	404	410
<b>Profitability</b>			
Net interest margin (%)	1.81	1.50	1.22
ROA (%)	0.70	0.42	0.39
ROE (%)	5.98	3.88	3.86
<b>Asset Quality</b>			
Non-performing loan ratio (%)	1.19	1.32	1.24
Loan loss provision (%)	225.91	198.96	207.43
Provision coverage ratio (%)	2.69	2.62	2.58
<b>Capital Adequacy</b>			
Capital adequacy ratio (%)	18.08	16.51	15.73
Core tier-1 capital adequacy ratio (%)	16.93	15.36	14.58
<b>Liquidity and Funding</b>			
Gross loans and advances to customer deposits (%)	73.73	74.24	72.59
Customer deposits to total funding (%)	85.51	84.58	83.80
High quality liquid asset adequacy ratio (x)	1.38	1.65	1.42

Source: ZRCB and Lianhe's calculations

## Appendix I: ZRCB's Shareholding Structure

ZRCB's Top 10 Shareholders (by group) at end-2025	Total Shareholding
1. Zhuhai Huafa Group Co., Ltd., Zhuhai Huafa Investment Holding Group Co., Ltd. (珠海华发集团有限公司, 珠海华发投资控股集团有限公司)	9.90%
2. Hengqin Financial Investment Group Co., Ltd., Zhuhai Market Operation Group Co., Ltd., Zhuhai Gree Construction Investment Co., Ltd. (横琴金融投资集团有限公司, 珠海市市场经营集团有限公司, 珠海格力建设投资有限责任公司)	9.89%
3. Zhuhai Kechuang Hongyuan Investment Co., Ltd. (珠海科创弘源投资有限公司)	8.97%
4. Zhuhai Dahengqin Development Co., Ltd. (珠海大横琴发展有限公司)	8.10%
5. Guangdong Energy Group Zhuhai Investment Co., Ltd. (广东能源集团珠海投资有限公司)	6.61%
6. Wens Foodstuff Group Co., Ltd. (温氏食品集团股份有限公司)	6.61%
7. Zhuhai Zhukuang Group Holding Co., Ltd. 珠海市珠光集团控股有限公司	5.26%
8. Hebei Puyang Industrial Group Co., Ltd. (河北普阳实业集团有限公司)	4.00%
9. Zhuhai Mingzhi Real Estate Co., Ltd. (珠海鸣志房地产有限公司)	2.99%
10. Chengdu Local Construction Mechanization Engineering Co., Ltd. (成都地方建筑机械化工程有限公司)	1.60%
<b>Total</b>	<b>63.93%</b>

Source: ZRCB

## Appendix II: ZRCB's Rating Factors

Rating Factors	Weight	Rating
I. Operating Environment	20%	bbb+
II. Business Profile	15%	bb-
III. Governance and Management	10%	bb+
IV. Risk Management and Exposures	20%	bb-
V. Financial Profile	35%	bbb-
<b>Stand-Alone Creditworthiness</b>		<b>bb+</b>
VI. External Support		
Government Support		Moderately Strong
<b>Issuer Credit Rating</b>		<b>BBB-</b>

Source: Lianhe Global

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