

# China Financials Weekly

## Deposit rate cuts to support NIM

We expect the deposit rate cuts by major banks to lower their funding cost and support NIM. Regulators highlight that state-owned banks should lower provision coverage to maintain appropriate profit growth. High provision SOEs is expected to outperform in FY22. Maintain overweight on banking sector, top pick is PSBC (1658 HK), BUY PSBC with a target price of HK\$8.40. For insurance sector, we expect life insurers to report weak 1Q22 results this week, due to lower investment income and slow new business momentum. The State Council recently unveiled the long-awaited private pension plan. While the new pension scheme will fuel the long-term growth of insurance sector as well as the other asset management segments, we think the near-term impact is likely to be limited.

- **Banks start to cut deposit rate to optimize their funding cost.** According to media, some of the large banks cut 10 bps on term deposit rate ceiling in Shanghai. 2-YR and 3-YR term deposit rate ceiling will drop 10 bps to 2.75% and 3.4% respectively. Accordingly, 2-YR and 3-YR certificate of deposits (minimum investment of RMB 200,000) rate will drop to 2.8% and 3.45%. The ceiling rate cut will help banks release pressure on NIM compression and lift its profitability slightly. As the end of 1Q22, total RMB deposit is 243.1 trillion (67% of them is term deposit). Assuming 50% banks cut 10 bps deposit cost in terms of term deposits, the 10 bps ceiling rate cut would save the banks for RMB 80bn accordingly, equivalent to 2.7% of sector pre-tax profits.
- **Regulators requires SOEs to become more tolerant on NPL ratio and cut provision coverage to maintain an appropriate growth.** In terms of regulators' comments on provision strategy, because regulators highlighted that tolerating increasing NPL ratio and appropriate decline on provision coverage, we think allowance to total loan ratio and provision coverage ratio should not be less than 2.5% and 150% (regulator suggested level). We did sensitivity analyst on earnings change under the scenario of 50 bps and 100 bps cut on allowance on total loan ratio. Based on our analysis, PSBC and ABC are more sensitive on the ratio cut, meanwhile BOC and BoComm do not have too much capacity to release their "reserved profit" from provision.
- **Expect weak 1Q22 results from life insurers.** We expect listed life insurers to report substantial YoY decrease in investment income and decline of VNB for 1Q22 this week, given that 1) the A share market was soft in 1Q (SHCOM Index down 10% in 1Q22 vs flattish in 1Q21), and 2) we estimate major life insurers have seen double digit decline of VNB in 1Q22 owing to slow FYP momentum and unfavorable product mix changes. We maintain PICC P&C (2328 HK) as our top pick for the insurance space, for its strong premiums growth and improving underwriting profitability.
- **Limited impact from private pension scheme in near term.** Recently, the State Council launched a private pension plan. The annual contribution to the individual account is capped at RMB 12,000 p.a., at a similar level to the previous tax-deferred pension program. As the government has not finalized the details of tax incentives for the new pension scheme, it is difficult to gauge the impact at this stage. But considering that only around 0.1% of the covered population participated in the pilot program of tax-deferred pension in May 2018-Dec 2021 with average annual contribution of RMB3,500 per capita, we think the near-term impact of the new private pension scheme will be limited.

**OUTPERFORM**  
(Maintain)

### China Financials Sector

**Gigi Chen, CFA**  
(852) 3916 3739  
gigichen@cmbi.com.hk

**Eric Wang**  
(852) 6367 0561  
ericwang@cmbi.com.hk

**Nika MA**  
(852) 3900 0805  
nikama@cmbi.com.hk

#### Stocks Covered:

Ticker	Rating	Target Price	Upside
2318 HK	Buy	81.40	55%
601318CH	Buy	67.56	45%
2628 HK	Buy	18.18	52%
601628CH	Sell	18.10	-32%
2601 HK	Buy	30.49	65%
601601CH	Buy	30.37	37%
1336 HK	Buy	32.35	44%
601336CH	Sell	26.85	-24%
966 HK	Buy	11.48	21%
1339 HK	Buy	3.58	40%
601319CH	Sell	3.72	-18%
2328 HK	Buy	11.64	43%
6060 HK	Buy	33.20	41%
1658 HK	Buy	8.40	31%
939 HK	Buy	8.10	42%
600000CH	Hold	9.34	15%
601229CH	Buy	9.04	35%
3618 HK	Hold	2.80	-9%
601577CH	Hold	8.32	11%
601658CH	Buy	7.07	26%
601939CH	Buy	7.50	20%
601077CH	Hold	3.60	-8%

Source: Company data, CMBIS estimates

#### Recent Reports:

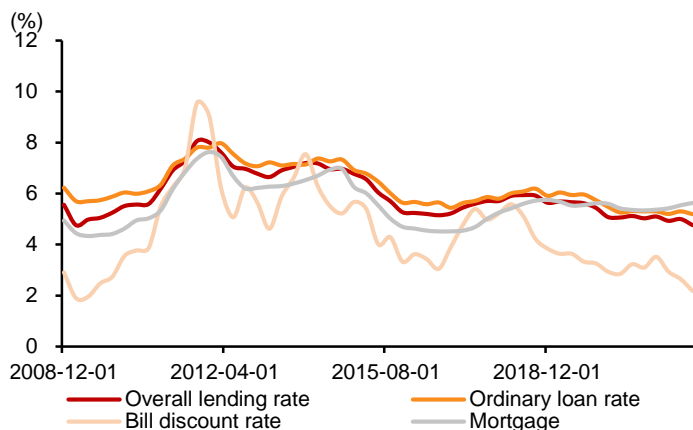
- China Insurance – P&C growth rebound; Life slow momentum into 1Q22; Prefer P&C over life insurance in 1H22 ([link](#))
- China Banking Sector – Implications of Jan LPR drop ([link](#))
- PICC P&C (2328 HK) – Auto growth pick up; Non-auto UW to improve ([link](#))
- China Banking – Looking for the safe harbour ([link](#))
- China Financials Weekly – Manageable Impacts from Russia-Ukraine Crisis ([link](#))

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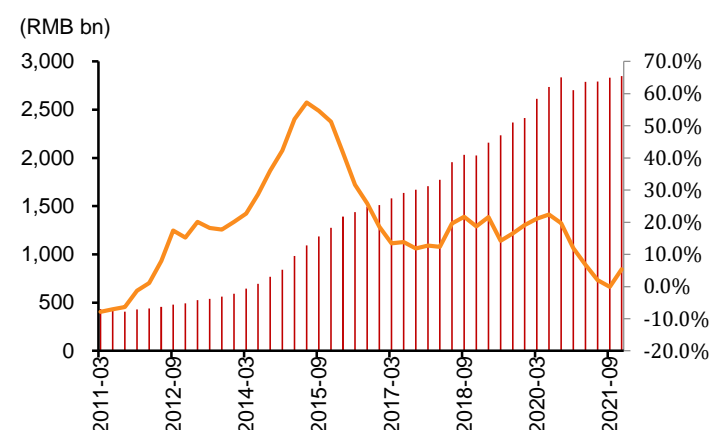
## Banking Focus Charts

Figure 1: Market lending rate



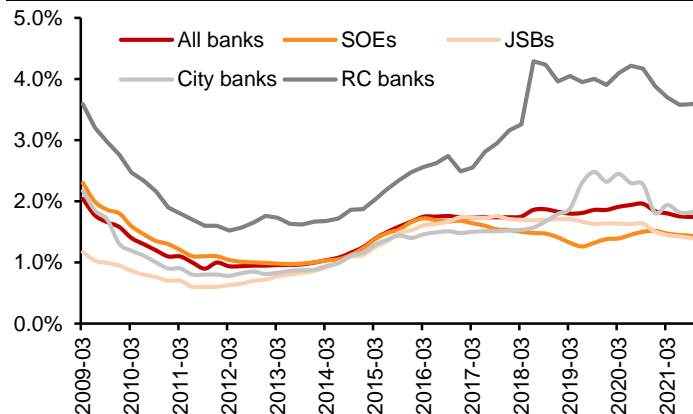
Source: Company data, CMBIGM estimates

Figure 2: Sector NPL balance and growth



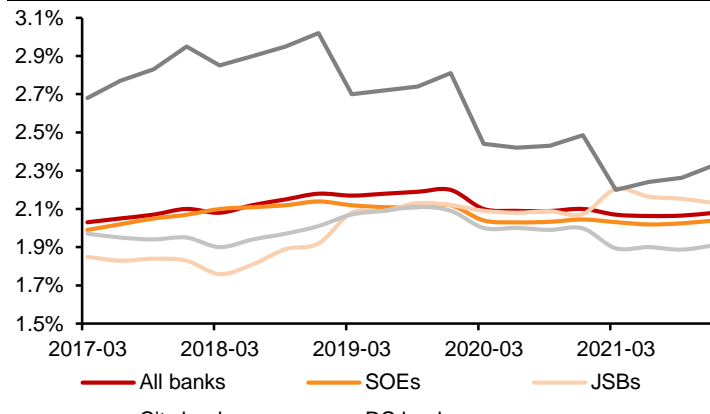
Source: Company data, CMBIGM estimates

Figure 3: Sub-sector NPL ratio



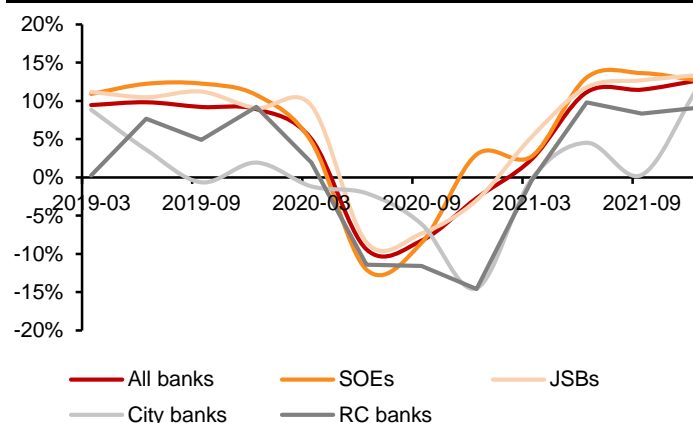
Source: Company data, CMBIGM estimates

Figure 4: Sub-sector NIM



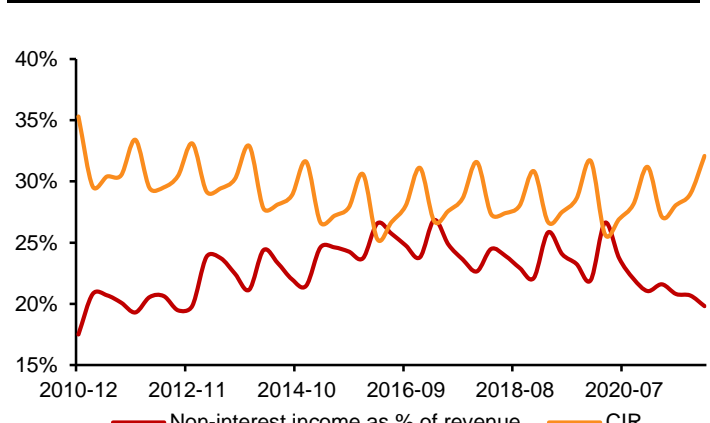
Source: Company data, CMBIGM estimates

Figure 5: Sub-sector earnings growth



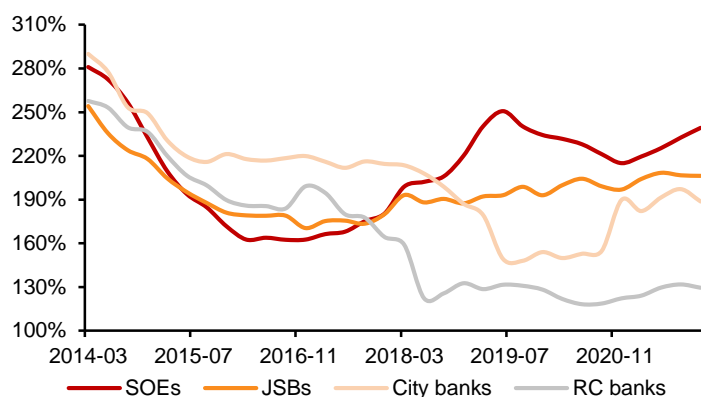
Source: Company data, CMBIGM estimates

Figure 6: CIR and non-interest income as % of revenue



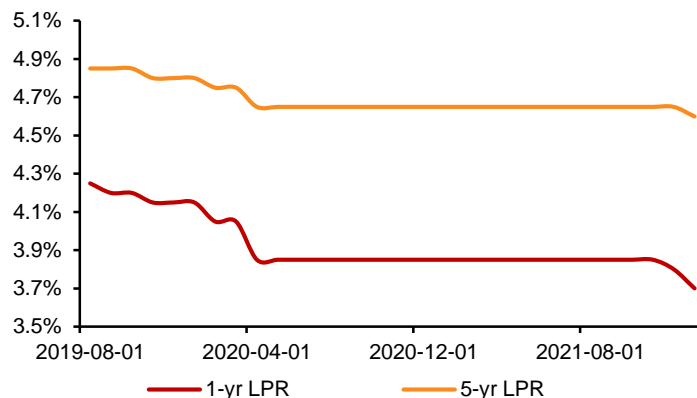
Source: Company data, CMBIGM estimates

**Figure 7: Sub sector provision coverage ratio changes**



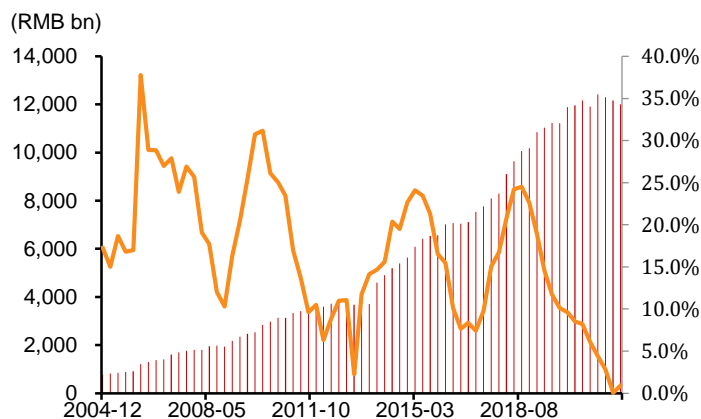
Source: Company data, CMBIGM estimates

**Figure 8: Loan Prime Rate (LPR) changes**



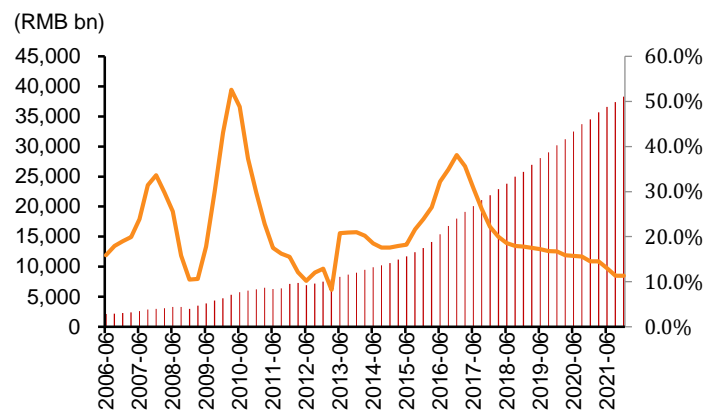
Source: Company data, CMBIGM estimates

**Figure 9: Development loan balance and growth**



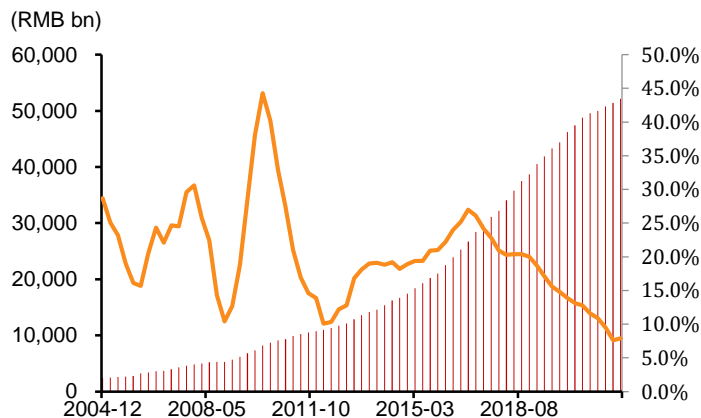
Source: Company data, CMBIGM estimates

**Figure 10: Mortgage balance and growth**



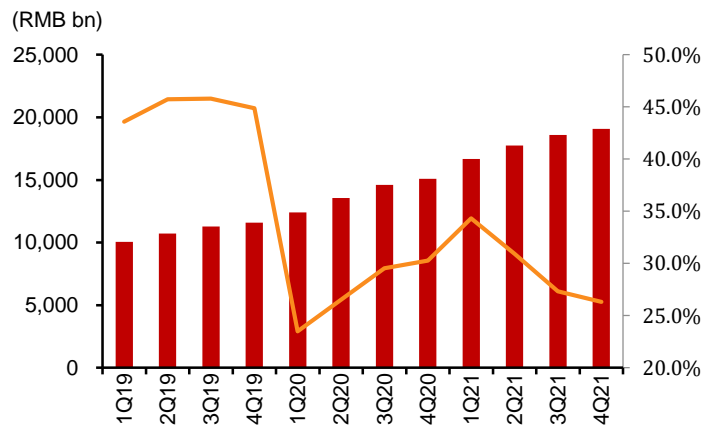
Source: Company data, CMBIGM estimates

**Figure 11: All property loan changes**



Source: Company data, CMBIGM estimates

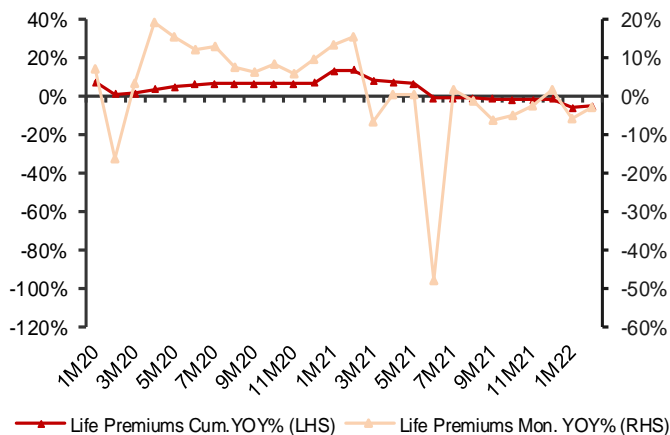
**Figure 12: Sector SME loan balance changes**



Source: Company data, CMBIGM estimates

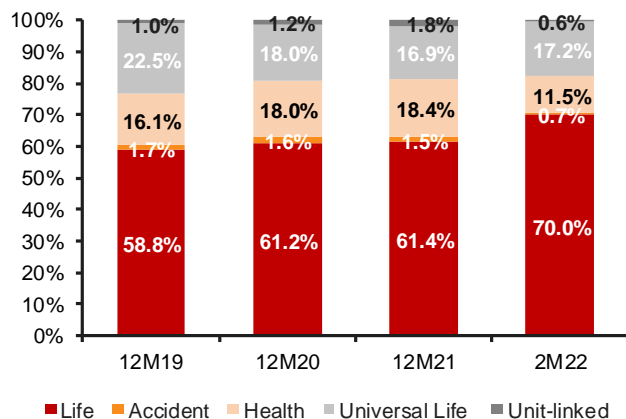
## Insurance Focus Charts

**Figure 1: Life Premiums Accumulative & Monthly YOY%**



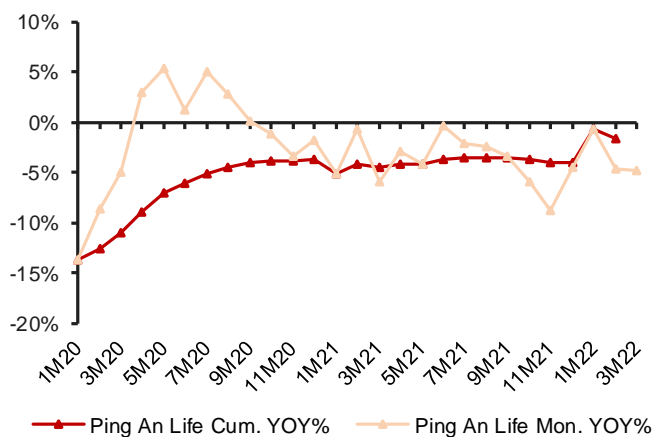
Source: Company data, CMBIGM

**Figure 2: Life Premiums Mix % (FY19-FY21, 2M22)**



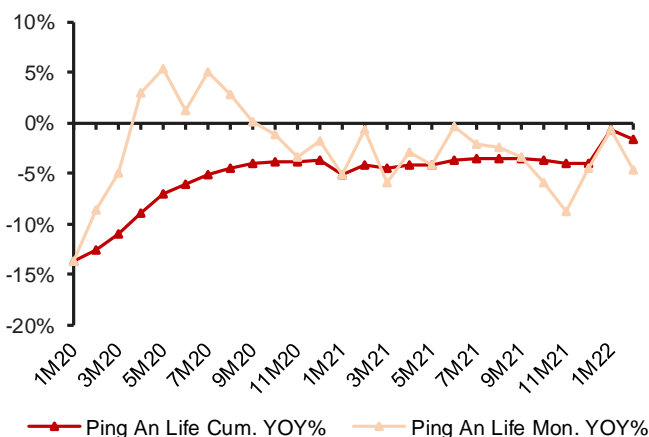
Source: Company data, CMBIGM

**Figure3: China Life (2628 HK) Premiums Cum.& Mon. YOY%**



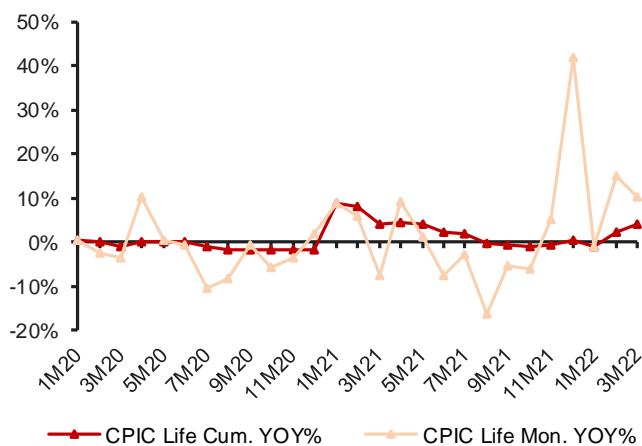
Source: Company data, CMBIGM

**Figure 4: Ping An (2318 HK) Life Premiums Cum.& Mon. YOY%**



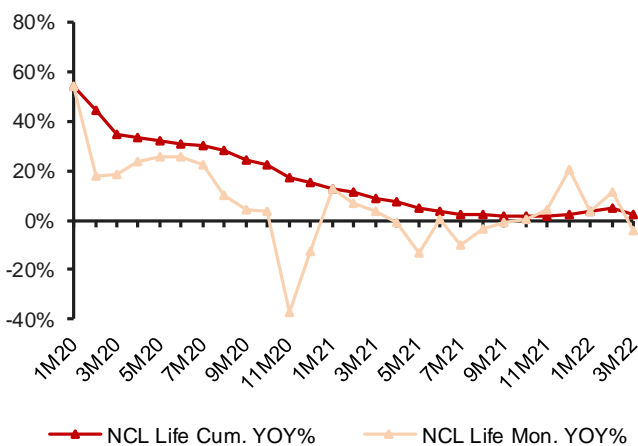
Source: Company data, CMBIGM

**Figure5: CPIC(2601 HK) Life Premiums Cum.& Mon. YOY%**



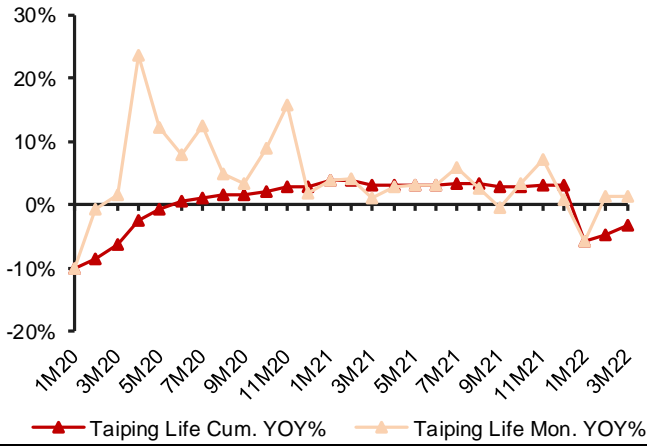
Source: Company data, CMBIGM

**Figure 6: NCL (1336 HK) Life Premiums Cum.& Mon YOY%**



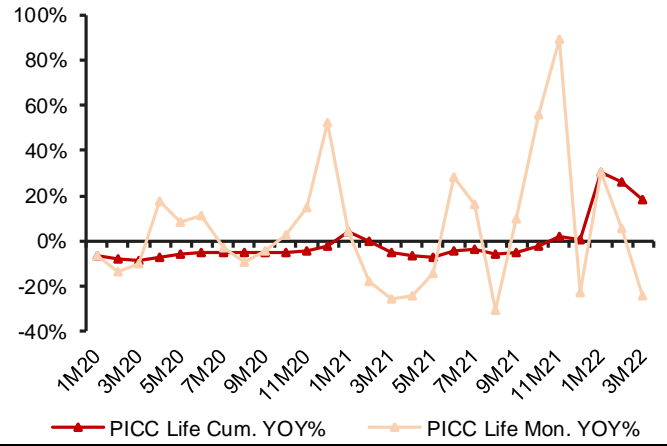
Source: Company data, CMBIGM

Figure 7: Taiping(966 HK)Life Premiums Cum. & Mon. YOY%



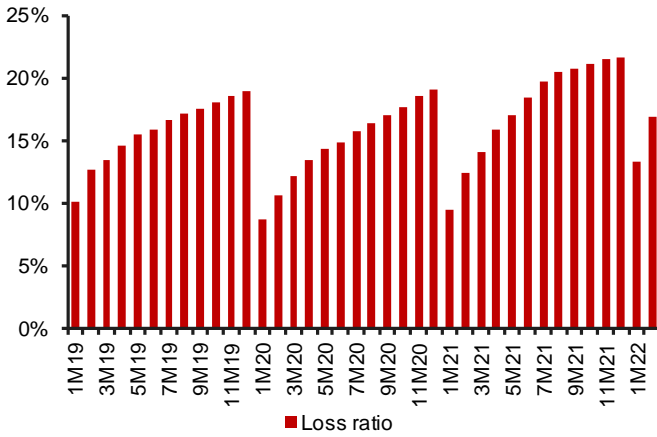
Source: Company data, CMBIGM

Figure 8: PICC Life (1339 HK) Premiums Cum. & Mon. YOY%



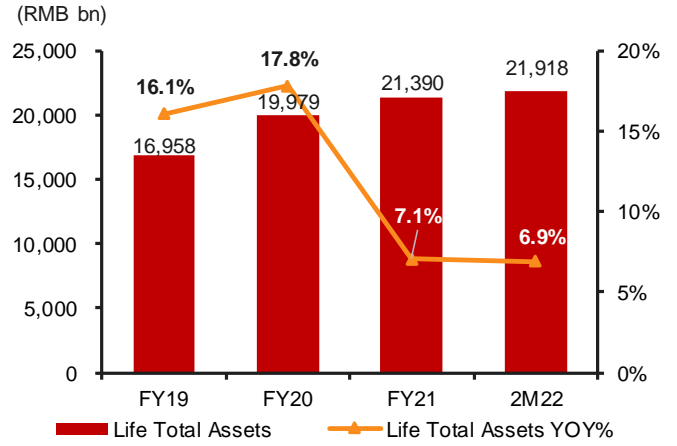
Source: Company data, CMBIGM

Figure 9: Life Insurance Industry Loss Ratio (1M19 – 2M22)



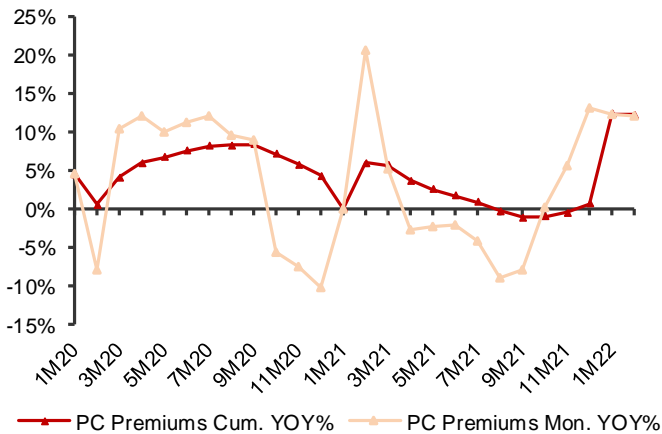
Source: Company data, CMBIGM

Figure 10: Life Industry Total Assets & YOY% (incl. 2M22)



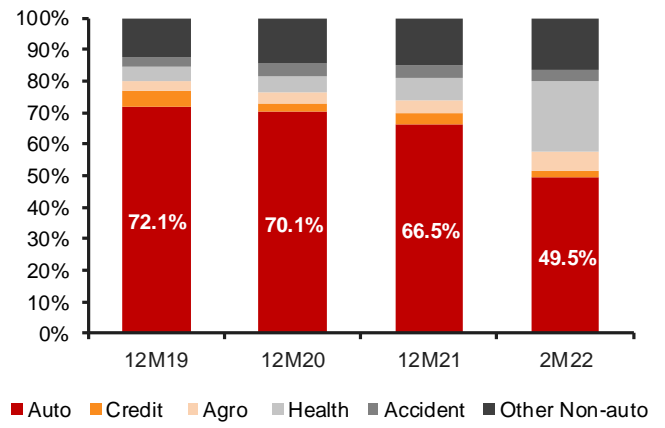
Source: Company data, CMBIGM

Figure 11: P&C Premiums Accumulative & Monthly YOY%



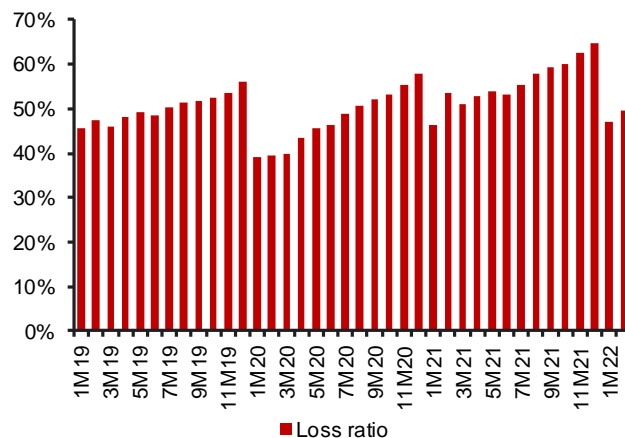
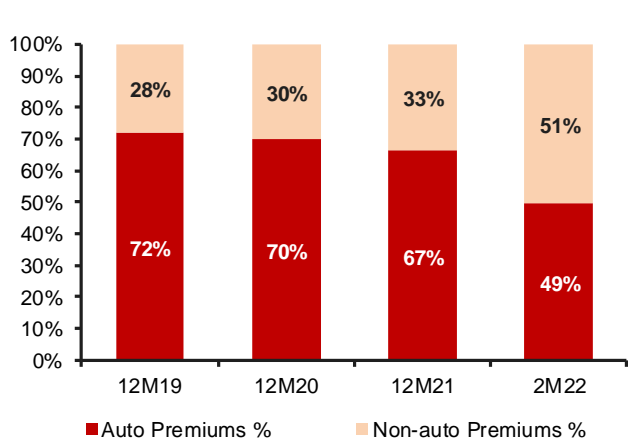
Source: Company data, CMBIGM

Figure 12: P&C Insurance Premiums Mix (%) (FY19-2M22)



Source: Company data, CMBIGM

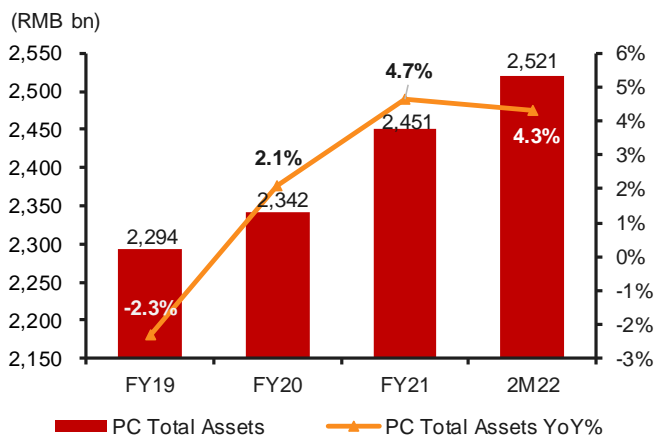
**Figure 13: P&C Auto VS Non-auto Premiums Mix (incl.2M22) Figure 14: P&C Industry Loss Ratio (1M19-2M22)**



Source: Company data, CMBIGM

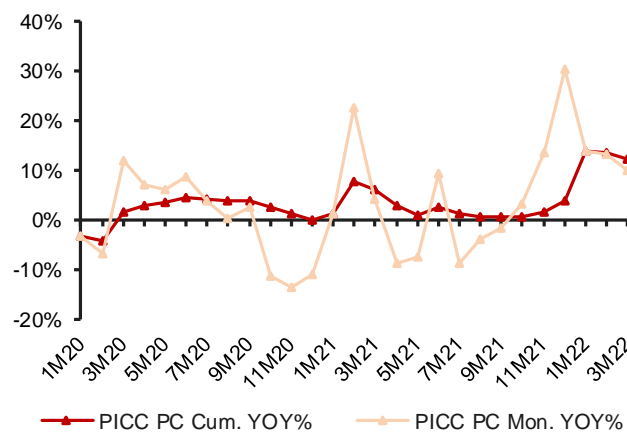
Source: Company data, CMBIGM

**Figure 15: P&C Industry Total Assets & YOY% (incl.2M22)**



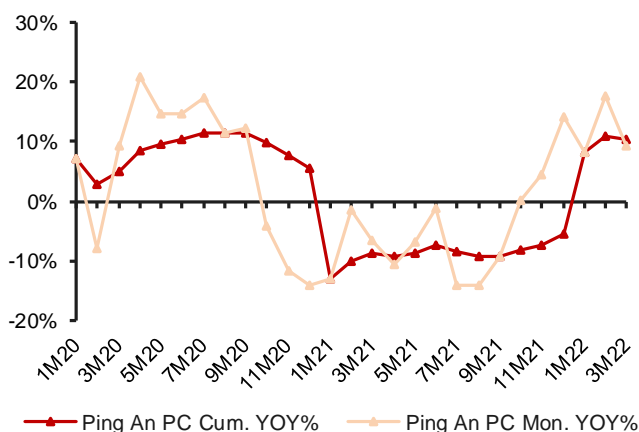
Source: Company data, CMBIGM

**Figure16:PICC PC(2328 HK) Premiums Cum.& Mon. YOY%**



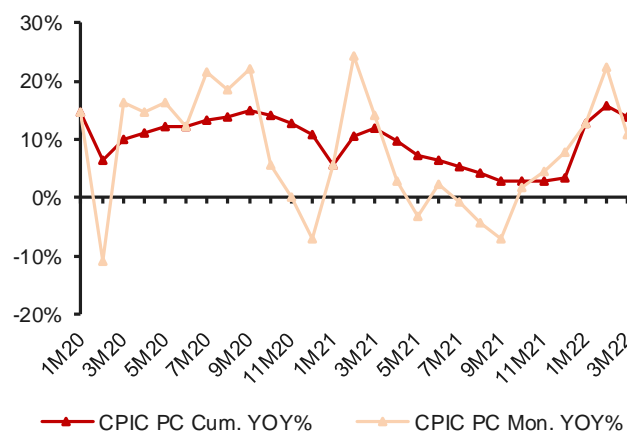
Source: Company data, CMBIGM

**Fig 17: Ping An (2318 HK)PC Premiums Cum.& Mon. YOY%**



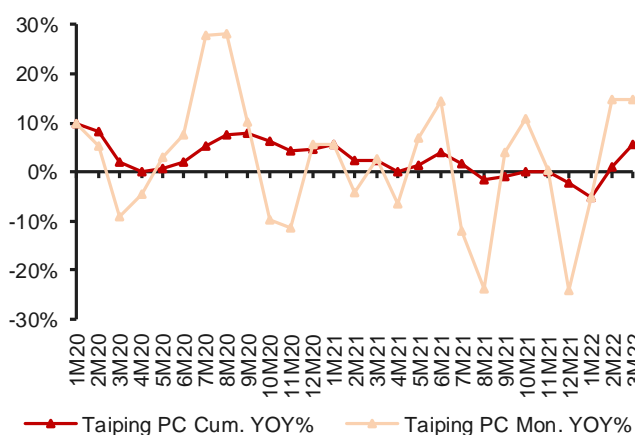
Source: Company data, CMBIGM

**Figure 18: CPIC (2601 HK)PC Premiums Cum.& Mon. YOY%**



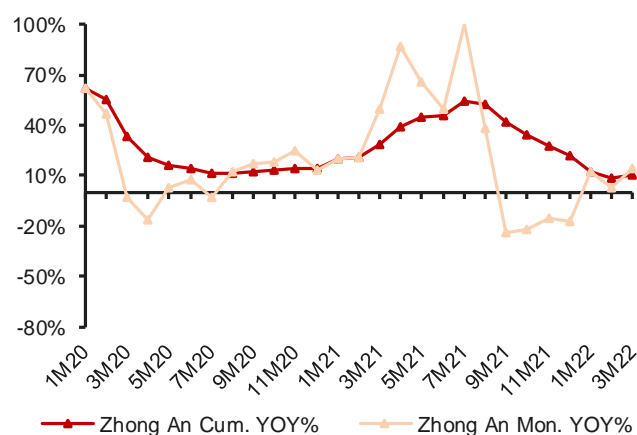
Source: Company data, CMBIGM

Figure19:Taiping(966 HK)PC Premiums Cum.& Mon.YOY%



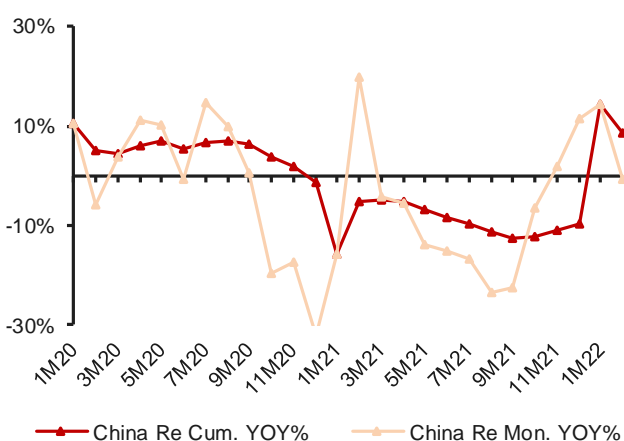
Source: Company data, CMBIGM

Figure20: Zhong An(6060 HK) Premiums Cum. & Mon. YOY%



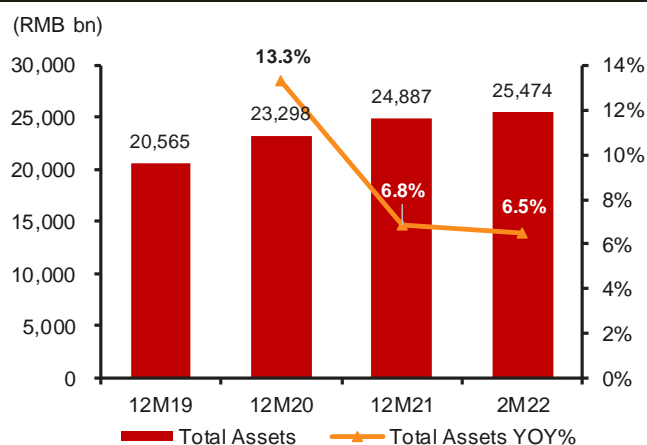
Source: Company data, CMBIGM

Figure 21: China Re(1508 HK)PC Premiums Cum.&Mon YOY%



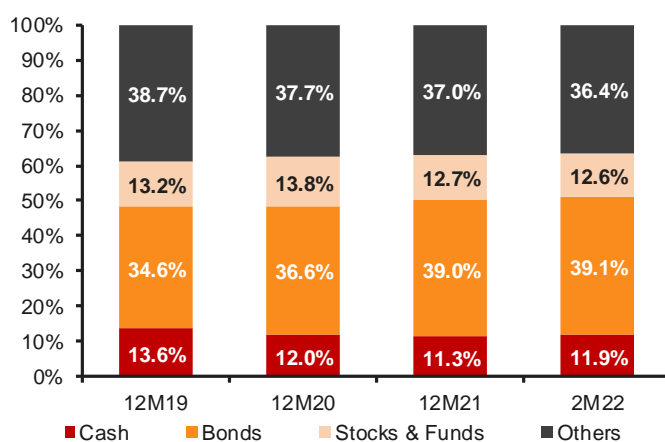
Source: Company data, CMBIGM

Figure 22: Industry – Total Assets & YOY% (FY19-2M22)



Source: Company data, CMBIGM

Figure 23: Industry – Investment Assets Mix% (FY19-2M22)

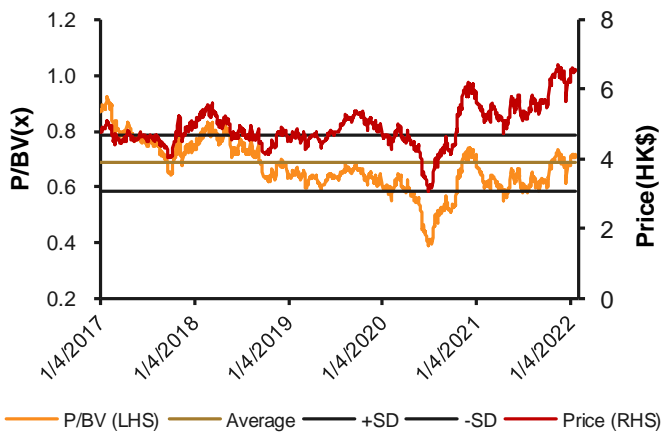


Source: Company data, CMBIGM



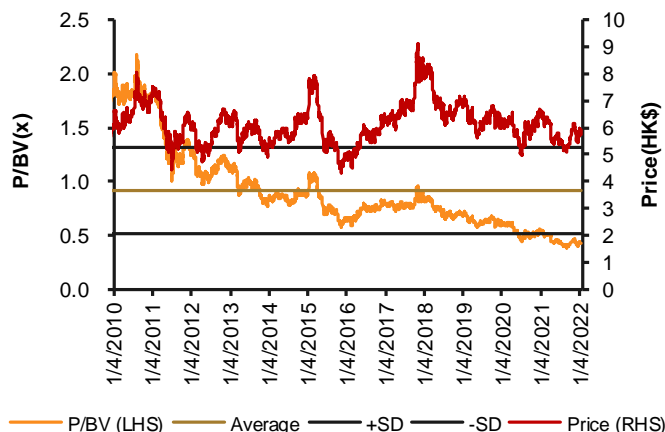
## Trading Bands of PBV by banks

**Fig.1: Postal Savings-H (1658 HK) 12-month forward P/B**



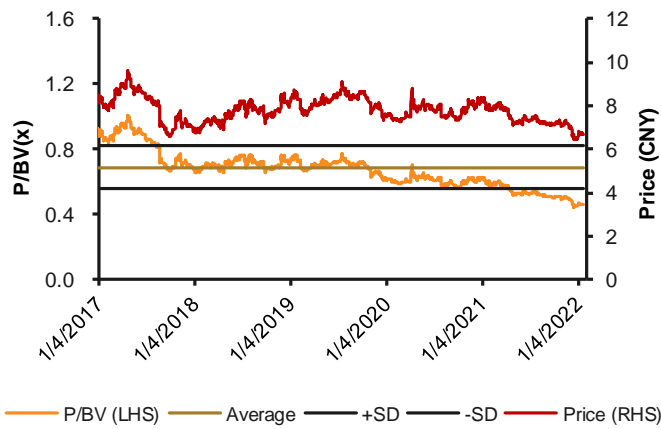
Source: Company data, CMBIGM

**Fig.2: CCB-H (0939 HK) 12-month forward P/B**



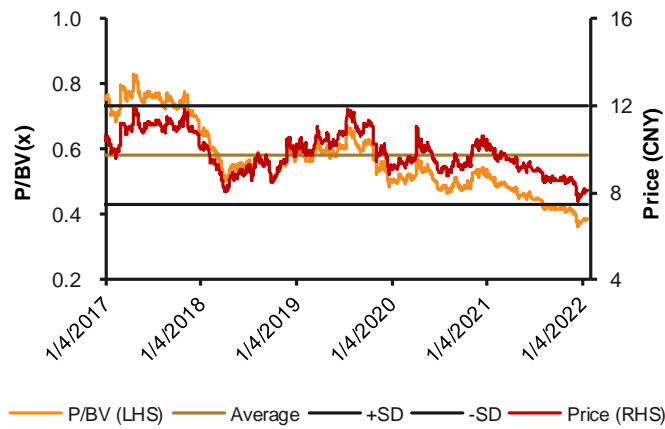
Source: Company data, CMBIGM

**Fig.3: Bank of Shanghai (601229 CH) 12-month forward P/B**



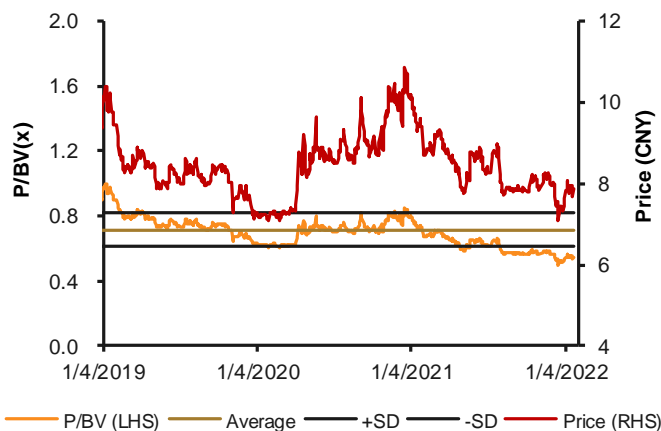
Source: Company data, CMBIGM

**Fig.4: SPDB-CH (600000 CH) 12-month forward P/B**



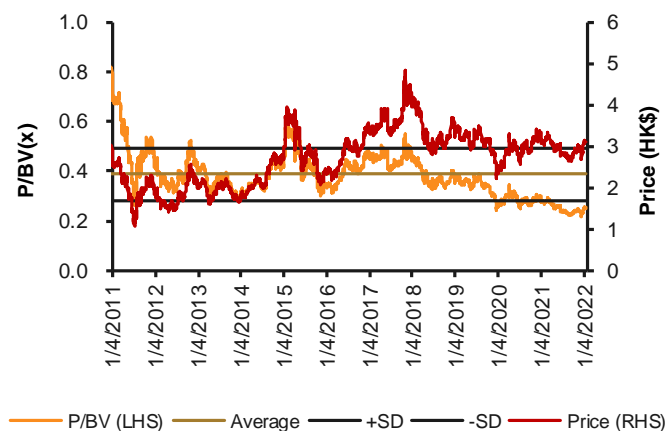
Source: Company data, CMBIGM

**Fig.5: Bank of Changsha (601577 CH) 12-month forward P/B**



Source: Company data, CMBIGM

**Fig.6: CQRC-H (3618 HK) 12-month forward P/B**



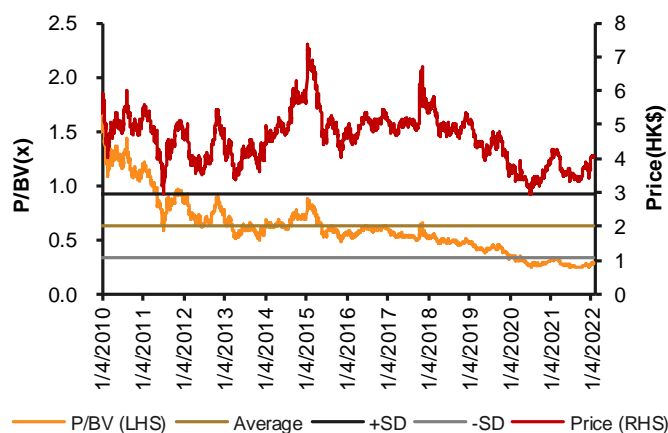
Source: Company data, CMBIGM

**Fig.7: CM BANK-H (3968 HK) 12-month forward P/B**



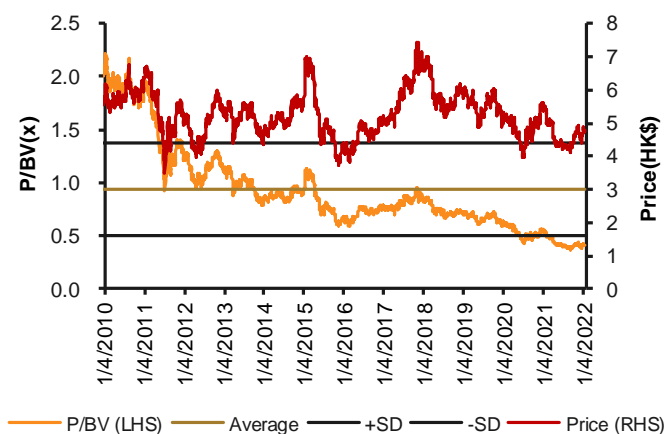
Source: Company data, CMBIGM

**Fig.8: CITIC BANK-H (0998 HK) 12-month forward P/B**



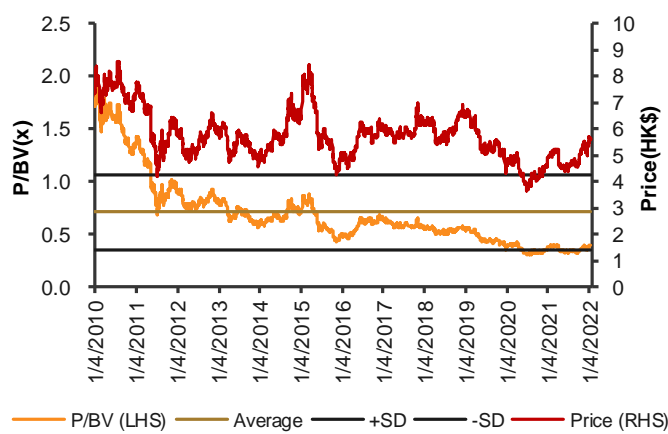
Source: Company data, CMBIGM

**Fig.9: ICBC-H (1398 HK) 12-month forward P/B**



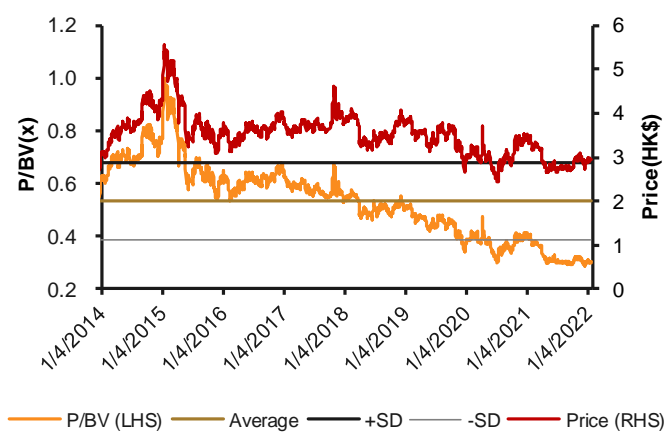
Source: Company data, CMBIGM

**Fig.10: BANKCOMM-H (3328 HK) 12-month forward P/B**



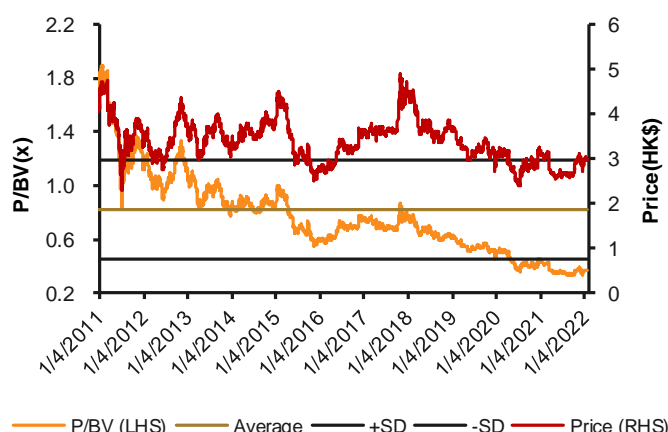
Source: Company data, CMBIGM

**Fig.11: CEB BANK-H (6818 HK) 12-month forward P/B**



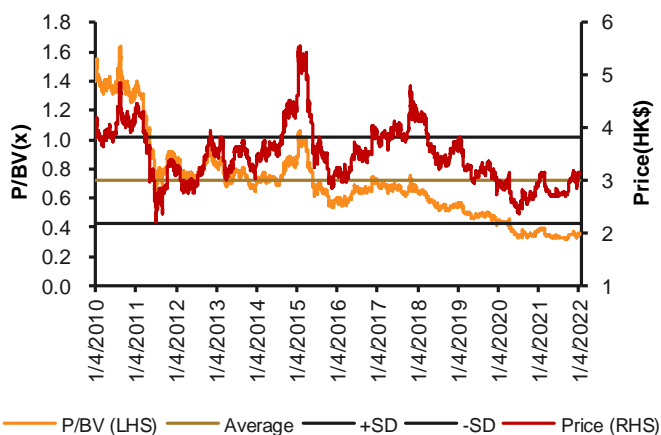
Source: Company data, CMBIGM

**Fig.12: ABC-H (1288 HK) 12-month forward P/B**



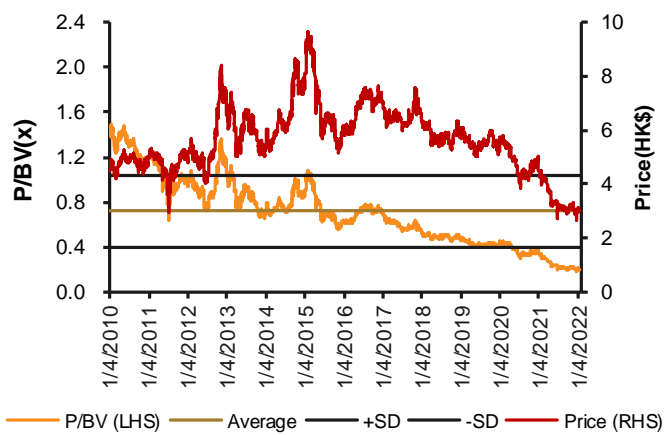
Source: Company data, CMBIGM

**Fig.13: Bank of China-H (3988 HK) 12-month forward P/B**



Source: Company data, CMBIGM

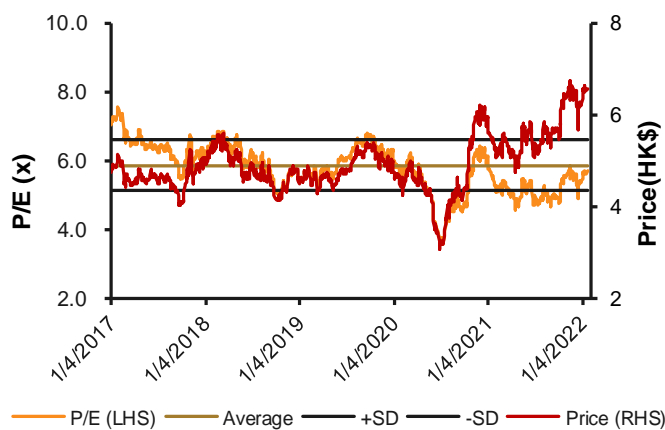
**Fig.14: China Minsheng-H (1988 HK) 12-month forward P/B**



Source: Company data, CMBIGM

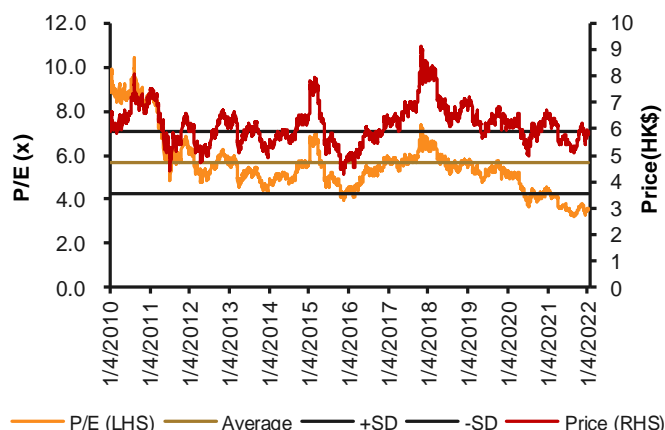
## Trading Bands of PER by banks

**Fig.1: Postal Savings-H (1658 HK) 12-month forward P/E**



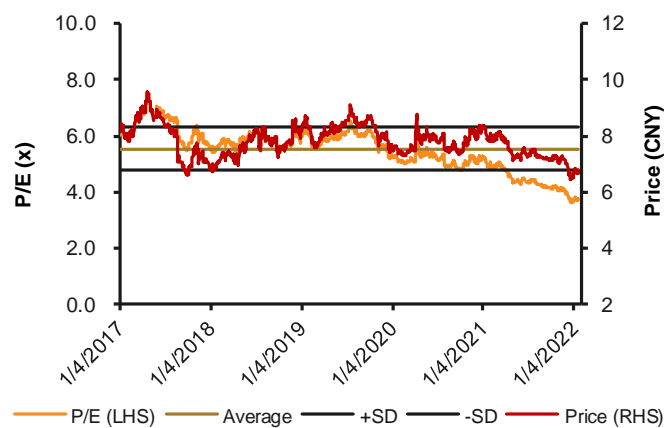
Source: Company data, CMBIGM

**Fig.2: CCB-H (0939 HK) 12-month forward P/E**



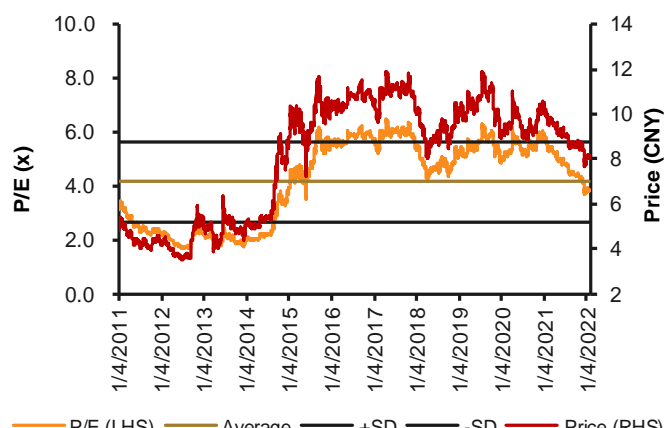
Source: Company data, CMBIGM

**Fig.3: Bank of Shanghai (601229 CH) 12-month forward P/E**



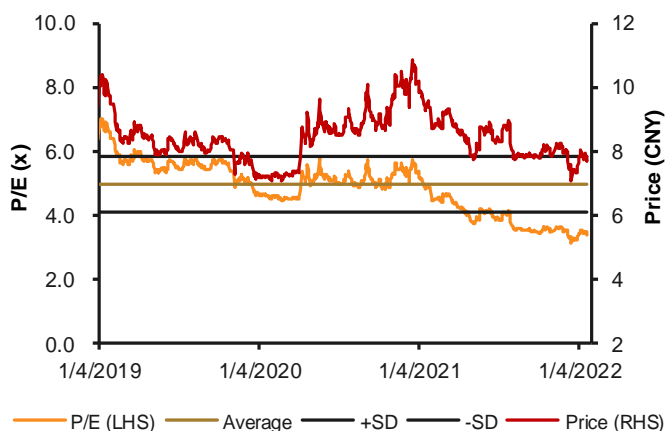
Source: Company data, CMBIGM

**Fig.4: SPDB-CH (600000 CH) 12-month forward P/E**



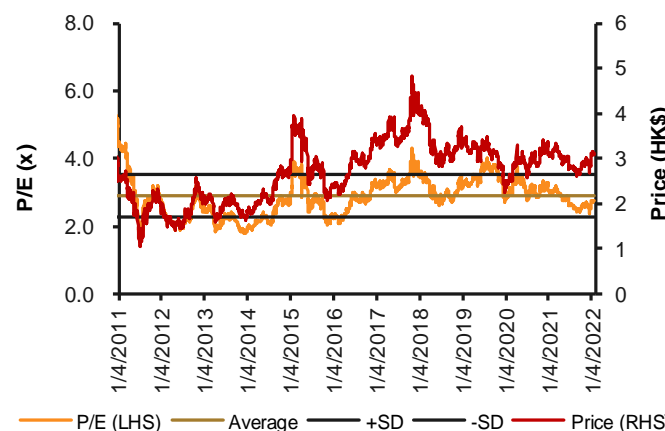
Source: Company data, CMBIGM

**Fig.5: Bank of Changsha (601577 CH) 12-month forward P/E**



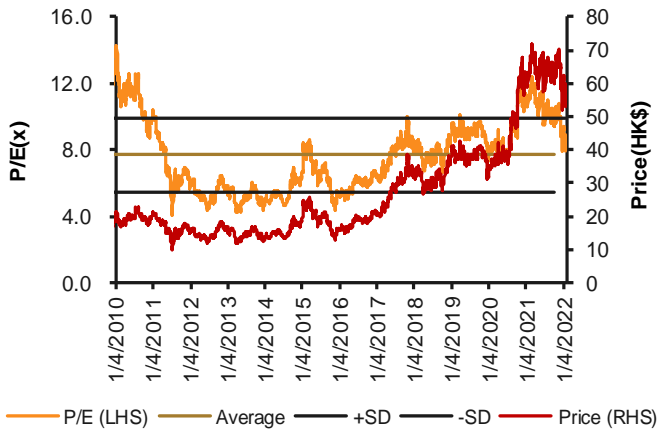
Source: Company data, CMBIGM

**Fig.6: CQRC-H (3618 HK) 12-month forward P/E**



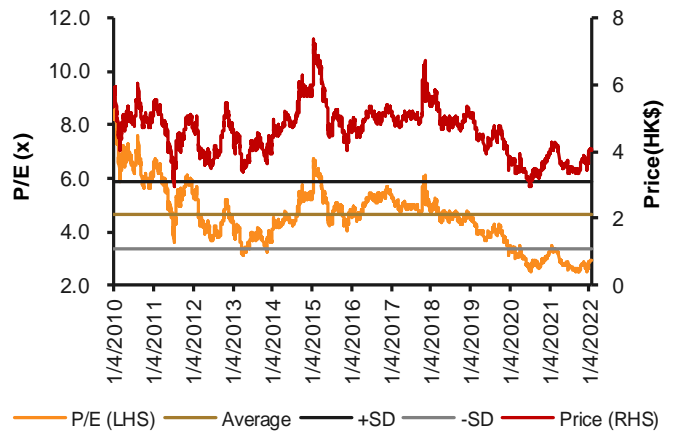
Source: Company data, CMBIGM

**Fig.7: CM BANK-H (3968 HK) 12-month forward P/E**



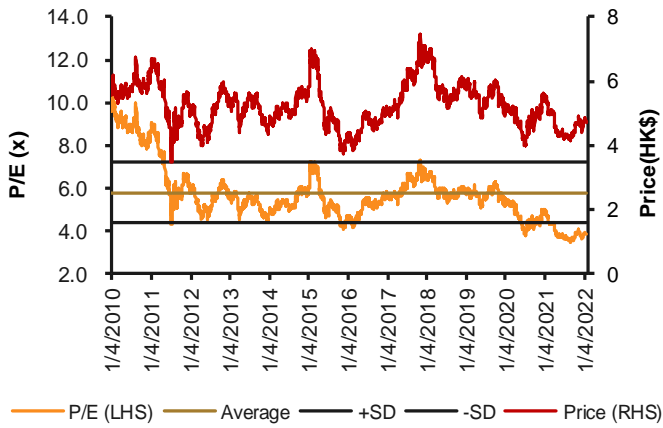
Source: Company data, CMBIGM

**Fig.8: CITIC BANK-H (0998 HK) 12-month forward P/E**



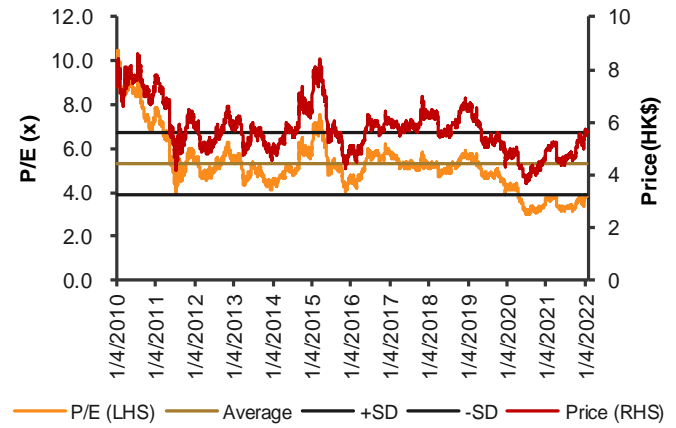
Source: Company data, CMBIGM

**Fig.9: ICBC-H (1398 HK) 12-month forward P/E**



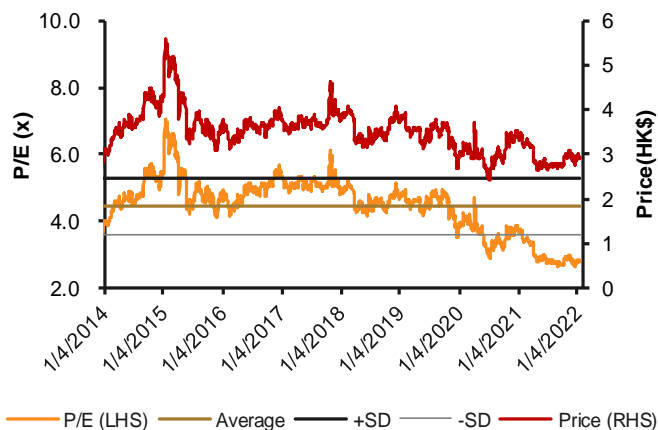
Source: Company data, CMBIGM

**Fig.10: BANKCOMM-H (3328 HK) 12-month forward P/E**



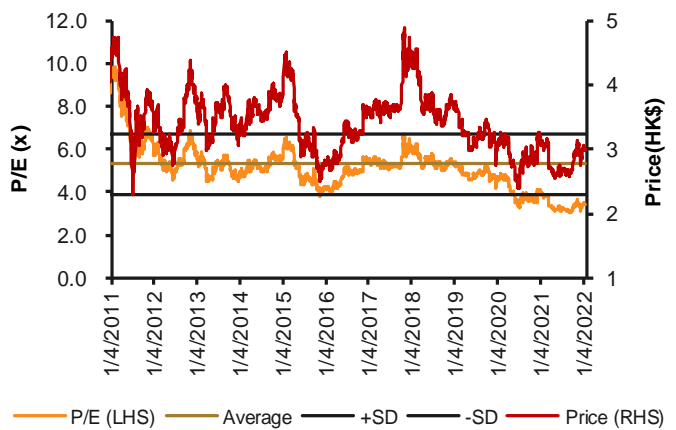
Source: Company data, CMBIGM

**Fig.11: CEB BANK-H (6818 HK) 12-month forward P/E**



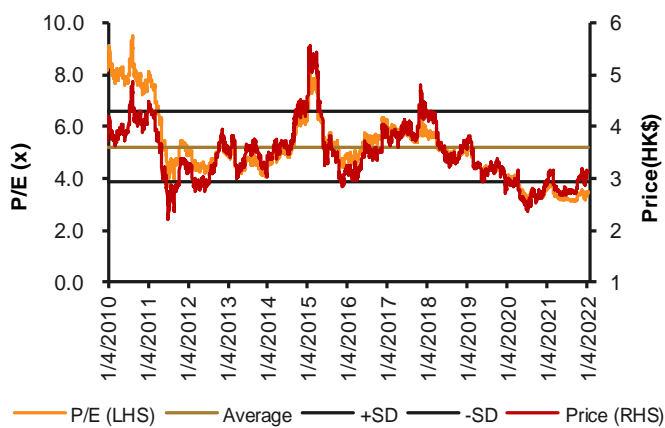
Source: Company data, CMBIGM

**Fig.12: ABC-H (1288 HK) 12-month forward P/E**



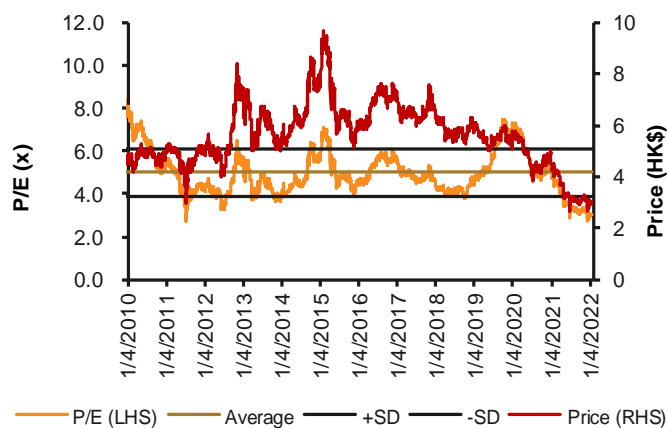
Source: Company data, CMBIGM

**Fig.13: Bank of China-H (3988 HK) 12-month forward P/E**



Source: Company data, CMBIGM

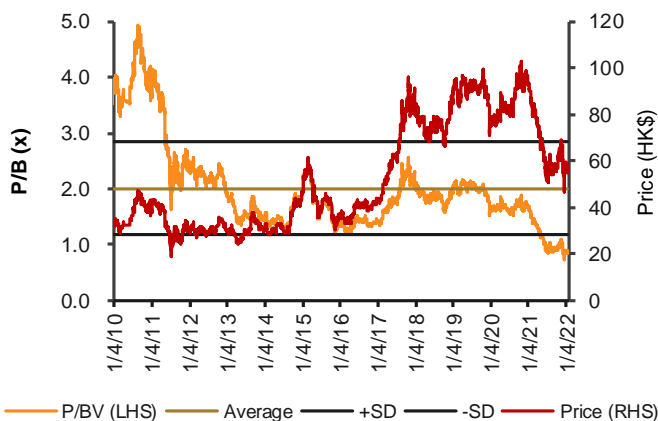
**Fig.14: China Minsheng-H (1988 HK) 12-month forward P/E**



Source: Company data, CMBIGM

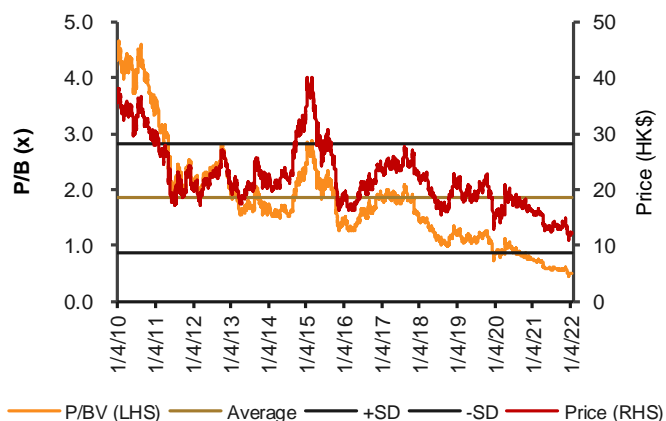
## Trading Bands of PBV by insurers

Fig.1: Ping An-H (2318 HK) 12-month forward P/B



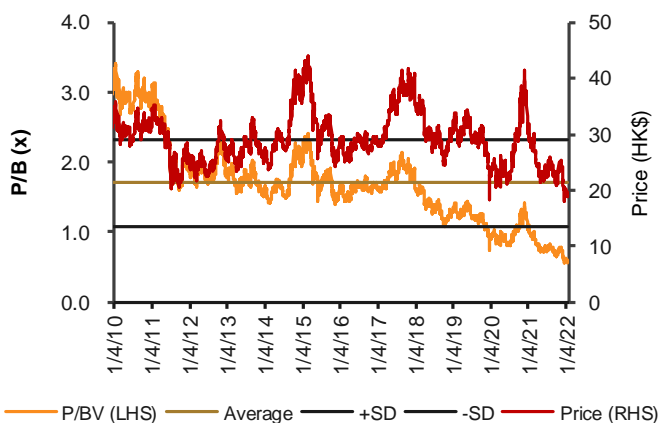
Source: Company data, CMBIGM

Fig.2: China Life-H (2628 HK) 12-month forward P/B



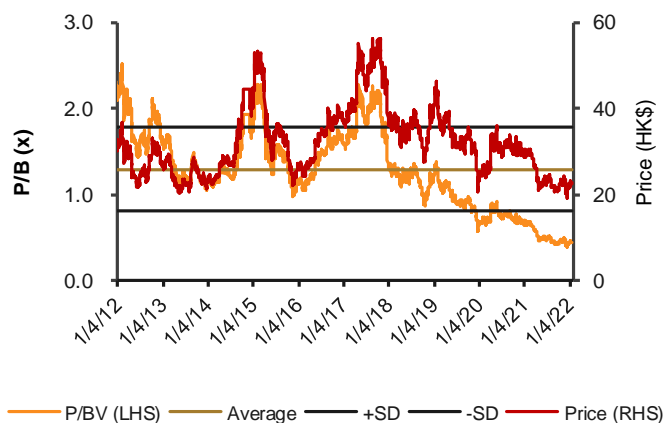
Source: Company data, CMBIGM

Fig.3: CPIC-H (2601 HK) 12-month forward P/B



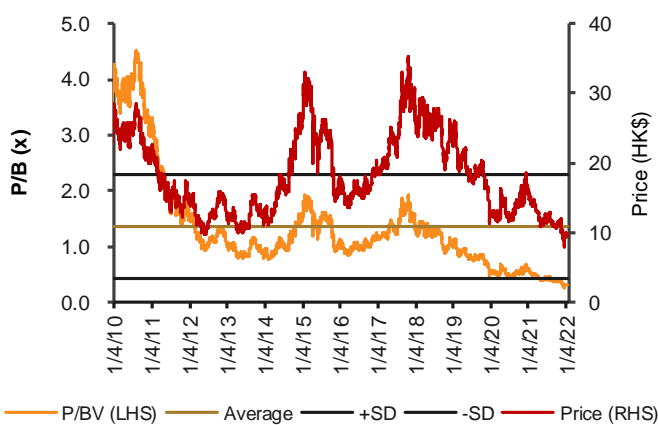
Source: Company data, CMBIGM

Fig.4: New China Life-H (1336 CH) 12-month forward P/B



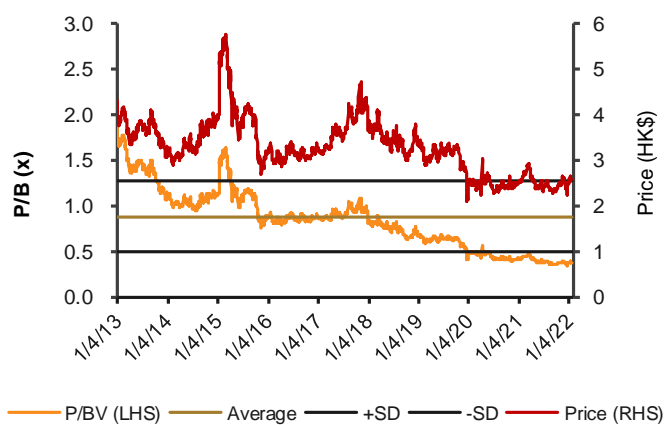
Source: Company data, CMBIGM

Fig.5: China Taiping-H (966 HK) 12-month forward P/B



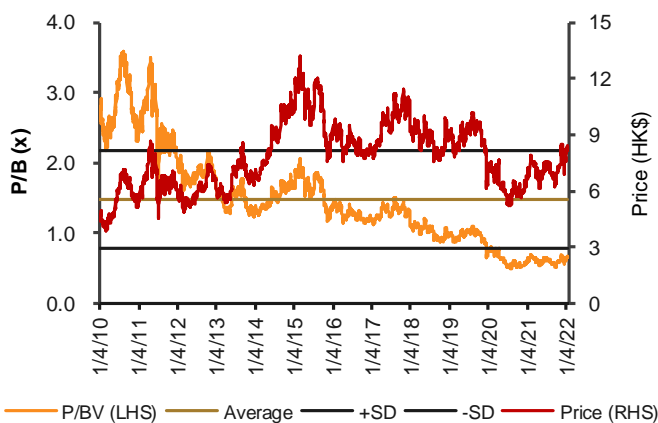
Source: Company data, CMBIGM

Fig.6: PICC Group-H (1339 HK) 12-month forward P/B



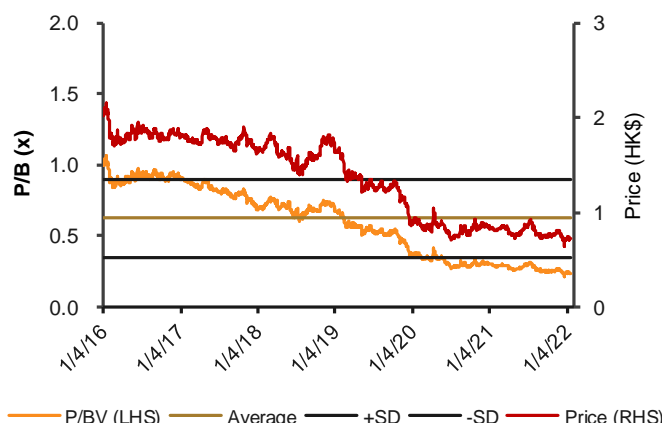
Source: Company data, CMBIGM

**Fig.7: PICC P&C-H (2328 HK) 12-month forward P/B**



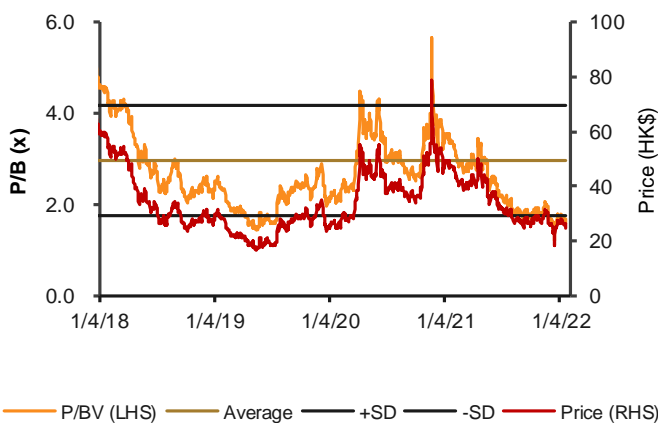
Source: Company data, CMBIGM

**Fig.8: China Re-H (1508 HK) 12-month forward P/B**



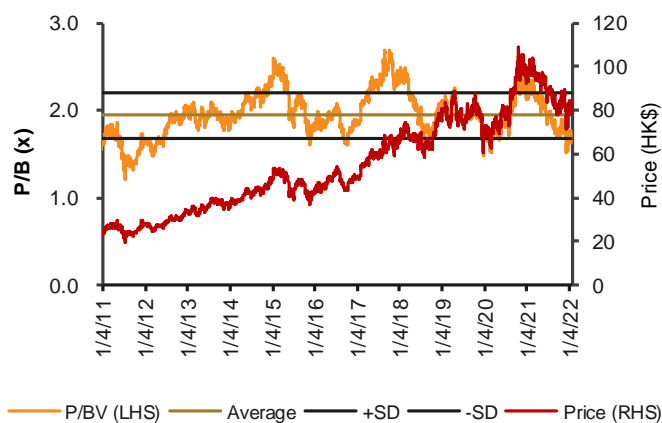
Source: Company data, CMBIGM

**Fig.9: Zhong An-H (6060 HK) 12-month forward P/B**



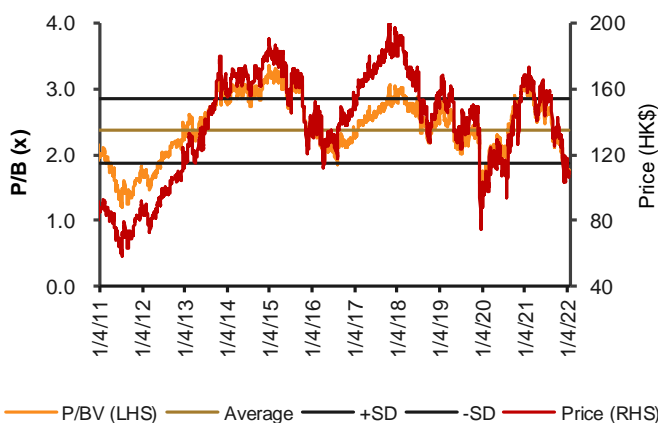
Source: Company data, CMBIGM

**Fig.10: AIA-H (1299 HK) 12-month forward P/B**



Source: Company data, CMBIGM

**Fig.11: Prudential-H (2378 HK) 12-month forward P/B**

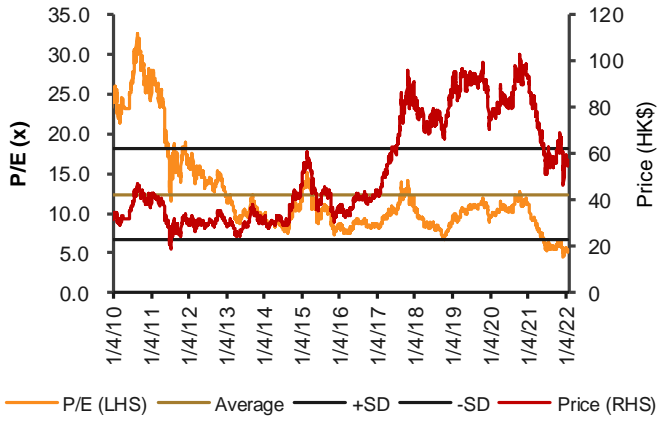


Source: Company data, CMBIGM



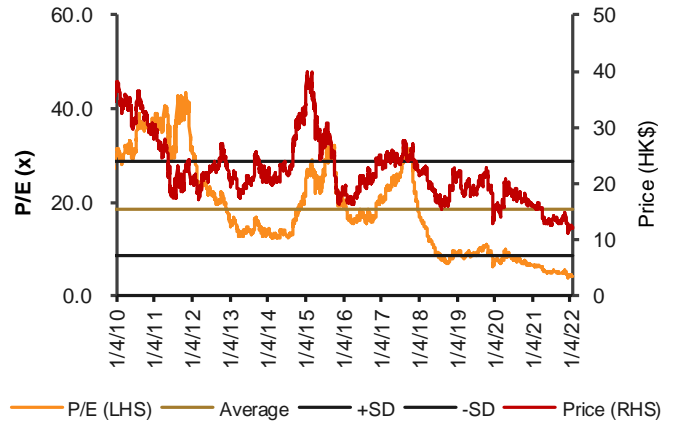
## Trading Bands of PER by insurers

**Fig.1: Ping An-H (2318 HK) 12-month forward P/E**



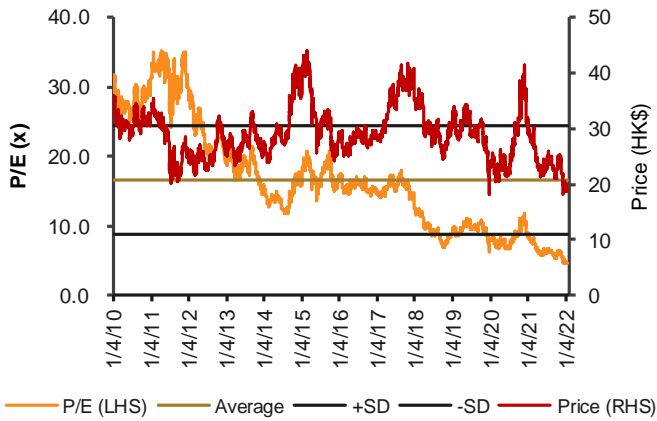
Source: Company data, CMBIGM

**Fig.2: China Life-H (2628 HK) 12-month forward P/E**



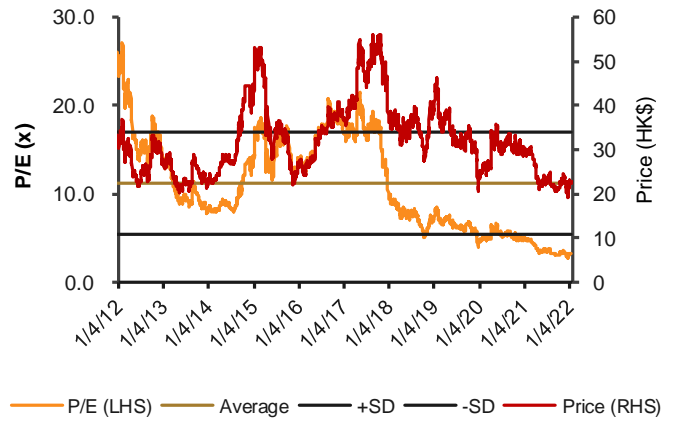
Source: Company data, CMBIGM

**Fig.3: CPIC-H (2601 HK) 12-month forward P/E**



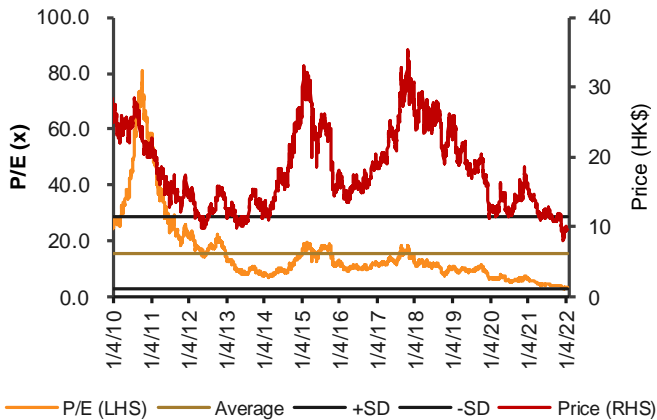
Source: Company data, CMBIGM

**Fig.4: New China Life-H (1336 CH) 12-month forward P/E**



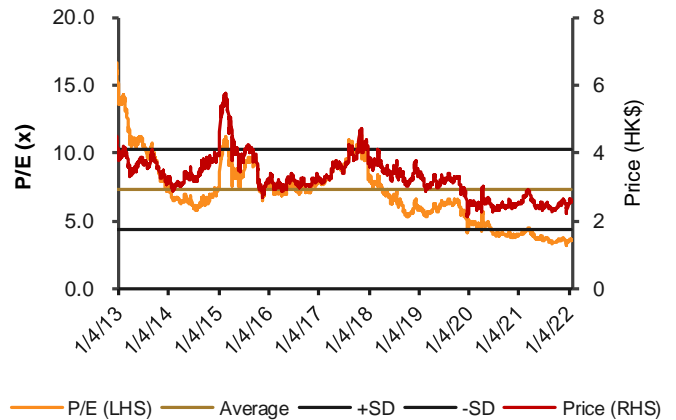
Source: Company data, CMBIGM

**Fig.5: China Taiping-H (966 HK) 12-month forward P/E**



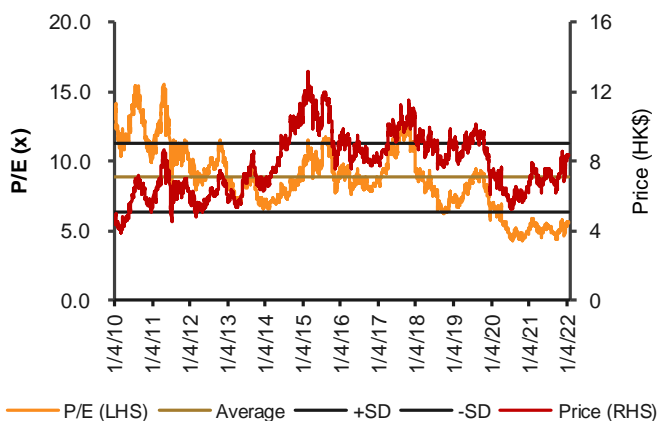
Source: Company data, CMBIGM

**Fig.6: PICC Group-H (1339 HK) 12-month forward P/E**

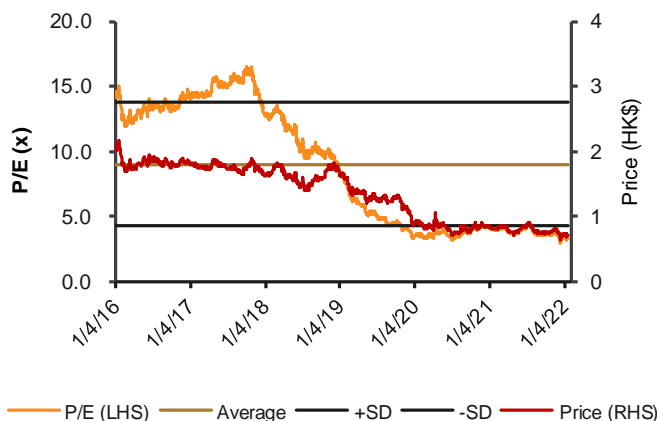


Source: Company data, CMBIGM

**Fig.7: PICC P&C-H (2328 HK) 12-month forward P/E**



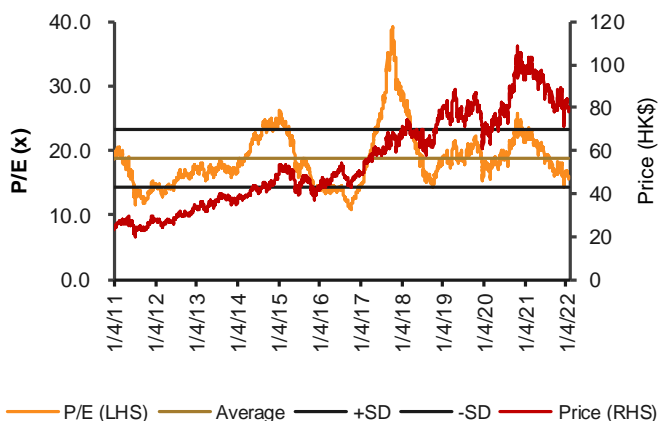
**Fig.8: China Re-H (1508 HK) 12-month forward P/E**



Source: Company data, CMBIGM

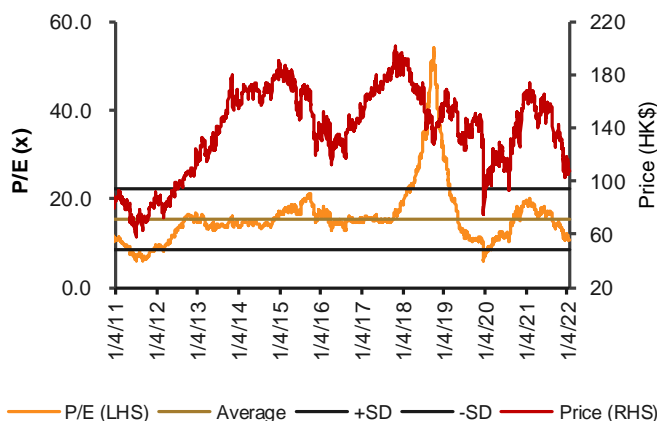
Source: Company data, CMBIGM

**Fig.9: AIA-H (1299 HK) 12-month forward P/E**



Source: Company data, CMBIGM

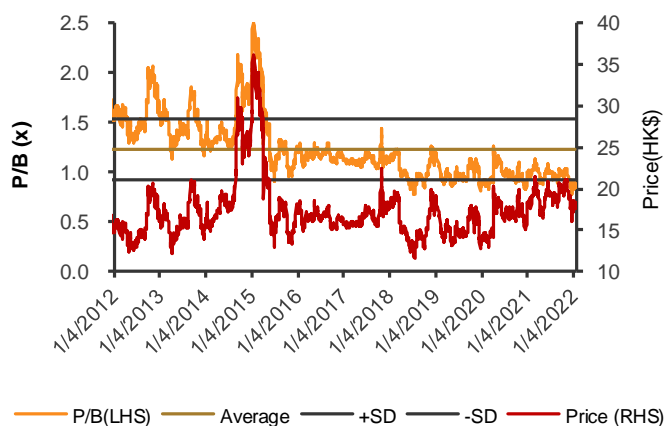
**Fig.10: Prudential-H (2378 HK) 12-month forward P/E**



Source: Company data, CMBIGM

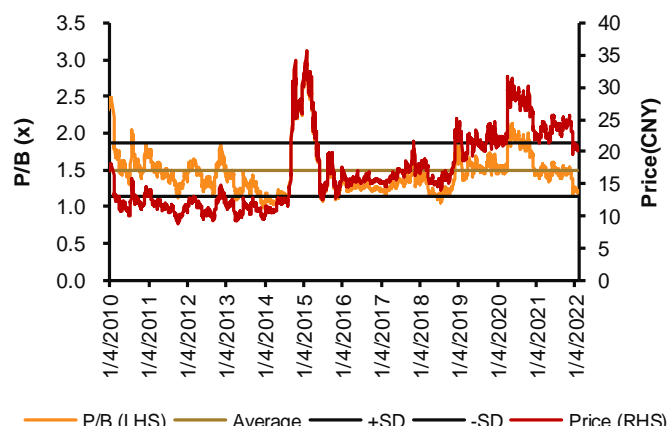
## Trading Bands of PBV by brokers

**Fig.1: CITIC SEC-H (6030 HK) 12-month forward P/B**



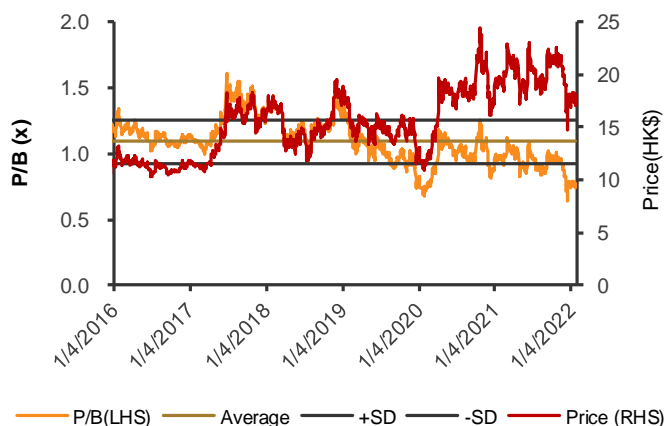
Source: Company data, CMBIGM

**Fig.2: CITIC-CH (60030 CH) 12-month forward P/B**



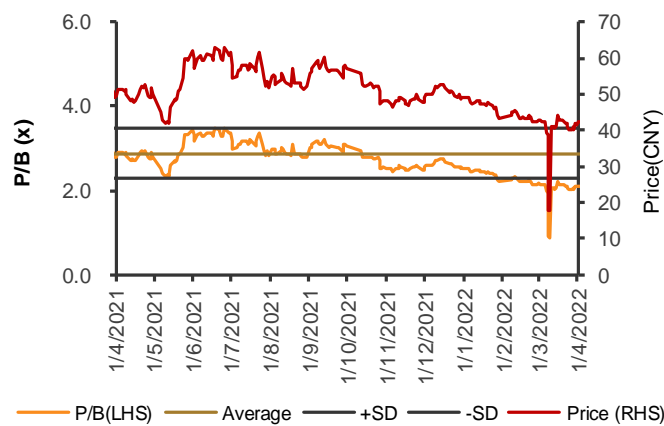
Source: Company data, CMBIGM

**Fig.3: CICC-H (3908 HK) 12-month forward P/B**



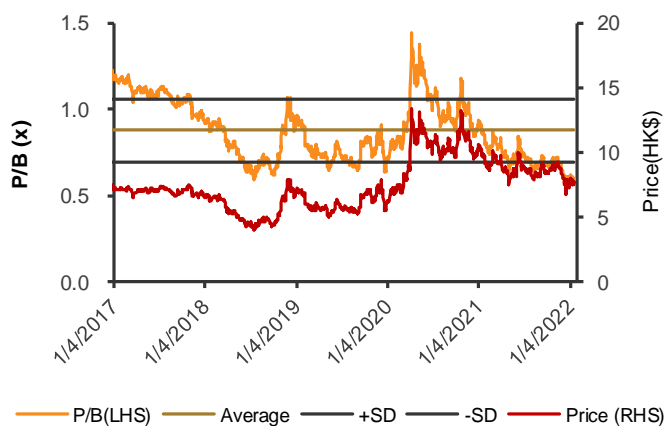
Source: Company data, CMBIGM

**Fig.4: CICC-CH (601995 CH) 12-month forward P/B**



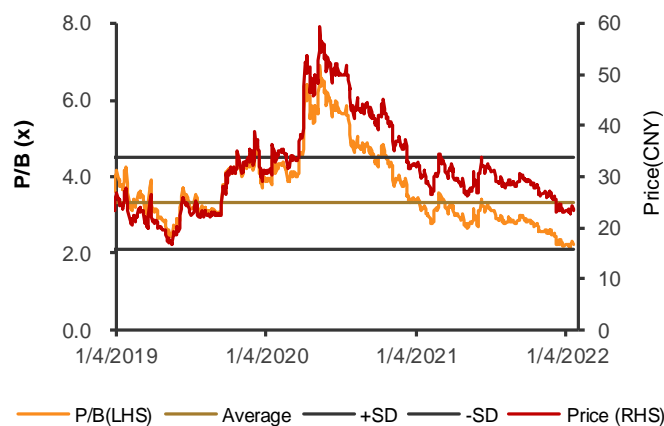
Source: Company data, CMBIGM

**Fig.5: CSC-H (6066 HK) 12-month forward P/B**



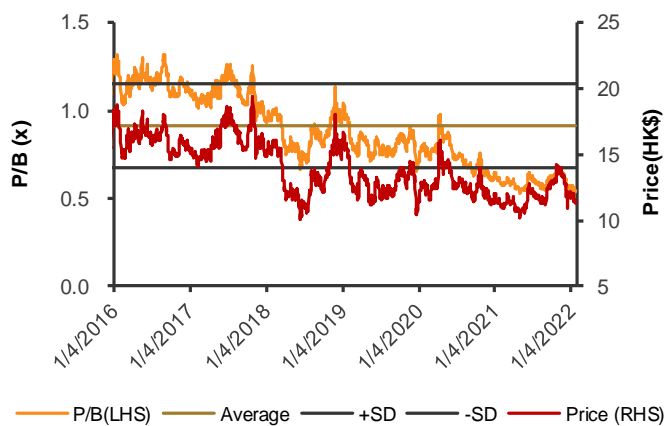
Source: Company data, CMBIGM

**Fig.6: CSC-CH (601066 HK) 12-month forward P/B**



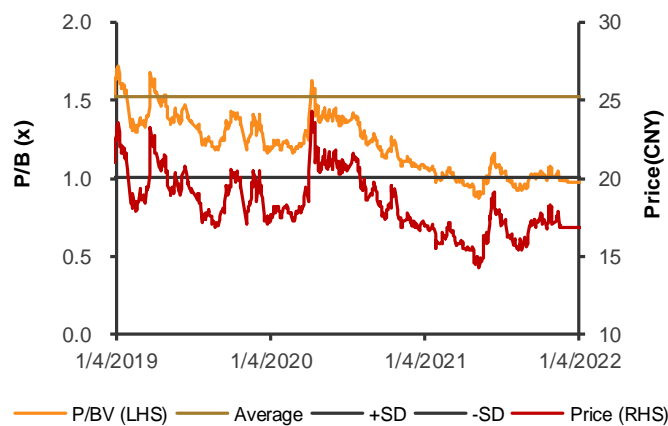
Source: Company data, CMBIGM

**Fig.7: HUATAI SEC-H (6886 HK) 12-month forward P/B**



Source: Company data, CMBIGM

**Fig.8: HUATAI SEC-CH (601688 CH) 12-month forward P/B**



Source: Company data, CMBIGM

## Trading Bands of PER by brokers

Fig.1: CITIC SEC-H (6030 HK) 12-month forward P/E

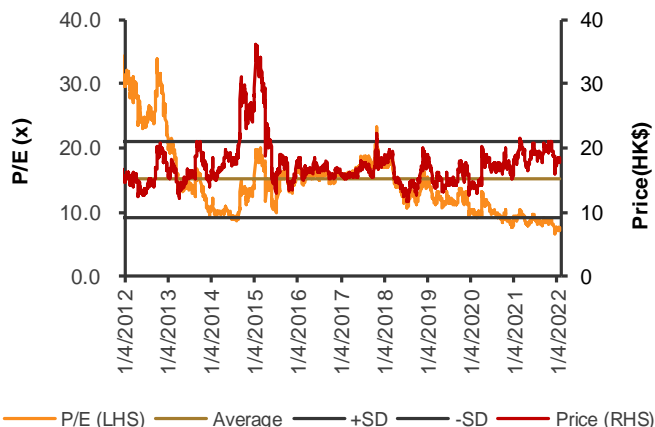
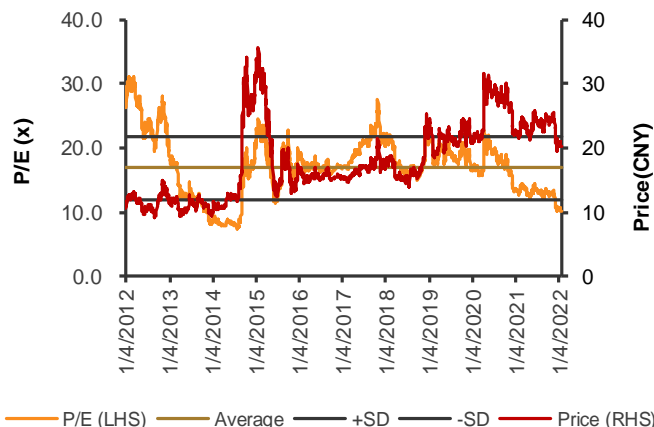


Fig.2: CITIC-CH (60030 CH) 12-month forward P/E



Source: Company data, CMBIGM

Source: Company data, CMBIGM

Fig.3: CICC-H (3908 HK) 12-month forward P/E

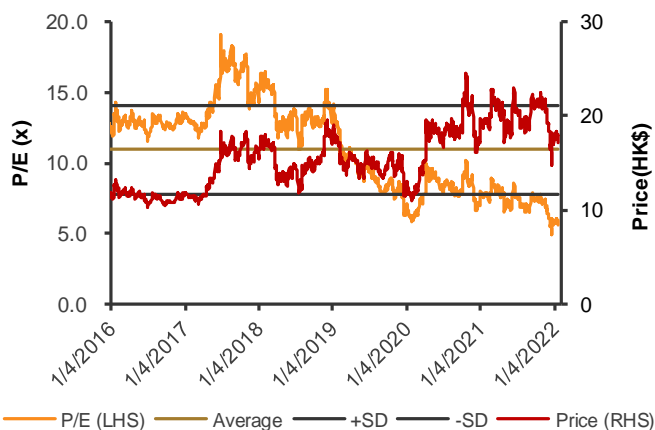
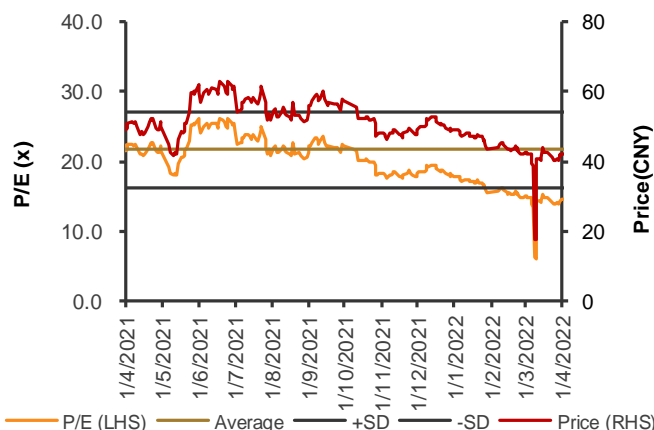


Fig.4: CICC-CH (601995 CH) 12-month forward P/E



Source: Company data, CMBIGM

Source: Company data, CMBIGM

Fig.5: CSC-H (6066 HK) 12-month forward P/E

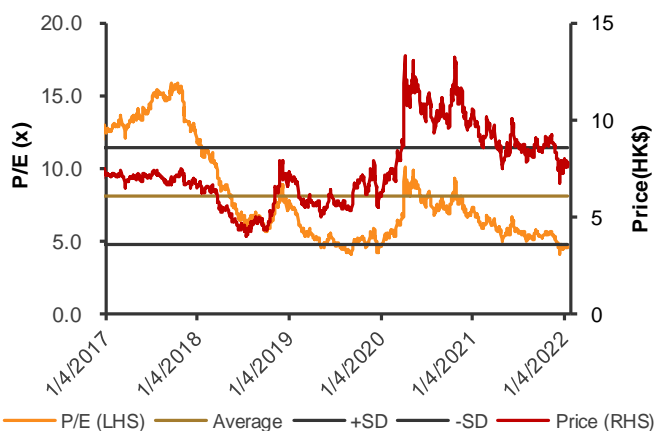
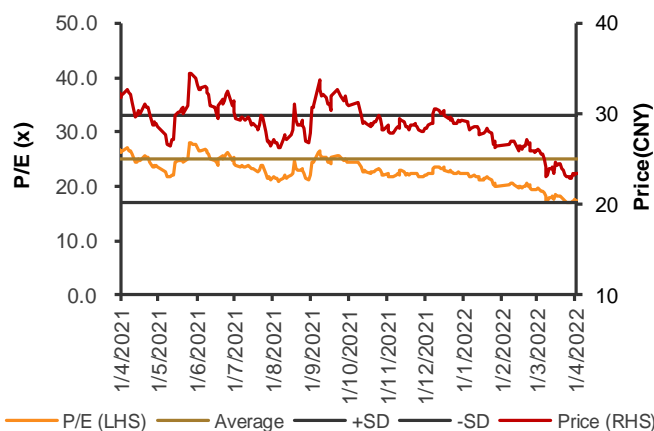


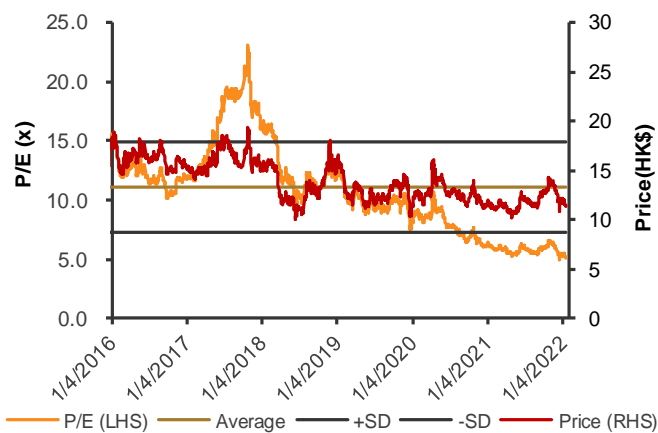
Fig.6: CSC-CH (601066 HK) 12-month forward P/E



Source: Company data, CMBIGM

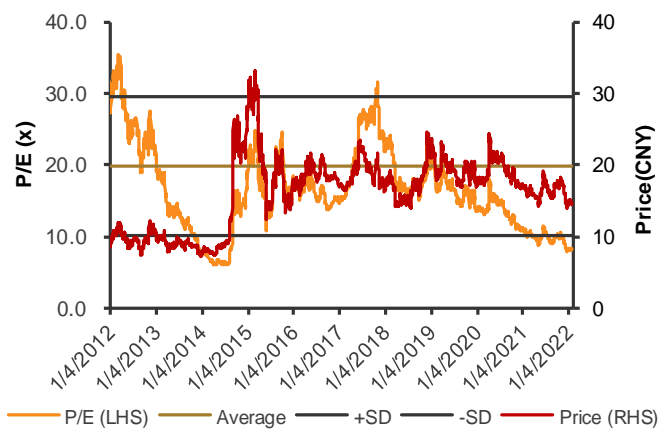
Source: Company data, CMBIGM

**Fig.7: HUATAI SEC-H (6886 HK) 12-month forward P/E**



Source: Company data, CMBIGM

**Fig.8: HUATAI SEC-CH (601688 CH) 12-month forward P/E**



Source: Company data, CMBIGM

## Valuation

### Banking Industry

Ticker	Name	Mkt Cap (LC)	Price (LC)	Rating	TP (LC)	Upside	P/E (x)		P/B (x)		Dividend yields	
							FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
1658 HK	PSBC-H	600.8	6.41	Buy	8.40	31%	6.8	6.3	0.9	0.8	4.4%	4.8%
939 HK	CCB-H	1,408.0	5.69	Buy	8.10	42%	4.4	3.9	0.5	0.5	6.9%	7.6%
600000.CH	SPDB-A	232.8	8.09	Hold	9.34	15%	4.1	3.3	0.4	0.4	6.6%	8.2%
601229.CH	BOSH-A	92.1	6.69	Buy	9.04	35%	3.9	3.4	0.5	0.4	7.4%	8.5%
3618 HK	CQRCB-H	48.7	3.08	Hold	2.80	-9%	3.4	3.2	0.3	0.3	8.7%	9.5%
601577.CH	BOCS-A	30.1	7.48	Hold	8.32	11%	3.7	3.3	0.5	0.5	6.7%	7.5%
601658.SH	PSBC-A	499.0	5.60	Buy	7.07	26%	6.0	5.5	0.7	0.7	5.0%	5.5%
601939.SH	CCB-A	1,162.0	6.24	Buy	7.50	20%	4.8	4.3	0.6	0.5	6.2%	6.9%
601077.SH	CQRCB-A	40.2	3.93	Hold	3.60	-8%	4.4	4.0	0.4	0.4	6.8%	7.4%

Source: CMBIGM estimates, Company data, Wind

### Insurance Industry

Ticker	Company	Price	Rating	PO	Upside	P/BV		Dividend yields		P/E	
						FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
2318 HK	Ping An	52.65	Buy	81.40	55%	0.9 x	0.8 x	5.8%	6.6%	6.8 x	6.1 x
2628 HK	China Life	11.94	Buy	18.18	52%	0.5 x	0.5 x	7.3%	7.9%	4.8 x	4.5 x
2601 HK	CPIC	18.50	Buy	30.49	65%	0.6 x	0.5 x	9.6%	10.9%	5.1 x	4.5 x
1336 HK	NCL	22.40	Buy	32.35	44%	0.5 x	0.4 x	8.7%	9.9%	3.5 x	3.1 x
966 HK	Taiping	9.51	Buy	11.48	21%	0.3 x	0.3 x	7.7%	8.6%	3.9 x	3.5 x
1339 HK	PICC Group	2.55	Buy	3.58	40%	0.4 x	0.4 x	9.3%	10.7%	3.7 x	3.2 x
2328 HK	PICC P&C	8.16	Buy	11.64	43%	0.7 x	0.6 x	7.0%	8.4%	6.0 x	5.0 x
6060 HK	Zhong An	23.50	Buy	33.20	41%	1.5 x	1.3 x	0.0%	0.0%	29.5 x	19.3 x
601318	Ping An	46.46	Buy	67.56	45%	1.0 x	0.9 x	5.5%	6.2%	7.3 x	6.5 x
601628	China Life	26.50	Sell	18.10	-32%	1.4 x	1.3 x	2.7%	2.9%	12.9 x	12.0 x
601601	CPIC	22.22	Buy	30.37	37%	0.8 x	0.8 x	6.6%	7.5%	7.3 x	6.5 x
601336	NCL	35.47	Sell	26.85	-24%	0.9 x	0.8 x	4.6%	5.2%	6.6 x	5.9 x
601319	PICC Group	4.51	Sell	3.72	-18%	0.8 x	0.8 x	4.4%	5.0%	7.9 x	6.9 x

Ticker	Company	P/EV (Group)		New Business Multiplier		ROE		ROEV	
		FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
2318 HK	Ping An	0.5 x	0.5 x	(20.5) x	(22.8) x	13.6%	14.1%	8.9%	10.3%
2628 HK	China Life	0.2 x	0.2 x	(21.8) x	(23.3) x	11.5%	11.3%	8.4%	8.4%
2601 HK	CPIC	0.3 x	0.3 x	(28.4) x	(27.8) x	12.1%	12.6%	7.4%	7.5%
1336 HK	NCL	0.2 x	0.2 x	(33.5) x	(33.7) x	13.7%	14.0%	5.8%	5.5%
966 HK	Taiping	0.2 x	0.1 x	(23.3) x	(23.7) x	8.4%	8.7%	6.5%	6.4%
1339 HK	PICC Group	0.3 x	0.3 x	(69.3) x	(74.4) x	11.2%	11.8%	7.3%	7.7%
601318	Ping An	0.5 x	0.5 x	(19.1) x	(21.6) x	13.6%	14.1%	8.9%	10.3%
601628	China Life	0.6 x	0.5 x	(11.5) x	(13.4) x	11.5%	11.3%	8.4%	8.4%
601601	CPIC	0.4 x	0.4 x	(23.4) x	(23.4) x	12.1%	12.6%	7.4%	7.5%
601336	NCL	0.4 x	0.4 x	(25.3) x	(25.9) x	13.7%	14.0%	5.8%	5.5%
601319	PICC Group	0.7 x	0.6 x	(34.9) x	(41.2) x	11.2%	11.8%	7.3%	7.7%

Ticker	Company	P&C premium growth		Combined ratio		Expense ratio		Loss ratio	
		FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
2318 HK	Ping An	10.0%	10.0%	98.0%	98.0%	36.5%	36.5%	61.5%	61.5%
2601 HK	CPIC	9.6%	9.6%	99.7%	99.7%	27.0%	27.0%	72.7%	72.7%
966 HK	Taiping	5.0%	5.0%	103.0%	101.0%	45.0%	45.0%	56.0%	55.0%
2328 HK	PICC P&C	10.0%	10.0%	99.0%	98.6%	25.0%	25.0%	74.0%	73.6%
6060 HK	Zhong An	0.2%	0.2%	98.5%	97.7%	49.8%	49.0%	48.7%	48.7%

Source: CMBIGM estimates, Company data, Bloomberg

# Disclosures & Disclaimers

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**BUY** : Stock with potential return of over 15% over next 12 months  
**HOLD** : Stock with potential return of +15% to -10% over next 12 months  
**SELL** : Stock with potential loss of over 10% over next 12 months  
**NOT RATED** : Stock is not rated by CMBIGM

**OUTPERFORM** : Industry expected to outperform the relevant broad market benchmark over next 12 months  
**MARKET-PERFORM** : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months  
**UNDERPERFORM** : Industry expected to underperform the relevant broad market benchmark over next 12 months

## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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