

China Financials Weekly

Expect higher NPL in 2Q & 2H; P&C loss ratio improved during COVID lockdowns

Owing to the COVID lockdowns since April, we think banks' asset quality will deteriorate in 2Q22 and 2H22, reversing the trend in 1Q22. SOEs have sufficient provision for headwinds; however, some JSBs and regional banks need to sacrifice their profit to maintain appropriate provision coverages, in our view. We expect high provision SOEs to outperform in FY22. Maintain OUTPERFORM on banking sector, top pick is PSBC (1658 HK, BUY) with a target price of HK\$8.40. On insurance front, our channel checks suggest that P&C insurers saw substantial reduction in loss ratio during COVID lockdowns in April-May 2022, similar to the situation of the first wave of COVID outbreak in 1H20. And we believe the recent management changes at PICC will have minimal impact on operations, as the SOEs usually tend to make internal personnel adjustments and adaptations several months before the formal announcement of the management changes. We maintain PICC P&C (2328 HK) as our top pick for insurance space, and we also like Ping An (2318 HK) for its proactive agency reform.

- **Expect NPL ratio to increase in 2H22.** Sector NPL ratio dropped 4 bps QoQ to 1.69% in 1Q22, but SML ratio stabilized at 2.31%. In detail, NPL ratios of SOEs, JSBs and city banks were 1.35%, 1.35% and 1.96% respectively. Both SOEs and JSBs experienced 2 bps QoQ drop on NPL ratio, while NPL ratio of city banks increased 6 bps QoQ. Asset quality was divergent among rural commercial banks. Although sub-sector NPL ratio dropped 27 bps QoQ, some banks in North China showed high uncertainty on their asset quality. Despite the improvement in NPL ratio in 1Q22, since Shanghai's lockdown in April 2022, we expect asset quality to deteriorate in 2Q22, reflected by increasing NPL ratio and SML ratio on all sub-sectors.
- **Guided by PBOC, banks continue to cut lending rate to support real economy.** Since Nov 2021, 1-yr LPR and 5-yr LPR have dropped 15 bps and 20 bps respectively. Along with declining LPR, overall loan rate dropped to 4.65% in end-1Q22, down 11 bps QoQ and 45 bps YoY. Decreasing corporate loan was the driver for loan rate drop. Since 5-yr LPR cut 15 bps in May 2022, and regulators advised banks to cut mortgage rate for first home buyers, we think mortgage rate will slightly decline in 2H22 and show a bigger fall in 1Q23 after the repricing of most of the existing mortgages. In addition, we think 1-yr LPR may drop 5-10 bps in 2H22, after negative impacts of lockdown fade away. The declining loan rate will support borrowers' cash flow by reducing interest expense. Consumer loan and credit card lending rate may not be affected, and all other loans will show a lower rate.
- **Improved P&C loss ratio during COVID lockdowns, and expect premiums growth to pick up in June.** According to our channel checks, P&C insurers recorded lower-than-usual claims rate of auto insurance during COVID lockdowns in April and May, leading to substantial YoY improvement in loss ratio in 2Q YTD. On the growth front, although the premium income growth of auto insurance was dragged by the lockdown and slow new car sales in April-May, we expect the recent policy incentives, i.e. purchase-tax cut and subsidies for new cars, along with easing lockdown measures will increase auto sales and boost auto insurance premiums growth starting from June 2022.

OUTPERFORM
(Maintain)

China Financials Sector

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Stocks Covered:

Ticker	Rating	Target Price	Upside
2318 HK	BUY	81.40	73%
601318CH	BUY	67.56	54%
2628 HK	BUY	18.18	52%
601628CH	SELL	18.10	-28%
2601 HK	BUY	30.49	68%
601601CH	BUY	30.37	44%
1336 HK	BUY	32.35	58%
601336CH	SELL	26.85	-5%
966 HK	BUY	11.48	28%
1339 HK	BUY	3.58	44%
601319CH	SELL	3.72	-20%
2328 HK	BUY	11.64	52%
6060 HK	BUY	33.20	33%
1658 HK	BUY	8.40	46%
939 HK	BUY	8.10	41%
600000CH	HOLD	9.34	14%
601229CH	BUY	9.04	36%
3618 HK	HOLD	2.80	8%
601577CH	HOLD	8.32	8%
601658CH	BUY	7.07	38%
601939CH	BUY	7.50	26%
601077CH	HOLD	3.60	-7%

Source: Company data, CMBIS estimates

Recent Reports:

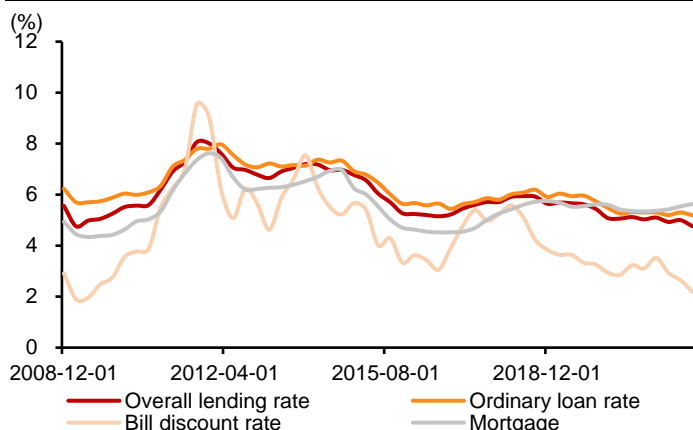
1. China Insurance – P&C growth rebound; Life slow momentum into 1Q22; Prefer P&C over life insurance in 1H22 ([link](#))
2. China Banking Sector – Implications of Jan LPR drop ([link](#))
3. PICC P&C (2328 HK) – Auto growth pick up; Non-auto UW to improve ([link](#))
4. China Banking – Looking for the safe harbour ([link](#))
5. China Financials Weekly – +VE impact from LPR cut and lower mortgage floor ([link](#))

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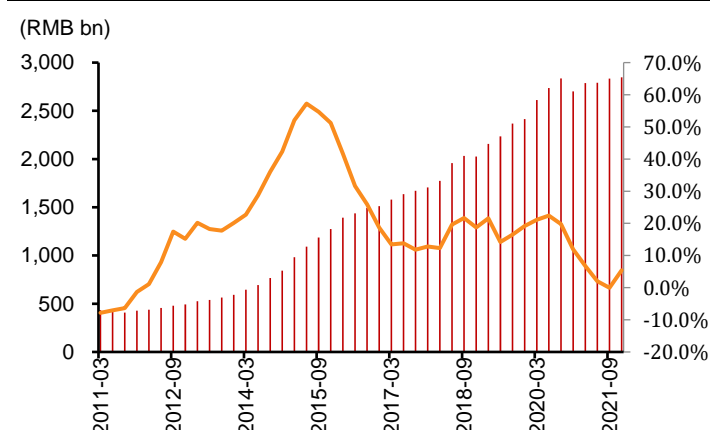
Banking Focus Charts

Figure 1: Market lending rate



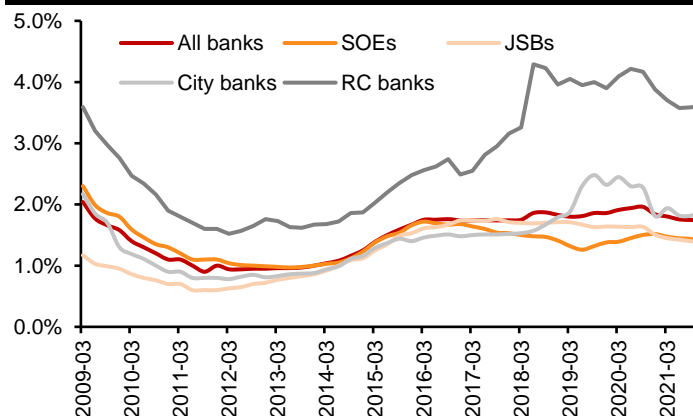
Source: Company data, CMBIGM estimates

Figure 2: Sector NPL balance and growth



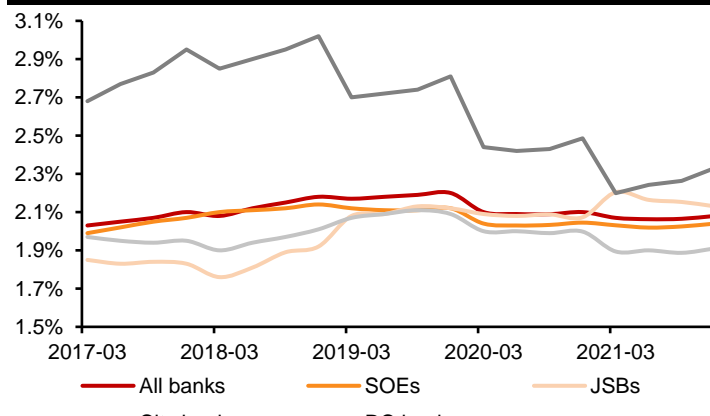
Source: Company data, CMBIGM estimates

Figure 3: Sub-sector NPL ratio



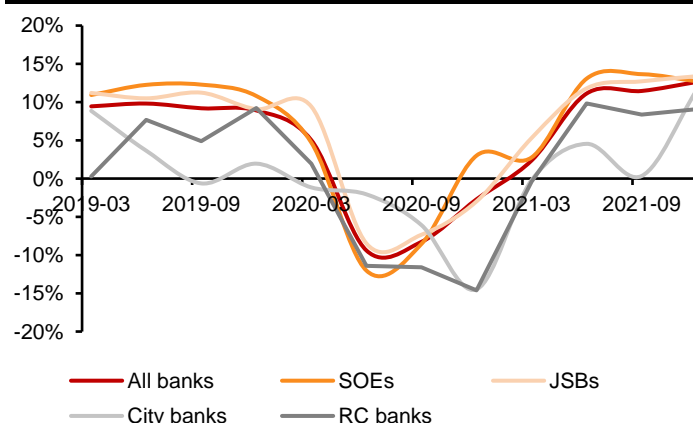
Source: Company data, CMBIGM estimates

Figure 4: Sub-sector NIM



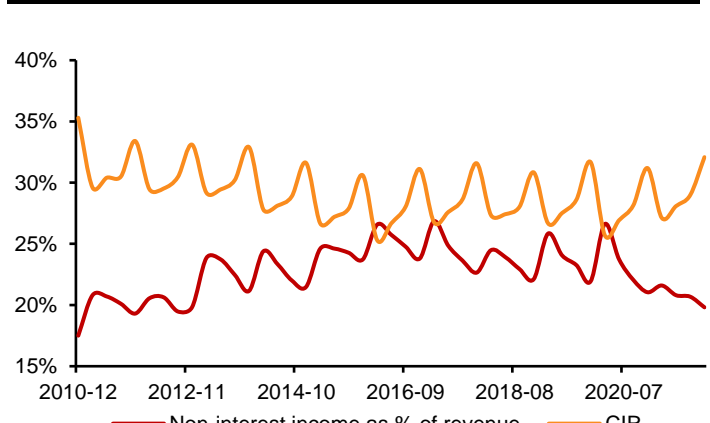
Source: Company data, CMBIGM estimates

Figure 5: Sub-sector earnings growth



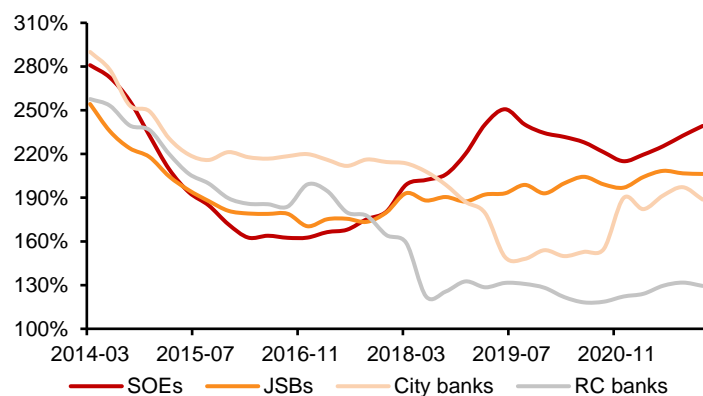
Source: Company data, CMBIGM estimates

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



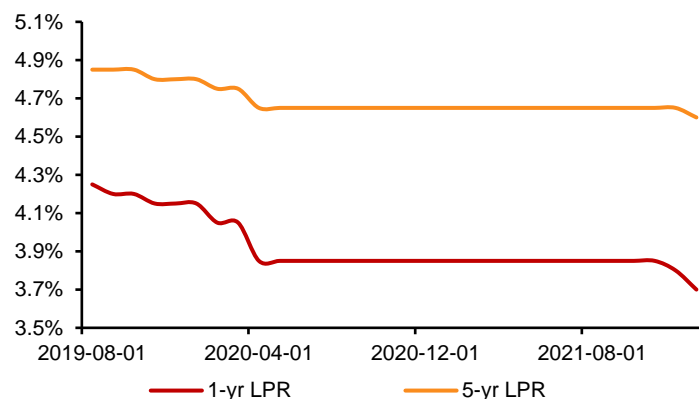
Source: Company data, CMBIGM estimates

Figure 7: Sub sector provision coverage ratio changes



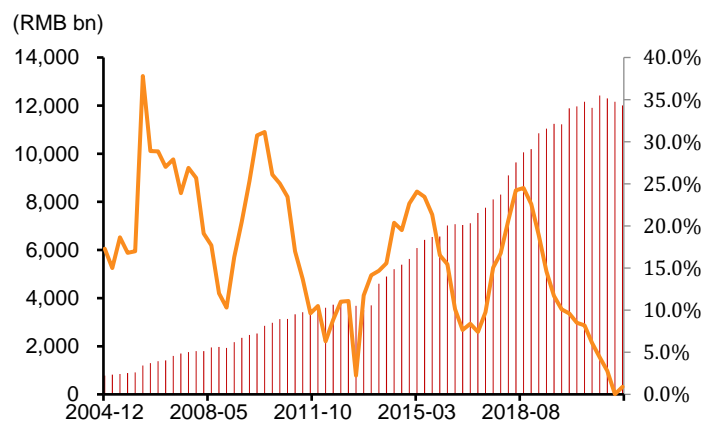
Source: Company data, CMBIGM estimates

Figure 8: Loan Prime Rate (LPR) changes



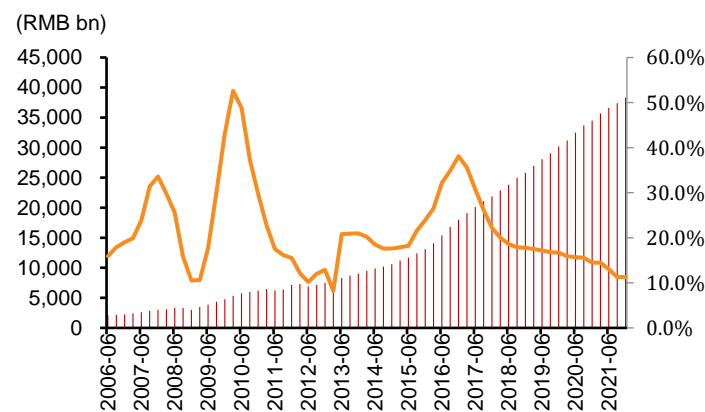
Source: Company data, CMBIGM estimates

Figure 9: Development loan balance and growth



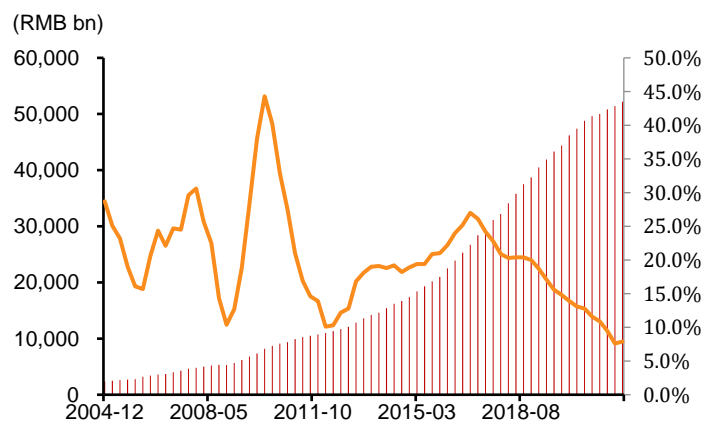
Source: Company data, CMBIGM estimates

Figure 10: Mortgage balance and growth



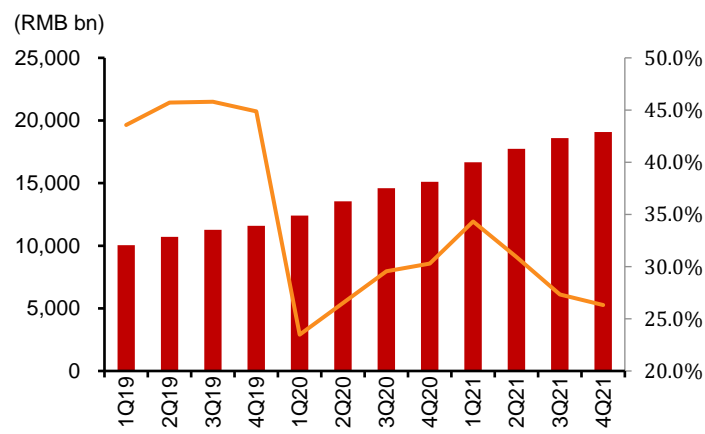
Source: Company data, CMBIGM estimates

Figure 11: All property loan changes



Source: Company data, CMBIGM estimates

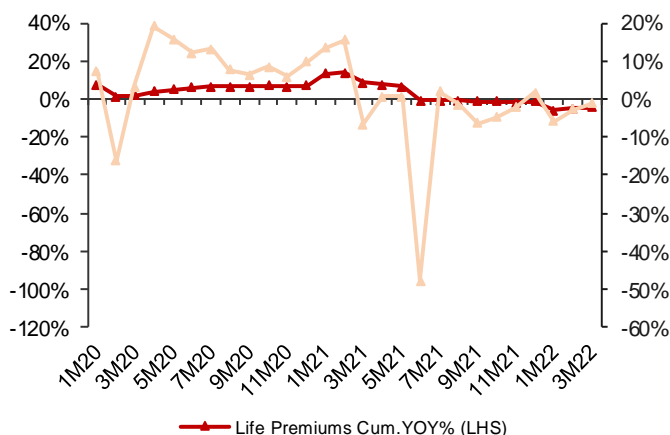
Figure 12: Sector SME loan balance changes



Source: Company data, CMBIGM estimates

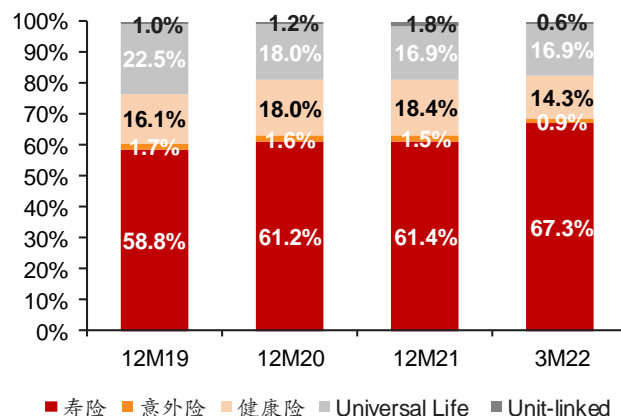
Insurance Focus Charts

Figure 1: Life premiums accumulative & monthly YoY%



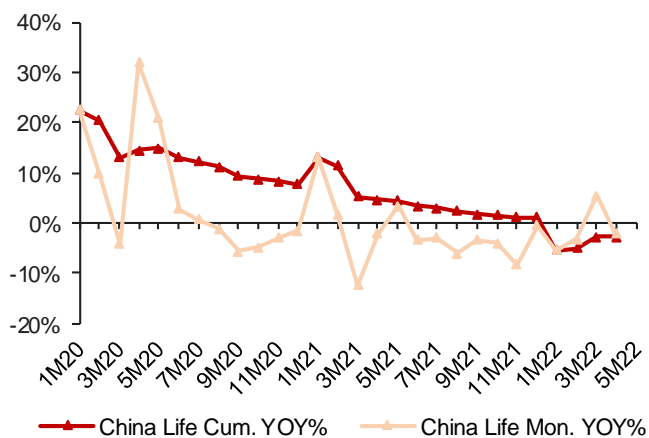
Source: Company data, CMBIGM

Figure 2: Life premiums mix % (FY19-FY21, 3M22)



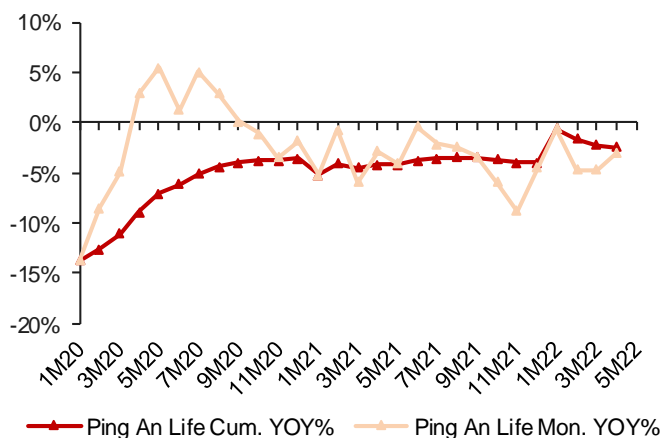
Source: Company data, CMBIGM

Figure3: China Life (2628 HK) premiums cum.& mon. YoY%



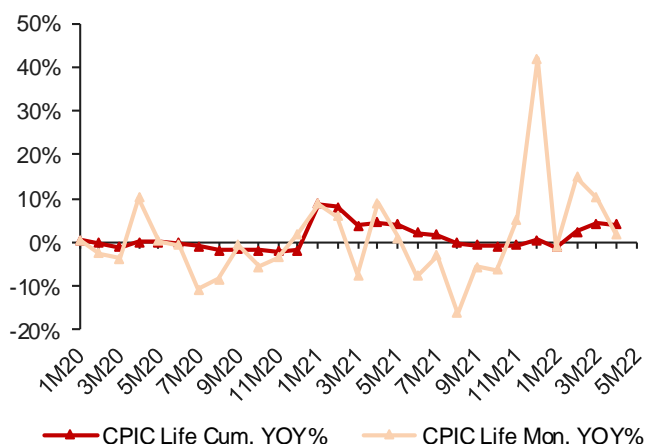
Source: Company data, CMBIGM

Figure 4: Ping An (2318 HK) life premiums cum.& mon. YoY%



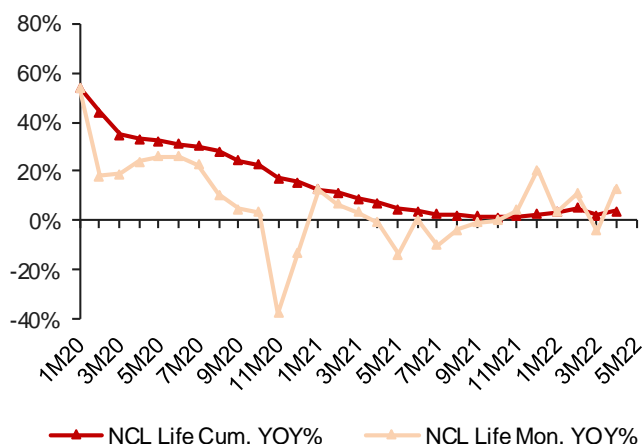
Source: Company data, CMBIGM

Figure5: CPIC(2601 HK) life premiums cum.& mon. YoY%



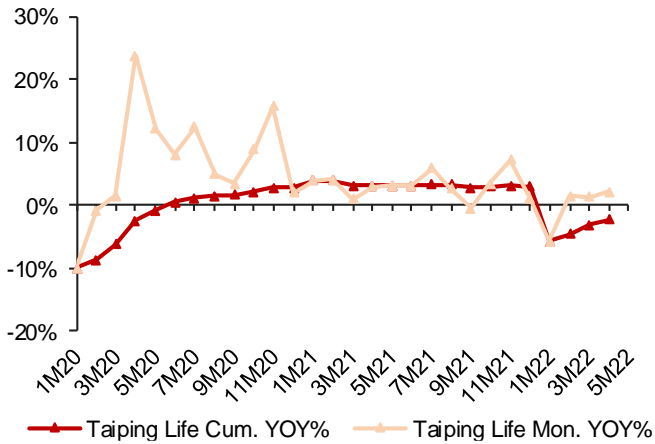
Source: Company data, CMBIGM

Figure 6: NCL (1336 HK) life premiums cum.& mon YoY%



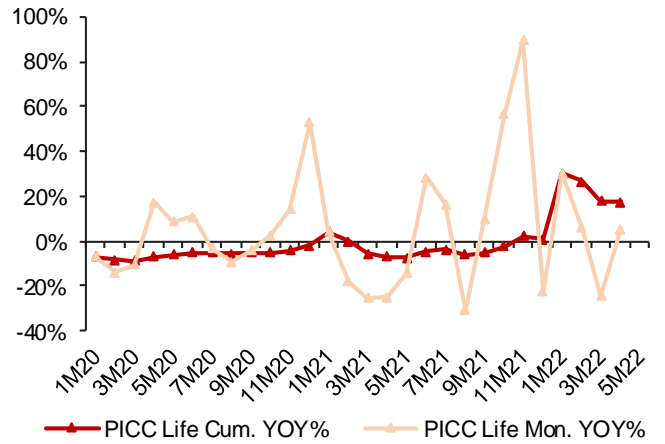
Source: Company data, CMBIGM

Figure7: Taiping(966 HK)life premiums cum. & mon. YoY%



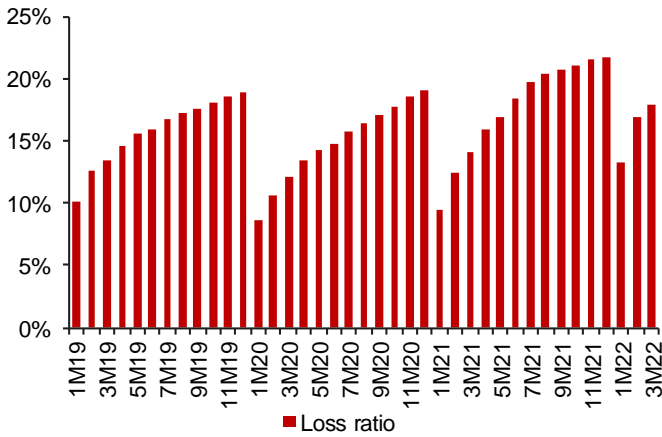
Source: Company data, CMBIGM

Figure 8: PICC Life (1339 HK) premiums cum. & mon. YoY%



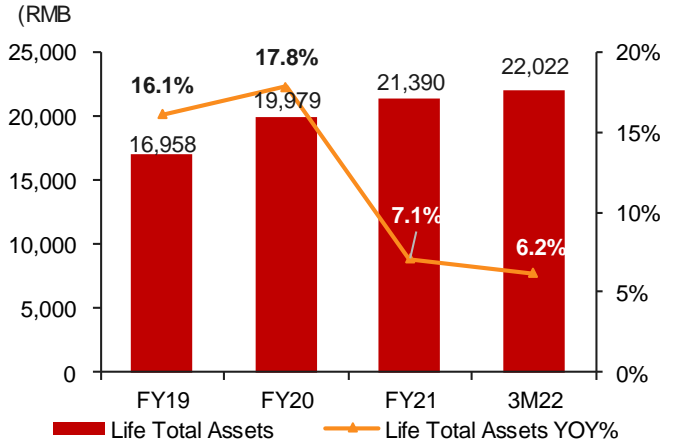
Source: Company data, CMBIGM

Figure 9: Life insurance industry loss ratio (1M19-3M22)



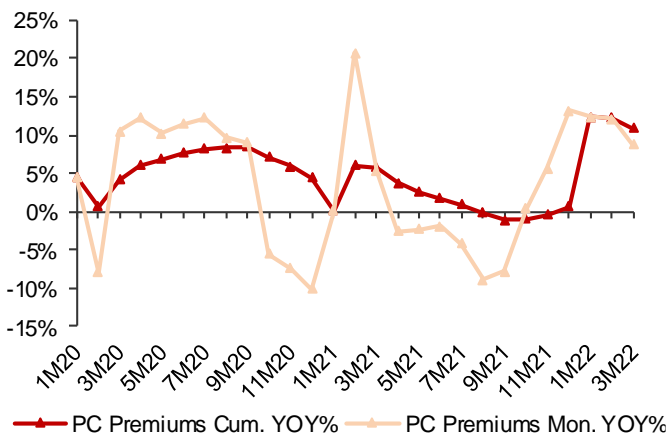
Source: Company data, CMBIGM

Figure 10: Life industry total assets & YoY% (incl. 3M22)



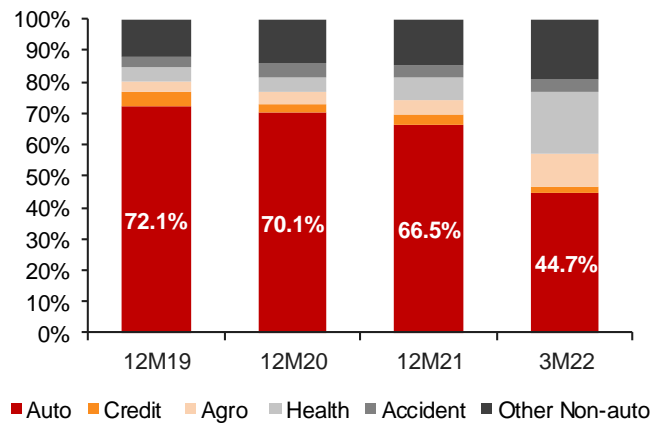
Source: Company data, CMBIGM

Figure 11: P&C premiums accumulative & monthly YoY%



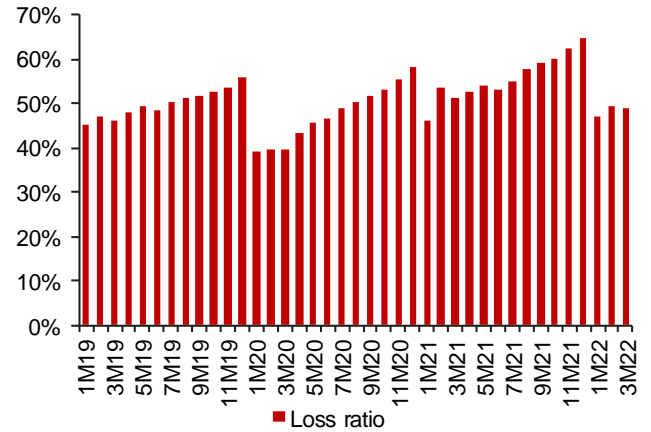
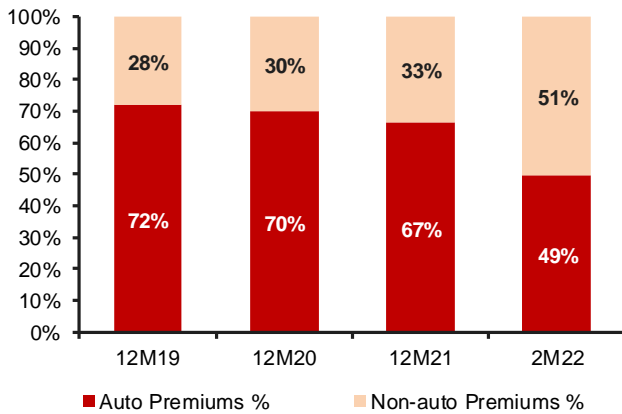
Source: Company data, CMBIGM

Figure 12: P&C Insurance premiums mix (%) (FY19-3M22)



Source: Company data, CMBIGM

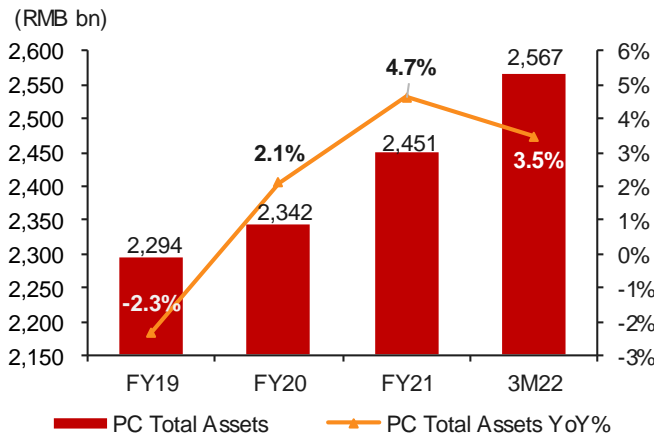
Figure 13: P&C auto vs non-auto premiums mix (incl.3M22) Figure 14: P&C industry loss ratio (1M19-3M22)



Source: Company data, CMBIGM

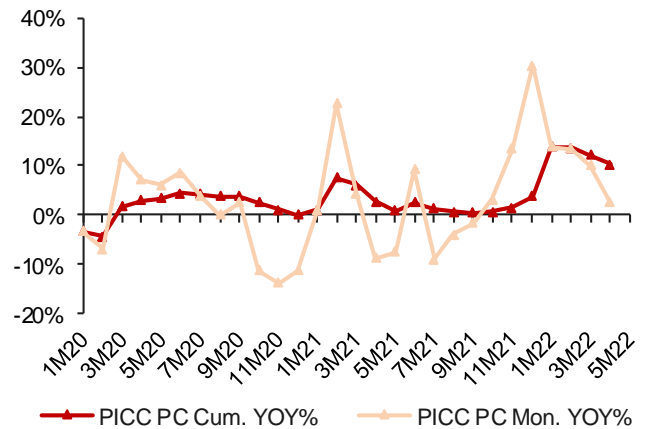
Source: Company data, CMBIGM

Figure 15: P&C industry total assets & YoY% (incl.3M22)



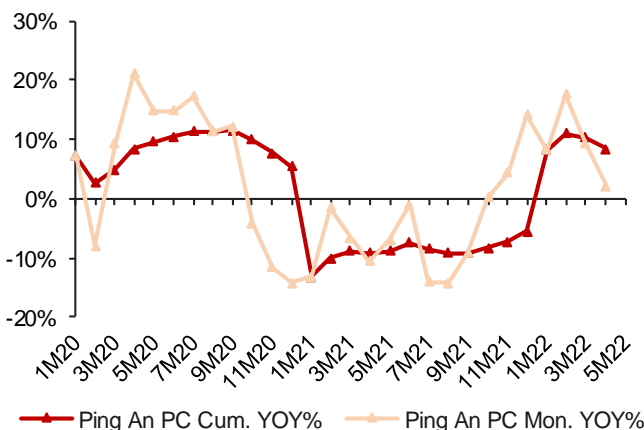
Source: Company data, CMBIGM

Figure 16: PICC PC(2328 HK) premiums cum.& mon. YoY%



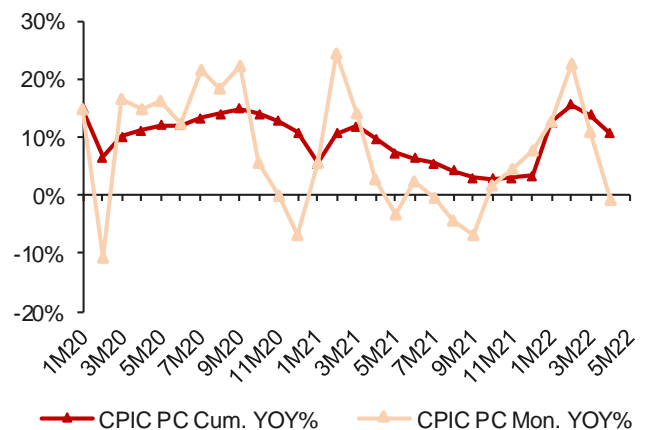
Source: Company data, CMBIGM

Fig 17: Ping An (2318 HK)PC premiums cum.& mon. YoY%



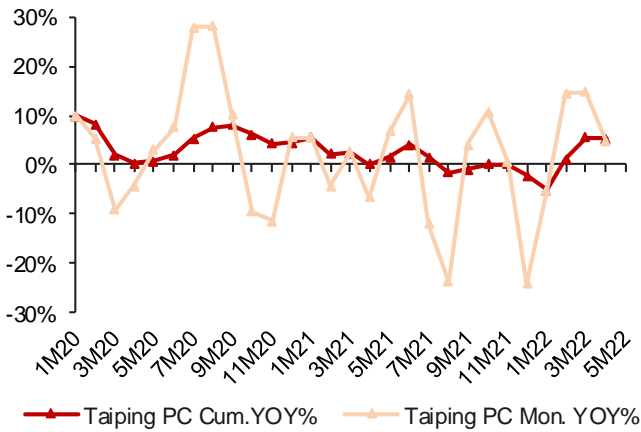
Source: Company data, CMBIGM

Figure 18: CPIC (2601 HK)PC premiums cum.& mon. YoY%



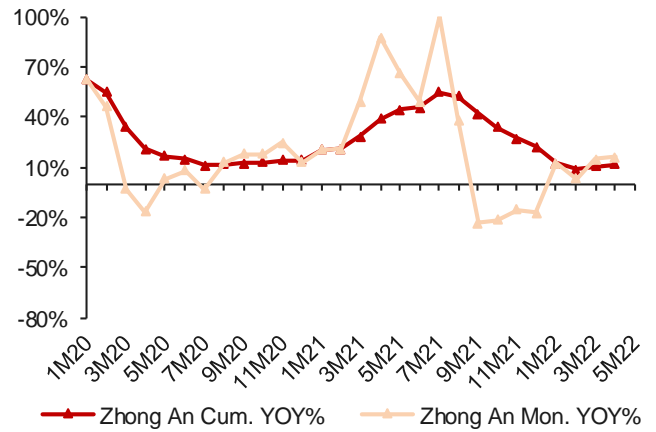
Source: Company data, CMBIGM

Figure19:Taiping(966 HK)PC premiums cum.& mon.YoY%



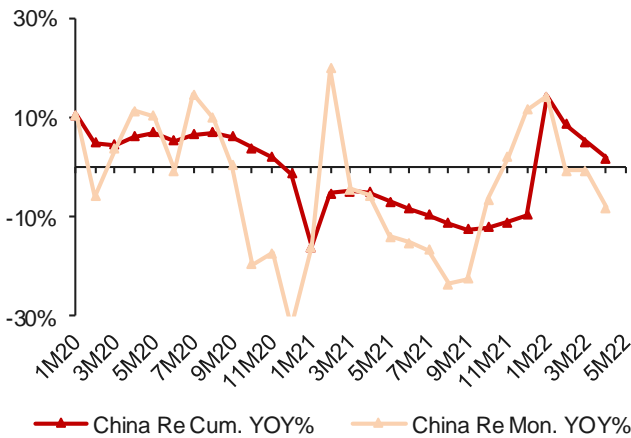
Source: Company data, CMBIGM

Figure20: Zhong An(6060 HK) premiums cum. & mon. YoY%



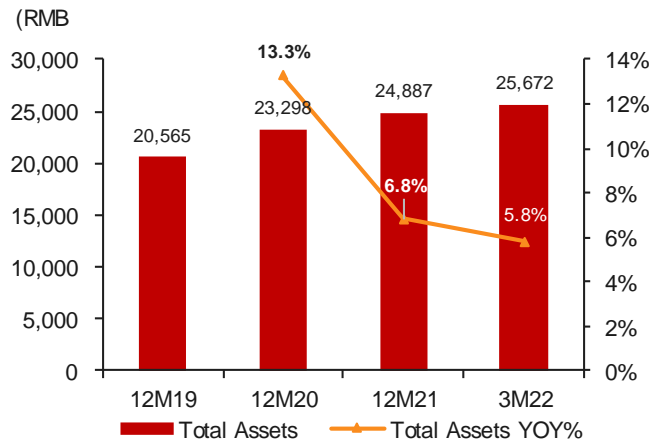
Source: Company data, CMBIGM

Figure 21: China Re(1508 HK)PC premiums cum.&mon YoY%



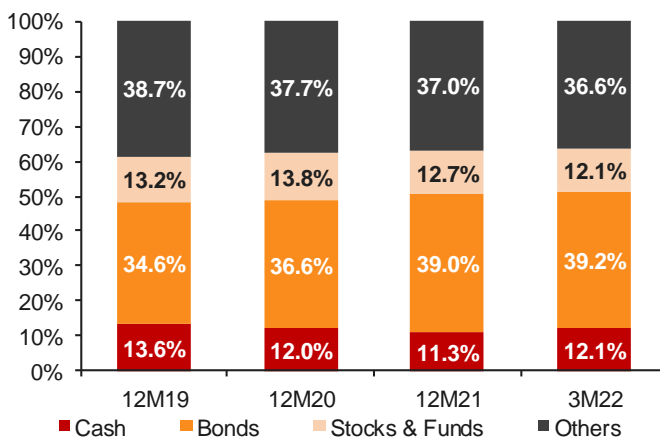
Source: Company data, CMBIGM

Figure 22: Industry – total assets & YoY% (FY19-3M22)



Source: Company data, CMBIGM

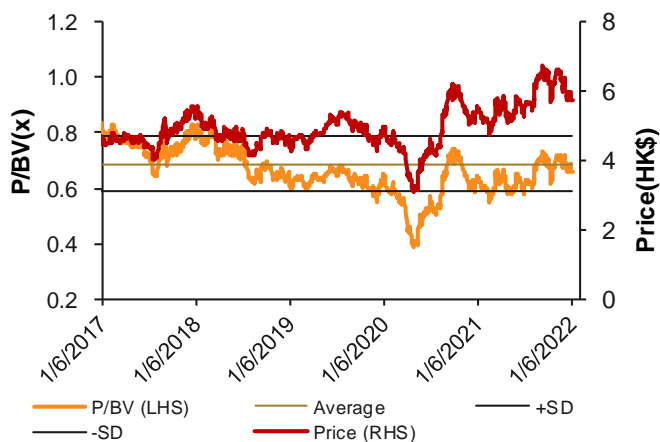
Figure 23: Industry – investment assets mix% (FY19-3M22)



Source: Company data, CMBIGM

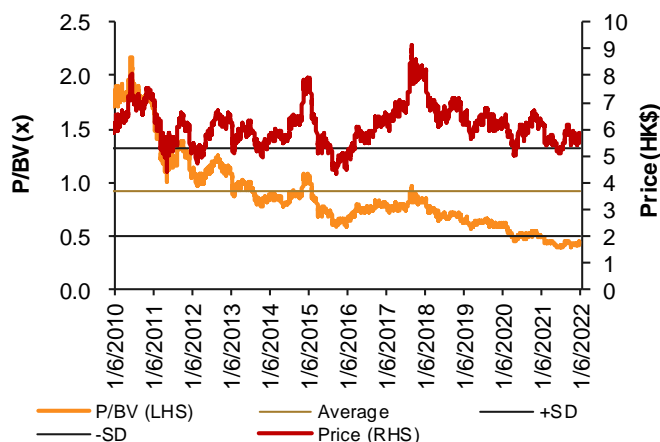
Trading Bands of PBV by banks

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



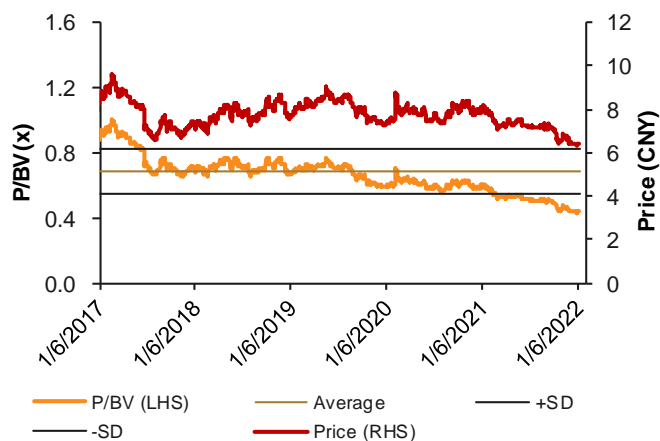
Source: Company data, CMBIGM

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



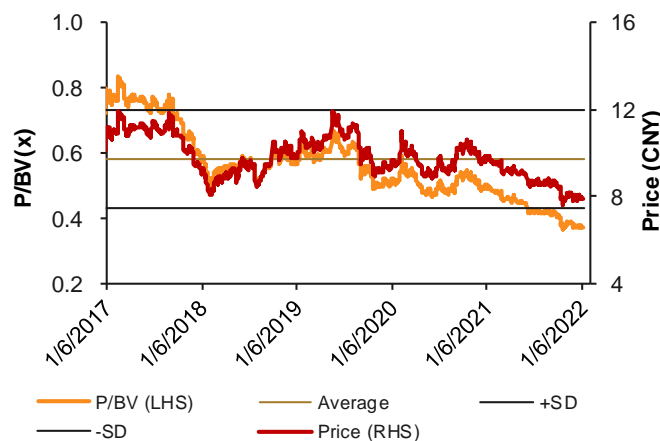
Source: Company data, CMBIGM

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



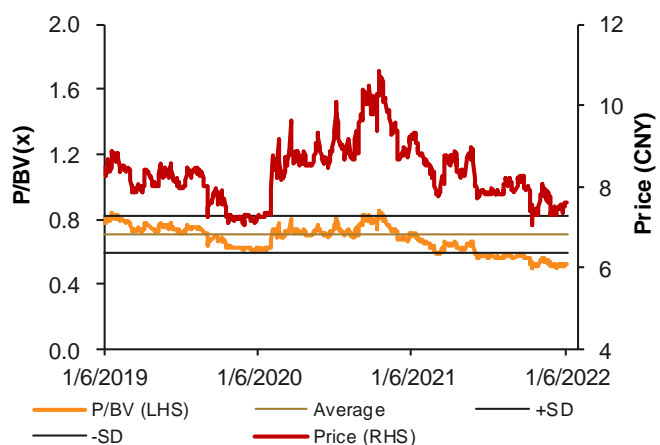
Source: Company data, CMBIGM

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



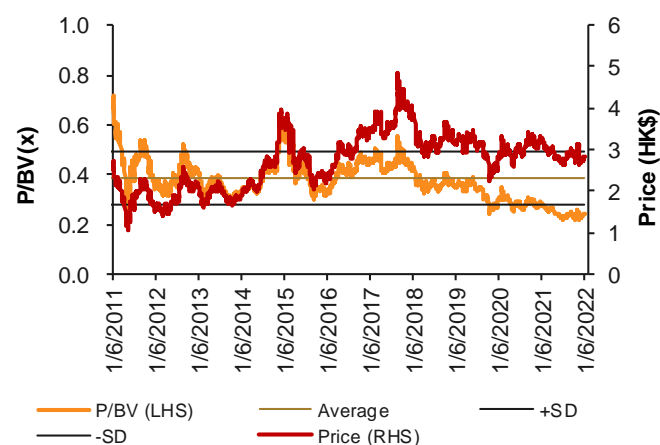
Source: Company data, CMBIGM

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



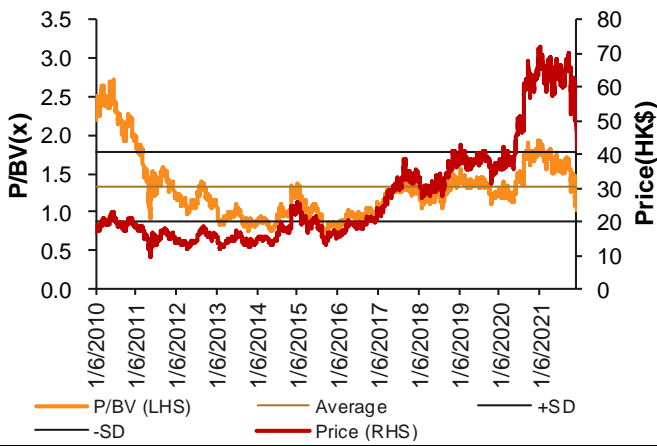
Source: Company data, CMBIGM

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



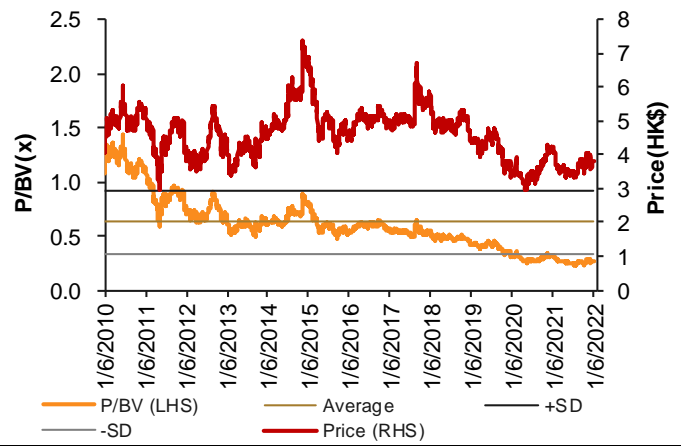
Source: Company data, CMBIGM

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



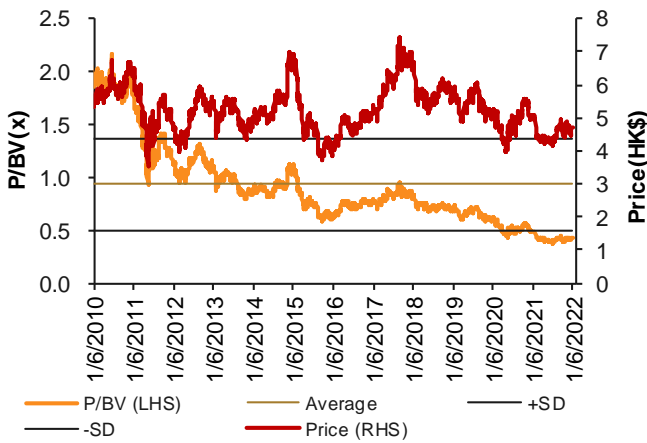
Source: Company data, CMBIGM

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



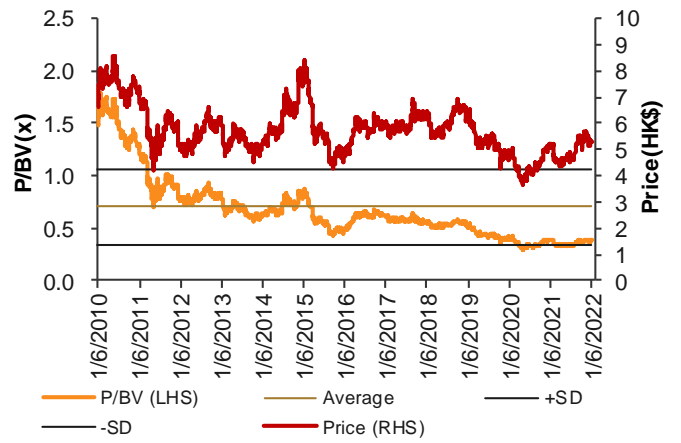
Source: Company data, CMBIGM

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



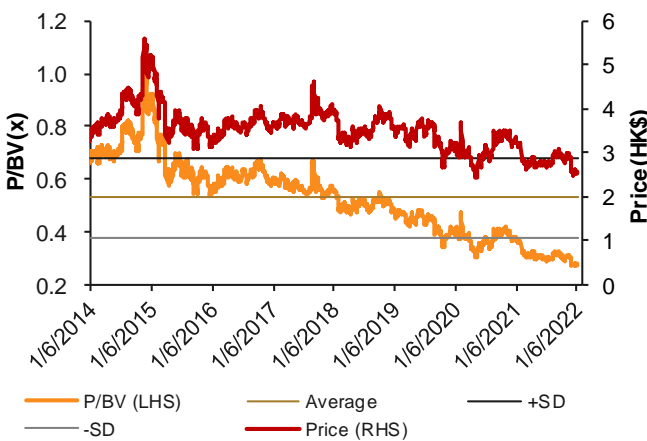
Source: Company data, CMBIGM

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



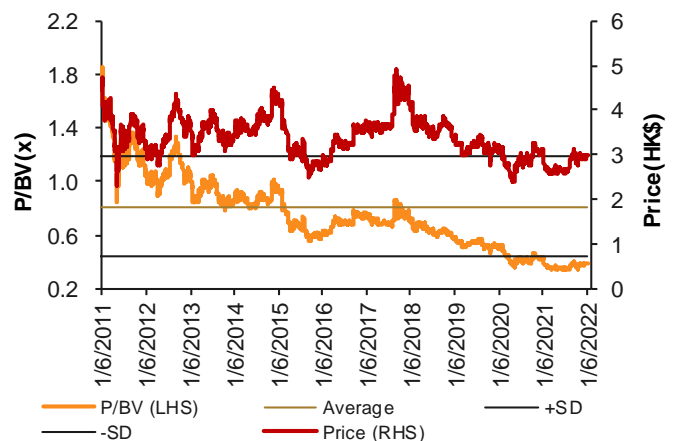
Source: Company data, CMBIGM

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



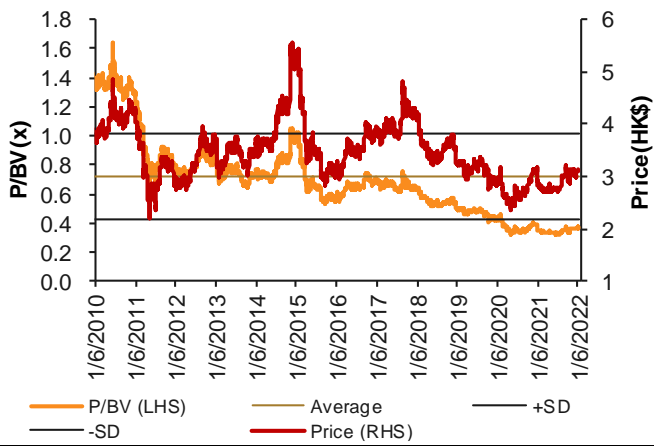
Source: Company data, CMBIGM

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



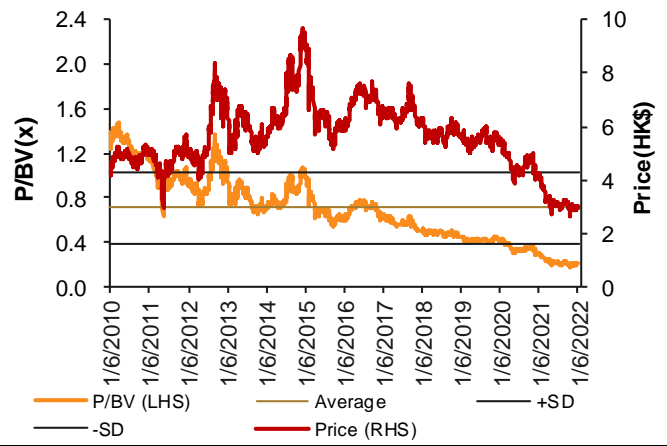
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

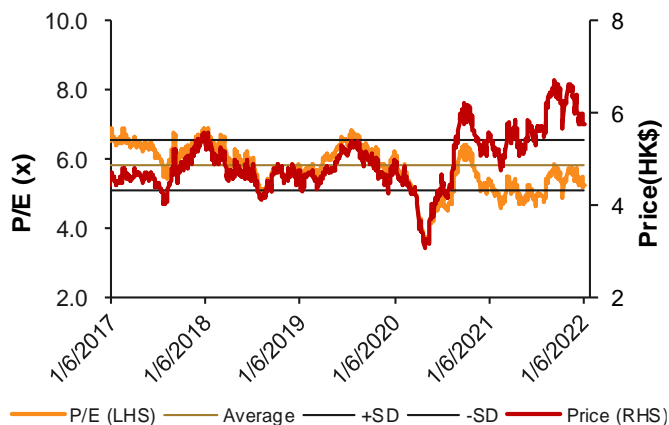
Fig.14: China Minsheng-H (1988 HK) 12-month forward P/B



Source: Company data, CMBIGM

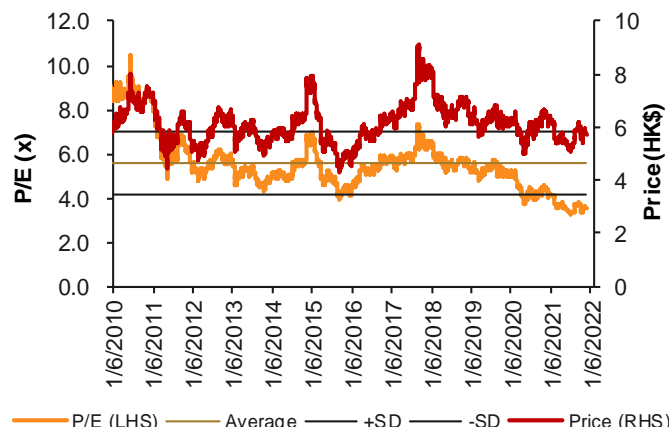
Trading Bands of PER by banks

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



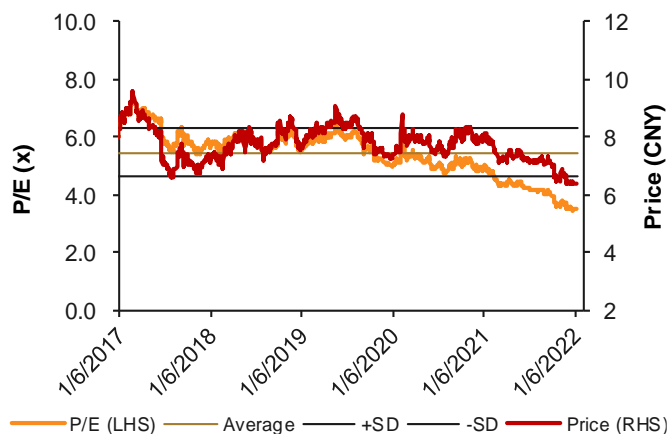
Source: Company data, CMBIGM

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



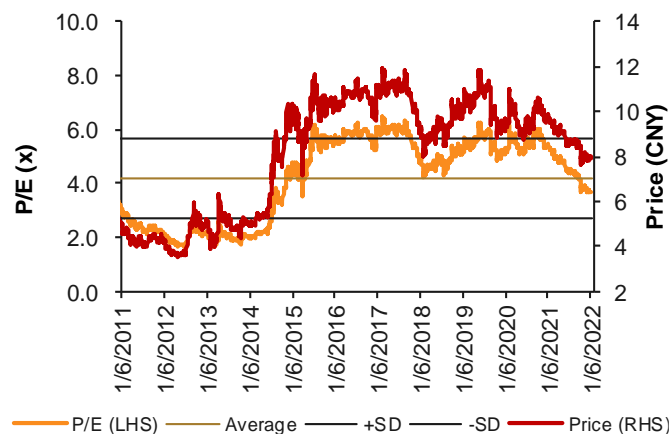
Source: Company data, CMBIGM

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



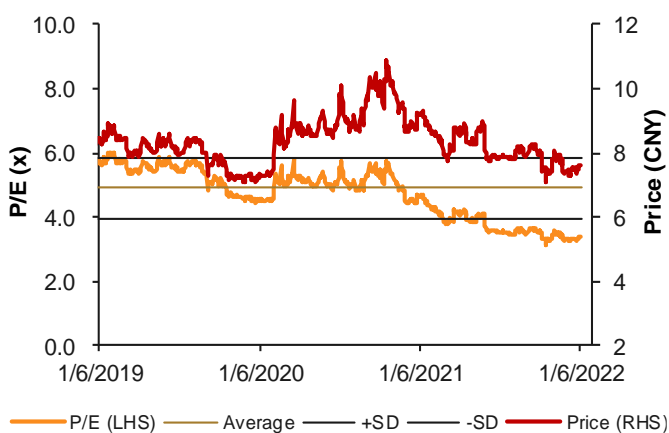
Source: Company data, CMBIGM

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



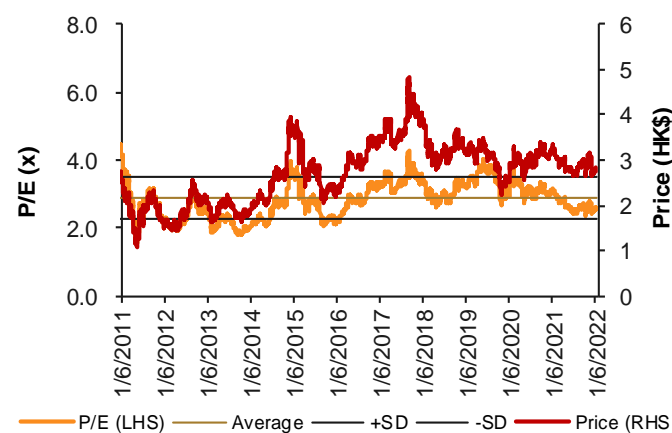
Source: Company data, CMBIGM

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



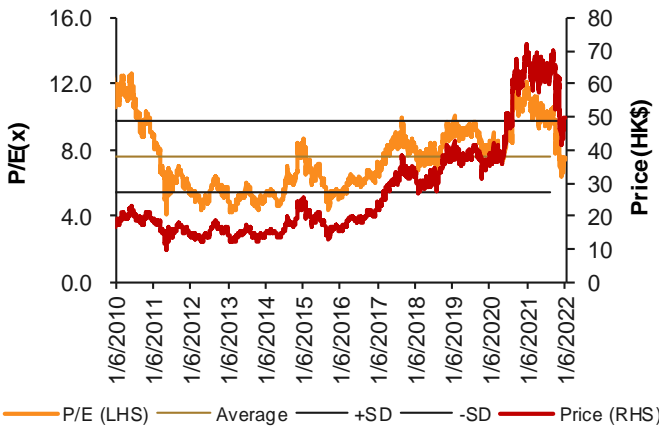
Source: Company data, CMBIGM

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



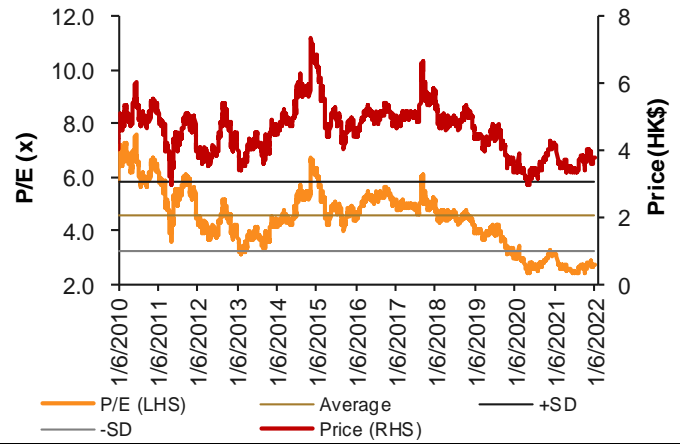
Source: Company data, CMBIGM

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



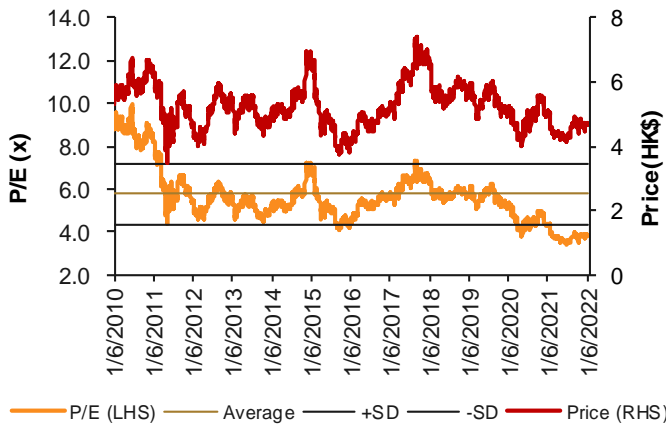
Source: Company data, CMBIGM

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



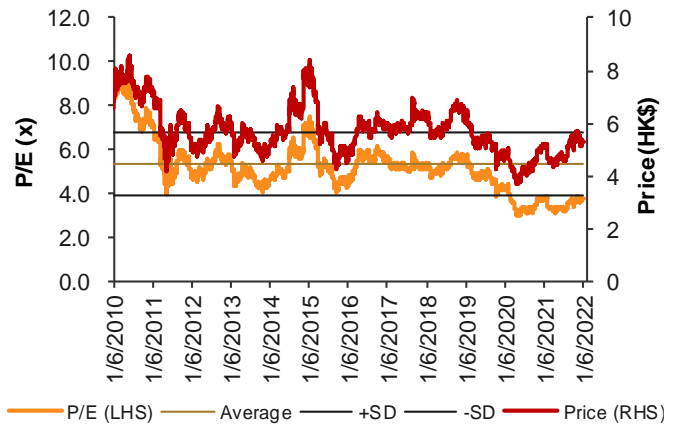
Source: Company data, CMBIGM

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



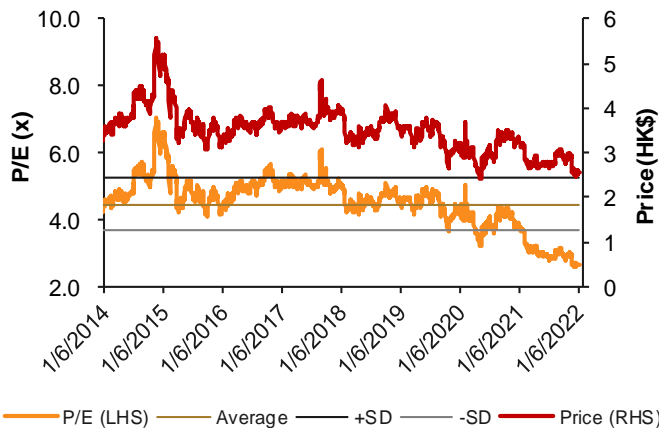
Source: Company data, CMBIGM

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



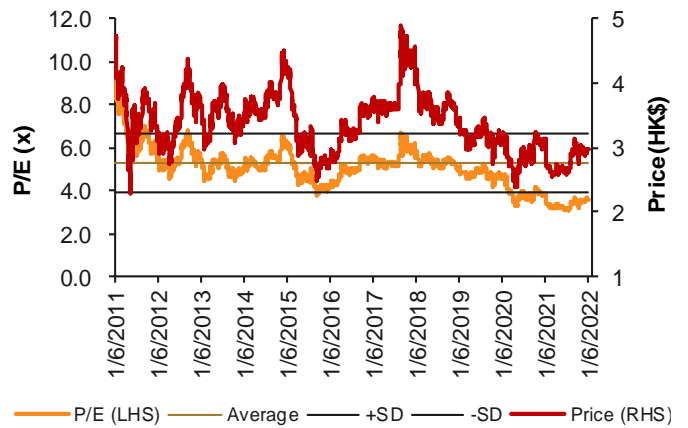
Source: Company data, CMBIGM

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



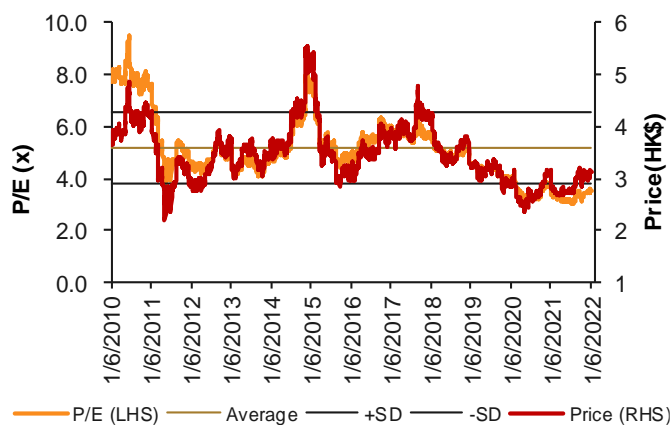
Source: Company data, CMBIGM

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



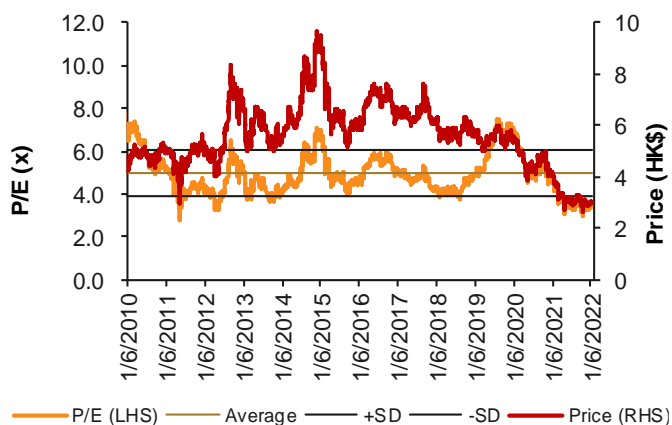
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

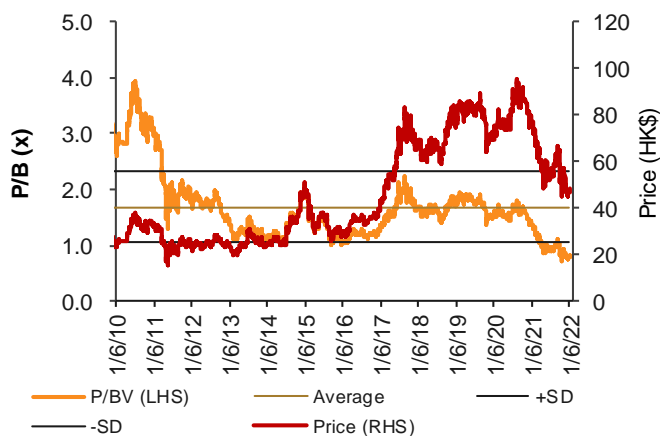
Fig.14: China Minsheng-H (1988 HK) 12-month forward P/E



Source: Company data, CMBIGM

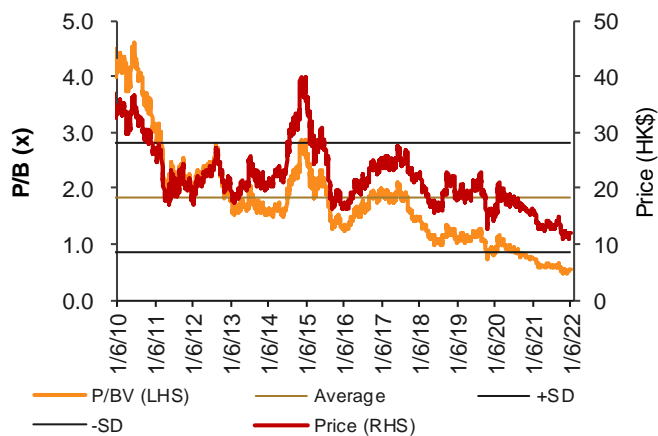
Trading Bands of PBV by insurers

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



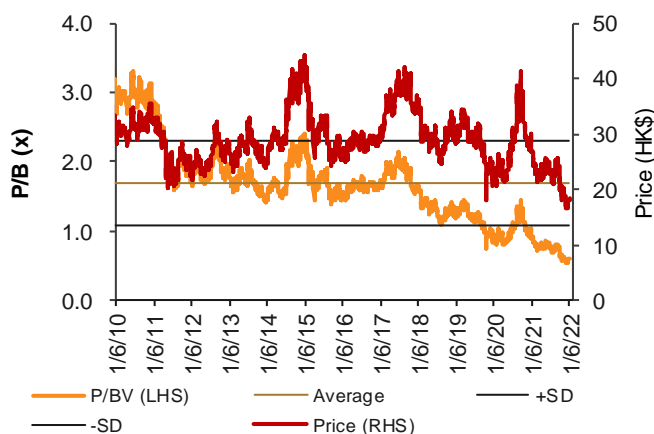
Source: Company data, CMBIGM

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



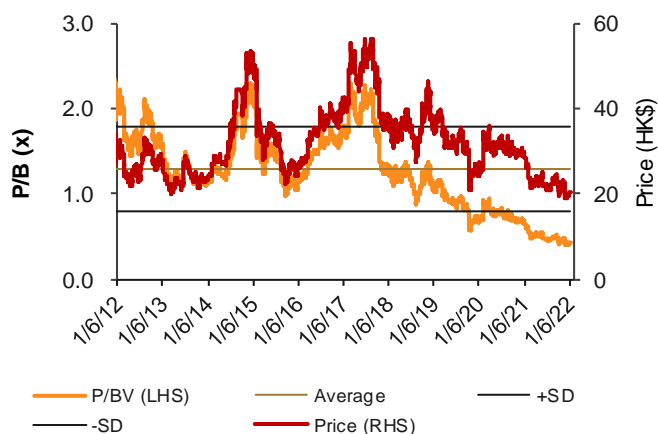
Source: Company data, CMBIGM

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



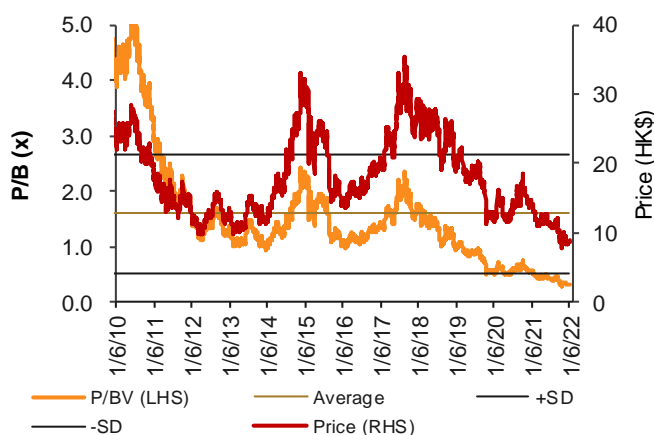
Source: Company data, CMBIGM

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



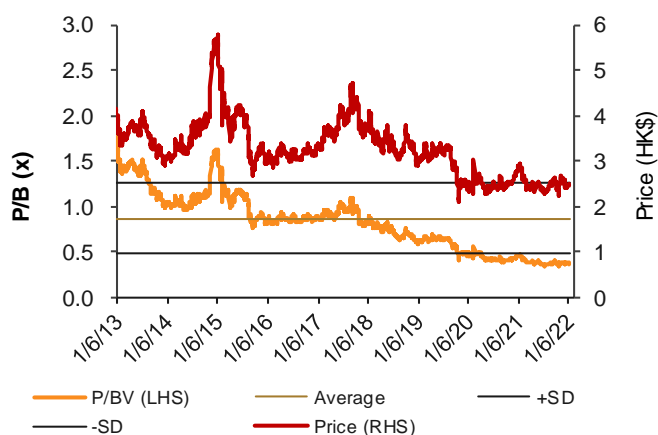
Source: Company data, CMBIGM

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



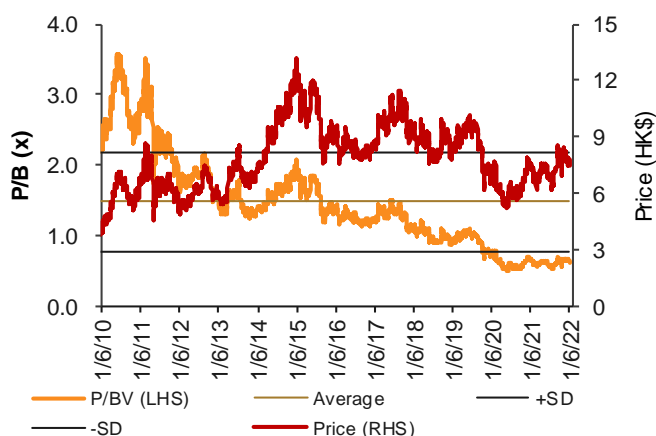
Source: Company data, CMBIGM

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



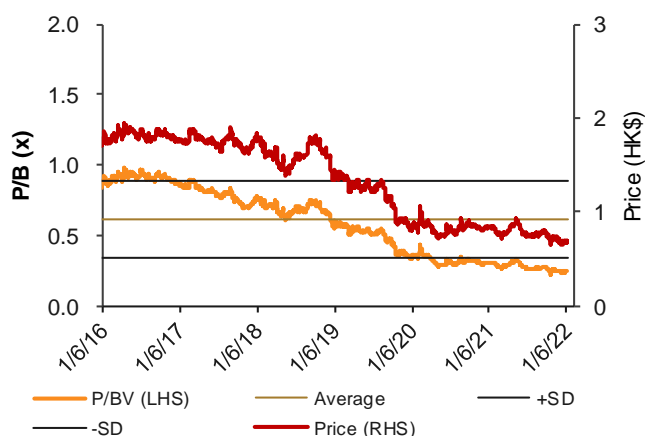
Source: Company data, CMBIGM

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



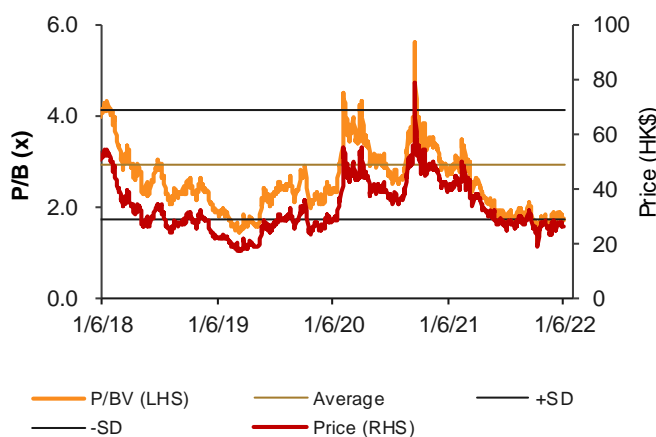
Source: Company data, CMBIGM

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



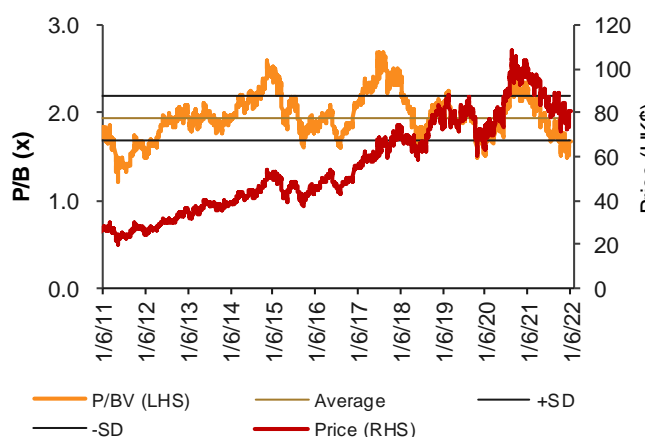
Source: Company data, CMBIGM

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



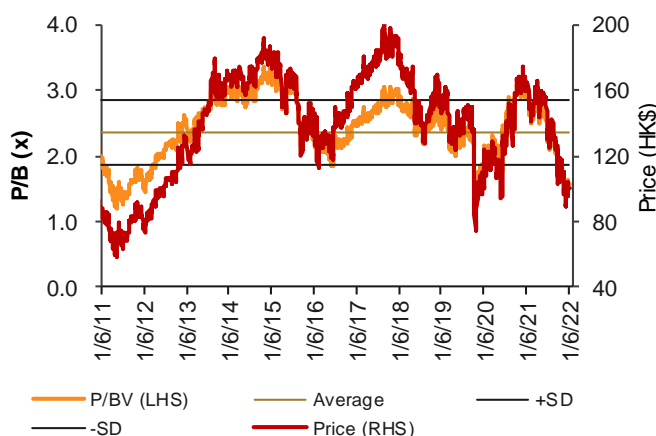
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

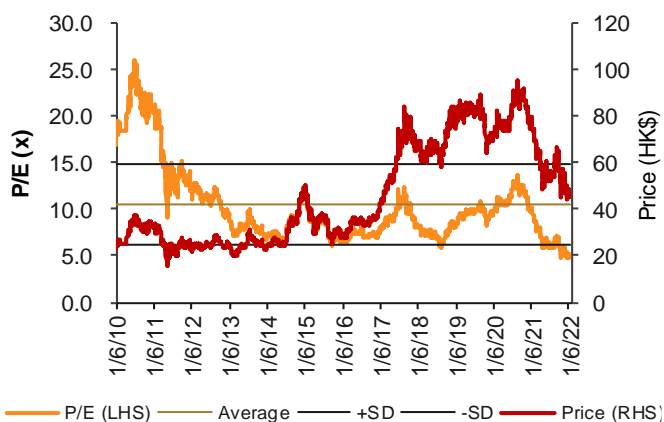
Fig.11: Prudential-H (2378 HK) 12-month forward P/B



Source: Company data, CMBIGM

Trading Bands of PER by insurers

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



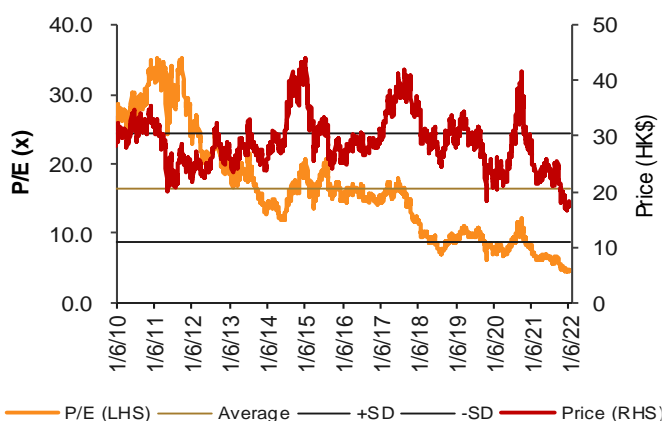
Source: Company data, CMBIGM

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



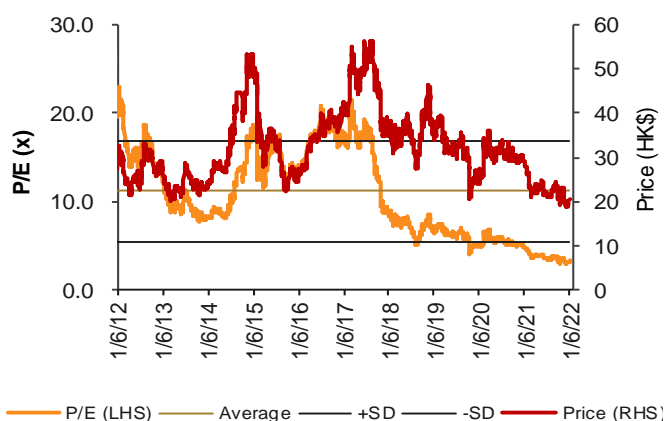
Source: Company data, CMBIGM

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



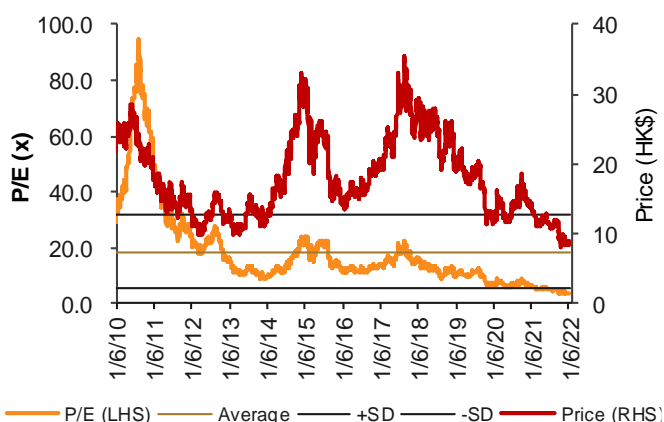
Source: Company data, CMBIGM

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



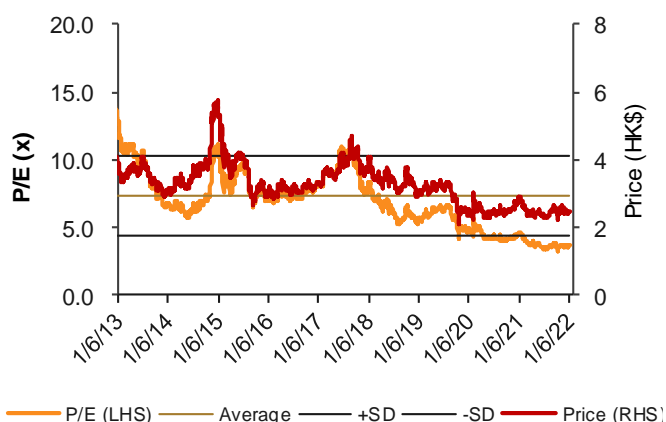
Source: Company data, CMBIGM

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



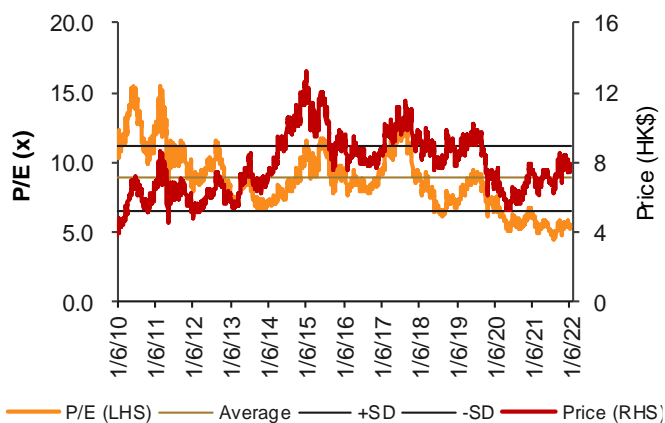
Source: Company data, CMBIGM

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



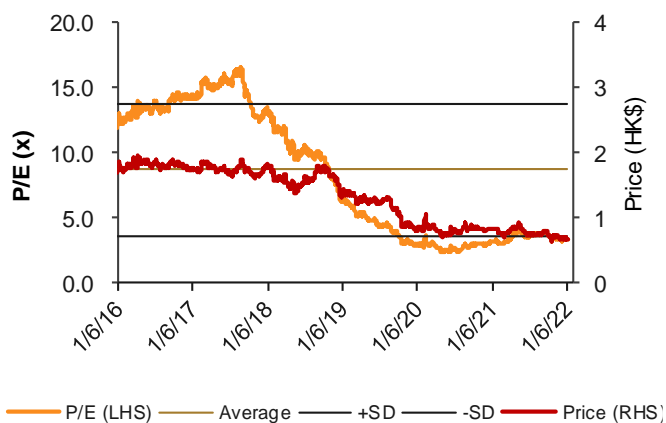
Source: Company data, CMBIGM

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



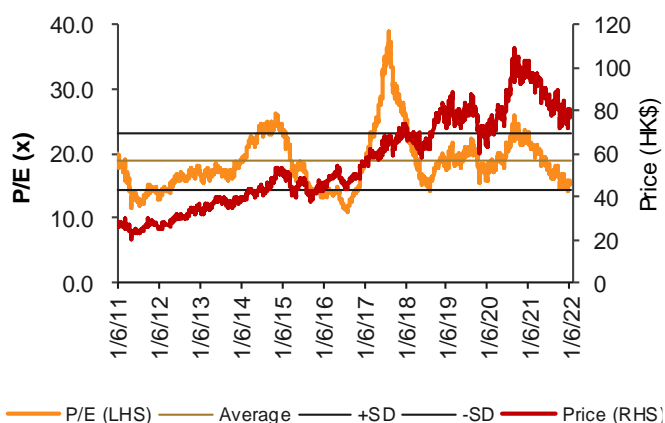
Source: Company data, CMBIGM

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



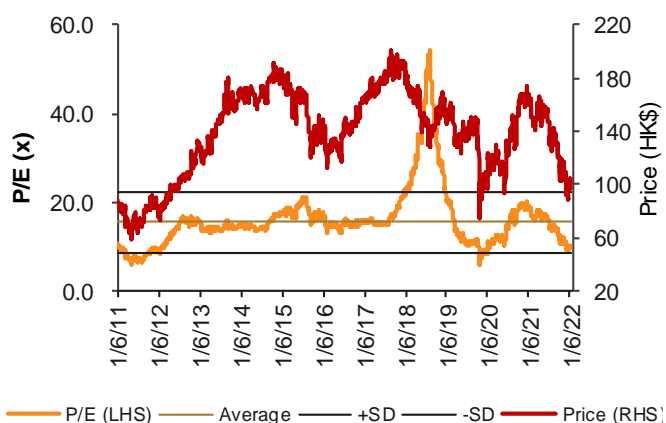
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

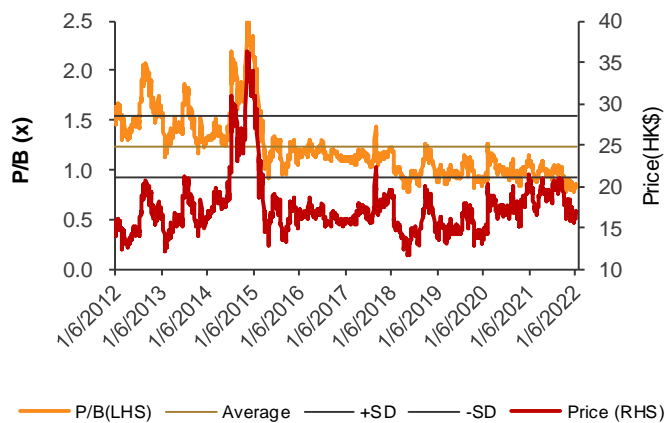
Fig.10: Prudential-H (2378 HK) 12-month forward P/E



Source: Company data, CMBIGM

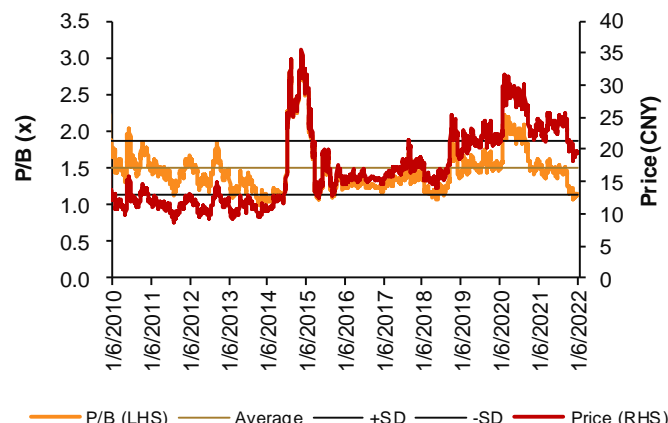
Trading Bands of PBV by brokers

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



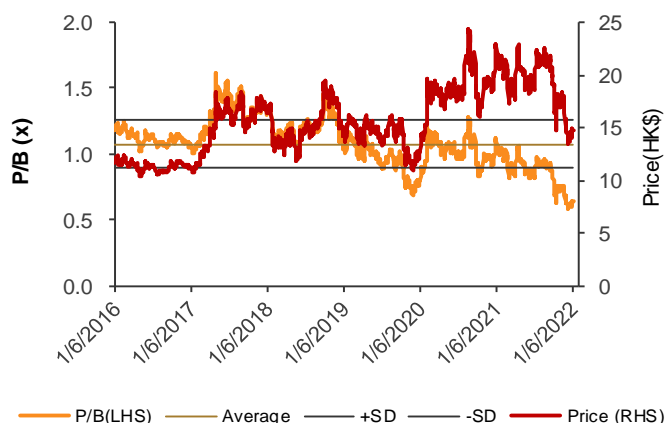
Source: Company data, CMBIGM

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



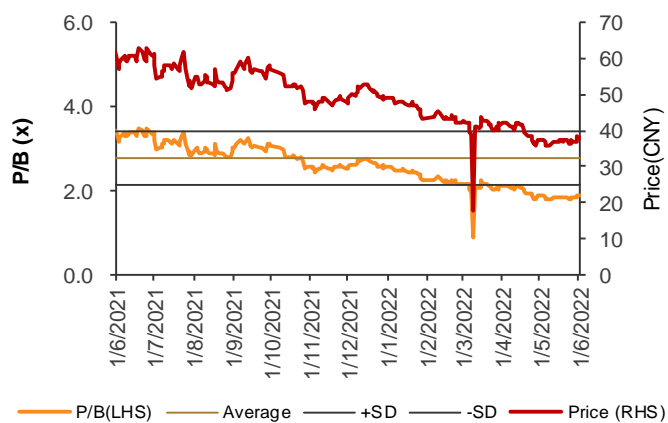
Source: Company data, CMBIGM

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



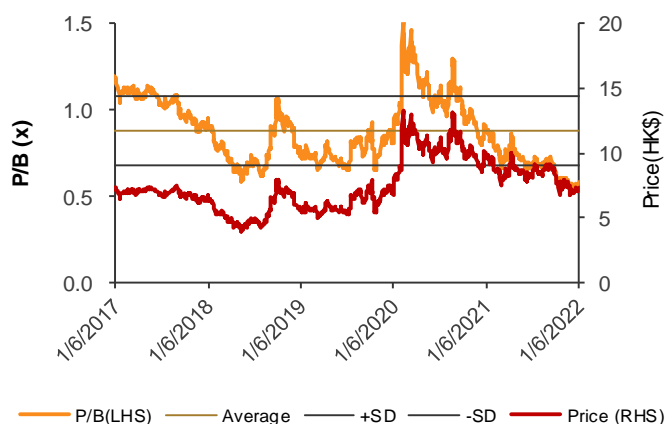
Source: Company data, CMBIGM

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



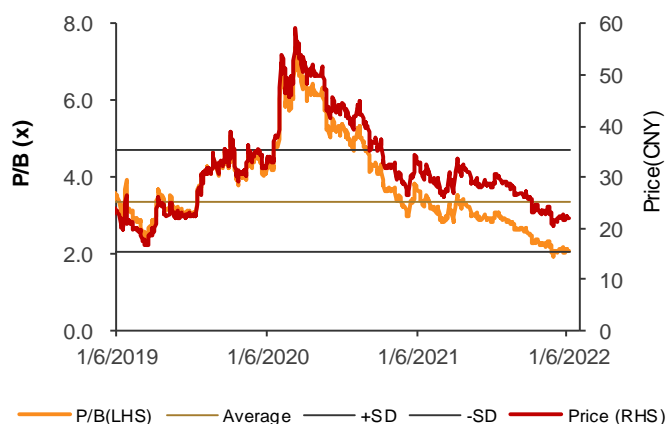
Source: Company data, CMBIGM

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



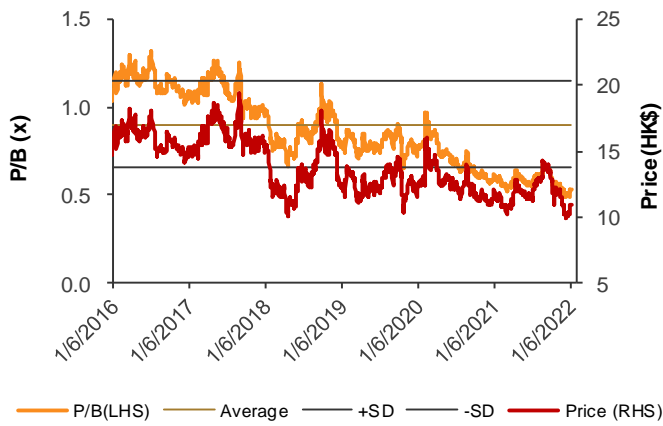
Source: Company data, CMBIGM

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



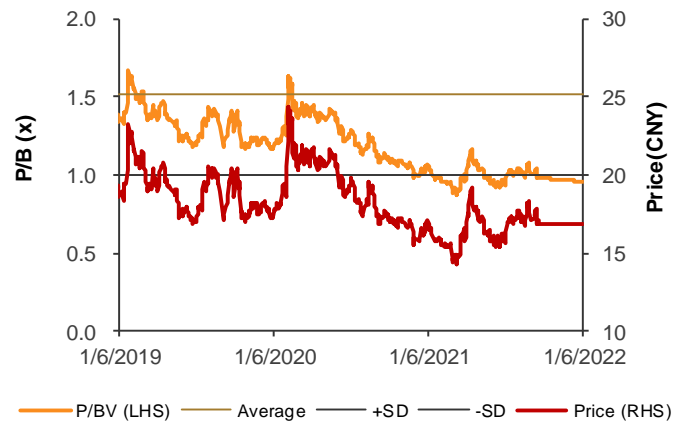
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

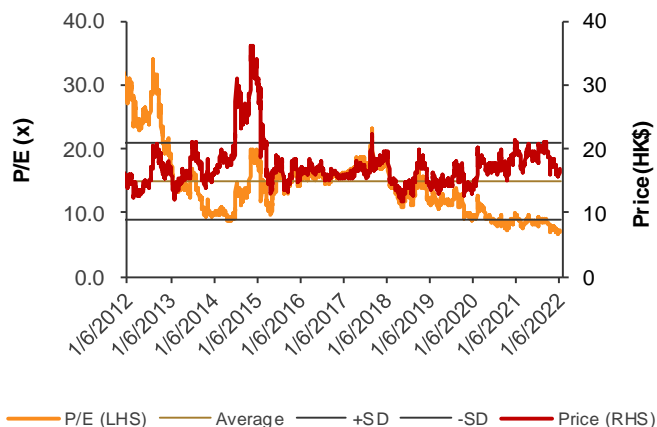
Fig.8: HUATAI SEC-CH (601688 CH) 12-month forward P/B



Source: Company data, CMBIGM

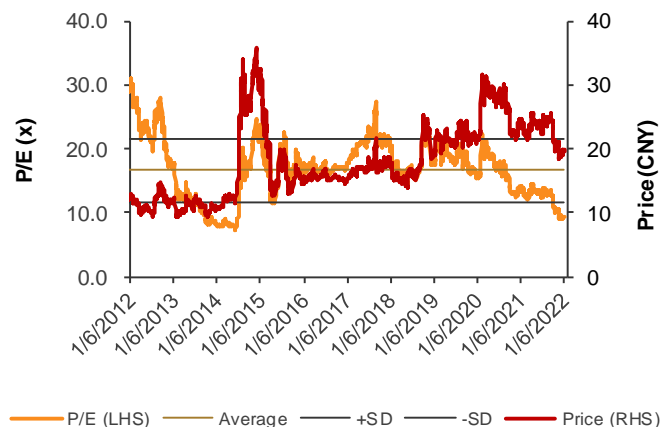
Trading Bands of PER by brokers

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



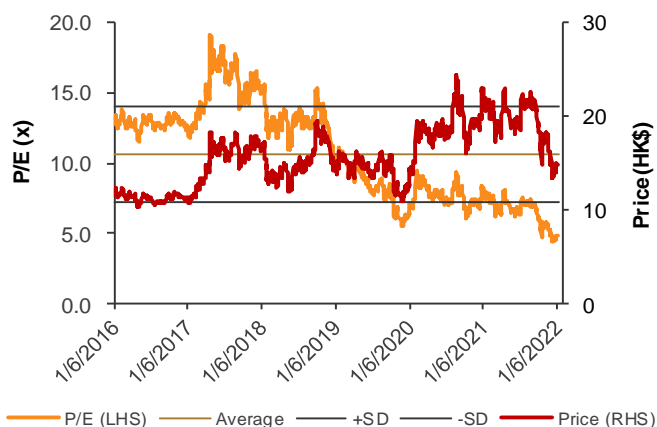
Source: Company data, CMBIGM

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



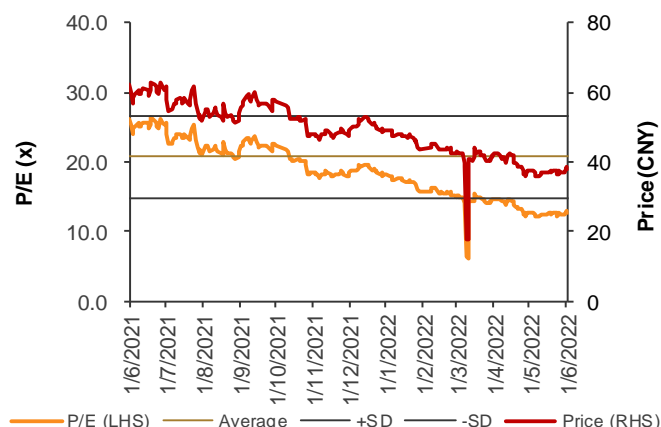
Source: Company data, CMBIGM

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



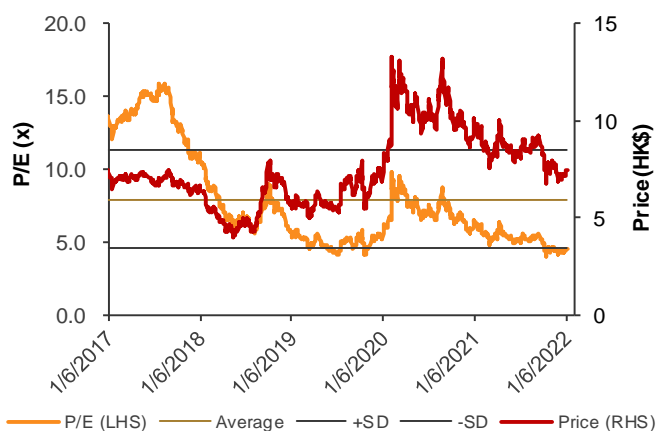
Source: Company data, CMBIGM

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



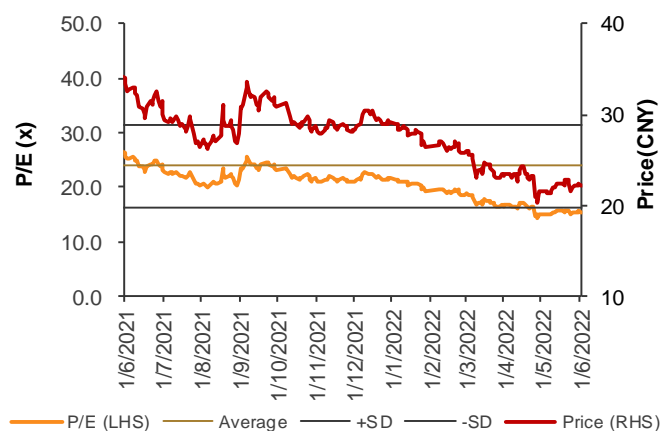
Source: Company data, CMBIGM

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



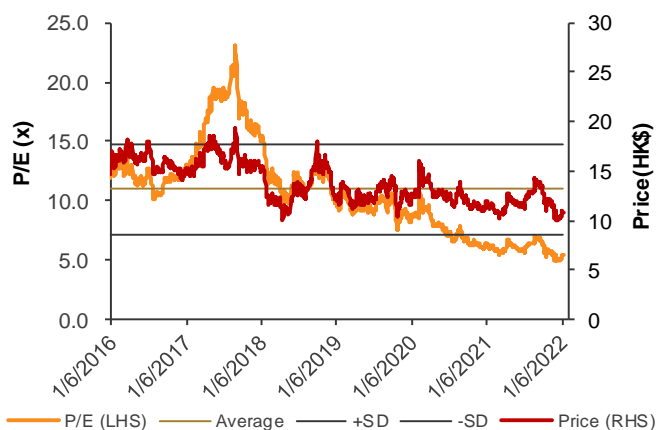
Source: Company data, CMBIGM

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



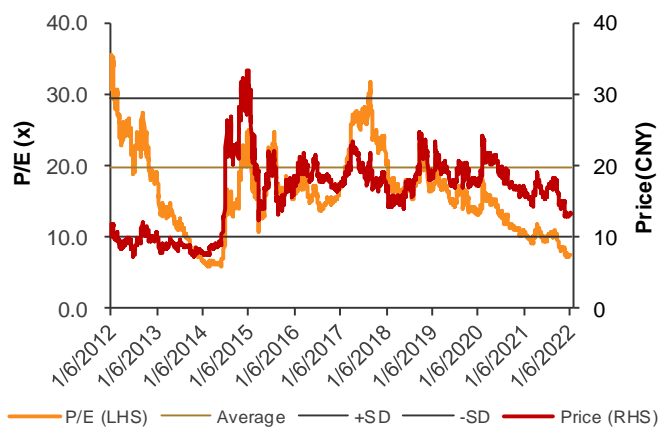
Source: Company data, CMBIGM

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	558.5	5.77	BUY	8.40	46%	6.7	6.1	0.8	0.7	4.9%	5.3%
939 HK	CCB-H	1,446.0	5.74	BUY	8.10	41%	4.5	4.0	0.5	0.5	6.8%	7.6%
600000.CH	SPDB-A	231.6	7.89	HOLD	9.00	14%	4.4	4.1	0.4	0.4	5.5%	6.0%
601229.CH	BOSH-A	90.9	6.40	BUY	8.68	36%	3.8	3.4	0.4	0.4	7.3%	8.3%
3618 HK	CQRCB-H	47.6	2.83	HOLD	3.05	8%	3.2	3.0	0.3	0.3	9.5%	10.3%
601577.CH	BOCS-A	30.8	7.65	HOLD	8.30	8%	4.5	3.9	0.6	0.5	5.6%	6.5%
601658.SH	PSBC-A	467.2	5.12	BUY	7.07	38%	5.9	5.4	0.7	0.6	5.5%	6.0%
601939.SH	CCB-A	1,247.0	5.97	BUY	7.50	26%	4.7	4.2	0.6	0.5	6.5%	7.3%
601077.SH	CQRCB-A	40.1	3.86	HOLD	3.60	-7%	4.4	4.0	0.4	0.4	7.0%	7.5%

Source: CMBIGM estimates, Company data, Wind; Note: share prices dated back to 2 Jun

Insurance Industry

Ticker	Company	Price (LC)	Rating	PO (LC)	Upside	P/BV		Dividend yields		P/E	
						FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
2318 HK	Ping An	47.00	BUY	81.40	73%	0.8 x	0.7 x	6.5%	7.4%	6.1 x	5.4 x
2628 HK	China Life	11.96	BUY	18.18	52%	0.5 x	0.5 x	7.3%	7.9%	4.9 x	4.5 x
2601 HK	CPIC	18.20	BUY	30.49	68%	0.6 x	0.5 x	9.8%	11.1%	5.0 x	4.4 x
1336 HK	NCL	20.45	BUY	32.35	58%	0.4 x	0.4 x	9.6%	10.8%	3.2 x	2.8 x
966 HK	Taiping	8.98	BUY	11.48	28%	0.3 x	0.3 x	8.1%	9.1%	3.7 x	3.3 x
1339 HK	PICC Group	2.49	BUY	3.58	44%	0.4 x	0.4 x	9.6%	10.9%	3.6 x	3.1 x
2328 HK	PICC P&C	7.67	BUY	11.64	52%	0.7 x	0.6 x	7.5%	8.9%	5.6 x	4.7 x
6060 HK	Zhong An	25.05	BUY	33.20	33%	1.5 x	1.4 x	0.0%	0.0%	31.5 x	20.6 x
601318	Ping An	44.00	BUY	67.56	54%	0.9 x	0.8 x	5.8%	6.5%	6.9 x	6.1 x
601628	China Life	25.12	SELL	18.10	-28%	1.3 x	1.2 x	2.9%	3.1%	12.3 x	11.4 x
601601	CPIC	21.07	BUY	30.37	44%	0.8 x	0.7 x	7.0%	7.9%	6.9 x	6.1 x
601336	NCL	28.15	SELL	26.85	-5%	0.7 x	0.6 x	5.8%	6.5%	5.3 x	4.7 x
601319	PICC Group	4.64	SELL	3.72	-20%	0.9 x	0.8 x	4.3%	4.9%	8.1 x	7.1 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	0.4 x	(22.8) x	(24.9) 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	(28.6) x	(27.9) x	12.1%	12.6%	7.4%	7.5%
1336 HK	NCL	0.2 x	0.2 x	(34.3) x	(34.4) x	13.7%	14.0%	5.8%	5.5%
966 HK	Taiping	0.1 x	0.1 x	(23.5) x	(24.0) x	8.4%	8.7%	6.5%	6.4%
1339 HK	PICC Group	0.3 x	0.3 x	(70.0) x	(75.0) x	11.2%	11.8%	7.3%	7.7%
601318	Ping An	0.5 x	0.5 x	(20.3) x	(22.7) x	13.6%	14.1%	8.9%	10.3%
601628	China Life	0.6 x	0.5 x	(12.4) x	(14.3) x	11.5%	11.3%	8.4%	8.4%
601601	CPIC	0.4 x	0.4 x	(24.3) x	(24.1) x	12.1%	12.6%	7.4%	7.5%
601336	NCL	0.3 x	0.3 x	(28.8) x	(29.3) x	13.7%	14.0%	5.8%	5.5%
601319	PICC Group	0.7 x	0.6 x	(33.0) x	(39.4) 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; Note: share prices dated back to 2 Jun

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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

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