

China Financials Weekly

ST loan and special bond drive TSF beat; P&C momentum rebounded

The increase of TSF which was driven by ST loan and government bond growth, should not be treated as a key signal to confidence recovery. Asset quality will still be a key concern within the banking sector, and we suggest investors to stay away from banks with low provisions. Maintain OUTPERFORM on banking sector with PSBC (1658 HK, BUY) as the top pick at a target price of HK\$8.40. On the insurance front, we notice that top P&C insurers, i.e. PICC, CPIC, rebounded in monthly premiums momentum starting from May, primarily driven by higher growth in both auto and non-auto businesses amid easing domestic lockdowns. Looking forward, we believe the growth in June will further pick up, as the purchase tax cut is likely to simulate new car sales. We maintain PICC P&C (2328 HK, BUY) as our top pick, and we also like Ping An (2318 HK) given its ongoing proactive agency reform.

- **Growing TSF in May beat consensus, but needs improvement on further lending structure.** Increased TSF was RMB 2.79tn, +10.5% YoY (+10.2% YoY in April), beating market consensus. Loans (increased RMB 1.82tn) and government bonds (increased RMB 1.06tn) improved significantly, which contribute as key drivers of total TSF growth. However, trust loan, corporate bonds and equity financing of non-financial institutions remain muted. In our view, the improving loan scale was mainly driven by the rebound after a dramatic drop of TSF in April; and thus it should not be treated as a sign of confidence recovery in overall China's economy. In May, ST corporate loans and bill discount loans accounted for 52% of total amount of new loans, 2 pct. higher than that in April. LT loans remained stable in May. In terms of government bonds, the growth was mainly due to fiscal front-loading and requirements for accelerated issuance of special bonds. Since the special bonds were to be issued before end of June, the size of issuance is expected to exceed RMB1.6tn in June (as the quota in FY22 amounts to RMB 3.65tn, and RMB 2.03tn was issued in 5M22). Upon the completion in June, the special bonds will no longer be an engine of TSF growth in 2H22.
- **P&C momentum rebounded in May.** PICC P&C and CPIC both recorded rebounds in monthly premium income growth in May amid easing domestic COVID lockdown measures. PICC's non-auto premiums growth accelerated to 20% YoY in May, primarily driven by increases in Accident & Health business (+62% YoY), credit insurance (+144% YoY) and cargo insurance (+11% YoY), and its auto insurance premiums momentum as well returned to positive from a nearly 2% decline in April. We believe the growth in P&C auto will further pick up in June, as the purchase tax cut provides stimulus to new car sales. According to our channel check, claims rate continued to stay low, underpinning YoY improvements on insurers' underwriting margin.
- **The regulators expanded the coverage of tax-exempt health insurance policies.** The CBIRC, the MOF and the State Administration of Taxation jointly announced that they would adjust the product scope, standard clauses and guidelines of health insurance in near future. We believe the new guideline will expand current insured coverage (i.e. long-term care, health management, etc.) of tax-exempt health insurance, and subsequently increase ticket size of the products, referring to a similar trend of critical illness insurance reform.

OUTPERFORM
(Maintain)

China Financials Sector

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Stocks Covered:

Ticker	Rating	Target Price	Upside
2318 HK	BUY	81.40	74%
601318CH	BUY	67.56	53%
2628 HK	BUY	18.18	52%
601628CH	SELL	18.10	-28%
2601 HK	BUY	30.49	80%
601601CH	BUY	30.37	43%
1336 HK	BUY	32.35	57%
601336CH	SELL	26.85	-6%
966 HK	BUY	11.48	28%
1339 HK	BUY	3.58	44%
601319CH	SELL	3.72	-23%
2328 HK	BUY	11.64	45%
6060 HK	BUY	33.20	26%
1658 HK	BUY	8.40	45%
939 HK	BUY	8.10	46%
600000CH	HOLD	9.00	16%
601229CH	BUY	8.68	35%
3618 HK	HOLD	3.05	9%
601577CH	HOLD	8.30	5%
601658CH	BUY	7.07	38%
601939CH	BUY	7.50	26%
601077CH	HOLD	3.60	-8%

Source: Companydata, CMBIS estimates

Recent Reports:

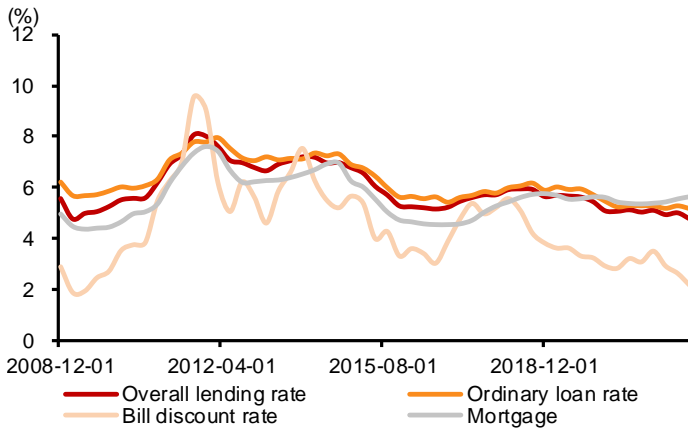
- China Insurance – P&C growth rebound; Life slow momentum into 1Q22; Prefer P&C over life insurance in 1H22 ([link](#))
- China Banking Sector – Implications of Jan LPR drop ([link](#))
- PICC P&C (2328 HK) – Auto growth pick up; Non-auto UW to improve ([link](#))
- China Banking – Looking for the safe harbour ([link](#))
- China Financials Weekly–Expect higher NPL in 2Q & 2H; P&C loss ratio improvement during COVID lockdowns ([link](#))

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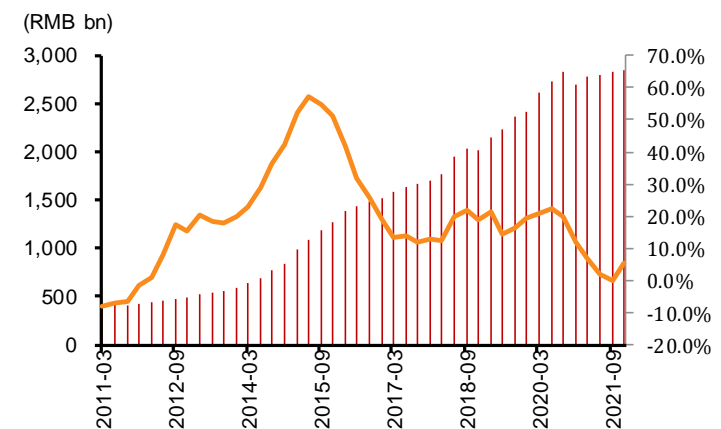
Banking Focus Charts

Figure 1: Market lending rate



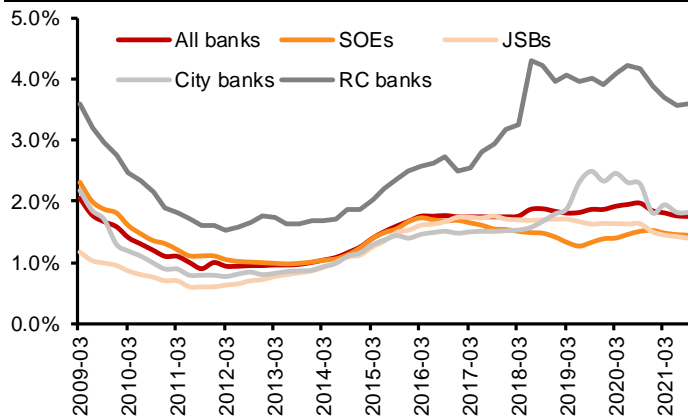
Source: Company data, CMBIGM estimates

Figure 2: Sector NPL balance and growth



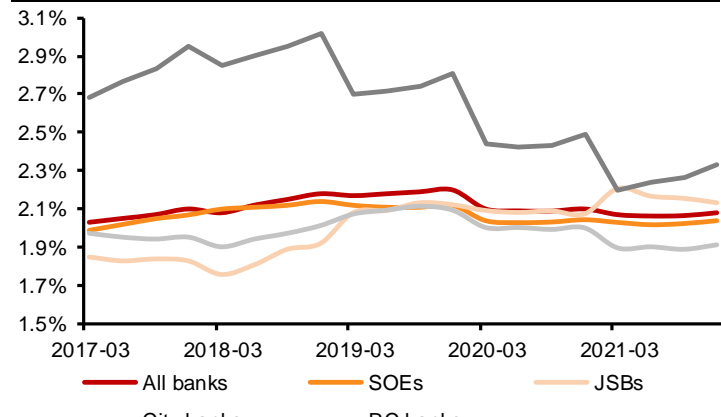
Source: Company data, CMBIGM estimates

Figure 3: Sub-sector NPL ratio



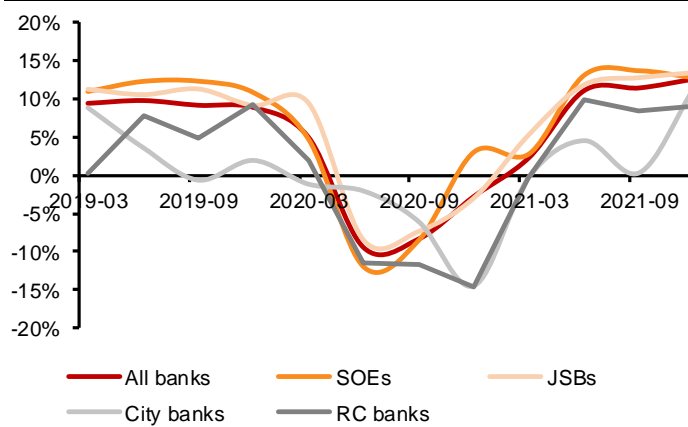
Source: Company data, CMBIGM estimates

Figure 4: Sub-sector NIM



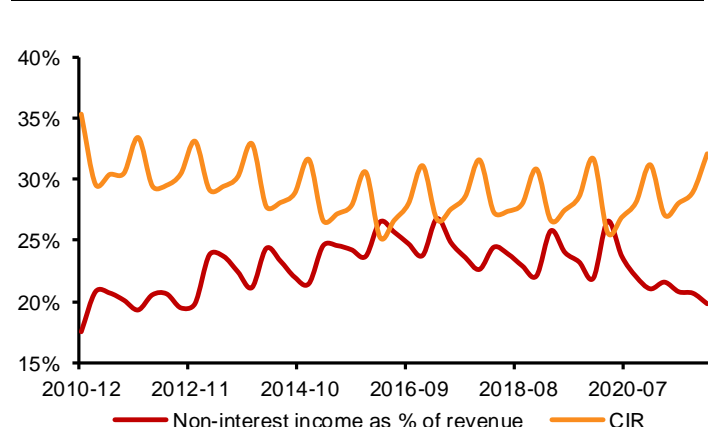
Source: Company data, CMBIGM estimates

Figure 5: Sub-sector earnings growth



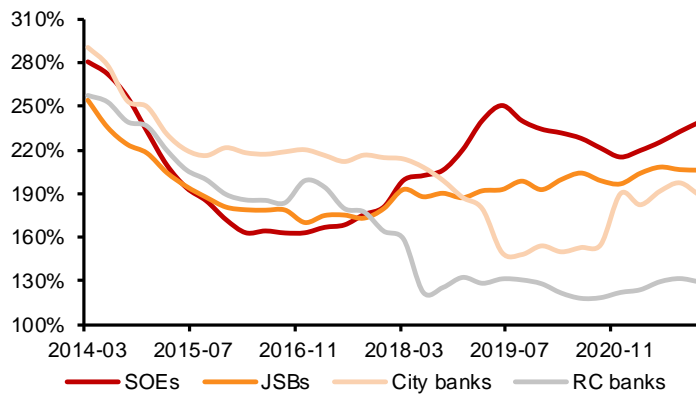
Source: Company data, CMBIGM estimates

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



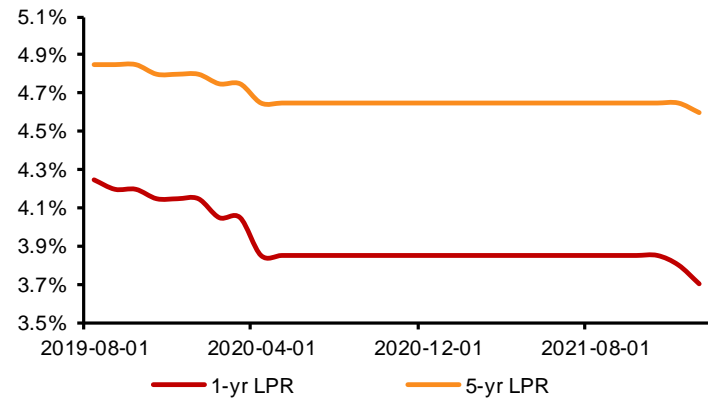
Source: Company data, CMBIGM estimates

Figure 7: Sub sector provision coverage ratio changes



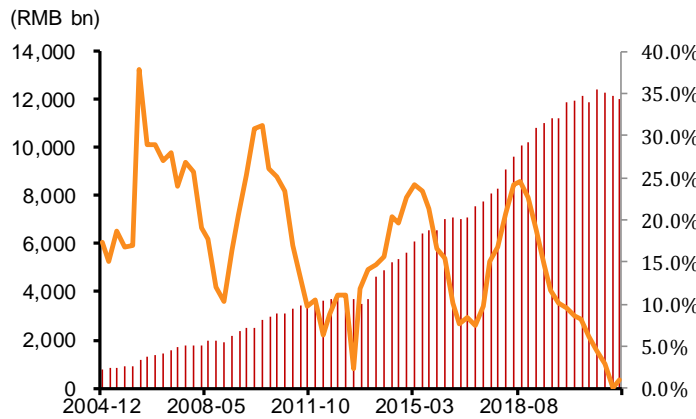
Source: Company data, CMBIGM estimates

Figure 8: Loan Prime Rate (LPR) changes



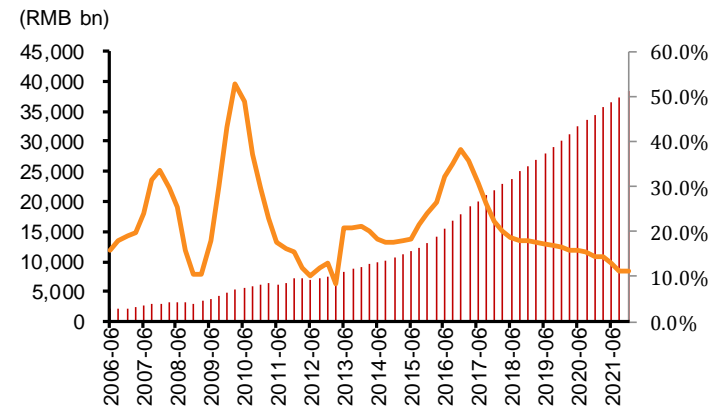
Source: Company data, CMBIGM estimates

Figure 9: Development loan balance and growth



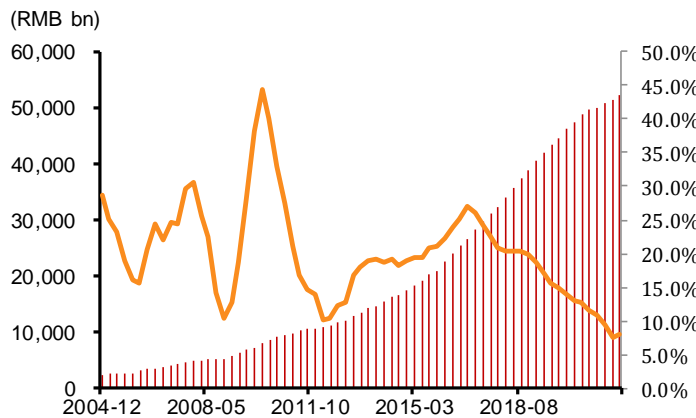
Source: Company data, CMBIGM estimates

Figure 10: Mortgage balance and growth



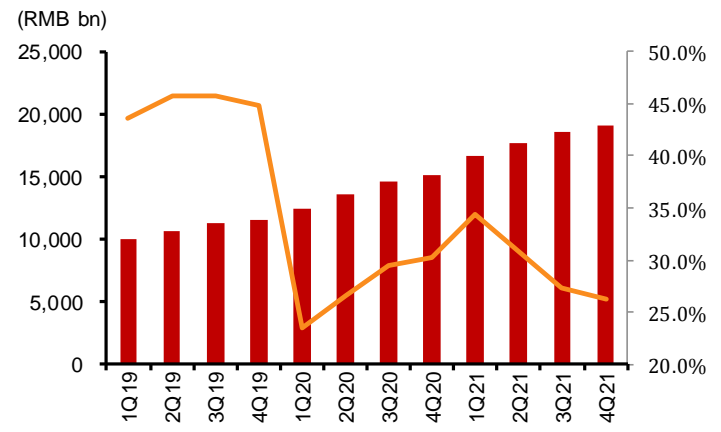
Source: Company data, CMBIGM estimates

Figure 11: All property loan changes



Source: Company data, CMBIGM estimates

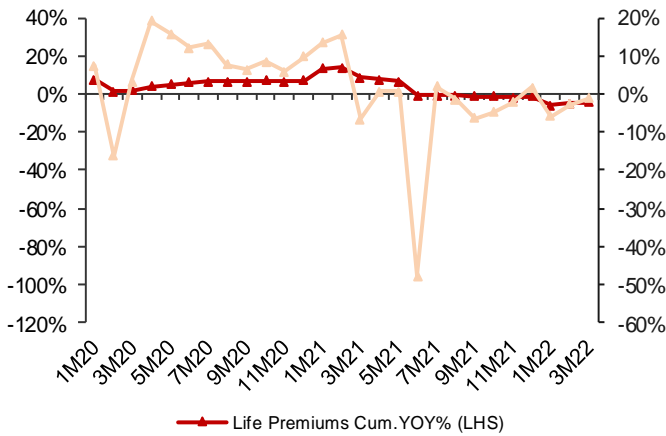
Figure 12: Sector SME loan balance changes



Source: Company data, CMBIGM estimates

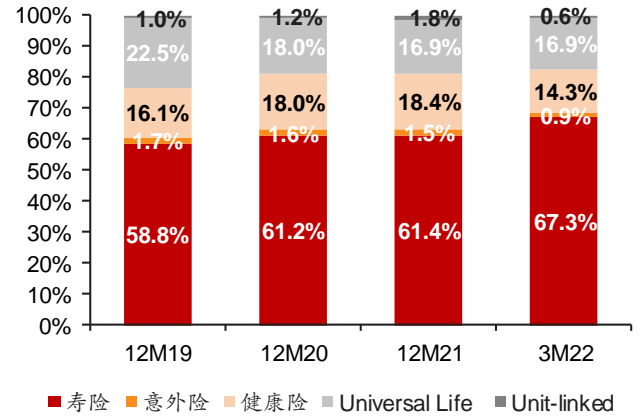
Insurance Focus Charts

Figure 1: Life Premiums Accumulative & Monthly YoY%



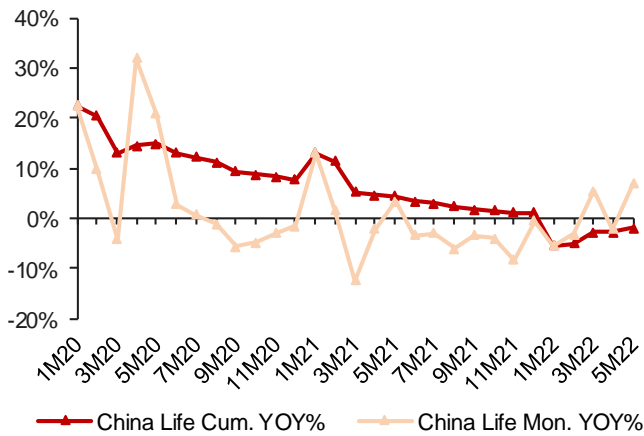
Source: Company data, CMBIGM

Figure 2: Life Premiums Mix % (FY19-FY21, 3M22)



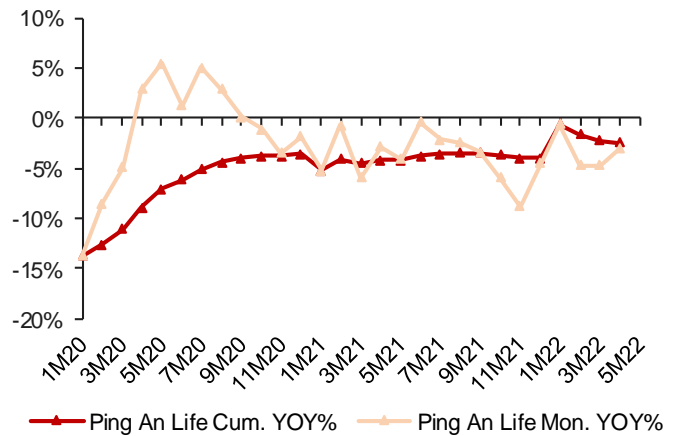
Source: Company data, CMBIGM

Figure 3: China Life (2628 HK) Premiums Cum. & Mon. YoY%



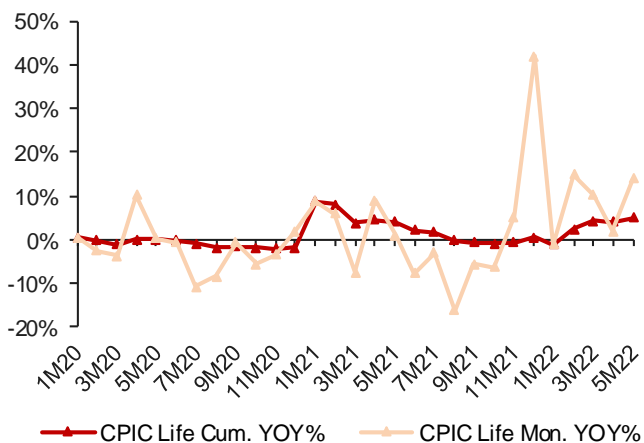
Source: Company data, CMBIGM

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



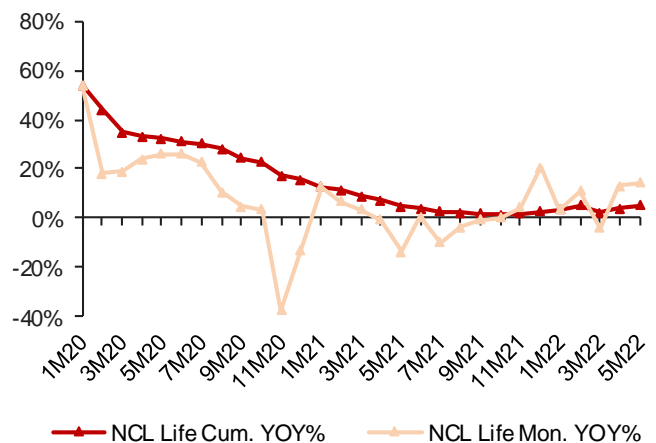
Source: Company data, CMBIGM

Figure 5: CPIC (2601 HK) Life Premiums Cum. & Mon. YoY%



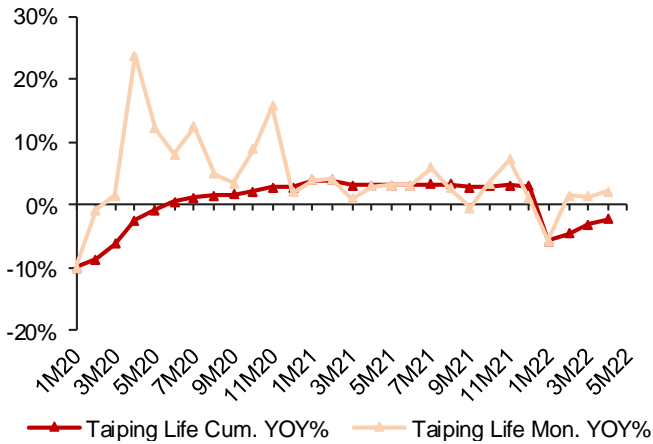
Source: Company data, CMBIGM

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



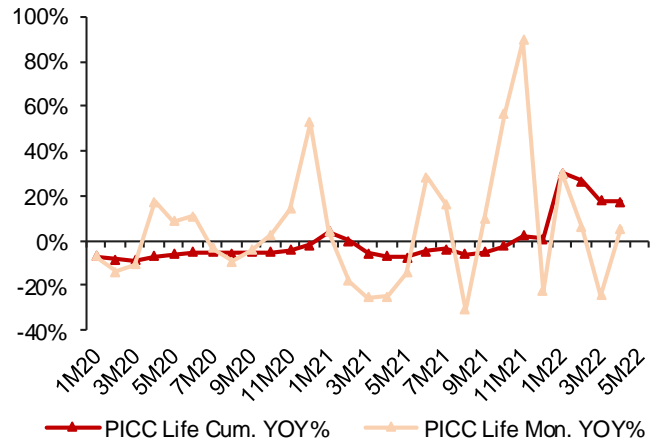
Source: Company data, CMBIGM

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



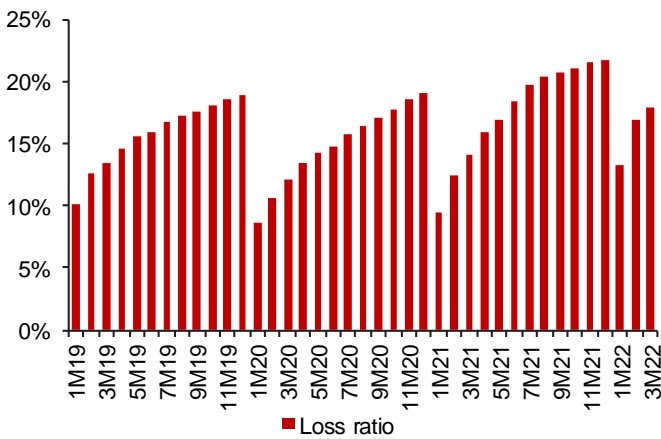
Source: Company data, CMBIGM

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



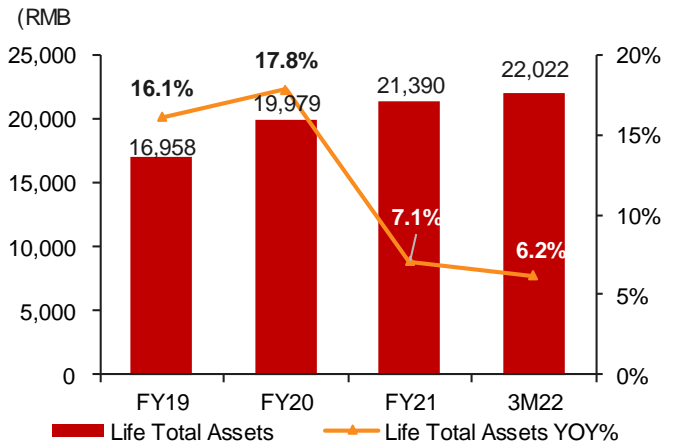
Source: Company data, CMBIGM

Figure 9: Life Insurance Industry Loss Ratio (1M19 – 3M22)



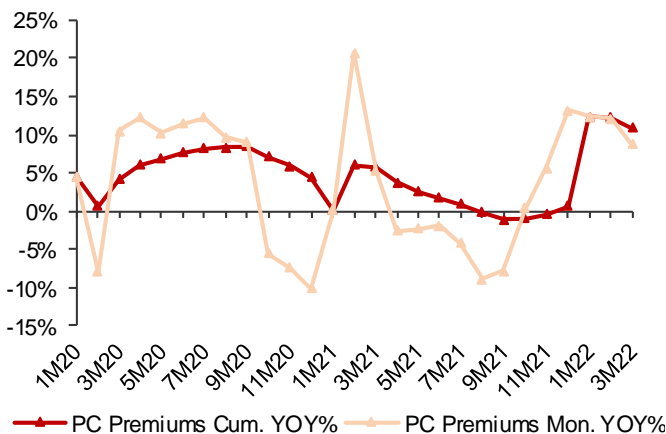
Source: Company data, CMBIGM

Figure 10: Life Industry Total Assets & YoY% (incl. 3M22)



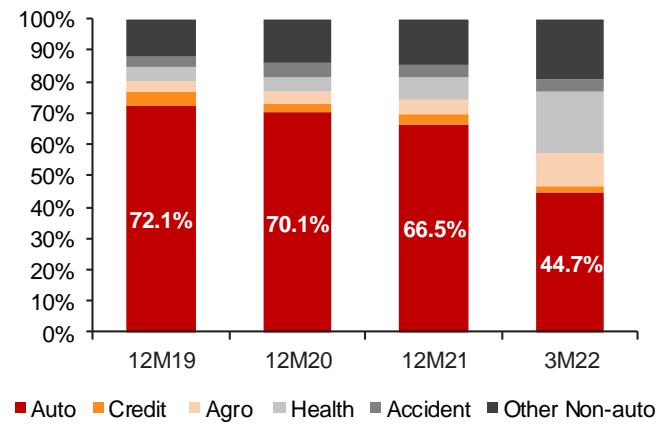
Source: Company data, CMBIGM

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



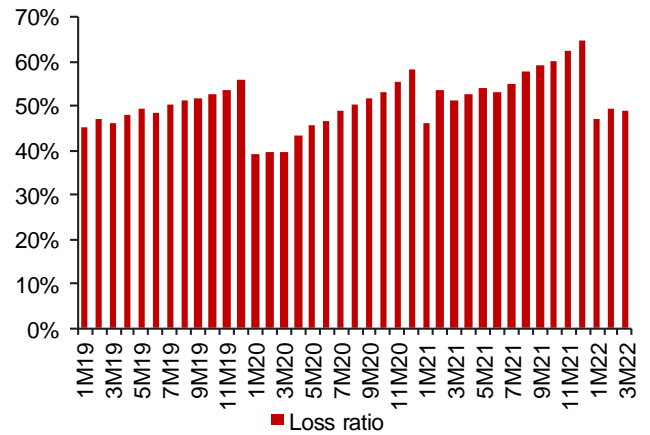
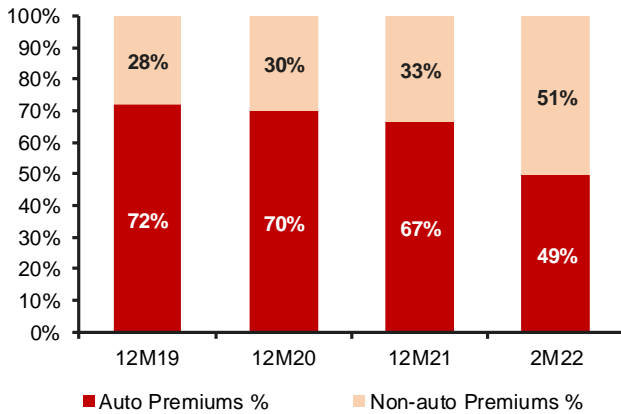
Source: Company data, CMBIGM

Figure 12: P&C Insurance Premiums Mix (%) (FY19-3M22)



Source: Company data, CMBIGM

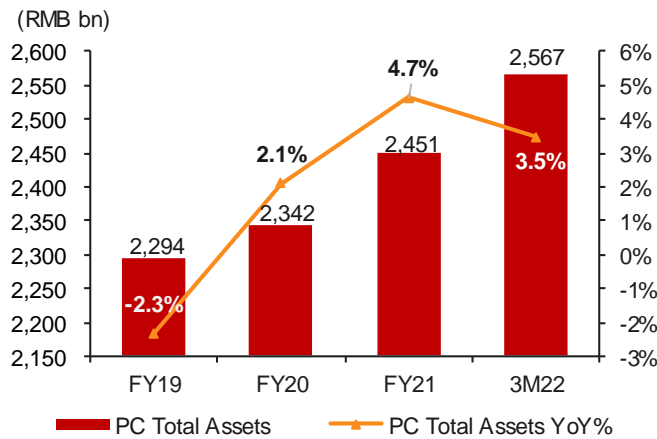
Figure 13: P&C Auto VS Non-auto Premiums Mix (incl.3M22) Figure 14: P&C Industry Loss Ratio (1M19-3M22)



Source: Company data, CMBIGM

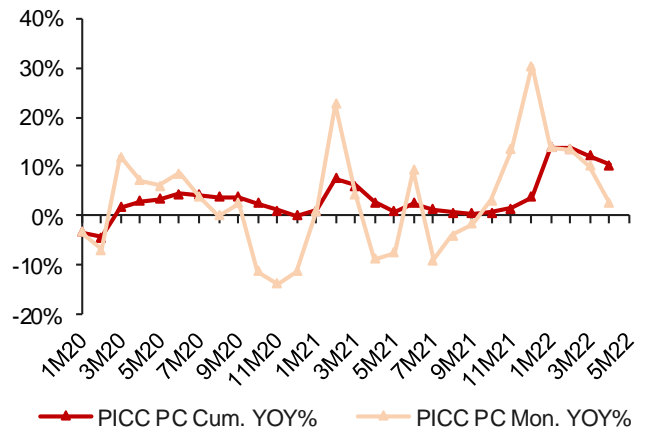
Source: Company data, CMBIGM

Figure 15: P&C Industry Total Assets & YoY% (incl.3M22)



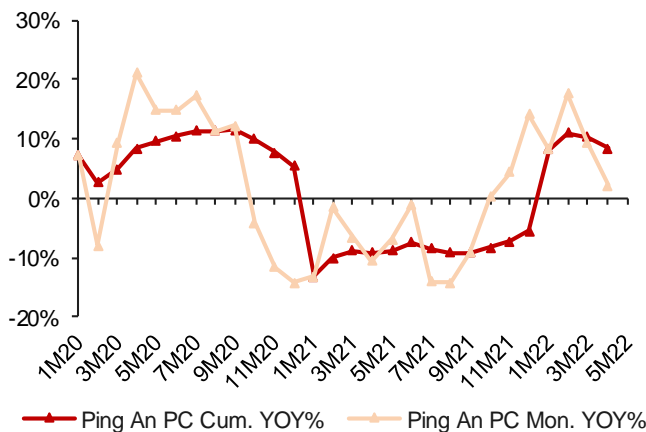
Source: Company data, CMBIGM

Figure 16: PICC PC(2328 HK) Premiums Cum.& Mon. YoY%



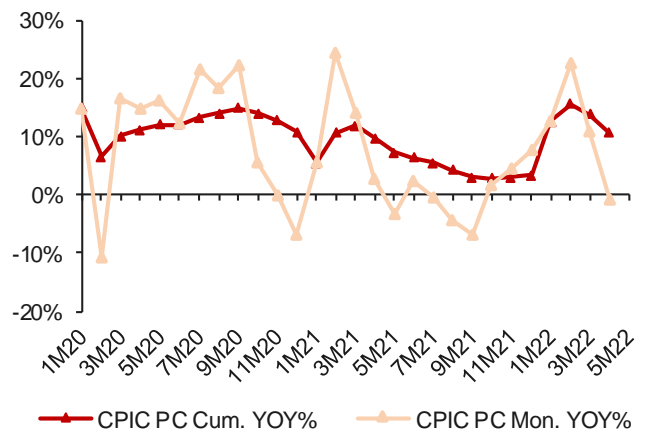
Source: Company data, CMBIGM

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



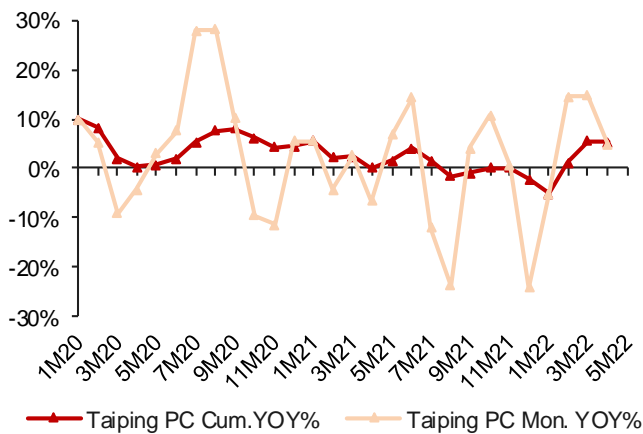
Source: Company data, CMBIGM

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



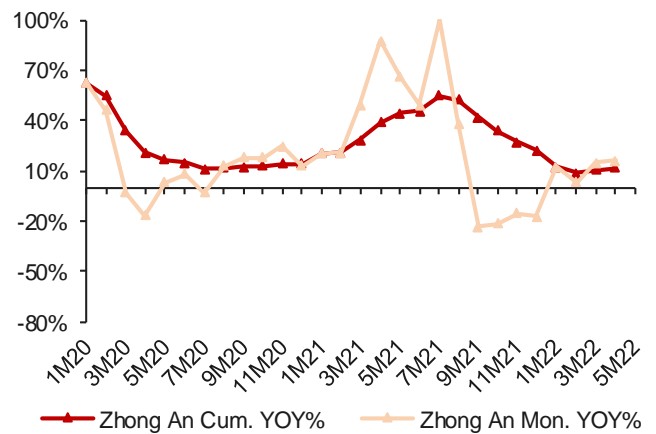
Source: Company data, CMBIGM

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



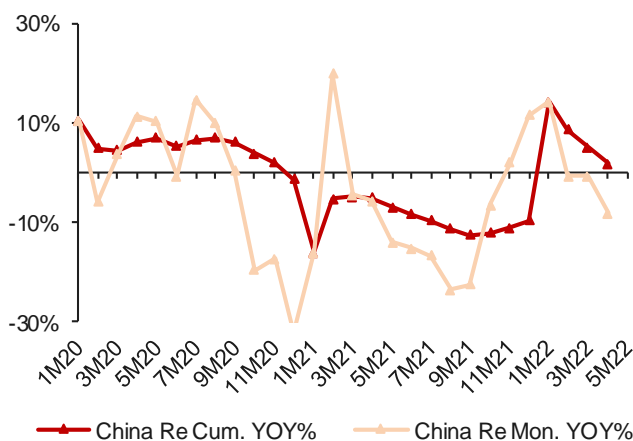
Source: Company data, CMBIGM

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



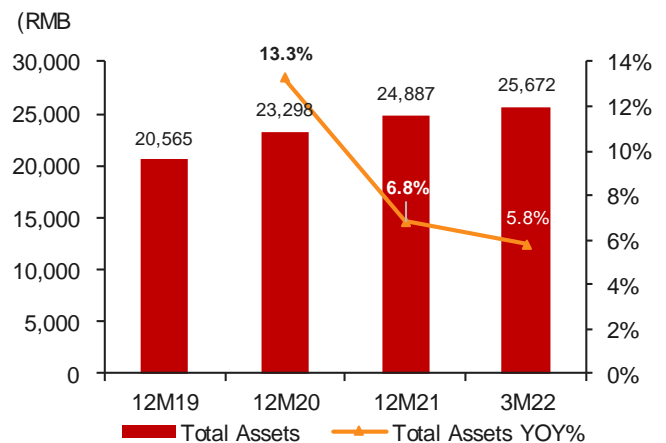
Source: Company data, CMBIGM

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



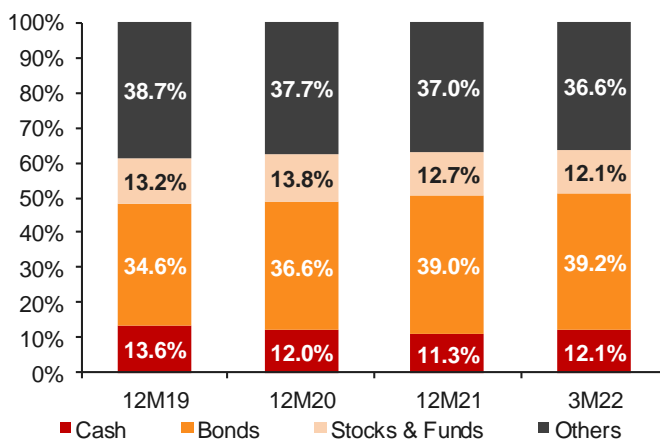
Source: Company data, CMBIGM

Figure 22: Industry – Total Assets & YoY% (FY19-3M22)



Source: Company data, CMBIGM

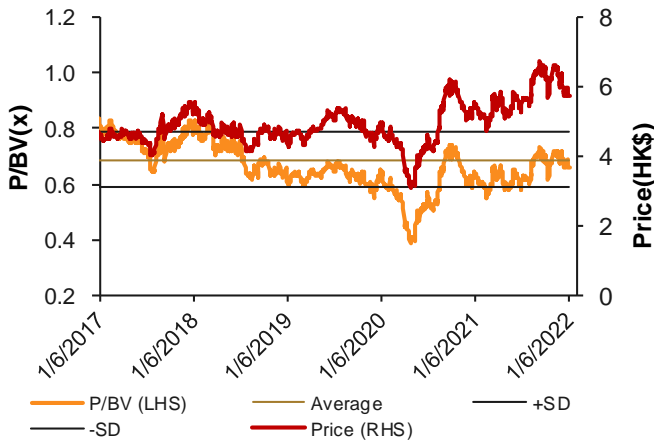
Figure 23: Industry – Investment Assets Mix% (FY19-3M22)



Source: Company data, CMBIGM

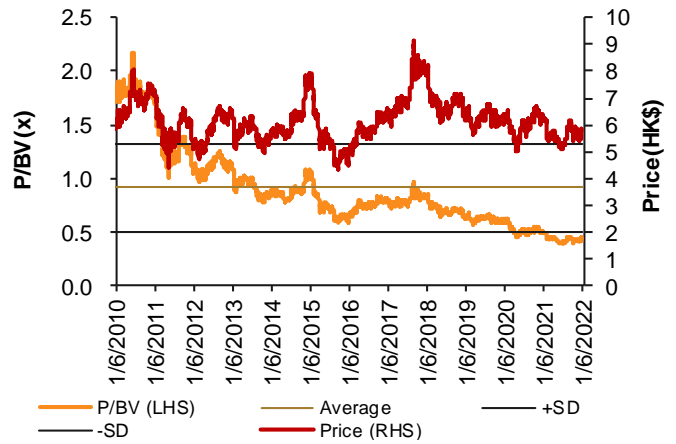
Trading Bands of PBV by banks

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



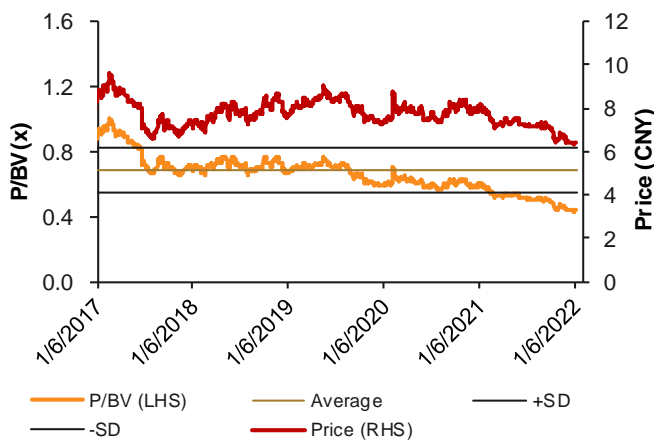
Source: Company data, CMBIGM

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



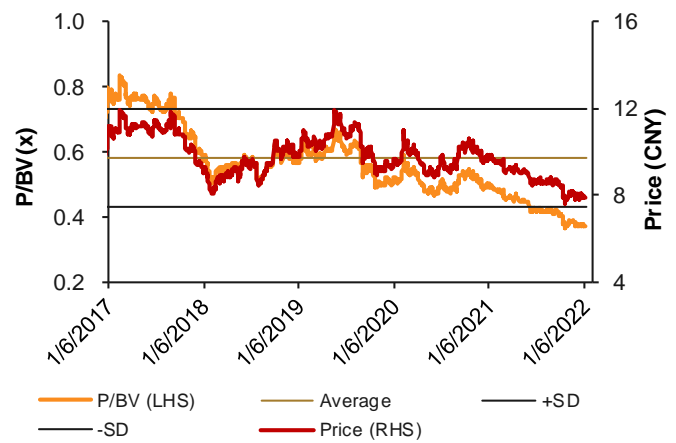
Source: Company data, CMBIGM

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



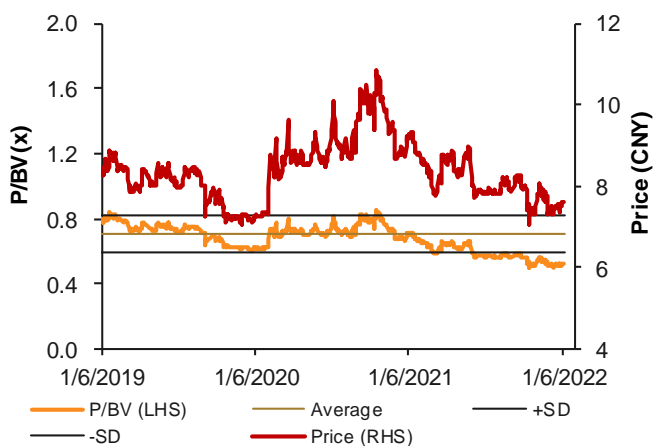
Source: Company data, CMBIGM

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



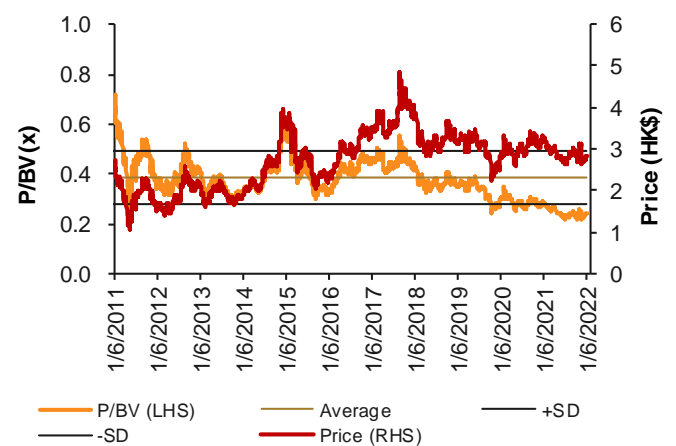
Source: Company data, CMBIGM

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



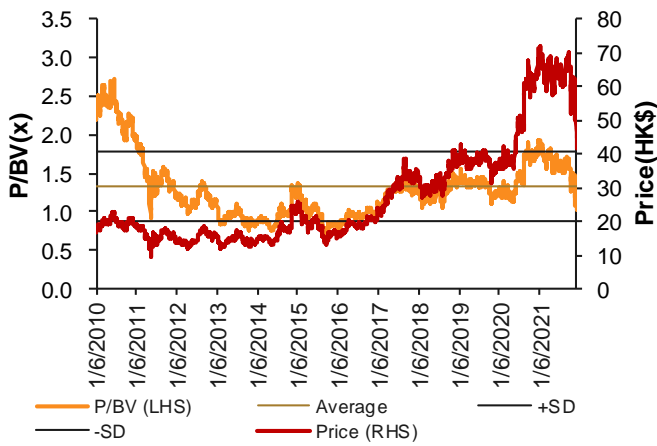
Source: Company data, CMBIGM

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



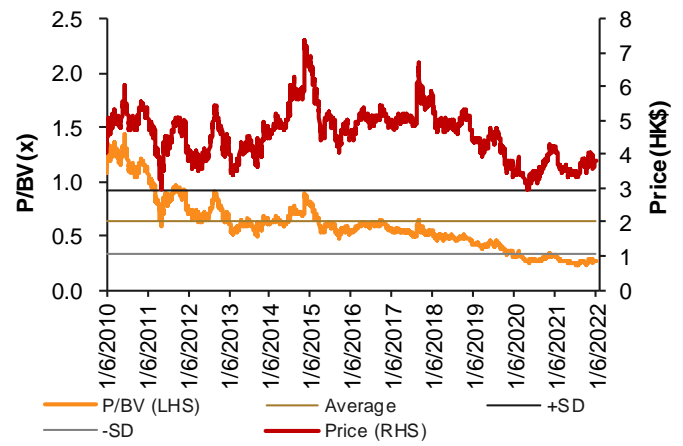
Source: Company data, CMBIGM

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



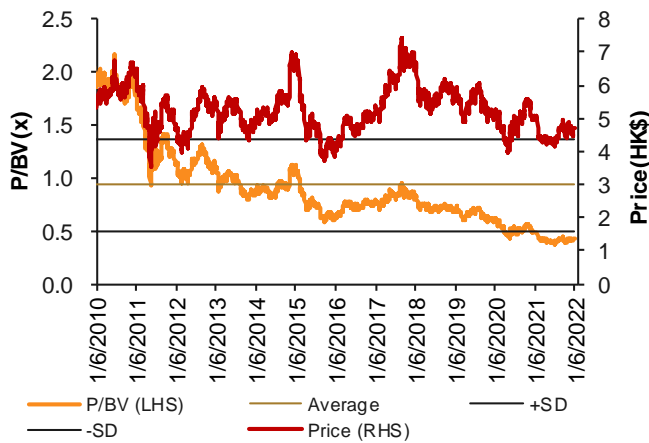
Source: Company data, CMBIGM

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



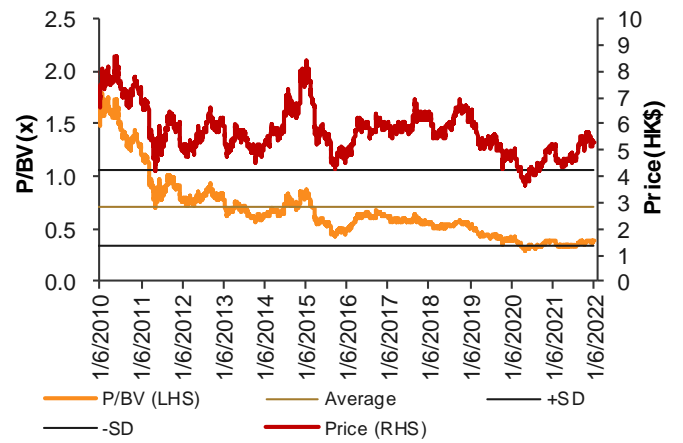
Source: Company data, CMBIGM

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



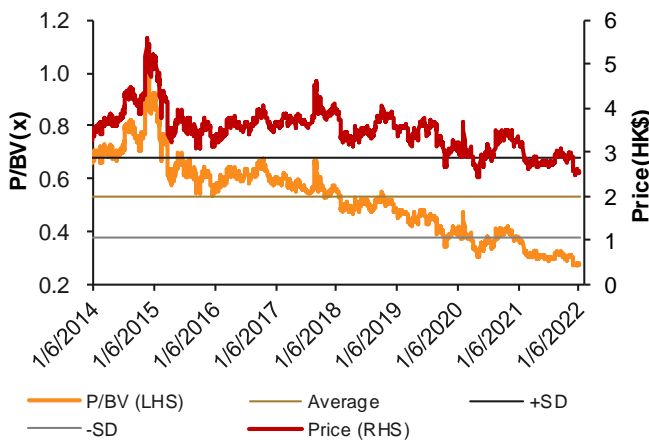
Source: Company data, CMBIGM

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



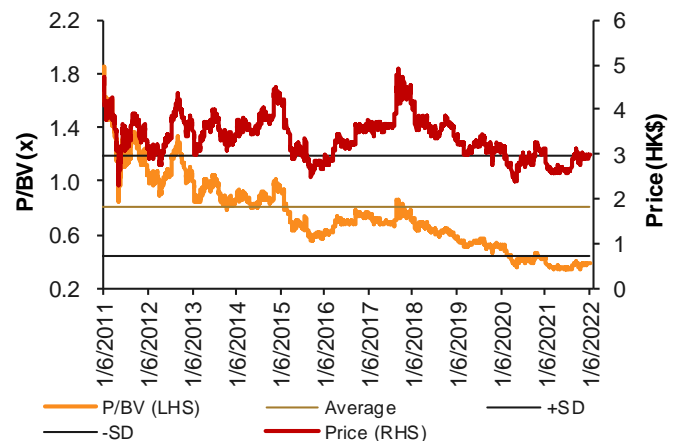
Source: Company data, CMBIGM

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



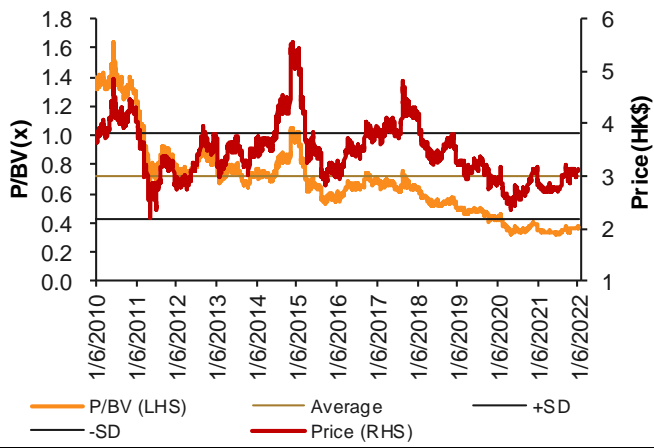
Source: Company data, CMBIGM

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



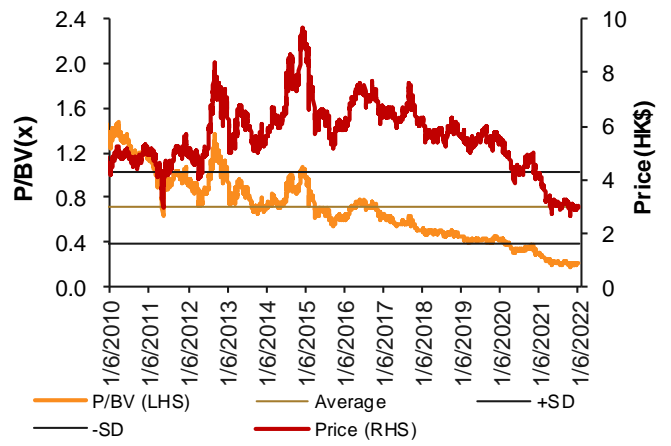
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

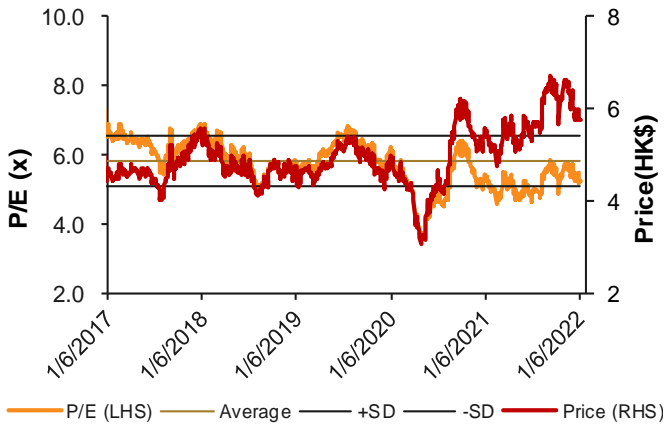
Fig.14: China Minsheng-H (1988 HK) 12-month forward P/B



Source: Company data, CMBIGM

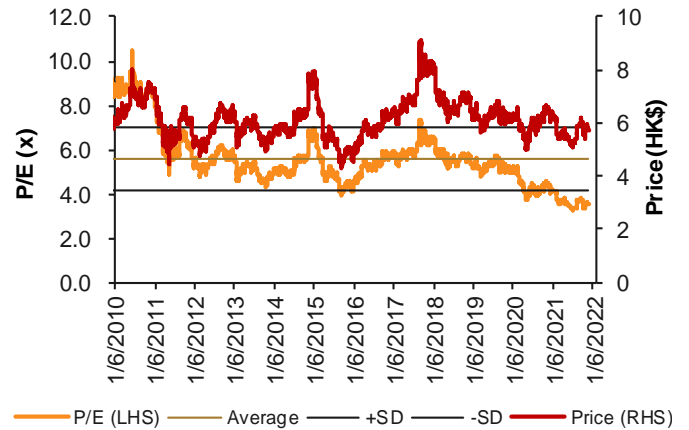
Trading Bands of PER by banks

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



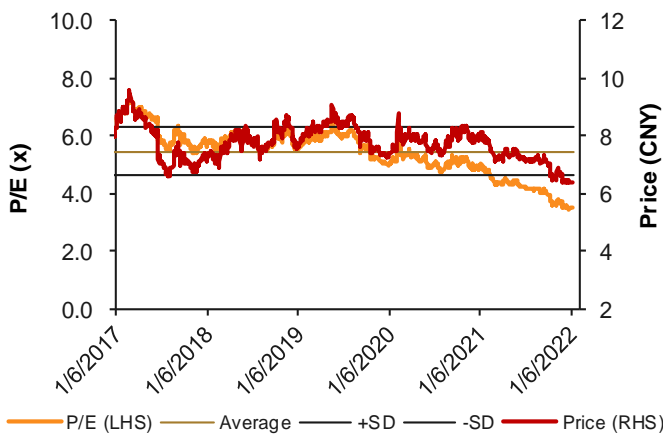
Source: Company data, CMBIGM

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



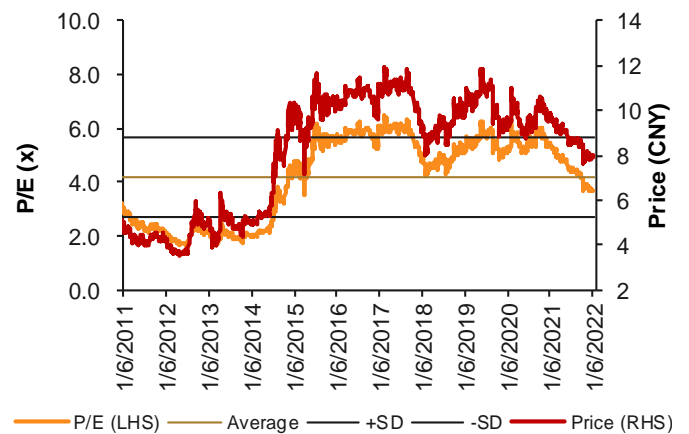
Source: Company data, CMBIGM

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



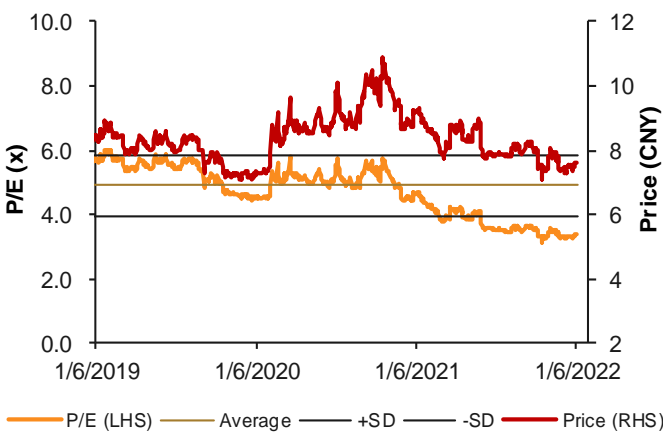
Source: Company data, CMBIGM

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



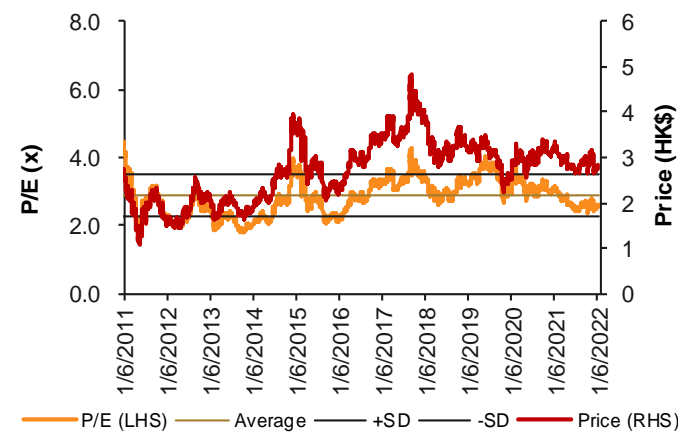
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Fig.5: Bank of Changsha (601577 CH) 12-month forward P/E



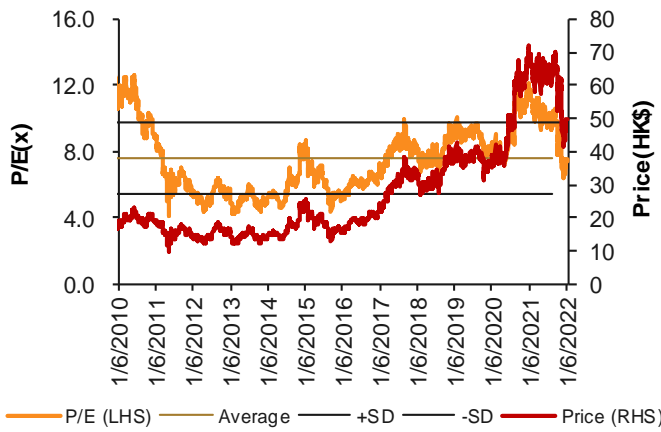
Source: Company data, CMBIGM

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



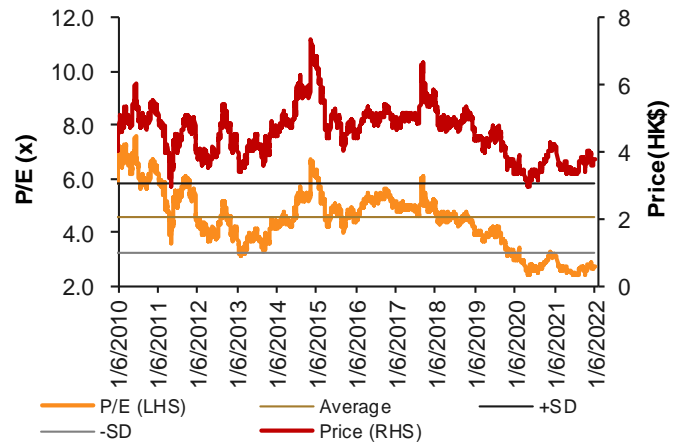
Source: Company data, CMBIGM

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



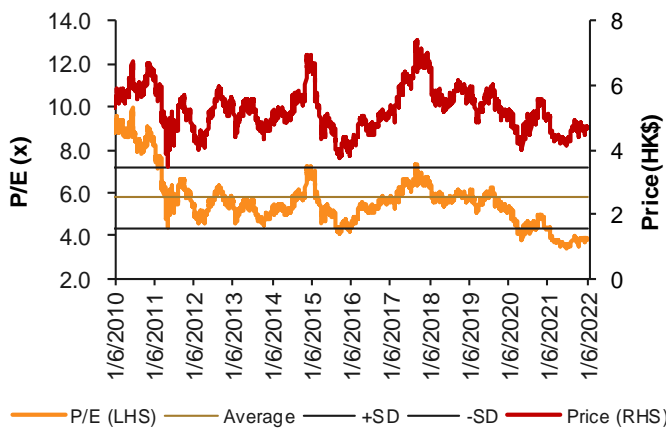
Source: Company data, CMBIGM

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



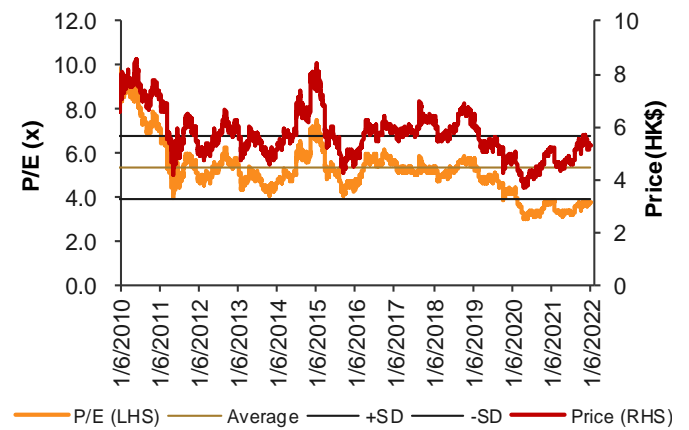
Source: Company data, CMBIGM

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



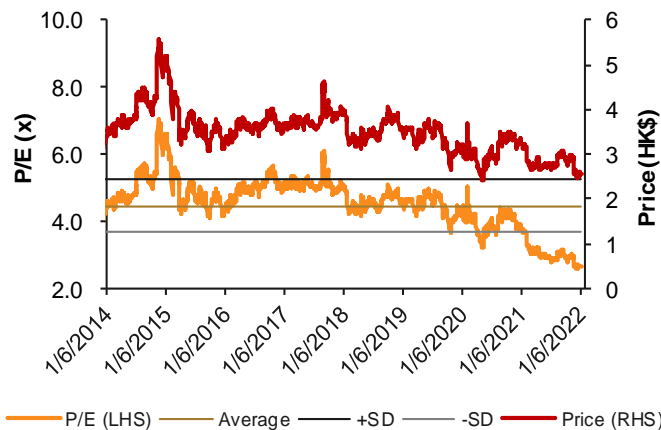
Source: Company data, CMBIGM

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



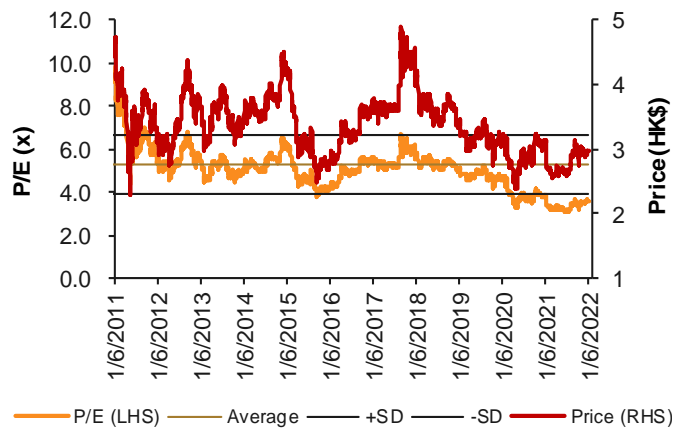
Source: Company data, CMBIGM

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



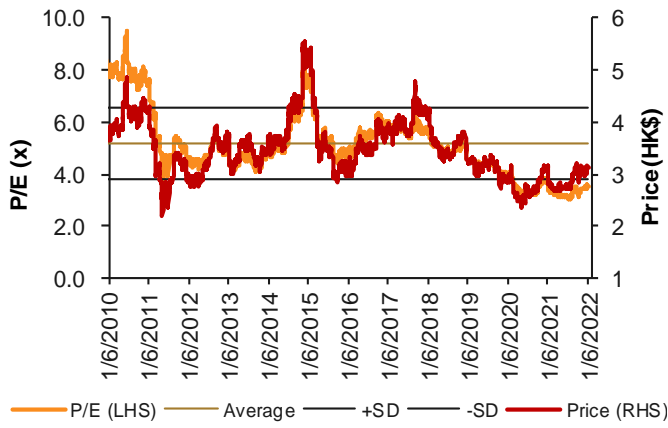
Source: Company data, CMBIGM

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



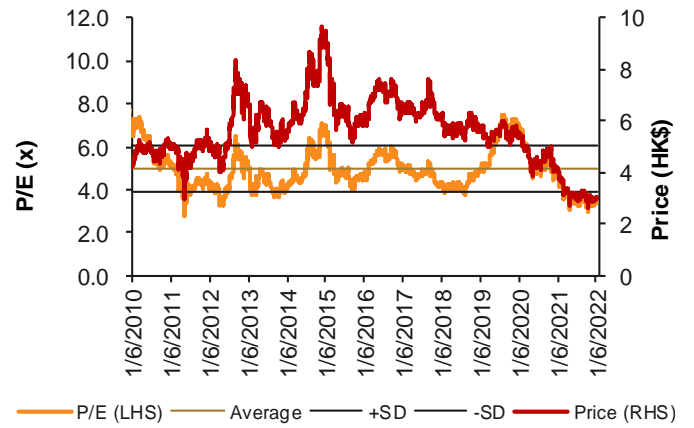
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

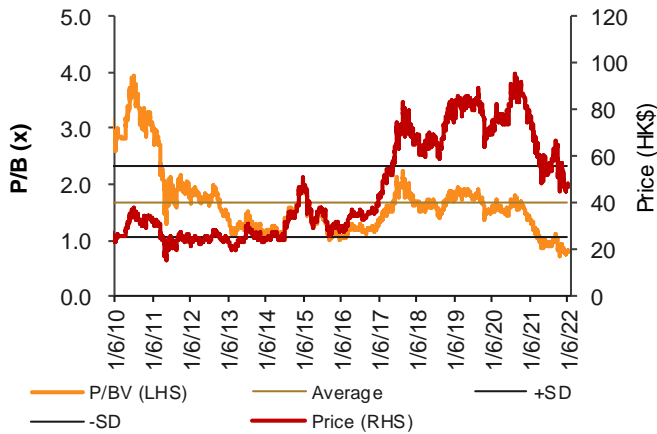
Fig.14: China Minsheng-H (1988 HK) 12-month forward P/E



Source: Company data, CMBIGM

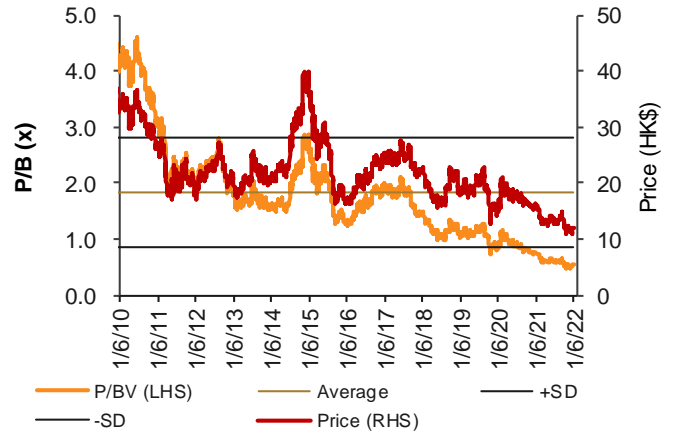
Trading Bands of PBV by insurers

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



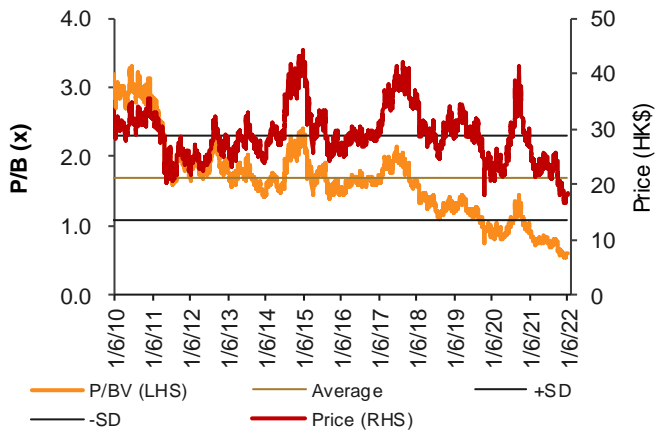
Source: Company data, CMBIGM

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



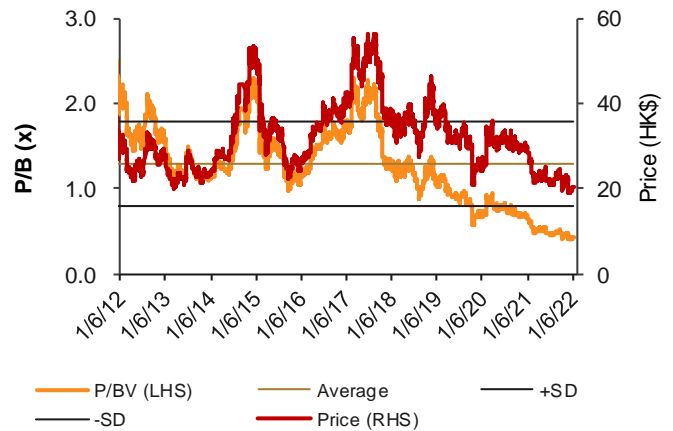
Source: Company data, CMBIGM

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



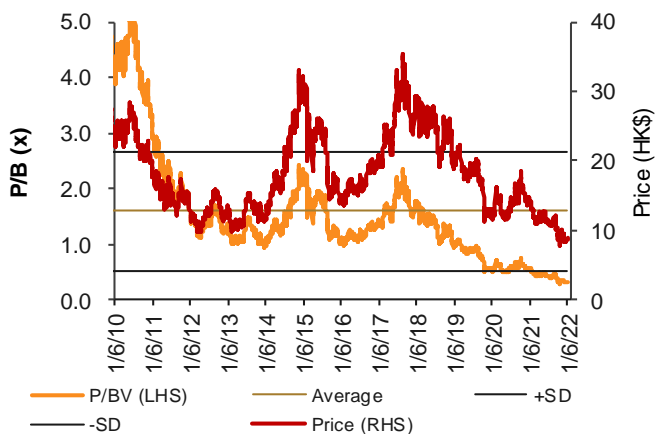
Source: Company data, CMBIGM

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



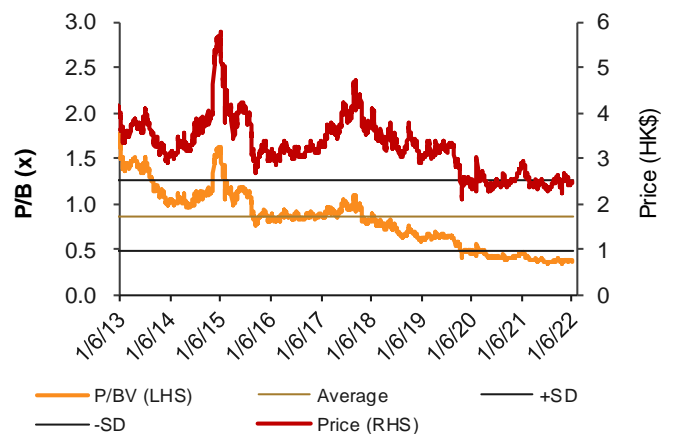
Source: Company data, CMBIGM

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



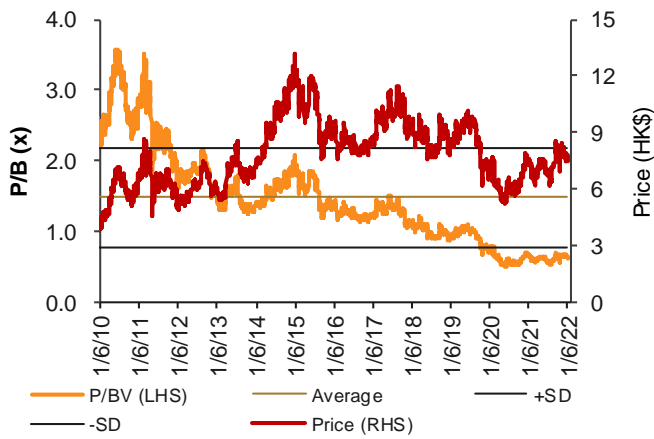
Source: Company data, CMBIGM

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



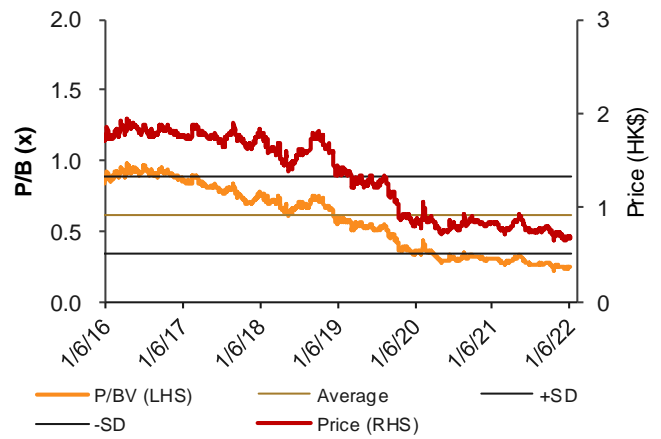
Source: Company data, CMBIGM

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



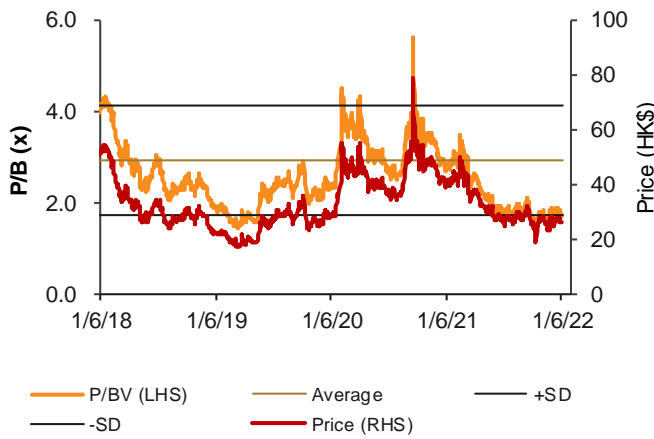
Source: Company data, CMBIGM

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



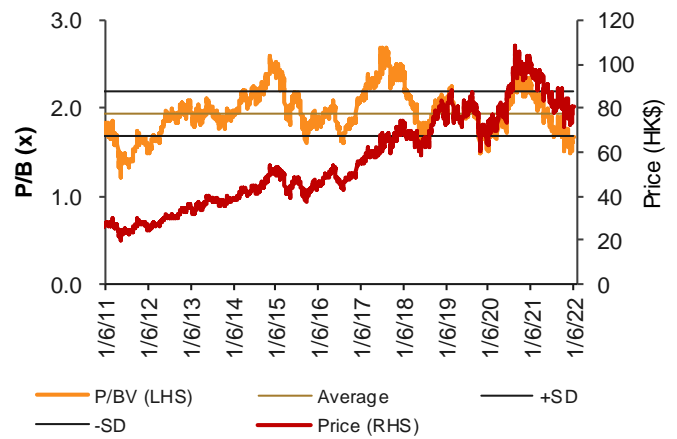
Source: Company data, CMBIGM

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



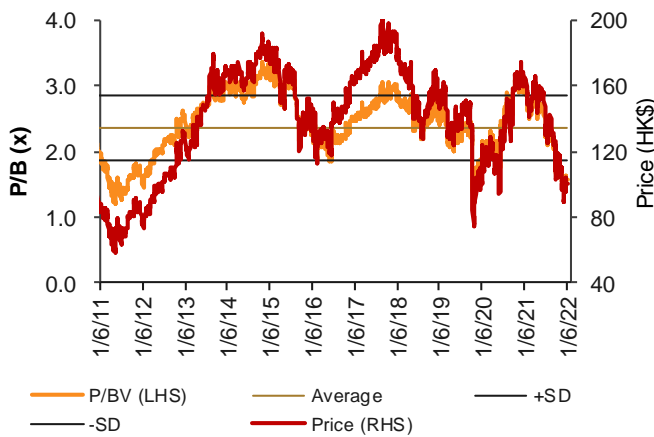
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

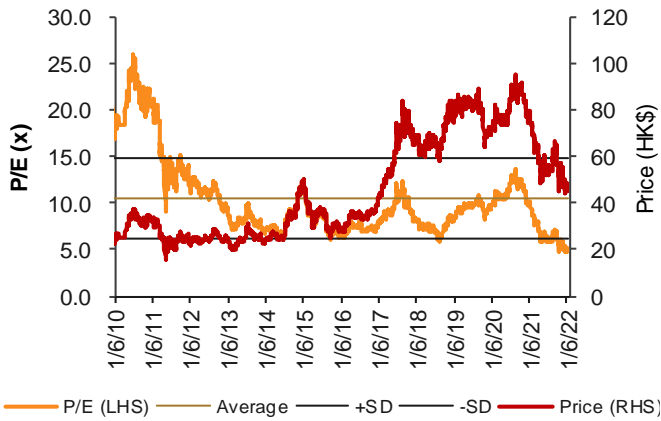
Fig.11: Prudential-H (2378 HK) 12-month forward P/B



Source: Company data, CMBIGM

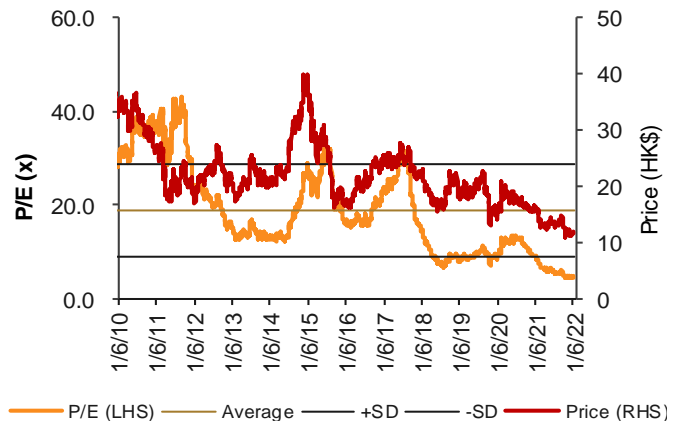
Trading Bands of PER by insurers

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



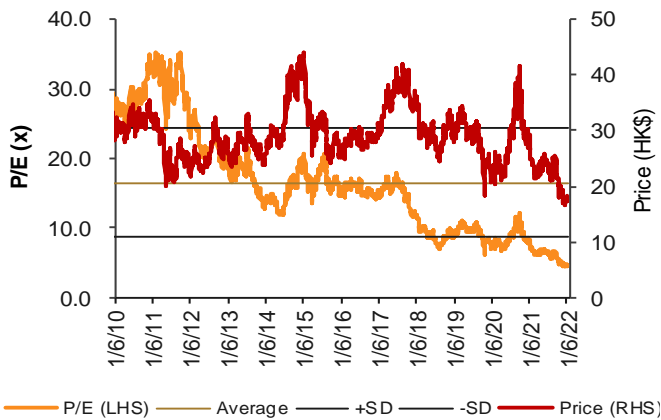
Source: Company data, CMBIGM

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



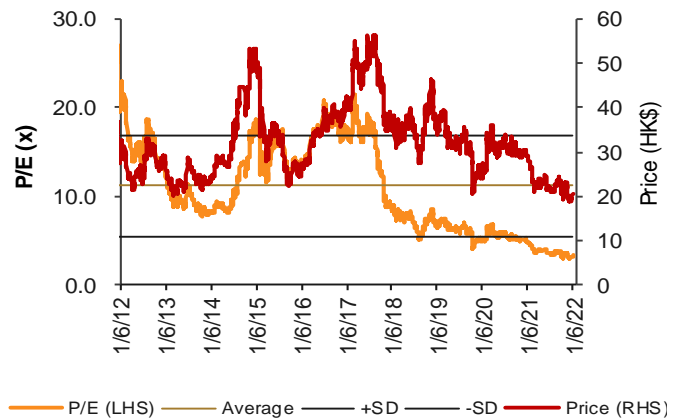
Source: Company data, CMBIGM

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



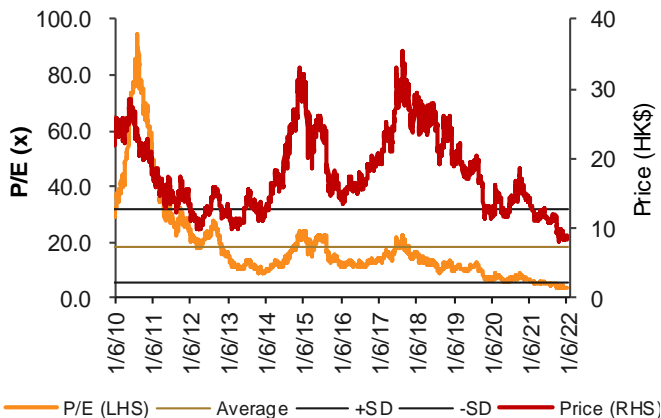
Source: Company data, CMBIGM

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



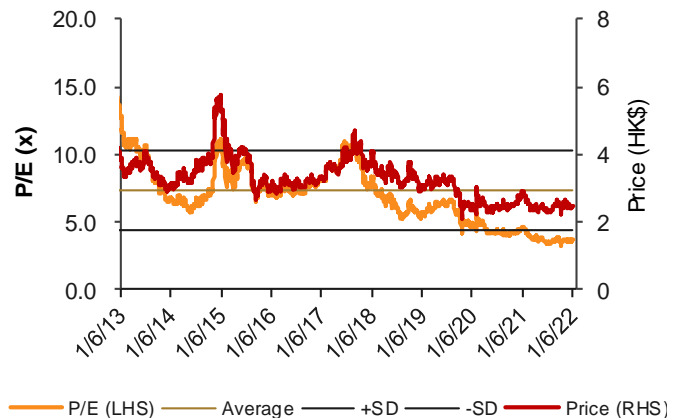
Source: Company data, CMBIGM

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



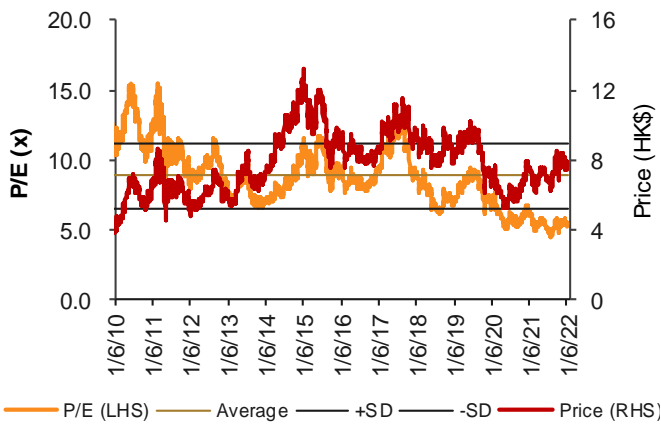
Source: Company data, CMBIGM

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



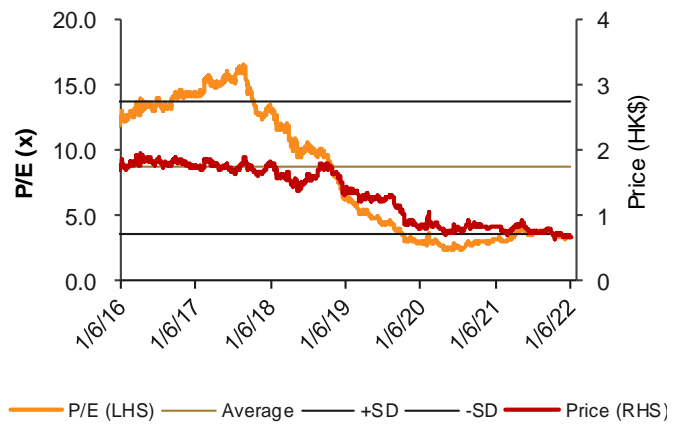
Source: Company data, CMBIGM

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



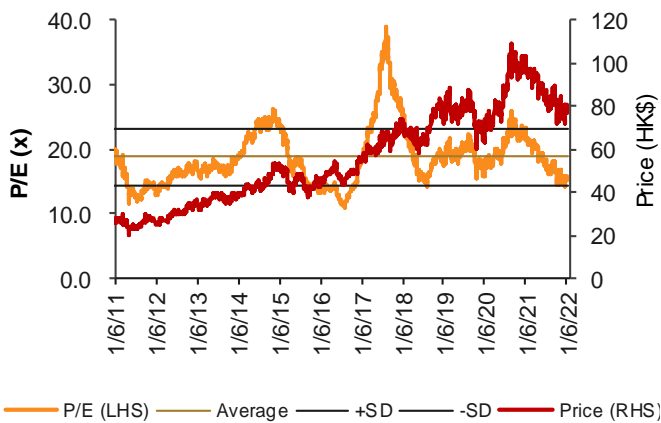
Source: Company data, CMBIGM

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



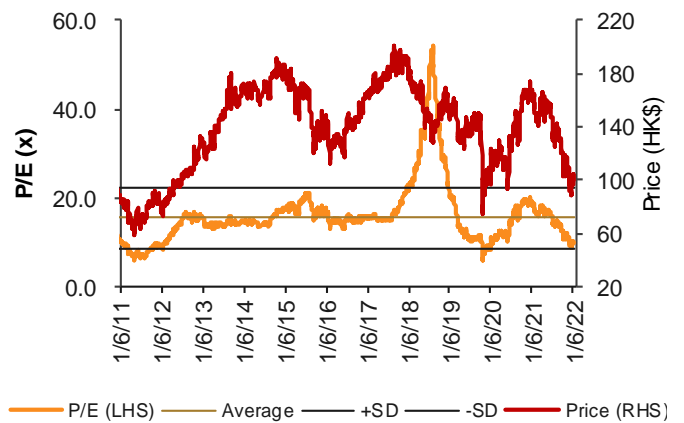
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

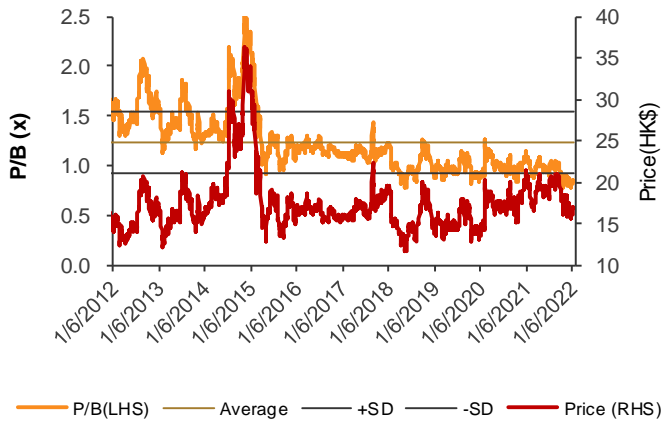
Fig.10: Prudential-H (2378 HK) 12-month forward P/E



Source: Company data, CMBIGM

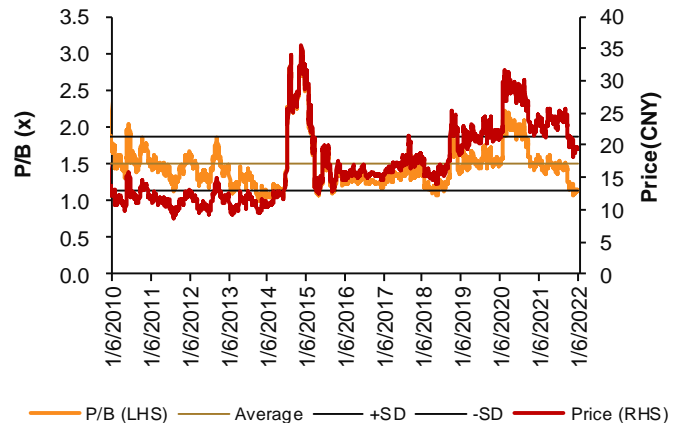
Trading Bands of PBV by brokers

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



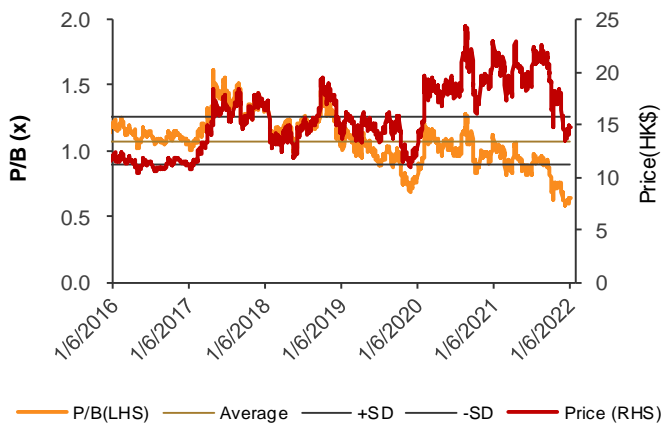
Source: Company data, CMBIGM

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



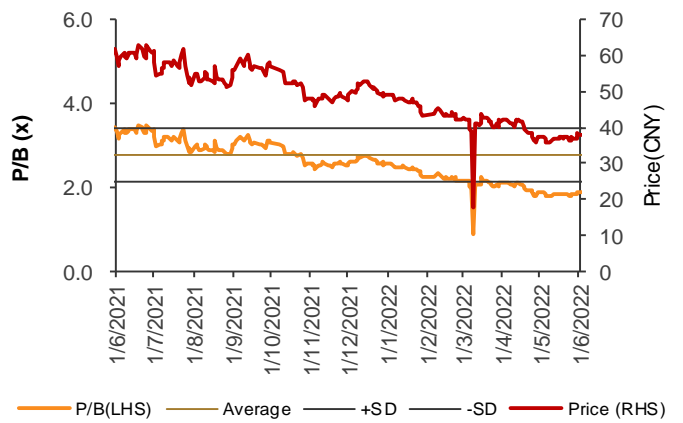
Source: Company data, CMBIGM

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



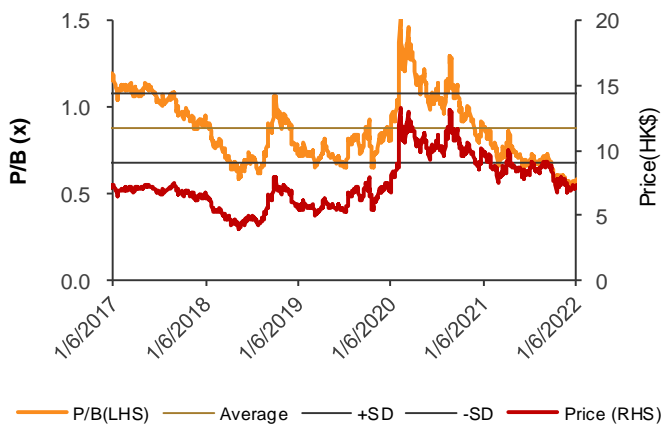
Source: Company data, CMBIGM

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



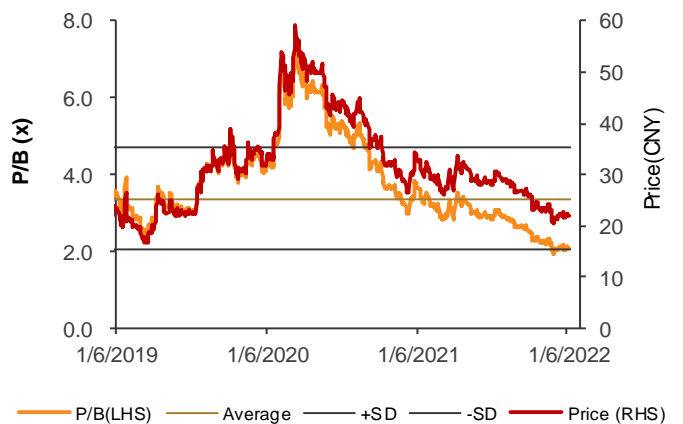
Source: Company data, CMBIGM

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



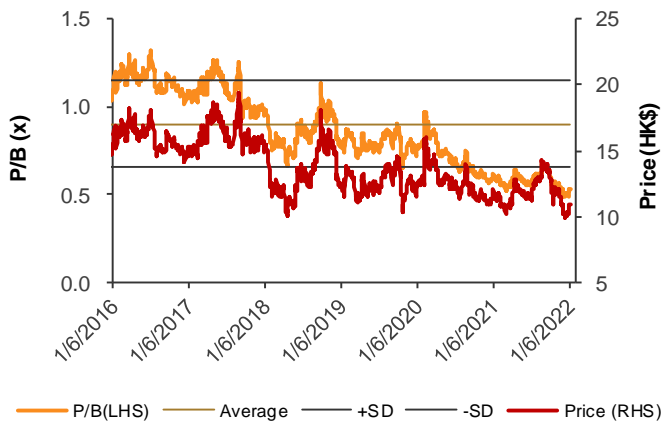
Source: Company data, CMBIGM

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



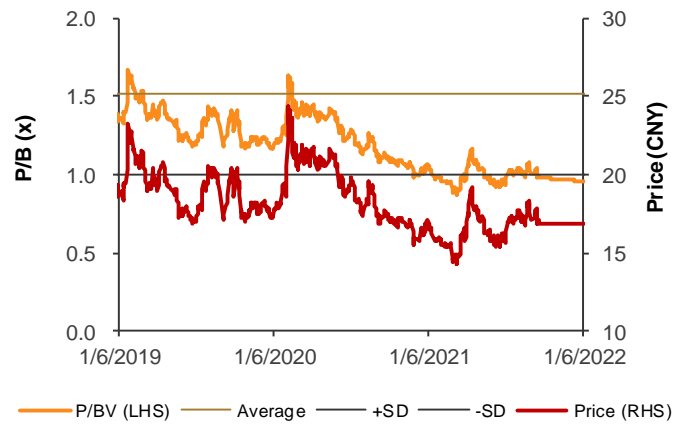
Source: Company data, CMBIGM

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



Source: Company data, CMBIGM

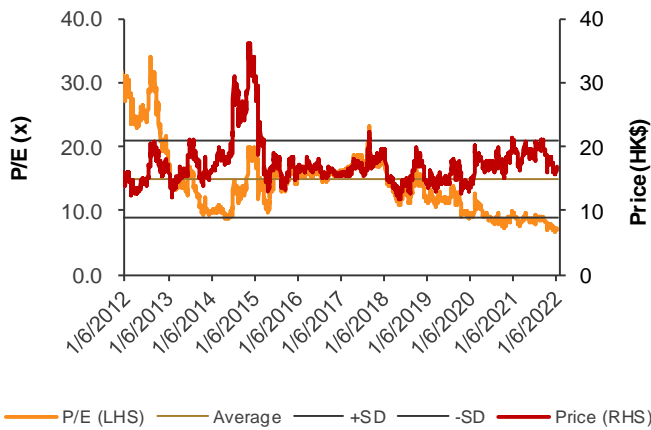
Fig.8: HUATAI SEC-CH (601688 CH) 12-month forward P/B



Source: Company data, CMBIGM

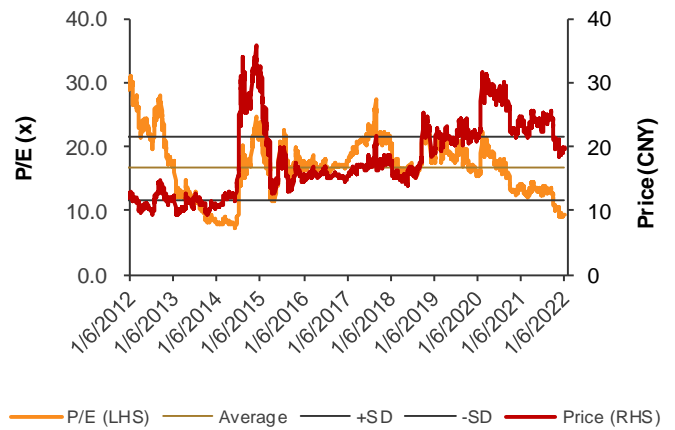
Trading Bands of PER by brokers

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



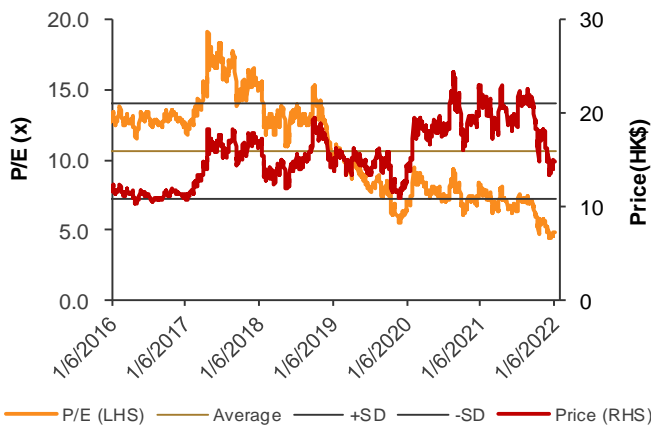
Source: Company data, CMBIGM

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



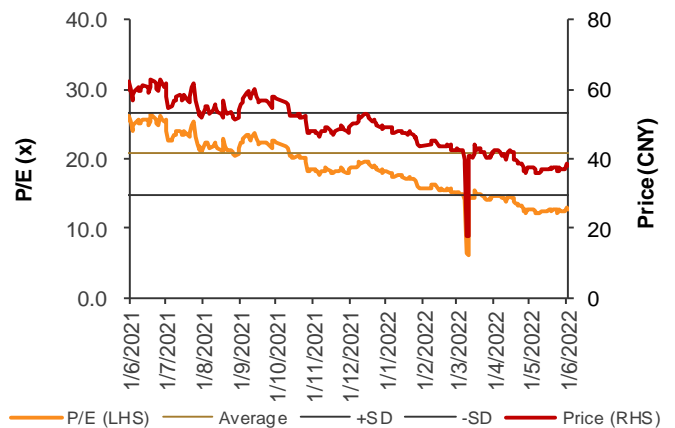
Source: Company data, CMBIGM

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



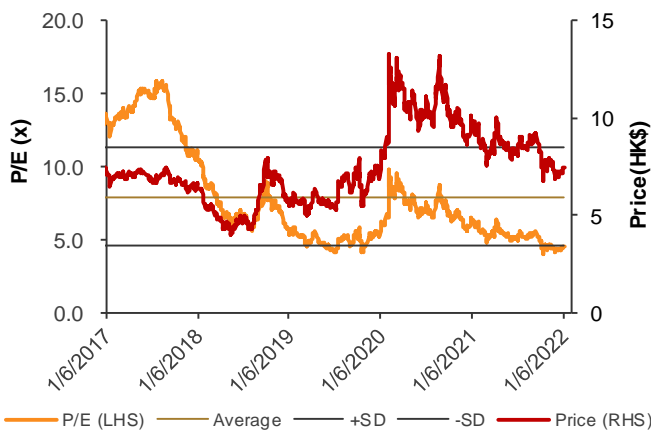
Source: Company data, CMBIGM

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



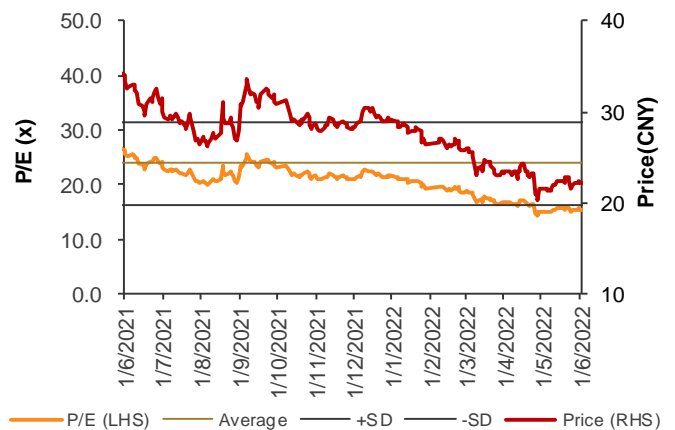
Source: Company data, CMBIGM

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



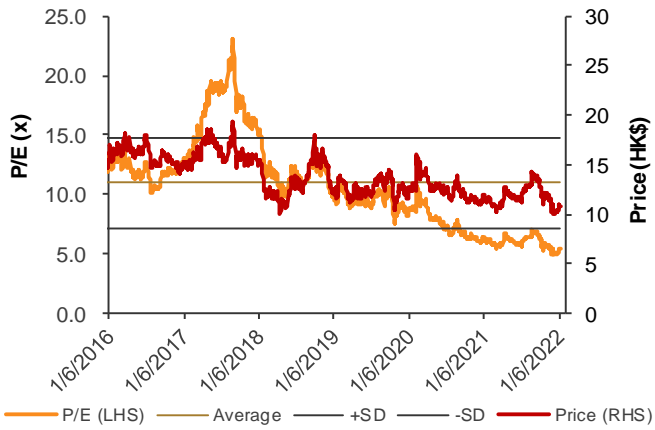
Source: Company data, CMBIGM

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



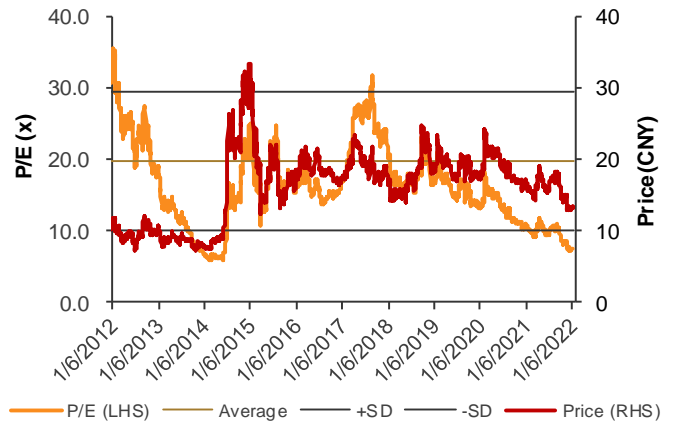
Source: Company data, CMBIGM

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	554.5	5.80	Buy	8.40	45%	6.7	6.1	0.8	0.7	4.8%	5.3%
939 HK	CCB-H	1,401.0	5.55	Buy	8.10	46%	4.3	3.9	0.5	0.5	7.0%	7.8%
600000.CH	SPDB-A	228.1	7.77	Hold	9.00	16%	4.4	4.0	0.4	0.4	5.6%	6.1%
601229.CH	BOSH-A	91.3	6.43	Buy	8.68	35%	3.9	3.4	0.5	0.4	7.3%	8.2%
3618 HK	CQRCB-H	47.6	2.80	Hold	3.05	9%	3.2	2.9	0.3	0.3	9.6%	10.4%
601577.CH	BOCS-A	31.7	7.88	Hold	8.30	5%	4.6	4.0	0.6	0.5	5.4%	6.3%
601658.SH	PSBC-A	469.6	5.13	Buy	7.07	38%	5.9	5.4	0.7	0.6	5.5%	6.0%
601939.SH	CCB-A	1,197.0	5.93	Buy	7.50	26%	4.6	4.2	0.6	0.5	6.6%	7.3%
601077.SH	CQRCB-A	40.5	3.90	Hold	3.60	-8%	4.4	4.1	0.4	0.4	6.9%	7.5%

Source: CMBIGM estimates, Company data, Wind; Note: share price dated to 13 Jun

Insurance Industry

Ticker	Company	Price	Rating	PO	Upside	P/BV		Dividend yields		P/E	
						FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
2318 HK	Ping An	46.75	Buy	81.40	74%	0.8 x	0.7 x	6.6%	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	16.98	Buy	30.49	80%	0.5 x	0.5 x	10.5%	11.9%	4.6 x	4.1 x
1336 HK	NCL	20.65	Buy	32.35	57%	0.4 x	0.4 x	9.5%	10.7%	3.2 x	2.8 x
966 HK	Taiping	8.94	Buy	11.48	28%	0.3 x	0.3 x	8.2%	9.2%	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	8.02	Buy	11.64	45%	0.7 x	0.6 x	7.1%	8.5%	5.9 x	4.9 x
6060 HK	Zhong An	26.25	Buy	33.20	26%	1.6 x	1.5 x	0.0%	0.0%	33.0 x	21.5 x
601318 CH	Ping An	44.14	Buy	67.56	53%	0.9 x	0.8 x	5.8%	6.5%	6.9 x	6.1 x
601628 CH	China Life	25.14	Sell	18.10	-28%	1.3 x	1.2 x	2.9%	3.1%	12.3 x	11.4 x
601601 CH	CPIC	21.29	Buy	30.37	43%	0.8 x	0.7 x	6.9%	7.9%	7.0 x	6.2 x
601336 CH	NCL	28.69	Sell	26.85	-6%	0.7 x	0.6 x	5.7%	6.4%	5.4 x	4.7 x
601319 CH	PICC Group	4.80	Sell	3.72	-23%	0.9 x	0.8 x	4.1%	4.7%	8.4 x	7.3 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	(22.9) x	(25.0) 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	0.2 x	(29.3) x	(28.6) x	12.1%	12.6%	7.4%	7.5%
1336 HK	NCL	0.2 x	0.2 x	(34.2) x	(34.3) x	13.7%	14.0%	5.8%	5.5%
966 HK	Taiping	0.1 x	0.1 x	(23.6) 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 CH	Ping An	0.5 x	0.5 x	(20.2) x	(22.6) x	13.6%	14.1%	8.9%	10.3%
601628 CH	China Life	0.6 x	0.5 x	(12.4) x	(14.2) x	11.5%	11.3%	8.4%	8.4%
601601 CH	CPIC	0.4 x	0.4 x	(24.1) x	(24.0) x	12.1%	12.6%	7.4%	7.5%
601336 CH	NCL	0.3 x	0.3 x	(28.6) x	(29.0) x	13.7%	14.0%	5.8%	5.5%
601319 CH	PICC Group	0.7 x	0.6 x	(30.7) x	(37.2) 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; Note: share price dated to 13 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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