

Hong Kong

ADD (no change)

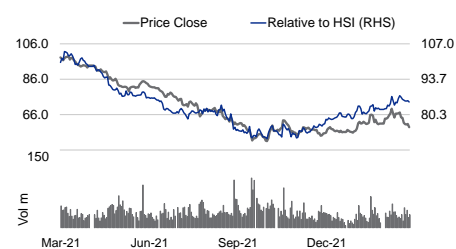
Consensus ratings*: Buy 31 Hold 3 Sell 2

Current price:	HK\$58.85
Target price:	HK\$81.00
Previous target:	HK\$83.00
Up/downside:	37.6%
CGS-CIMB / Consensus:	1.0%
Reuters:	2318.HK
Bloomberg:	2318 HK
Market cap:	US\$143,222m HK\$1,119,267m
Average daily turnover:	US\$182.4m HK\$1,422m
Current shares o/s:	18,280m
Free float:	73.1%

*Source: Bloomberg

Key changes in this note

- FY21F EPS cut by 3.7%.
- FY22F EPS cut by 2.8%.
- FY23F EPS cut by 3.0%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.4	6.3	-38.2
Relative (%)	2.7	12.4	-15

Major shareholders	% held
Shenzhen Investment Holdings Co.,	5.3
Business Fortune Holdings Limited	3.9
New Orient Ventures Limited	3.9

Analyst(s)

Michael CHANG, CFA

T (852) 2539 1323

E michael.chang@cgs-cimb.com

Ping An Insurance

Expect messy FY21F results

- We expect FY21F NBV to again be adversely impacted by negative actuarial assumption changes, which would lead to a worse yoy decline in 4Q21F.
- We also see FY21F net profit adversely impacted by further revaluation losses on its Lufax convertible bonds.
- We expect Ping An Bank to report the best performance of the group, with the worst performer being the life insurance division.
- Reiterate Add rating. Slight cut in our TP to HK\$81 on marginally lower FY21F-23F EPS and NBV estimates.

Adverse actuarial assumptions to weigh on 4Q21F NBV growth

We believe that for the second consecutive year, adverse actuarial assumption changes (relating to persistency) could worsen 4Q's new business value (NBV), with 4Q21F NBV growth yoy at -36% (3Q21: -34%; 2Q21: -42%; 4Q20: -61%) (Fig 3). Adverse assumption changes had lowered 4Q20 NBV by 20%. 1H21 persistency ratio fell to near multi-year lows (Fig 1) and Ping An had booked a Rmb6.1bn negative operating variance when reporting its 1H21 embedded value. Ping An reports its FY21 results on 17 Mar 2022.

Net profits hurt by revaluation losses on Lufax convertible bonds

We expect Ping An's FY21F net profit to be hurt by revaluation losses on its Lufax convertible bonds totaling Rmb11.4bn (9M21: -Rmb8.8bn; 1H21: -Rmb3.6bn). This follows Lufax's 19% qoq share price fall in 4Q21 (3Q21 qoq: -38%; 1H21 hoh: -20%). As Ping An classifies this item as a non-operating item, this revaluation loss would not adversely impact its dividends, which is based on operating profit. FY21F net profit is also adversely impacted by other non-operating items, including negative investment variances (largely relating to its exposure to China Fortune Land Development) as well as a negative impact to reserving expenses from declines in the life insurance discount rate stemming from a lower 750-day moving average bond yield (Fig 6).

Ping An Bank again likely to be the star performer

Ping An Bank had previously announced preliminary FY21 figures, with net profit up 25.6% yoy, and ROE rising yoy for the first time since FY14 (see [Moving onto the start of a new era](#), dated 26 Jan 2022). Similar to past results (e.g. [Life's troubles hurt strength elsewhere](#) dated 26 Aug 2021), we see the banking division as the star performer of its upcoming FY21F results, with life insurance likely to be the worst performer, in our view.

Reiterate Add; SOP-based TP falls slightly to HK\$81

Maintain Add as it trades at more than 2 s.d. below its post Dec 2016 mean for P/EV and P/BV (Figs 8 & 9). Our slightly lower TP is driven by 3-4% cuts in FY21F-23F EPS due to lower investment income and higher reserving expenses. Potential re-rating catalysts: signs of premium growth bottoming or agent numbers stabilising. Key downside risks: tech valuation multiple de-rating and longer-than-expected impact from Covid-19.

Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Gross Premium (Rmbm)	797,807	800,424	754,324	746,513	759,598
Investment And Other Income (Rmbm)	190,659	205,768	163,346	215,495	245,628
Net Premium (Rmbm)	806,450	808,136	762,257	755,376	770,352
Net Profit (Rmbm)	149,407	143,099	106,304	152,438	170,787
Normalised EPS (Rmb)	8.41	8.10	6.01	8.62	9.66
Normalised EPS Growth	39.6%	(3.7%)	(25.7%)	43.4%	12.0%
FD Normalised P/E (x)	5.68	5.92	7.96	5.55	4.96
P/NB (x)	1.48	0.91	0.05	(1.61)	(3.58)
DPS (Rmb)	2.04	2.19	2.32	2.41	2.75
Dividend Yield	4.29%	4.61%	4.88%	5.08%	5.79%
P/EV (x)	1.15	1.05	1.00	0.94	0.87
P/BV (x)	1.28	1.13	1.04	0.92	0.82
ROE	24.2%	19.8%	13.3%	17.2%	17.1%
% Change In Normalised EPS Estimates			(3.70%)	(2.84%)	(3.04%)
Normalised EPS/consensus EPS (x)			0.92	1.04	1.03

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Expect messy FY21F results

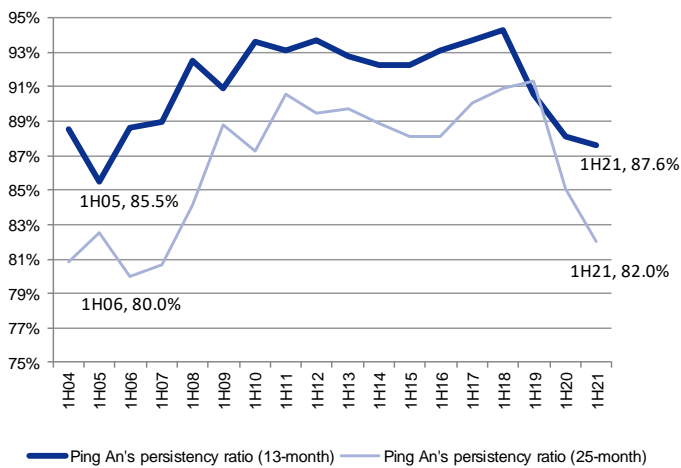
FY21F NBV and net profit impacted

Ping An reports its FY21 results on 17 Mar 2022.

We believe that for the second consecutive year, adverse actuarial assumption changes (relating to persistency) could worsen 4Q's new business value (NBV). We forecast 4Q21F NBV growth at -36% yoy (3Q21: -34%; 2Q21: -42%; 4Q20: -61%) (Fig 3).

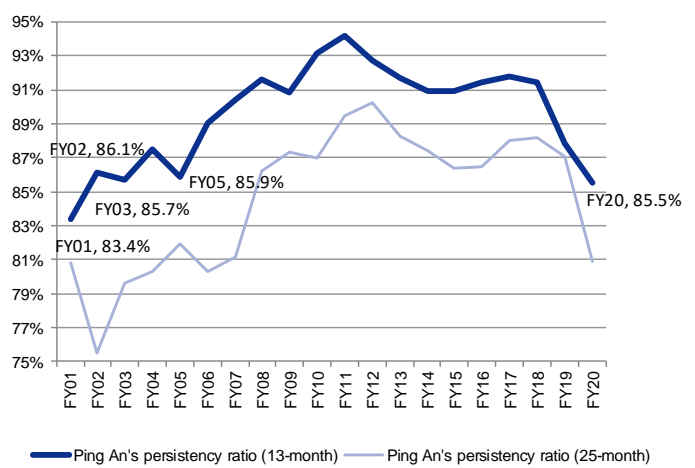
Adverse assumption changes had resulted in 4Q20 NBV being 20% lower than would otherwise have been the case. 1H21 persistency ratios are near multi-year lows (Fig 1) and Ping An booked Rmb6.1bn negative operating variance when reporting its 1H21 embedded value (EV).

Figure 1: Ping An's persistency ratio across time (first half basis)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

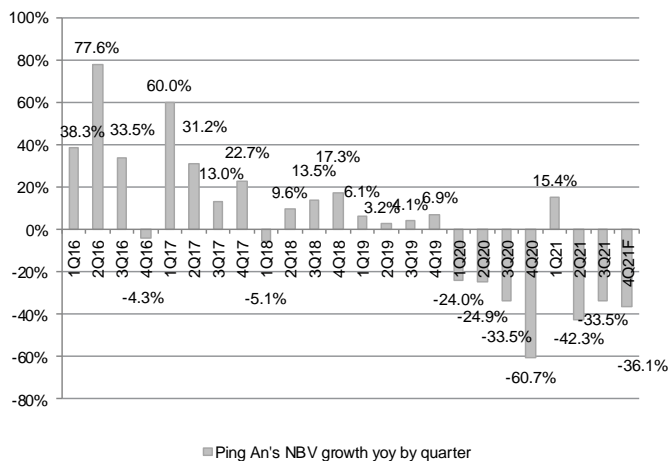
Figure 2: Ping An's persistency ratio across time (full-year basis)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

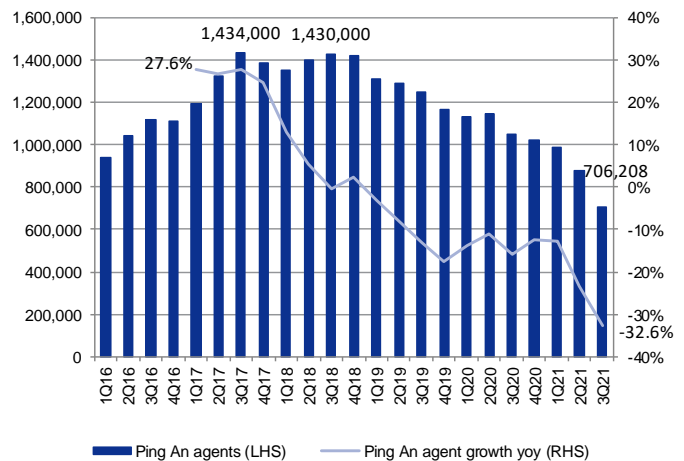
Part of the reason for Ping An's weak NBV performance is its falling agent numbers, which fell 33% yoy in 3Q21 (Fig 4) (see [Past the worst, but a long road to recovery](#), dated 27 Oct 2021).

Figure 3: Ping An's NBV growth yoy by quarter



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Ping An's agents and growth yoy



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

As we stated in [Murky waters](#), dated 17 Aug 2021, Ping An stopped releasing monthly disclosures on first year premiums (FYP), with only gross written

premiums disclosed on a monthly basis, and FYP disclosed on a quarterly basis. Individual FYP fell 9% yoy in 4Q21, an improvement from 3Q21's 12% yoy fall.

If we simplistically assume that the annuity business is primarily group insurance, the mix of individual FYP to other FYP remains constant, and that monthly persistency rates remain consistent with 1H21, we then arrive at an estimate that Ping An Life's Dec 2021 monthly individual channel's FYP rose 10% yoy, the strongest since Feb 2021 (Fig 5). We choose to focus on FYP from the individual channel rather than all channels, due to the low margins of the other channels (see [Saving ammunition for the next quarter?](#) dated 17 Jan 2022).

Figure 5: Ping An Life's first-year premium growth by segment

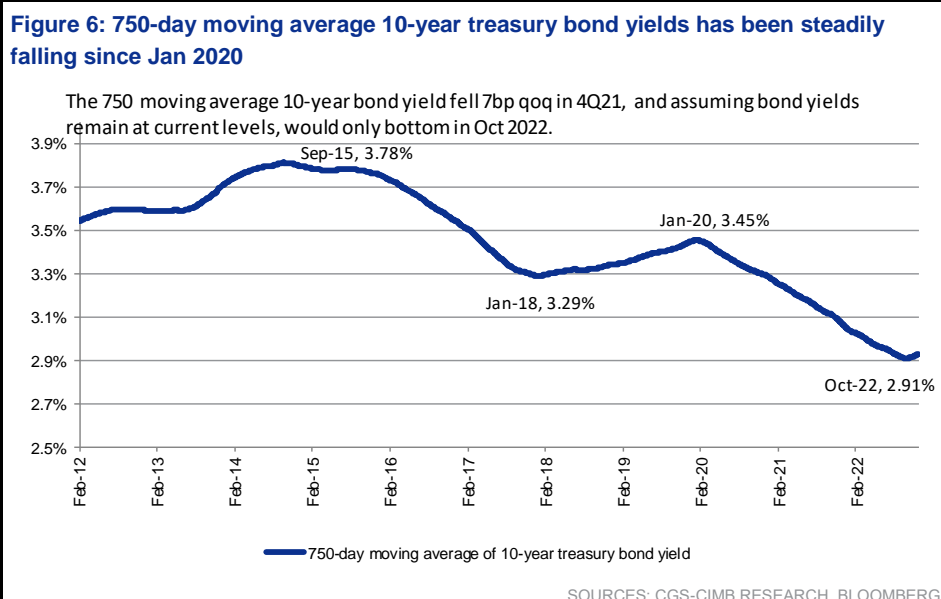
	Individual channel	Group channel	All channels		Individual channel	Group channel	All channels
Jan-18	-12%	4%	-11%	Feb-21	24%	-4%	20%
Feb-18	-16%	-33%	-18%	Mar-21	-17%	-41%	-25%
Mar-18	-11%	11%	-7%	Apr-21	-23%	-42%	-28%
Apr-18	-4%	76%	6%	May-21	-31%	-6%	-28%
May-18	9%	-3%	8%	Jun-21	-12%	-40%	-18%
Jun-18	20%	21%	20%	Jul-21F	-8%	47%	0%
Jul-18	15%	56%	19%	Aug-21F	-8%	22%	-4%
Aug-18	13%	-15%	10%	Sep-21F	-20%	-44%	-25%
Sep-18	3%	-13%	1%	Oct-21F	-15%	-19%	-16%
Oct-18	14%	-42%	7%	Nov-21F	-26%	7%	-21%
Nov-18	15%	56%	18%	Dec-21F	10%	-24%	5%
Dec-18	34%	101%	38%	Jan-21F	9%	-26%	6%
Jan-19	-20%	11%	-19%				
Feb-19	-2%	26%	1%	1H18	-6%	12%	-5%
Mar-19	1%	28%	6%	2H18	15%	12%	15%
Apr-19	0%	-19%	-4%	1H19	-9%	10%	-7%
May-19	6%	8%	6%	2H19	4%	22%	6%
Jun-19	-4%	9%	-2%	1H20	-15%	18%	-11%
Jul-19	4%	3%	4%	2H20	-26%	17%	-21%
Aug-19	-6%	73%	0%	1H21	2%	-19%	-1%
Sep-19	-5%	41%	-1%	2H21	-11%	-8%	-10%
Oct-19	-10%	100%	-2%				
Nov-19	-19%	-28%	-20%	4Q19	10%	9%	10%
Dec-19	48%	-12%	42%	1Q20	-19%	14%	-15%
Jan-20	-15%	7%	-14%	2Q20	-8%	23%	-4%
Feb-20	-29%	-13%	-27%	3Q20	-12%	14%	-8%
Mar-20	-22%	28%	-10%	4Q20	-38%	22%	-33%
Apr-20	-6%	32%	0%	1Q21	19%	-6%	15%
May-20	-4%	-13%	-5%	2Q21	-23%	-34%	-25%
Jun-20	-15%	43%	-7%	3Q21	-12%	-4%	-11%
Jul-20	-13%	-4%	-12%	4Q21	-9%	-12%	-9%
Aug-20	-11%	-18%	-12%				
Sep-20	-11%	59%	-2%	FY17	37%	-4%	32%
Oct-20	-19%	-10%	-18%	FY18	1%	12%	2%
Nov-20	-17%	72%	-10%	FY19	-4%	14%	-2%
Dec-20	-56%	29%	-51%	FY20	-20%	18%	-15%
Jan-21	31%	85%	34%	FY21	-3%	-15%	-5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS
Shaded areas are the estimated figures as Ping An no longer discloses detailed monthly statistics for these categories.
Note that Ping An has already disclosed 4Q21 and FY21 first year premiums by distribution channel.

We expect Ping An's FY21F net profit to be hurt by revaluation losses on its Lufax (LU US, Not Rated, CP: US\$6.18) convertible bonds totaling Rmb11.4bn (9M21: -Rmb8.8bn; 1H21: -Rmb3.6bn). This follows Lufax's 19% qoq share price fall in 4Q21 (3Q21 qoq: -38%; 1H21 hoh: -20%).

As Ping An classifies this item as a non-operating item, this revaluation loss would not adversely impact its dividends, which is based on operating profit. FY21F net profit is also adversely impacted by other non-operating items, including negative investment variances (largely relating to its exposure to China Fortune Land Development [600340.CH, Not Rated, CP:Rmb3.14]) as well as a

negative impact to reserving expenses from declines in the life insurance discount rate stemming from a lower 750-day moving average bond yield (Fig 6).



Changes to our forecasts

We cut our FY21F-23F EPS forecasts by 3.0-3.7%, and our FY21F-23F NBV by 1.0%. Our EPS cuts are primarily driven by lower assumptions for investment income and higher assumptions for insurance-related expense (Fig 7).

We now forecast NBV to fall 20.2% (previously 19.4%) in FY21F, driven by a decline in first-year premiums (FYP) and NBV margin compression. As Ping An's NBV had expanded 15.2% in 1Q21, but fell 42.3% yoy in 2Q21 and 33.5% yoy in 3Q21, we expect its 4Q21F NBV to shrink 36.1% (previously 30.1%) yoy, given that the FYP (annualised premium equivalent) of the individual channel had declined 8.9% in 4Q21, albeit an improvement from 3Q21's 12.3% yoy fall.

We forecast NBV to fall 40% yoy in 1Q22F, 15% yoy in 2Q22F and 5% yoy in 3Q22F, before expanding 18% yoy in 4Q22F.

Figure 7: Key changes to our net profit, embedded value (EV) and new business value (NBV) estimates

(Rmb m)	FY21F			FY22F			FY23F		
	Old	New	% change	Old	New	% change	Old	New	% change
Profit & loss									
Net premiums earned	713,907	713,906	0.0%	704,151	704,148	0.0%	714,198	714,193	0.0%
Total investment income	185,911	183,974	-1.0%	238,830	237,154	-0.7%	269,765	268,370	-0.5%
Other income	67,745	67,922	0.3%	68,456	68,821	0.5%	74,796	75,282	0.6%
Total Revenue	1,260,314	1,251,485	-0.7%	1,343,089	1,324,947	-1.4%	1,436,456	1,406,655	-2.1%
Insurance-related expenses	594,527	597,179	0.4%	591,399	594,021	0.4%	615,913	618,634	0.4%
Other expenses	531,292	525,057	-1.2%	558,797	543,827	-2.7%	602,963	577,509	-4.2%
Total benefits, claims and expenses	1,125,819	1,122,236	-0.3%	1,150,196	1,137,848	-1.1%	1,218,876	1,196,142	-1.9%
Share of P/L from associates	13,422	13,438	0.1%	13,895	13,928	0.2%	14,954	14,997	0.3%
Pre-tax profit	147,917	142,687	-3.5%	206,788	201,028	-2.8%	232,534	225,510	-3.0%
Income tax	24,985	24,305	-2.7%	32,067	31,269	-2.5%	36,370	35,317	-2.9%
Minority interests (or non-controlling interests)	12,543	12,079	-3.7%	17,827	17,321	-2.8%	20,015	19,406	-3.0%
Net profit	110,388	106,304	-3.7%	156,894	152,438	-2.8%	176,149	170,787	-3.0%
EPS	6.25	6.01	-3.7%	8.88	8.62	-2.8%	9.97	9.66	-3.0%
DPS	2.42	2.33	-3.7%	2.51	2.42	-3.5%	2.89	2.76	-4.2%
BVPS	45.51	45.32	-0.4%	51.50	51.11	-0.8%	58.15	57.51	-1.1%
Key balance sheet items									
Total investment assets	4,151,310	4,145,667	-0.1%	4,616,216	4,599,311	-0.4%	5,132,942	5,105,577	-0.5%
Total assets	10,610,616	10,596,194	-0.1%	11,798,902	11,755,693	-0.4%	13,119,637	13,049,693	-0.5%
Total shareholders' equity excl. minorities	831,941	828,427	-0.4%	941,503	934,224	-0.8%	1,062,981	1,051,369	-1.1%
Key EV and NBV metrics									
NBV	39,950	39,540	-1.0%	33,895	33,547	-1.0%	35,268	34,905	-1.0%
NBV growth	-19.4%	-20.2%	-0.8 pts	-15.2%	-15.2%	0.0 pts	4.0%	4.0%	0.0 pts
Life embedded value	868,027	867,677	0.0%	929,420	923,551	-0.6%	997,271	994,442	-0.3%
Life ROEV	10%	9%	0 pts	12%	12%	-1 pts	12%	13%	0 pts
ROE	14%	13%	0 pts	18%	17%	0 pts	18%	17%	0 pts
NBV margin	40.6%	40.2%	-0.4 pts	39.5%	39.1%	-0.4 pts	40.7%	40.3%	-0.4 pts
First year premiums (APE weighted)	98,418	98,418	0%	85,814	85,814	0%	86,636	86,636	0%
Other key metrics									
Gross written premiums (GWP)	751,872	751,889	0%	743,901	743,936	0%	757,376	757,421	0%
GWP growth	-6%	-6%	0 pts	-1%	-1%	0 pts	2%	2%	0 pts
FYP (APE) growth	-3%	-3%	0 pts	-13%	-13%	0 pts	1%	1%	0 pts
Life & health insurance gross investment yield	4.20%	4.15%	0 pts	4.96%	4.91%	0 pts	4.91%	4.86%	0 pts
Insurance-related expenses/ (net earned premiums+ total investment revenue)	81%	82%	1 pts	77%	78%	1 pts	77%	78%	1 pts
Effective tax rate	17%	17%	0 pts	16%	16%	0 pts	16%	16%	0 pts
Dividend payout ratio	40%	40%	0 pts	29%	29%	0 pts	30%	29%	0 pts
EPS growth	-23%	-26%	-3 pts	42%	43%	1 pts	12%	12%	0 pts
BVPS growth	6%	6%	0 pts	7%	6%	0 pts	7%	8%	0 pts

SOURCES: CGS-CIMB RESEARCH ESTIMATES

* EV = Embedded value; NBV = New business value; BVPS = Book value per share; FYP = First year premiums; GWP = Gross written premiums; APE = Annualised premium equivalent; ROEV = Return on embedded value

Valuation and risks

Our SOP-based TP is cut slightly to HK\$81 from HK\$83, primarily driven by cuts to our FY21F-FY23F estimates for new business value (NBV), embedded value (EV) as well as EPS. Our valuation for Ping An's fintech and healthtech units are also lower as a number of these units are listed, and their share prices have fallen since we last mark-to-market in Jan 2022.

We value Ping An's life insurance and health insurance segments using a weighted average P/EV and P/BV Gordon Growth Model (33% weighting to P/EV GGM and 67% weighting to P/BV GGM), while we value its property and casualty (P&C) insurance division using a P/BV GGM.

The trust, securities and asset management divisions are also valued using a P/BV GGM. The banking business is valued at market value since Ping An Bank (000001 CH, Add, TP: Rmb25.5, CP: Rmb15.98) is listed on the Shenzhen Stock Exchange.

For its fintech and healthtech businesses, the units that are already listed are valued at their current market values – Good Doctor (1833 HK, Not rated, CP: HK\$24.45), OneConnect (OCFT US, Add, TP: US\$3.80, CP: US\$1.59), Lufax (LU US, Not rated, CP: US\$6.18) and Autohome (ATHM US, Not rated, CP: US\$24.45) – while the unit that has raised capital prior to listing (i.e. HealthKconnect) is valued at its most recent post-money valuations, and the remaining technology units of Ping An Group are valued using peer technology company P/BV multiples.

Our peer technology company P/BV multiple is derived from a simple average P/BV multiple of four types of technology companies, namely healthtech, fintech, Internet and online verticals, and others. Within each of these four groupings, we take the weighted average P/BV multiple of a selection of companies chosen across the globe (Fig 8).

Figure 8: Companies used to determine the target P/BV multiple for valuing Ping An's technology division (excluding Lufax, Good Doctor, OneConnect, HealthKconnect & Autohome)

Healthtech	Fintech	Internet	Online verticals and others
1 Teladoc Health Inc	Zhongan Online P&C Ins.	Tencent Holdings Ltd	BitAuto Holdings Ltd
2 Amedisys Inc	Qudian Inc	Alibaba Group Holding	Trip.com Group Ltd
3 Alibaba Health Information Tech.	Lexinfintech Holdings	Baidu Inc	51job Inc
4 Syneos Health Inc	FinVolution Group	Yahoo Japan Corp	Autohome Inc
5 Catalent Inc	360 Digitech Inc	JD.com Inc	Uxin Ltd
6 Ping An Healthcare & Tech.	Afterpay Touch Group Ltd	Vipshop Holdings Ltd	
7 Winning Health Technology	Silverlake Axis Ltd	Wisetech Global Ltd	
8 Volpara Health Technologies	iFAST Corp	Altium Ltd	
9	Lendingclub Corp	Appen Ltd	
10	Xero Ltd	Facebook Inc	
11	Paypal Holdings Inc	Amazon.com Inc	
12	Pushpay Holdings Ltd	Apple Inc	
13	Lemonade Inc	Netflix Inc	
14	Futu Holdings	Alphabet Inc	
15	Up Fintech Holdings Ltd		
16	Tyro Payments Ltd		
17	ZIP Co Ltd		
18	Square Inc		
19	Global Payments Inc		
20	Shift4 Payments Inc		
21	Verisk Analytics Inc		
22	Repay Holdings Corp		
23	Fiserv Inc		
24	Fidelity National Info Serv		
25	East Money Information Co		
26	Hundsun Technologies Inc		

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Furthermore, to take into account the fact that we are valuing the remaining unlisted technology businesses of Ping An, we also apply a 65% valuation discount to these multiples to reflect: i) the opaqueness of these remaining technology businesses, ii) the relatively high risk of the regulatory environment currently in China, and iii) the relatively illiquid nature of these businesses, which would make it very difficult for them to be sold at prices that approach listed companies' valuation multiples (Fig 9).

Our key valuation assumptions can be seen in Figs 10 and 11.

We apply target valuation multiples to FY22F embedded value per share (EVPS) and book value per share (BVPS) to derive our target price. Our Rmb/HK\$ exchange rate assumption is 1.19.

Figure 9: How we derive our target P/BV multiple for Ping An's technology division (excluding Lufax, Good Doctor, OneConnect, HealthKconnect & Autohome)

Market-capitalisation weighted average FY21F P/BV	
Healthtech	5.5x
Fintech	23.4x
Internet	17.8x
Online verticals and other tech	0.9x
Simple average P/BV	11.9x
Unlisted valuation discount applied	65%

SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 10: Valuation of Ping An based on a sum-of-parts (SOP) methodology (part 1)

	New	Old	% change
Main valuation assumptions			
Equity risk premiums (ERP)	8.0%	8.0%	0%
Risk free rate	3.0%	3.0%	0%
Beta (group level)	1.45	1.45	0%
Cost of equity (COE)	14.6%	14.6%	0%
Terminal growth rate	5.0%	5.0%	0%
Rmb/HK\$ exchange rate	1.19	1.19	0%
Life & Health Insurance			
Sustainable Life & Health ROEV (weighted average of FY19-FY23F for Life & Health, with a 30% weighting to the first two years, and a 70% weighting to the last three years)	15%	15%	-1%
Target P/EV (x)	1.0x	1.0x	-2%
Life & Health FY22F EVPS (Rmb)	52.25	52.58	-1%
Life & Health FY22F EVPS (HK\$)	62.41	62.81	-1%
Life & Health valuation (HK\$) under P/EV GGM approach	64.20	65.90	-3%
Sustainable Life & Health ROE (weighted average of FY19-FY23F for Life & Health, with a 30% weighting to the first three years, and a 70% weighting to the last two years)	27%	28%	-2%
Target P/BV (x)	2.3x	2.4x	-3%
Life & Health FY22F BVPS (Rmb)	20.38	20.71	-2%
Life & Health FY22F BVPS (HK\$)	24.34	24.74	-2%
Life & Health valuation (HK\$) under P/BV GGM approach	56.10	58.60	-4%
P/EV weighting for Life & Health	33%	33%	0%
P/BV weighting for Life & Health	67%	67%	0%
Life & Health valuation (HK\$)	58.80	61.00	-4%
P&C Insurance			
Sustainable P&C ROE (weighted average of FY19-FY23F, with a 30% weighting to the first three years, and a 70% weighting to the last two years)	16%	16%	-3%
Target P/BV (x)	1.1x	1.2x	-5%
PingAn P&C FY22F BVPS (Rmb)	7.22	7.30	-1%
PingAn P&C FY22F BVPS (HK\$)	8.62	8.72	-1%
PingAn P&C valuation (HK\$)	9.80	10.40	-6%
Trust			
Trust - Sustainable ROE (weighted average of FY19-FY23F, with a 30% weighting to the first three years, and a 70% weighting to the last two years)	9%	9%	0%
Trust - target P/BV ratio	0.4x	0.4x	0%
Trust - FY22F BVPS (Rmb)	1.51	1.51	0%
Trust - FY22F BVPS (HK\$)	1.80	1.80	0%
Trust - valuation (HK\$)	0.70	0.70	0%
Securities			
Securities - Sustainable ROE (weighted average of FY19-FY23F, with a 30% weighting to the first three years, and a 70% weighting to the last two years)	9%	9%	0%
Securities - target P/BV ratio	0.4x	0.4x	0%
Securities - FY22F BVPS (Rmb)	2.09	2.09	0%
Securities - FY22F BVPS (HK\$)	2.49	2.49	0%
Securities - valuation (HK\$)	1.10	1.10	0%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG

Figure 11: Valuation of Ping An based on a sum-of-parts (SOP) methodology (part 2)

Fintech & Healthtech	New	Old	% change
Fintech & Healthtech - valuation (HK\$)	15.12	14.84	2%
<i>Comprising of:</i>			
Good Doctor	0.56	0.63	-11%
Autohome	0.79	0.90	-11%
Lufax	2.55	2.06	24%
OneConnect	0.09	0.13	-32%
HealthKconnect	1.13	1.13	0%
Other fintech and healthtech businesses	10.00	10.00	0%
Other asset management			
Other asset management - Sustainable ROE (weighted average of FY19-FY23F, with a 30% weighting to the first three years, and a 70% weighting to the last two years)	12%	12%	0%
Other asset management - target P/BV ratio	0.8x	0.8x	0%
Other asset management - FY22F BVPS (Rmb)	4.48	4.48	0%
Other asset management - FY22F BVPS (HK\$)	5.35	5.35	0%
Other asset management - valuation (HK\$)	4.00	4.00	0%
Others - FY22F BVPS (Rmb)	-0.61	-0.61	-1%
Others - FY22F BVPS (HK\$)	-0.73	-0.73	-1%
Others - valuation (HK\$)	-0.70	-0.70	0%
Portion of Ping An Bank			
Ping An Bank - current share price (Rmb)	15.98	16.98	-6%
Ping An Bank - valuation (HK\$)	12.05	12.80	-6%
Conglomerate discount	20%	20%	0%
Final target price (HK\$)	81.00	83.00	-2%
Current share price (HK\$)	58.85		
Upside/ downside	38%		
FY22F NBV per share (Rmb)	1.88	1.90	-1%
i.e FY22F NBV per share (HK\$)	2.25	2.27	-1%
Implied target new business multiple	36.0x	36.6x	-1%
Implied target P/EV multiple	1.2x	1.2x	-2%
Implied target P/BV multiple	2.2x	2.3x	-2%
Ping An Group valuation by business segment			
Percentage of valuation from life	58%	59%	
Percentage of valuation from P&C	10%	10%	
Percentage of valuation from Fintech & Healthtech	15%	14%	
Percentage of valuation from Banking	12%	12%	
Percentage of valuation from Other	5%	5%	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG

*Valuations for Good Doctor (1833 HK, Not Rated, cp: HK\$27.35), Autohome (ATHM US, Not Rated, cp: US\$35.85), Lufax (LU US, Not Rated, cp: US\$4.99), Ping An Bank (000001 CH, Add, TP: Rmb24.9) and OneConnect (OCFT US, Add, TP: US\$4.40, cp: US\$2.35) are based on their closing prices as of 17 Jan 2022. Valuations for HealthKconnect (unlisted) are based on the valuation of their most recent round of financing.

Our target price of HK\$81 gives a 38% potential upside from its current share price. Therefore, we reiterate our Add rating.

Key downside risks to our call are an increased loss of faith in embedded value (EV) and NBV-based valuation metrics, A-share market weakness, potential acquisition risk, more rapid agent turnover should agent commission income be adversely impacted by its reduced focus on short payment-duration savings products, and a loss of investor faith in actuarial-based valuation methodologies, as well as significant de-rating of technology valuation multiples and a longer-than-expected impact from Covid-19.

Potential re-rating catalysts are better A-share market performance and a stronger-than-expected turnaround of its life insurance business, following the completion of its life insurance reform programme as well as the listing of its technology units.

Figure 12: Sector comparison as of 2 Mar 2022

Ticker	Rec	Market Cap (US\$bn)	Price (Lcy)	Target Price (Lcy)	+/- (%)	P/EV (x)			VONB multiple (x)			P/BV (x)			Group ROEV (%)			
						FY20A	FY21F	FY22F	FY20A	FY21F	FY22F	FY20A	FY21F	FY22F	FY20A	FY21F	FY22F	
China Life	2628 HK	Add	129.97	12.86	19.20	49%	0.28x	0.26x	0.23x	-13.1x	-15.2x	-22.1x	0.7x	0.6x	0.6x	16.8	12.7	12.7
Ping An	2318 HK	Add	197.71	58.85	81.00	38%	0.64x	0.60x	0.56x	-12.8x	-17.7x	-20.3x	1.1x	1.0x	0.9x	5.0	5.6	11.1
CPIC	2601 HK	Add	46.09	21.45	29.70	38%	0.38x	0.34x	0.31x	-15.6x	-16.7x	-17.8x	0.8x	0.8x	0.7x	18.7	11.8	14.4
PICC P&C	2328 HK	Add	21.74	7.83	9.40	20%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.8x	0.7x	0.7x	n.a.	n.a.	n.a.
AIA	1299 HK	Add	159.18	79.55	107.00	35%	1.89x	1.79x	1.65x	21.0x	16.7x	13.5x	2.0x	1.8x	1.7x	8.4	8.9	12.1
NCI	1336 HK	Add	20.50	22.35	33.10	48%	0.24x	0.22x	0.20x	-19.9x	-27.5x	-28.5x	0.6x	0.5x	0.5x	19.5	12.9	10.6
HK-listed weighted average							0.88x	0.83x	0.76x	-3.6x	-7.5x	-11.1x	1.2x	1.1x	1.0x	10.4	9.0	12.0
HK-listed weighted average ex AIA							0.47x	0.44x	0.40x	-13.6x	-17.3x	-21.0x	0.9x	0.8x	0.7x	11.2	9.0	12.0

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS


DATA AS OF 2 MAR 2022

(*CPIC: China Pacific Insurance Company; NCI: New China Life Insurance; PICC P&C: PICC (The People's Insurance Company of China) Property & Casualty)

Figure 13: Key financial data

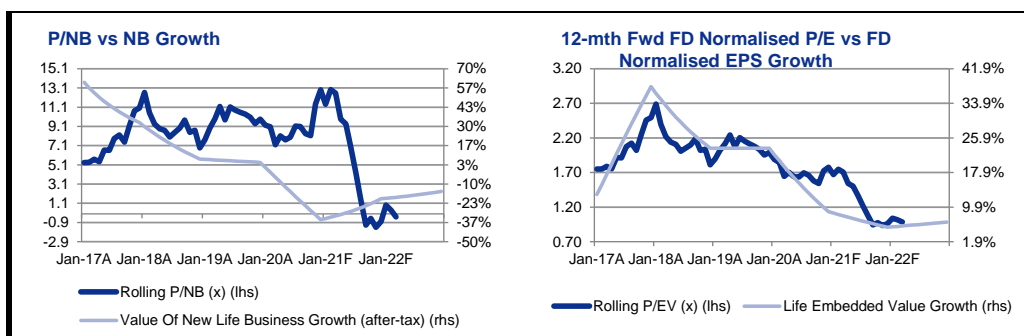
(Rmb m)	FY16	FY17	FY18	FY19	FY20	FY21F	FY22F	FY23F	FY24F
Profit & loss									
Gross written premiums	469,555	605,035	719,556	795,064	797,880	751,889	743,936	757,421	782,528
Net premiums earned	441,620	572,990	677,703	748,779	757,599	713,906	704,148	714,193	733,522
Investment income	115,053	152,101	120,273	201,738	225,046	183,974	237,154	268,370	308,436
Other operating income	41,898	43,813	49,892	60,357	64,819	67,922	68,821	75,282	99,364
Total income	775,858	967,425	1,064,072	1,249,867	1,304,573	1,251,485	1,324,947	1,406,655	1,532,378
Net policyholders' benefits and claims:	324,814	427,243	439,596	578,313	614,751	597,179	594,021	618,634	652,501
Total benefits, claims and expenses	680,077	839,830	918,995	1,088,352	1,133,654	1,122,236	1,137,848	1,196,142	1,295,093
Share of profit in equity accounted investees	(1,370)	7,145	18,074	23,224	16,845	13,438	13,928	14,997	17,823
Profit before tax	94,411	134,740	163,151	184,739	187,764	142,687	201,028	225,510	255,108
Income tax	22,043	34,762	42,699	20,374	28,405	24,305	31,269	35,317	40,261
Net profit before minorities	72,368	99,978	120,452	164,365	159,359	118,383	169,759	190,193	214,847
Minorities interest	9,974	10,890	13,048	14,958	16,260	12,079	17,321	19,406	21,922
Net profit	62,394	89,088	107,404	149,407	143,099	106,304	152,438	170,787	192,925
of which: operating profit	68,252	94,708	112,573	132,955	139,471	151,052	157,147	179,223	202,666
EPS	3.50	4.99	6.02	8.41	8.10	6.01	8.62	9.66	10.92
DPS	0.75	1.50	1.72	2.05	2.20	2.33	2.42	2.76	3.13
BVPS	20.98	25.89	30.44	36.82	41.71	45.32	51.11	57.51	65.35
Group EVPS	34.89	45.14	54.84	65.67	72.65	76.74	81.68	87.83	95.22
Life NBV per share	2.78	3.68	3.95	4.15	2.71	2.16	1.84	1.91	1.99
Key balance sheet items									
Total investment assets	2,004,780	2,449,474	2,794,620	3,208,836	3,740,581	4,145,667	4,599,311	5,105,577	5,769,762
Total assets	5,576,903	6,493,075	7,142,960	8,222,929	9,527,870	10,596,194	11,755,693	13,049,693	14,747,328
Total shareholders' equity excl. minorities	383,449	473,351	556,508	673,161	762,560	828,427	934,224	1,051,369	1,194,603
Key EV and NBV metrics									
NBV	50,805	67,357	72,294	75,945	49,575	39,540	33,547	34,905	36,318
NBV growth	64.7%	32.6%	7.3%	5.1%	-34.7%	-20.2%	-15.2%	4.0%	4.0%
Life embedded value	360,312	496,381	613,223	757,490	824,574	867,677	923,551	994,442	1,067,017
Life ROEV	16%	42%	30%	31%	16%	9%	12%	13%	12%
Group embedded value	637,703	825,173	1,002,456	1,200,533	1,328,112	1,402,743	1,493,185	1,605,463	1,740,712
Group ROEV	17%	33%	26%	24%	14%	5%	6%	11%	12%
ROE	17%	21%	21%	24%	20%	13%	17%	17%	17%
NBV margin	47%	46%	51%	57%	49%	40%	39%	40%	42%
First year premiums (APE weighted)	107,643	146,817	142,531	133,462	101,611	98,418	85,814	86,636	87,500
Other key metrics									
Life gross written premiums (GWP)	291,264	388,642	472,359	526,811	514,513	484,214	454,182	438,502	430,693
Life gross written premium (GWP) growth	25%	27%	20%	7%	-2%	-4%	-6%	-3%	-2%
Life FYP (APE) growth	36%	36%	-3%	-6%	-24%	-3%	-13%	1%	1%
P&C combined ratio	95.9%	96.2%	96.1%	96.4%	99.2%	97.7%	97.3%	96.9%	96.5%
Life & health insurance gross investment yield	5.30%	6.10%	3.60%	7.00%	6.20%	4.15%	4.91%	4.86%	4.82%
Effective tax rate	23%	26%	26%	11%	15%	17%	16%	16%	16%
Dividend payout ratio	22%	31%	33%	25%	28%	40%	29%	29%	30%
EPS growth	17%	43%	21%	40%	-4%	-26%	43%	12%	13%
BVPS growth	15%	29%	21%	20%	11%	6%	6%	8%	8%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Refinitiv ESG Scores	
	
<p>ESG in a nutshell</p> <p>Based on the data we have, Ping An scored a C+ rating for its combined ESG score by Refinitiv in 2020, down from B in 2019. However, Ping An lists in its 2020 sustainability report that its ESG rating is A from MSCI (the highest level for a financial company in China Mainland), A- from CDP (the highest level for a financial company in China Mainland), B+ for Refinitiv, and an A on the Hang Seng Corporate Sustainability Index. It leverages “finance + technology” to help the industrial development of targeted poverty-stricken areas, hence alleviating poverty and helping the disadvantaged. Going forward, Ping An will upgrade its Low-Carbon 100 Programme, which is in line with policymakers’ goal of carbon neutrality by 2060, which could include targeting “green finance” offerings for realising zero emissions in its asset portfolio..</p>	
<p>Keep your eye on</p> <p>Investors are concerned about Ping An’s exposure to the real estate sector, and Reuters reported at the end of Aug 2021 that the China Banking Regulatory Commission (CBRC) is probing Ping An’s investments in the real estate market. Ping An life insurance has received the highest number of complaints from customers, according to Sina Finance. This could be a potential problem with the regulators in the future.</p>	<p>Implications</p> <p>We believe that Ping An has been reducing its exposure to real estate, which comprised a small and manageable 5% of its insurance investment portfolio at end-1H21. We also understand that Ping An is improving its internal sales management processes as it reforms its agent force. Thus, the worst may be over in regards to these issues adversely impacting its share price.</p>
<p>ESG highlights</p> <p>According to Ping An’s 2020 sustainability report, its ESG rating of A from MSCI is the highest level for a financial company in China Mainland. Its A- ESG rating from CDP is also the highest level for a financial company in China Mainland.</p>	<p>Implications</p> <p>Ping An has been increasingly committed to its ESG issues over the past few years. We believe further progress on its ESG could support its future re-rating.</p>
<p>Trends</p> <p>Ping An’s Refinitiv combined ESG score had declined from B in 2019 to C+ in 2020. This was driven by the decline in its Environmental score and the Social pillar score from B+ in 2019 to B in 2020, and the decline in the Governance pillar score from B- in 2019 to C- in 2020. However, Ping An’s ESG Controversies score has remained at A+ since 2016. On the other hand, there seems to an improvement of the ESG ratings provided by MSCI and CDP. In its 2020 sustainability report, Ping An lists its MSCI ESG rating as A, and its CDP ESG rating at A-. This is an improvement over the ratings disclosed in its 2019 sustainability report, which was BBB for its MSCI ESG rating, and B- for its CDP ESG rating.</p>	<p>Implications</p> <p>The gap between its ESG scores by different providers is interesting. There seems to be much room for Ping An to improve its Refinitiv ESG scores to narrow the gap between these scores and those from MSCI and CDP. Such an improvement could be positive for its share price among ESG-focused investors.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV
MSCI = MORGAN STANLEY CAPITAL INTERNATIONAL; CDP = CARBON DISCLOSURE PROJECT

BY THE NUMBERS



Profit & Loss

(Rmbm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue	757,186	765,055	721,594	712,751	724,728
Total Claims and Changes in Reserves	(578,390)	(614,930)	(597,350)	(594,203)	(618,797)
Acq. Costs/Other Underwriting Exp.					
Total Underwriting Result	(59,661)	(78,002)	(90,854)	(96,716)	(117,420)
Investment Income on Tech Reserve	0	0	0	0	0
Insurance Profit / (Loss)	(59,661)	(78,002)	(90,854)	(96,716)	(117,420)
Total Other Technical Income	180,449	193,412	151,232	202,890	230,934
Total Other Revenues	286,531	320,216	352,566	382,998	424,457
Total Operating Costs	(231,723)	(246,410)	(265,227)	(282,884)	(307,016)
Other Technical Income / (Loss)					
Depreciation And Amortisation	0	0	0	0	0
Operating Profit	175,596	189,216	147,717	206,288	230,955
Pretax Income/(Loss) from Assoc.	23,224	16,845	13,438	13,928	14,997
Post-Tax Oper. Earnings - Life/Other Biz					
Head Office Costs					
Non-Operating Income/(Expense)	0	0	0	0	0
Net Interest Income	(14,081)	(18,297)	(18,468)	(19,189)	(20,443)
Investment Income on Shareholders Fund					
Other Income					
Exceptional Items					
Pre-tax Profit	184,739	187,764	142,687	201,028	225,510
Taxation	(20,374)	(28,405)	(24,305)	(31,269)	(35,317)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	164,365	159,359	118,383	169,759	190,193
Minority Interests	(14,958)	(16,260)	(12,079)	(17,321)	(19,406)
Preferred Dividends					
Special Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	149,407	143,099	106,304	152,438	170,787

Operating Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Premium Retention Ratio (life & Health)	100%	100%	101%	101%	102%
Benefits Ratio (life & Health)	(86%)	(91%)	(95%)	(98%)	(103%)
Acquisition Expense Ratio (life & Health)	0%	0%	0%	0%	0%
Admin Expense Ratio (life & Health)	0%	0%	0%	0%	0%
Total Expense Ratio (life & Health)	31.2%	28.8%	29.5%	30.0%	30.8%
Policyholder Dividends Ratio (life & Health)	0%	0%	0%	0%	0%
Combined Underwriting Ratio (life & Health)	(54.7%)	(62.3%)	(65.6%)	(67.9%)	(72.3%)
Underwriting Profit Margin (life & Health)	(12.9%)	(15.6%)	(19.9%)	(22.7%)	(28.5%)
Operating Profit Margin (life & Health)	18.8%	19.3%	8.4%	18.9%	20.7%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(Rmbm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Fixed Assets					
Intangible Assets	0	0	0	0	0
Other Long Term Assets	7,242,415	8,419,515	9,435,771	10,543,205	11,782,162
Total Non-current Assets	7,242,415	8,419,515	9,435,771	10,543,205	11,782,162
Total Cash And Equivalents	796,557	906,305	963,811	1,021,167	1,081,359
Trade Debtors					
Other Current Assets	183,957	202,050	196,612	191,321	186,171
Total Current Assets	980,514	1,108,355	1,160,423	1,212,488	1,267,530
Creditors - Direct & Reinsurance Business					
Provision For Claims Outstanding					
Other Current Liabilities	4,821	5,148	5,160	5,188	5,242
Total Current Liabilities	4,821	5,148	5,160	5,188	5,242
Total Long-term Debt					
Hybrid Debt - Debt Component					
Other Liabilities	7,365,738	8,534,817	9,537,262	10,590,935	11,767,737
Total Non-current Liabilities	7,365,738	8,534,817	9,537,262	10,590,935	11,767,737
Total Technical & Other Provisions	0	0	0	0	0
Total Liabilities	7,370,559	8,539,965	9,542,422	10,596,123	11,772,979
Shareholders' Equity	678,162	768,555	834,422	940,219	1,057,364
Minority Interests	179,209	225,345	225,345	225,345	225,345
Total Equity	857,371	993,900	1,059,767	1,165,564	1,282,709
Life Embedded Value	757,490	824,574	867,677	923,551	994,442

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Net Premium Growth	10.8%	0.2%	(5.7%)	(0.9%)	2.0%
Operating Profit Growth (Life & Health)	30%	0%	(59%)	111%	6%
Value Of New Life Business Growth (after-tax)	5.1%	(34.7%)	(20.2%)	(15.2%)	4.0%
Life Embedded Value Growth	23.5%	8.9%	5.2%	6.4%	7.7%
Pre-tax Margin	23.6%	23.8%	19.1%	27.2%	30.0%
Net Profit Margin	19.1%	18.1%	14.2%	20.6%	22.8%
Effective Tax Rate	11.0%	15.1%	17.0%	15.6%	15.7%
Net Dividend Payout Ratio	25.0%	28.0%	39.9%	29.0%	29.5%
Return On Average Assets	2.14%	1.80%	1.18%	1.52%	1.53%
Net Gearing	673%	658%	745%	1262%	4507%
Financial Leverage	12.45	12.27	12.55	12.60	12.42
Equity / Assets	8.25%	8.07%	7.87%	8.00%	8.10%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
First year premiums (APE) growth yoy (%)	-6.4%	-23.9%	-3.1%	-12.8%	1.0%
New business value growth (%)	5.1%	-34.7%	-20.2%	-15.2%	4.0%
Life return on embedded value [ROEV] (%)	31.4%	15.6%	9.3%	11.5%	12.6%
Group ROEV (%)	23.9%	14.1%	5.0%	5.6%	11.1%
P&C combined ratio (%)	96.4%	99.2%	97.7%	97.3%	96.9%
Banking net profit growth (%)	13.5%	2.6%	26.9%	22.4%	23.1%
Dividend payout ratio (%)	25.0%	28.0%	39.9%	29.0%	29.5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS-CIMB. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS-CIMB entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS-CIMB may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS-CIMB has no obligation to update this report in the event of a material change to the information contained in this report. CGS-CIMB does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS-CIMB, its affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS-CIMB considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB or any of its affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, its affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, its affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB or its affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS-CIMB entity as listed in the table below. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Securities (Singapore) Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of February 28, 2022 CGS-CIMB has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Ping An Insurance

(ii) Analyst Disclosure: As of March 3, 2022, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB nor any of its affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB nor any of its affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS-CIMB Securities (Hong Kong) Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets

Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

CHK does not make a market on other securities mentioned in the report.

None of the analyst(s) or the associates serve as an officer of the listed corporation mentioned in this report.

CIMB does not have an officer serving in any of the listed corporation mentioned in this report

CIMB does not receive any compensation or other benefits from any of the listed corporation mentioned, relating to the production of research reports.

India: This report is issued and distributed in India by CGS-CIMB Securities (India) Private Limited (“CGS-CIMB India”). CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which is in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at www.cgs-cimb.com, CGIFHL at www.chinastock.com.hk/en/ACG/ContactUs/index.aspx and CIMBG at www.cimb.com/en/who-we-are.html. CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (Merchant Banking Number: INM000012037) under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CGS-CIMB India is not required to seek registration with the Securities and Exchange Board of India (“SEBI”) as an Investment Adviser. CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ000209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 (“Regulations”).

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CGS-CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CGS-CIMB India or its affiliates.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this research report, at the end of the month immediately preceding the date of publication of this research report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this research report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this research report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this research report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the research report in the past 12 months.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not managed or co-managed public offering of securities for the subject company mentioned in the research report in the past 12 months. The analyst from CGS-CIMB India engaged in preparation of this research report or his/her relative (a) do not have any financial interests in the subject company mentioned in this research report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the research report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the research report.

Indonesia: This report is issued and distributed by PT CGS-CIMB Sekuritas Indonesia (“CGS-CIMB Indonesia”). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS-CIMB Indonesia has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. (“CGS-CIMB Malaysia”) solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm its opinion or the information in this research reports after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS-CIMB Securities (Singapore) Pte Ltd (“CGS-CIMB Singapore”). CGS-CIMB Singapore is a capital markets services licensee under the Securities and Futures Act (Chapter 289). Accordingly, it is exempted from the requirement to hold a

financial adviser's licence under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS-CIMB Singapore is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Singapore, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS-CIMB Singapore has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMB Singapore directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS-CIMB Singapore accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMB Singapore is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS-CIMB Singapore is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMB Singapore for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMB Singapore which would otherwise be a right that is available to the recipient under Section 27 of the FAA. .

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS-CIMB Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of March 2, 2022, CGS-CIMB Singapore does not have a proprietary position in the recommended specified products in this report.

CGS-CIMB Singapore does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this research report.

CGS-CIMB Thailand may act or acts as Market Maker, and issuer and offeror of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ACE, ADVANC, AEONTS, AMATA, AOT, AP, BAM, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEC, BEM, BGRIM, BH, BJC, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, EGCO, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, ICHI, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MEGA, MINT, MTC, NRF, OR, ORI, OSP, PLANB, PRM, PSL, PTG, PTL, PTT, PTTEP, PTTGC, QH, RATCH, RBF, RS, SAWAD, SCB, SCC, SCGP, SINGER, SPALI, SPRC, STA, STEC, STGT, SUPER, SYNEX, TASCO, TCAP, THANI, TISCO, TKN, TOP, TQM, TRUE, TTB, TU, TVO, VGI, WHA

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS-CIMB Securities (UK) Limited (“CGS-CIMB UK”). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material (all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Securities Sdn. Bhd., CGS-CIMB Securities (Singapore) Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited and CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

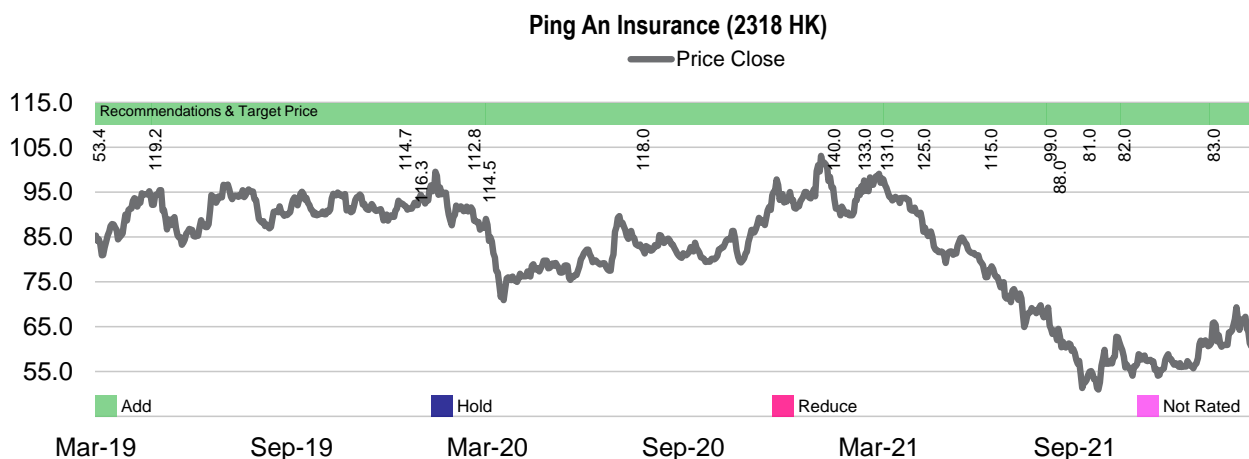
CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS-CIMB Securities International Pte. Ltd. (“CGS-CIMB”). CGS-CIMB is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

