

China

ADD (no change)

Consensus ratings*: Buy 12 Hold 6 Sell 5

Current price:	Rmb5.03
Target price:	Rmb4.90
Previous target:	Rmb4.90
Up/downside:	-2.6%
CGS-CIMB / Consensus:	-1.5%
Reuters:	601998.SS
Bloomberg:	601998 CH
Market cap:	US\$33,519m
	Rmb221,149m
Average daily turnover:	US\$27.37m
	Rmb174.7m
Current shares o/s:	48,935m
Free float:	35.8%
*Source: Bloomberg	

Key changes in this note

No changes.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	3.3	8.2	-4.7
Relative (%)	8.2	17.6	7.6

Major shareholders

	% held
CITIC Group	64.2
China Tobacco Corporation	4.4

Analyst(s)

Michael CHANG, CFA

T (852) 2539 1323

E michael.chang@cgs-cimb.com

China CITIC Bank-A

ROE continues its rebound

- We like the fact that 1Q22 ROE continued to rebound to 13.6% (+0.3% pts yoy), after FY21 ROE rose for the first time in eight years (since FY13).
- 1Q22 net profit growth of 10.9% yoy was the strongest 1Q start to the year since 1Q14's 16.1% yoy.
- Capital remains our biggest concern, with 1Q22 core Tier 1 ratio at 8.66%, down 19bp qoq due to higher risk-weighted-asset intensity.
- Reiterate Add and TP of Rmb4.90.

Best 1Q start to the year in eight years

1Q22 growth of net profits (after deduction of minority interests and payments to holders of preference shares and perpetual bonds) was 10.9% yoy, the best 1Q start to the year since 1Q14's 16.1% yoy. 1Q22 net profit comprised 30% of our FY22F net profit forecast. 1Q22 ROE rose again, up 28bp yoy to 13.6%, after FY21's ROE expanded for the first time in eight years (See [Asset quality standing out](#), dated 25 Mar 2022).

What we liked about the FY21 results

i) In addition to the strong 1Q22 net profit growth and rising 1Q22 ROE, we also like 1Q22's non-performing loan (NPL) ratio of 1.35%, -4bp qoq, with 1Q22 NPLs down 0.9% qoq (-6.5% yoy); ii) 1Q22 credit cost was 1.58% of average loans (-22bp yoy), with impairment loss expenses down 6.8% yoy; iii) 1Q22 net interest margin (NIM) was 2.02%, +1bp qoq (but -11bp yoy).

What we did not like about the results

i) 1Q22 core Tier 1 ratio was 8.66% (-19bp qoq; +7bp yoy). This was because of increased 1Q22 risk-weighted-asset (RWA) intensity, with 1Q22 RWA-to-total-assets ratio at 74.1%, +1.9% pts qoq and +1.3% pts yoy; ii) 1Q22 cost-to-income ratio was 25.6%, +95bp yoy; iii) 1Q22 pre-provisioning operating profit growth was only 2.6% yoy (albeit a slight improvement from FY21's +0.9% yoy); iv) 1Q22 fee income grew 4.1% yoy (FY21: +24.4% yoy). 1Q22 non-interest income rose 17.1% yoy (FY21: +26.5% yoy), with 1Q22 net trading income up 46% yoy (FY21: +31.1% yoy).

What else was interesting about the results

i) 1Q22 provisioning coverage ratio was 184.2% (+4.1% pts qoq; -1.7% pts yoy); ii) 1Q22 loan-to-deposit ratio was 100.6% (-1.9% pts qoq); iii) 1Q22 loan growth yoy was 6.6% (4Q21: +8.6%) and up 2% qoq while 1Q22 deposit growth yoy was 5.9% (4Q21: +4.6%) and up 3.9% qoq; iv) 1Q22 effective tax rate was 17% (+2.1% pts yoy).

Reiterate Add rating; FY22F-24F EPS & TP of Rmb4.90 unchanged

We value CITIC-A using a stress-test-adjusted GGM after factoring in historical valuation premiums. Potential re-rating catalysts are improving asset quality and economic recovery. Key downside risks: a worse-than-expected NIM trend and greater social responsibilities.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Net Interest Income (Rmbm)	150,515	147,896	152,694	162,515	172,988
Total Non-Interest Income (Rmbm)	44,815	56,681	64,201	72,177	80,524
Operating Revenue (Rmbm)	195,330	204,577	216,895	234,692	253,513
Total Provision Charges (Rmbm)	(82,989)	(77,048)	(81,144)	(84,576)	(86,424)
Net Profit (Rmbm)	46,199	52,419	57,875	65,543	75,150
Core EPS (Rmb)	0.94	1.07	1.18	1.34	1.54
Core EPS Growth	(0.8%)	13.5%	10.4%	13.2%	14.7%
FD Core P/E (x)	5.33	4.70	4.25	3.76	3.28
DPS (Rmb)	0.25	0.30	0.33	0.38	0.43
Dividend Yield	5.05%	6.00%	6.60%	7.48%	8.57%
BVPS (Rmb)	9.53	10.39	11.27	12.27	13.43
P/BV (x)	0.53	0.48	0.45	0.41	0.37
ROE	10.2%	10.8%	10.9%	11.4%	11.9%
CGS-CIMB/Consensus EPS (x)			1.02	1.07	1.10

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

ROE continues its rebound

Valuation and risks

We value CITIC-A using a stress-test-adjusted Gordon Growth Model (GGM) after factoring in historical valuation premiums, with an unchanged target price of Rmb4.90.

Our key valuation assumptions are a COE of 15%, a sustainable growth (g) assumption of 3%, an initial sustainable ROE assumption of 11.9% based on FY24F ROE, and an asset quality and investor compensation valuation discount of 45% (Fig 1). We thus derive a stress-test-adjusted target FY22F P/BV multiple of 0.43x, implying a sustainable ROE assumption of 8.2%.

We arrive at a target price of Rmb4.90 and reiterate our Add rating on CITIC-A.

Figure 1: Valuation using a stress-test-adjusted GGM

	Assumption and forecasts
Equity risk premium	8.0%
Risk free rate	3.0%
Beta	1.50
COE	15.0%
g	3%
Sustainable ROE (based on FY24F ROE)	11.9%
Initial target P/BV	0.74x
Asset quality valuation discount	-45%
Policy risk discount	-10%
Final target P/BV	0.36x
FY22F BVPS (Rmb)	11.27
Target price (Rmb)	4.11
Average A-H share premium applied	42%
Valuation incorporating average A-H share gap since start-2011	5.82
Weighting given to A-H valuation gap	50%
Hence, final A-share target price (Rmb)	4.90
TP-implied target P/BV (FY22F)	0.43x
TP-implied sustainable ROE	8.2%
Current price (Rmb)	5.03
Share price upside	-3%

SOURCES: CGS-CIMB RESEARCH ESTIMATES

Downside risks include a worse-than-expected economic slowdown in China. This could result in higher-than-expected asset quality pressure as well as greater-than-expected loan prime rate (LPR) cuts, which could also depress net interest margins.

Another key downside risk is a substantial increase in confirmed Covid-19 cases in China, forcing the country into lockdown again. This could substantially reduce income growth.

One final downside risk is that the large banks may face greater-than-expected policy risks with respect to lending in the event of a significant economic slowdown. Such policy-directed lending could result in asset quality problems for these banks further down the road, in our view.

Figure 2: China banks valuation table (H-share and A-share banks)


Company	Ticker	Rating	Mkt cap (US\$ bn)	Price (Lcy)	Target price (Lcy)	Upside/ Downside	P/BV (x)		P/E (x)		P/POP (x)		Dividend yield		ROE(%)			
							FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F		
ICBC	1398 HK	Add	249.0	4.74	5.90	24%	0.45	0.41	3.9	3.6	2.2	2.0	7.9	8.6	12.0	12.1		
CCB	0939 HK	Add	177.3	5.59	8.00	43%	0.43	0.40	3.7	3.4	2.0	1.8	8.3	9.1	12.3	12.3		
BOC	3988 HK	Add	138.1	3.10	4.20	35%	0.37	0.34	3.5	3.1	1.9	1.8	9.1	10.1	11.2	11.3		
ABC	1288 HK	Add	161.0	2.96	4.40	49%	0.39	0.36	3.5	3.2	1.8	1.6	9.0	9.8	11.5	11.6		
BOCOM	3328 HK	Hold	54.1	5.47	5.30	-3%	0.40	0.37	3.8	3.5	2.0	1.8	8.4	9.2	10.9	11.1		
CMB	3968 HK	Add	147.1	47.90	84.10	76%	1.23	1.08	7.5	6.3	4.4	4.0	4.4	5.2	17.4	18.2		
CITIC	0998 HK	Add	33.0	4.01	4.80	20%	0.30	0.28	2.9	2.5	1.1	1.0	9.8	11.1	10.9	11.4		
MSB	1988 HK	Hold	22.7	2.99	2.60	-13%	0.22	0.21	3.3	2.8	1.0	1.0	9.2	10.6	6.8	7.5		
CQRCB	3618 HK	Add	6.0	3.06	4.10	34%	0.27	0.25	2.6	2.3	1.2	1.1	11.4	13.0	10.6	11.1		
H-share weighted average									0.55	0.50	4.3	3.9	2.4	2.2	7.8	8.7	12.6	12.9
ICBC - A	601398 CH	Add	249.0	4.78	5.10	7%	0.54	0.49	4.7	4.3	2.6	2.4	6.6	7.2	12.0	12.1		
CCB - A	601939 CH	Add	177.3	6.07	7.10	17%	0.56	0.51	4.7	4.3	2.6	2.4	6.5	7.1	12.3	12.3		
BOC - A	601988 CH	Add	138.1	3.23	3.80	18%	0.46	0.42	4.3	3.9	2.4	2.2	7.4	8.1	11.2	11.3		
ABC - A	601288 CH	Add	161.0	3.06	3.90	27%	0.48	0.44	4.3	4.0	2.2	2.0	7.3	8.0	11.5	11.6		
BOCOM - A	601328 CH	Hold	54.1	5.08	4.80	-6%	0.44	0.41	4.2	3.8	2.2	2.0	7.6	8.3	10.9	11.1		
CMB - A	600036 CH	Add	147.1	39.93	71.50	79%	1.21	1.06	7.4	6.2	4.4	3.9	4.5	5.3	17.4	18.2		
CITIC - A	601998 CH	Add	33.0	5.03	4.90	-3%	0.45	0.41	4.3	3.8	1.6	1.5	6.6	7.5	10.9	11.4		
MSB - A	600016 CH	Reduce	22.7	3.70	2.50	-32%	0.32	0.30	4.8	4.2	1.5	1.4	6.3	7.2	6.8	7.5		
PAB - A	000001 CH	Add	43.6	15.32	22.70	48%	0.82	0.74	7.5	6.4	2.3	2.1	1.8	2.1	11.5	12.3		
CQRCB - A	601077 CH	Add	6.0	3.87	4.50	16%	0.40	0.37	3.9	3.5	1.8	1.7	7.6	8.7	10.6	11.1		
A-share weighted average									0.64	0.57	5.1	4.6	2.7	2.5	6.2	6.9	12.5	12.8
Combined sector weighted average									0.59	0.54	4.7	4.2	2.5	2.3	7.0	7.8	12.6	12.8

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
 (*ICBC: INDUSTRIAL AND COMMERCIAL BANK OF CHINA; CCB: CHINA CONSTRUCTION BANK; BOC: BANK OF CHINA; ABC: AGRICULTURAL BANK OF CHINA;
 BOCOM: BANK OF COMMUNICATIONS; CMB: CHINA MERCHANTS BANK; CITIC: CHINA CITIC BANK; MSB: CHINA MINSHENG BANK;
 CQRCB: CHONGQING RURAL COMMERCIAL BANK)
 DATA AS OF 2 MAY 2022

Figure 3: Key financial data

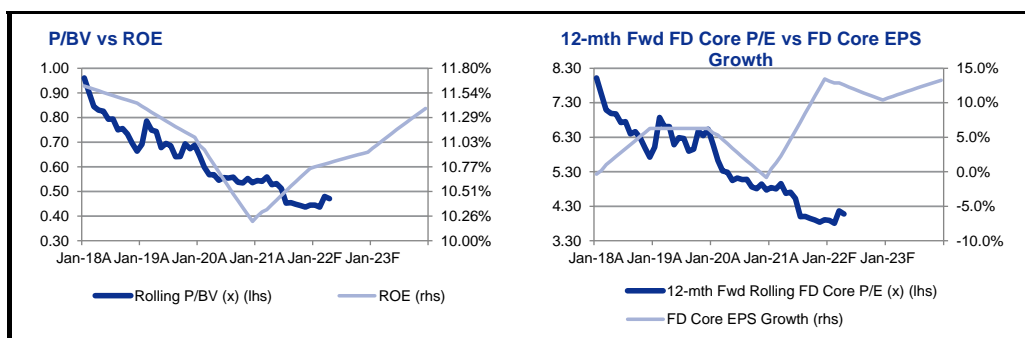
Profit & loss								
(Rmb m)	2018	2019	2020	2021	2022F	2023F	2024F	2025F
Net interest income	104,772	127,271	150,515	147,896	152,694	162,515	172,988	184,083
yoy	5.1%	21.5%	18.3%	-1.7%	3.2%	6.4%	6.4%	6.4%
Non interest income	61,029	60,595	44,815	56,681	64,201	72,177	80,524	89,157
yoy	5.9%	-0.7%	-26.0%	26.5%	13.3%	12.4%	11.6%	10.7%
Total revenue	165,801	187,866	195,330	204,577	216,895	234,692	253,513	273,239
yoy	5.4%	13.3%	4.0%	4.7%	6.0%	8.2%	8.0%	7.8%
Operating expense	-52,600	-54,168	-54,255	-62,224	-63,992	-69,242	-74,795	-80,615
Pre-provision profit	113,201	133,698	141,075	142,353	152,904	165,450	178,718	192,624
yoy	4.5%	18.1%	5.5%	0.9%	7.4%	8.2%	8.0%	7.8%
Provisions	-58,233	-77,255	-82,989	-77,048	-81,144	-84,576	-86,424	-86,342
Net Profit to common shareholders	43,183	46,685	45,970	52,631	57,875	65,543	75,150	86,914
yoy	4.7%	8.1%	-1.5%	14.5%	10.0%	13.2%	14.7%	15.7%
Key balance sheet items								
(Rmb m)	2018	2019	2020	2021	2022F	2023F	2024F	2025F
Loans	3,616,750	4,001,176	4,478,775	4,869,033	5,295,645	5,764,540	6,263,423	6,792,954
Interbank assets	286,103	335,798	412,882	343,211	367,236	392,942	420,448	449,880
Investments	1,600,163	1,873,596	2,092,732	2,322,641	2,485,226	2,659,192	2,845,335	3,044,509
Deposits	3,649,611	4,073,258	4,572,286	4,789,969	5,147,506	5,522,760	5,915,705	6,326,213
Interbank liabilities	1,017,937	1,155,499	1,296,668	1,351,433	1,464,953	1,590,471	1,729,468	1,880,612
Bonds	552,483	650,274	732,958	958,203	1,038,692	1,127,687	1,226,240	1,333,405
Common shareholders' equity	401,706	439,228	466,490	508,227	551,324	600,616	657,363	723,176
Total shareholders' equity	453,086	532,524	560,038	642,626	686,587	736,917	794,922	862,266
RWA	4,677,713	5,113,585	5,393,248	5,809,523	6,238,828	6,701,181	7,198,497	7,730,241
Total assets	6,066,714	6,750,433	7,511,161	8,042,884	8,637,227	9,277,324	9,965,823	10,701,986
yoy								
Loans	13.1%	10.6%	11.9%	8.7%	8.8%	8.9%	8.7%	8.5%
Interbank assets	-18.5%	17.4%	23.0%	-16.9%	7.0%	7.0%	7.0%	7.0%
Investments	10.7%	17.1%	11.7%	11.0%	7.0%	7.0%	7.0%	7.0%
Deposits	7.1%	11.6%	12.3%	4.8%	7.5%	7.3%	7.1%	6.9%
Interbank liabilities	0.8%	13.5%	12.2%	4.2%	8.4%	8.6%	8.7%	8.7%
Bonds	25.2%	17.7%	12.7%	30.7%	8.4%	8.6%	8.7%	8.7%
Common shareholders' equity	10.2%	9.3%	6.2%	8.9%	8.5%	8.9%	9.4%	10.0%
Total shareholders' equity	9.9%	17.5%	5.2%	14.7%	6.8%	7.3%	7.9%	8.5%
RWA	8.3%	9.3%	5.5%	7.7%	7.4%	7.4%	7.4%	7.4%
Total assets	6.9%	11.3%	11.3%	7.1%	7.4%	7.4%	7.4%	7.4%
Key ratios & drivers								
	2018	2019	2020	2021	2022F	2023F	2024F	2025F
EPS (Rmb)	0.88	0.95	0.94	1.08	1.18	1.34	1.54	1.78
EPS Growth	4.7%	8.1%	-1.5%	14.5%	10.0%	13.2%	14.7%	15.7%
BVPS (Rmb)	8.21	8.98	9.53	10.39	11.27	12.27	13.43	14.78
BVPS Growth	10.2%	9.3%	6.2%	8.9%	8.5%	8.9%	9.4%	10.0%
ROAE	11.3%	11.1%	10.2%	10.8%	10.9%	11.4%	11.9%	12.6%
ROAA	0.74%	0.73%	0.64%	0.68%	0.69%	0.73%	0.78%	0.84%
ROARWA	0.96%	0.95%	0.88%	0.94%	0.96%	1.01%	1.08%	1.16%
PPOPOARWA	2.52%	2.73%	2.69%	2.54%	2.54%	2.56%	2.57%	2.58%
DPS (Rmb)	0.23	0.24	0.25	0.30	0.33	0.38	0.43	0.50
Payout ratio	26%	25%	27%	28%	28%	28%	28%	28%
Core tier 1 ratio	8.6%	8.7%	8.7%	8.9%	8.9%	9.1%	9.2%	9.4%
Tier 1 ratio	9.4%	10.2%	10.2%	10.9%	10.8%	10.8%	10.9%	11.0%
Total CAR	12.5%	12.4%	13.0%	13.5%	13.4%	13.3%	13.3%	13.4%
Equity/Assets	7.8%	8.3%	7.8%	8.5%	8.4%	8.4%	8.5%	8.5%
Loan-deposit ratio	99%	98%	98%	101%	103%	104%	106%	107%
NPL ratio	1.77%	1.65%	1.64%	1.39%	1.33%	1.30%	1.27%	1.26%
NPL write-off rate	87%	95%	102%	87%	97%	90%	90%	90%
Net NPL formation rate	1.79%	1.74%	1.87%	1.30%	1.40%	1.28%	1.25%	1.24%
NPL coverage	158%	176%	172%	180%	208%	237%	258%	268%
LLR to loan	2.81%	2.91%	2.82%	2.50%	2.76%	3.07%	3.28%	3.38%
Cost-income ratio	31.7%	28.8%	27.8%	30.4%	29.5%	29.5%	29.5%	29.5%
Net interest margin	1.94%	2.12%	2.26%	2.05%	1.97%	1.95%	1.93%	1.91%
Non interest income/ total income	37%	32%	23%	28%	30%	31%	32%	33%
Credit cost	1.70%	2.02%	1.95%	1.65%	1.60%	1.53%	1.44%	1.32%

SOURCES: CGS-CIMB RESEARCH ESTIMATES

ESG in a nutshell		Refinitiv ESG Scores							
				B ESG Score	A+ ESG Controversies Score	B ESG Combined Score	C ESG Environment Pillar Score	B- ESG Social Pillar Score	A- ESG Government Pillar Score
		<p>CITIC received a B rating for its combined ESG score from Refinitiv in 2020, unchanged since 2017. In recent years, the bank has integrated the sustainable development concept of “aiming to become a green bank, a people-oriented bank, a charitable bank, a trustworthy bank, a value creator and a bank with a great brand” into strategy and culture. CITIC continuously refines its sustainable development management system, actively taking initiative and achieving positive results in inclusive finance, green credit loans, “Carbon Footprint” management and poverty alleviation. CITIC’s total greenhouse gas emissions throughout 2020 were 148,200 tonnes, which decreased 8.86% yoy, and the 2020 greenhouse gas emissions were 2.52 tonnes per capita, down 11.58% yoy. Going forward, we expect CITIC to promote green finance more vigorously and refine the green financial management mechanism.</p>							
<p>Keep your eye on</p> <p>According to Global Times, several senior executives of CITIC bank were put under investigation or arrested as China tightened the fight against corruption in the financial sector in Sep 2021. Also, keep an eye on the pace at which green finance solutions are rolled out by the China banks to help China meet its national 2030 and 2060 goals on peak emissions and carbon neutrality, as well as the extent to which the China banks ramped up lending to coal and energy companies in late-2021 to help ease China’s power shortages. As CITIC Bank is a subsidiary of CITIC Group, which holds ministerial level central state-owned enterprise (SOE) status, we believe that policy risks could be higher at CITIC bank compared to other joint stock banks.</p>	<p>Implications</p> <p>CITIC Bank will strengthen its business ethics and anti-corruption training to ensure compliance with regulations. Also, given its SOE links, we see CITIC as playing a key role in providing green finance solutions and helping China meets its national 2030 and 2060 goals on peak emissions and carbon neutrality. This long-term shift towards more environmentally-friendly lending is not currently factored into valuations, in our view, but a prolonged misalignment with responsible financing practices could be a drag on the stock.</p>								
<p>ESG highlights</p> <p>CITIC’s 2020 B Refinitiv combined ESG score is the joint-highest (with CCB) among peers. It is impressive that the bank’s ESG Controversies Score has remained at A+ since 2016.</p>	<p>Implications</p> <p>CITIC has made great efforts to support sustainable development and green operations. While it had the joint-highest Refinitiv combined ESG score of peers in 2020, there is still further scope for improvement, especially since its 2020 Refinitiv Environmental pillar score of C is relatively low among the banks under our coverage.</p>								
<p>Trends</p> <p>CITIC’s Refinitiv combined ESG score was stable at B in 2017-20 after rising from B- in 2016. Its Environmental pillar score dipped to C in 2020 from B- over the 2017-19 period (it was D in 2016). Its Social pillar score was stable at B- in 2017-20 (after rising from C+ in 2016). Its Governance pillar score was stable at A- over the 2016-20 period (apart from 2017, where it dipped to B+).</p>	<p>Implications</p> <p>We believe there is scope for its ESG combined score to improve, driven by a lower-than-peer Environmental pillar score as well as greater rollout of green finance initiatives to help China reach its 2030 and 2060 goals on peak emissions and carbon neutrality.</p>								

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Net Interest Income	150,515	147,896	152,694	162,515	172,988
Total Non-Interest Income	44,815	56,681	64,201	72,177	80,524
Operating Revenue	195,330	204,577	216,895	234,692	253,513
Total Non-Interest Expenses	(54,255)	(62,224)	(63,992)	(69,242)	(74,795)
Pre-provision Operating Profit	141,075	142,353	152,904	165,450	178,718
Total Provision Charges	(82,989)	(77,048)	(81,144)	(84,576)	(86,424)
Operating Profit After Provisions	58,086	65,305	71,760	80,873	92,294
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Operating EBIT (incl Associates)	58,086	65,305	71,760	80,873	92,294
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	58,086	65,305	71,760	80,873	92,294
Exceptional Items					
Pre-tax Profit	58,086	65,305	71,760	80,873	92,294
Taxation	(8,325)	(9,140)	(10,011)	(11,282)	(12,876)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	49,761	56,165	61,749	69,591	79,418
Minority Interests	(552)	(736)	(864)	(1,038)	(1,258)
Pref. & Special Div	(3,010)	(3,010)	(3,010)	(3,010)	(3,010)
FX And Other Adj.	0	0	0	0	0
Net Profit	46,199	52,419	57,875	65,543	75,150
Recurring Net Profit	46,199	52,419	57,875	65,543	75,150

Balance Sheet Employment

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Gross Loans/Cust Deposits	98%	102%	103%	104%	106%
Avg Loans/Avg Deposits	98%	100%	102%	104%	105%
Avg Liquid Assets/Avg Assets	39.4%	38.8%	38.3%	37.8%	37.4%
Avg Liquid Assets/Avg IEAs	39.8%	39.3%	38.6%	38.0%	37.4%
Net Cust Loans/Assets	58.0%	59.0%	59.6%	60.2%	60.8%
Net Cust Loans/Broad Deposits	71.4%	75.0%	75.7%	76.5%	77.3%
Equity & Provs/Gross Cust Loans	15.0%	15.4%	15.4%	15.5%	15.7%
Asset Risk Weighting	71.8%	72.2%	72.2%	72.2%	72.2%
Provision Charge/Avg Cust Loans	0%	0%	0%	0%	0%
Provision Charge/Avg Assets	0%	0%	0%	0%	0%
Total Write Offs/Average Assets	1.02%	1.05%	0.67%	0.60%	0.61%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Gross Loans	5,326,826	5,647,627	6,098,264	6,592,865	7,119,254
Liquid Assets & Invst. (Current)	2,092,732	2,322,641	2,485,226	2,659,192	2,845,335
Other Int. Earning Assets					
Total Gross Int. Earning Assets	7,419,558	7,970,268	8,583,490	9,252,057	9,964,589
Total Provisions/Loan Loss Reserve	(125,703)	(120,957)	(146,312)	(176,993)	(205,153)
Total Net Interest Earning Assets	7,293,855	7,849,311	8,437,178	9,075,064	9,759,436
Intangible Assets	3,404	3,758	3,758	3,758	3,758
Other Non-Interest Earning Assets	213,902	189,815	196,292	198,502	202,629
Total Non-Interest Earning Assets	217,306	193,573	200,050	202,260	206,387
Cash And Marketable Securities	0	0	0	0	0
Long-term Investments	0	0	0	0	0
Total Assets	7,511,161	8,042,884	8,637,227	9,277,324	9,965,823
Customer Interest-Bearing Liabilities	4,572,286	4,789,969	5,147,506	5,522,760	5,915,705
Bank Deposits	1,521,059	1,540,631	1,654,151	1,779,669	1,918,666
Interest Bearing Liabilities: Others	732,958	958,203	1,038,692	1,127,687	1,226,240
Total Interest-Bearing Liabilities	6,826,303	7,288,803	7,840,349	8,430,116	9,060,610
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	116,166	110,291	110,291	110,291	110,291
Total Liabilities	6,942,469	7,399,094	7,950,640	8,540,407	9,170,901
Shareholders' Equity	544,573	626,303	669,400	718,692	775,439
Minority Interests	15,465	16,323	17,187	18,225	19,483
Total Equity	560,038	642,626	686,587	736,917	794,922

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Income Growth	3.97%	4.73%	6.02%	8.21%	8.02%
Operating Profit Growth	5.52%	0.91%	7.41%	8.21%	8.02%
Pretax Profit Growth	2.9%	12.4%	9.9%	12.7%	14.1%
Net Interest To Total Income	77.1%	72.3%	70.4%	69.2%	68.2%
Cost Of Funds	2.28%	2.24%	2.25%	2.25%	2.25%
Return On Interest Earning Assets	4.23%	3.98%	3.90%	3.87%	3.85%
Net Interest Spread	1.95%	1.74%	1.65%	1.62%	1.60%
Net Interest Margin (Avg Deposits)	3.48%	3.16%	3.07%	3.05%	3.02%
Net Interest Margin (Avg RWA)	2.87%	2.64%	2.53%	2.51%	2.49%
Provisions to Pre Prov. Operating Profit	58.8%	54.1%	53.1%	51.1%	48.4%
Interest Return On Average Assets	2.11%	1.90%	1.83%	1.81%	1.80%
Effective Tax Rate	14.3%	14.0%	14.0%	14.0%	14.0%
Net Dividend Payout Ratio	26.9%	28.2%	28.1%	28.1%	28.1%
Return On Average Assets	0.65%	0.67%	0.69%	0.73%	0.78%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Loan Growth (%)	11.9%	8.6%	9.1%	8.9%	8.7%
Net Interest Margin (%)	2.3%	2.0%	2.0%	1.9%	1.9%
Non Interest Income Growth (%)	-26.0%	26.5%	13.3%	12.4%	11.6%
Cost-income Ratio (%)	27.8%	30.4%	29.5%	29.5%	29.5%
Provision charge as % avg loans	1.9%	1.7%	1.6%	1.5%	1.4%
Effective tax rate (%)	14.4%	14.0%	14.0%	14.0%	14.0%
Net NPL Ratio (%)	1.6%	1.4%	1.3%	1.3%	1.3%
Provisioning coverage ratio (%)	171.7%	180.1%	208.4%	236.9%	257.5%
Loan Loss Reserve (%)	2.8%	2.5%	2.8%	3.1%	3.3%
Deposit Growth (%)	12.3%	4.8%	7.5%	7.3%	7.1%
Loan-deposit Ratio (%)	97.8%	101.4%	102.9%	104.4%	105.9%
Core Tier 1 ratio (%)	10.2%	10.9%	10.8%	10.8%	10.9%
Risk weighted assets to total assets ratio (%)	71.8%	72.2%	72.2%	72.2%	72.2%
Dividend payout ratio (%)	27.0%	28.1%	28.1%	28.1%	28.1%

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 April 30, 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) -

(ii) Analyst Disclosure: As of May 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: INM00012037) 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 related 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 April 29, 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 Comisión 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, IML, JAS, JMART, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MEGA, MINT, MTC, NRF, OR, ORI, OSP, PLANB, PRM, PSL, PTG, PTL, PTT, PTTTP, PTTGC, QH, RATCH, RBF, RS, SAWAD, SCB, SCC, SCGP, SINGER, SPALI, SPRC, STA, STEC, STGT, SUPER, SYNEX, TASCÓ, 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.

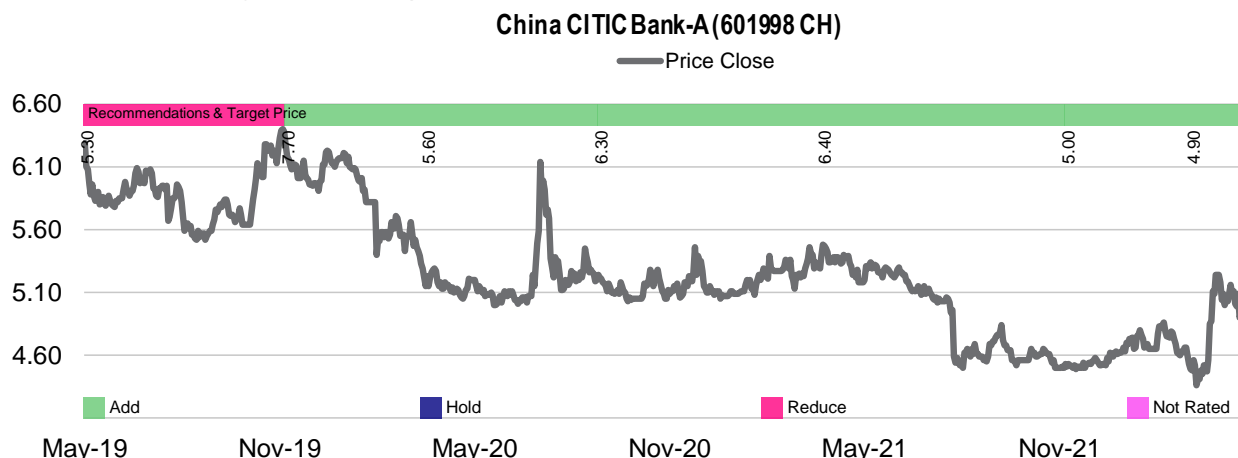
CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

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, **CENDEL** – 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.

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.

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.