

VERSABANK (VBNK-NASDAQ)

Banking

William J. Wallace IV
Tim DeLacey, Research Associate
Taylor DeBey, Research Associate

Please contact your CGS-CIMB representative for additional information.

Crossing Borders Into U.S. With Announcement of OCC-Chartered Bank Acquisition

Event: Earlier this morning, VersaBank (VBNK) announced they have reached a definitive agreement to acquire OCC-Chartered Stearns Bank Holdingford, N.A. (“SBH”) headquartered in Holdingford, MN, the wholly-owned subsidiary of Stearn Financial Services, Inc (LINK). Per the acquisition agreement, Versa will acquire SBH through its wholly owned U.S. subsidiary VersaHoldings US Corp and will pay an estimated \$13.5 million USD (\$17.4 million CAD). SBH is expected to add ~\$60 million in total assets to VersaBank and, upon the expected closing in F4Q22 (subject to regulatory approval in both the U.S. and Canada), will be renamed as VersaBank USA National Association. Notably, Versa expects the acquisition to be accretive to earnings within the first year after closing.

Our take: From a strategic perspective, we view the announcement positively for Versa, as the acquisition of an OCC-chartered, U.S. domiciled bank will provide the bank a national lending and deposit gathering platform in the U.S. for which they can accelerate growth in their point-of-sale (“POS”) lending program, which recently launched in the U.S. with the recent announcement of its first partner. Additionally, in the longer term, we believe the acquisition of the OCC-charter also provides the bank the initial regulatory framework for the launch of its USD-backed digital depository receipt, VUSD, though we anticipate that Versa will seek to successfully complete the commercial launch its Canadian counterpart, VCAD, before entertaining the idea of launching a USD-backed stablecoin. Ultimately, we believe the acquisition provides Versa the necessary regulatory platform to achieve its aspirations for POS growth in the U.S., which we believe are set to accelerate following the acquisition, though we will look for additional color on the financial impacts of the transaction in our follow-up discussion with management.

**JUNE 14, 2022 | 10:14 AM EDT
COMPANY BRIEF**
Strong Buy 1

Suitability MA/ACC

MARKET DATA

Current Price (Jun-14-22)	\$7.91
Market Cap (mln)	\$217
Current Net Debt (mln)	\$13
Enterprise Value (mln)	\$230
Shares Outstanding (mln)	27.4
30-Day Avg. Daily Value (mln)	\$0.1
Dividend	\$0.10
Dividend Yield	1.3%
52-Week Range	\$7.66 - \$14.30
BVPS	\$9.73
Tangible BVPS	\$9.08

KEY FINANCIAL METRICS

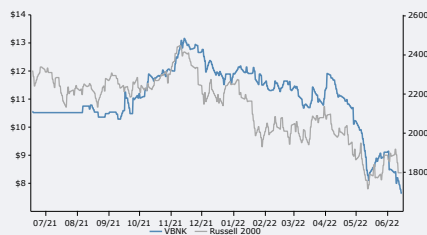
	1Q	2Q	3Q	4Q
Non-GAAP EPS (\$, Oct FY)				
2021A	0.18	0.20	0.20	0.19
2022E	0.15 A	0.13 A	0.17	0.20
2023E	0.22	0.22	0.26	0.28
	2021A	2022E	2023E	
Non-GAAP EPS (\$, Oct FY)	0.77	0.65	0.99	
P/E (Non-GAAP)	10.3x	12.2x	8.0x	
Revenue (mln) (\$, Oct FY)	53	63	82	
GAAP EPS (\$, Oct FY)	0.77	0.65	0.99	

Source: Thomson One, Raymond James & Associates. Quarterly figures may not add to full year due to rounding.

Non-GAAP EPS is operating earnings and excludes securities gains/losses and one-time items. All financial metrics presented in USD.

COMPANY DESCRIPTION

Founded in 1993 with the purchase of Pacific & Western Trust, VersaBank is a Schedule I Canadian bank (license granted in 2002) headquartered in London, Ontario, Canada. VersaBank is a branchless bank with two primary lending segments and two primary funding segments; it is also a technology-forward institution that operates a cybersecurity solutions business through its wholly owned subsidiary, DRT Cyber.



IMPORTANT INVESTOR DISCLOSURES

Unless otherwise specified, the term “Raymond James” shall denote, where appropriate, Raymond James & Associates, Inc. (RJA), Raymond James Ltd. (RJL), and their affiliates, subsidiaries and related entities.

Analyst Information

Analyst Compensation: Research analysts and associates at Raymond James are compensated on a salary and bonus system. Several factors enter into the compensation determination for an analyst, including: i) research quality and overall productivity, including success in rating stocks on an absolute basis and relative to the local exchange composite index and/or sector index; ii) recognition from institutional investors; iii) support effectiveness to the institutional and retail sales forces and traders; iv) commissions generated in stocks under coverage that are attributable to the analyst's efforts; v) net revenues of the overall Equity Capital Markets Group; and vi) comparable compensation levels for research analysts at competing peer firms.

Registration of Non-U.S. Analysts: The analysts listed on the front of this report who are not employees of, or associated with, RJA are not registered/qualified as research analysts under FINRA rules and are not subject to FINRA Rule 2241 restrictions on communications with covered companies, trading securities held by a research analyst account, and obligations related to identifying and managing conflicts of interest.

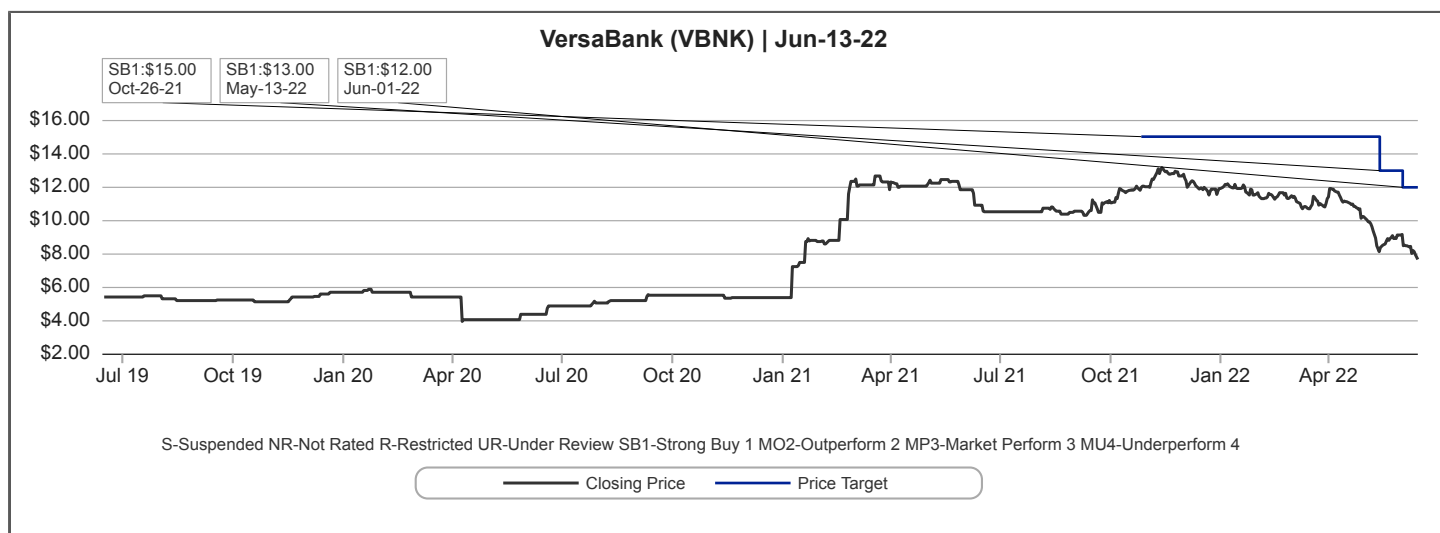
This global disclosure considers all entities of Raymond James and its affiliates. The jurisdiction where the analyst(s) is registered will determine what is permitted. For example, if the persons responsible for the content of this report are not licensed as research analysts in accordance with applicable rules promulgated by the regulatory organization(s) where this report is distributed, any client wishing to effect trades in any security should contact their Raymond James representative.

The analyst William J. Wallace IV, primarily responsible for the preparation of this research report, attests to the following: (1) that the views and opinions rendered in this research report reflect his or her personal views about the subject companies or issuers and (2) that no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views in this research report.

Company Specific Disclosures

Methodology: The Raymond James methodology for assigning ratings and target prices includes a number of qualitative and quantitative factors, including an assessment of industry size, structure, business trends, and overall attractiveness; management effectiveness; competition; visibility; financial condition; and expected total return, among other factors. Collectively, these factors are subject to change depending on overall economic conditions or industry- or company-specific occurrences.

Target Prices: The information below indicates Raymond James' target price and rating changes for any subject companies over the past three years.



Valuation Methodology

VersaBank

Our valuation methodology for VersaBank takes into consideration the company's P/E ratio in comparison to comparable P/E ratios from a peer group, as well as the company's tangible book multiple in comparison to tangible book value multiples from a peer group.

General Risk Factors

Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product/service pricing could change and adversely impact expected revenues and earnings; (2) issues relating to major competitors or market shares or new product expectations could change investor attitude toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation.

Company Specific Risk Factors

VersaBank

Interest Rate Risk: As a bank holding company, Versa's revenue stream is inherently sensitive to changes in interest rates, and earnings estimates could vary based on the direction and degree of said changes.

Competition Risk: Substantial competition exists in Versa's primary markets from other Schedule I Canadian banks, foreign banks, and specialty finance companies. The level and aggressiveness of competition could lead to adverse pressures on both asset yields and funding costs, which could negatively impact the company's margins and pressure its profitability.

Asset Quality Risk: Asset quality risk is another key consideration when investing in bank stocks. An economic slowdown or prolonged recession on a national or state basis could result in higher nonperforming assets and net charge-offs, which could, in turn, create a shortfall in VersaBank's net income relative to our EPS estimates.

Regulatory Risk: As a Schedule I bank in Canada, Versa is subject to the rules and regulations governing the Canadian banking industry. As such, changing rules and regulation could have an adverse impact on the bank's profitability.

Macroeconomic Risk: Most of Versa's customers are tied to individuals or businesses that are dependent upon the economies in which the bank operates. If unemployment levels rise or the commercial real estate market weakens, credit losses could exceed our expectations, causing downside to our earnings model. Conversely, if unemployment levels decline and the commercial real estate market strengthens meaningfully, there could be upside to our estimates in the form of stronger growth.

Currency Risk: Versa is a Canadian headquartered bank that is trading on the NASDAQ in U.S. dollar denominated securities. As such, an investment in these securities would be subject to currency risk as the exchange rate between the Canadian dollar and the U.S. dollar fluctuates.

Acquisition Risk: As part of its strategy to enter the U.S. market Versa would ultimately require a U.S. bank charter to gather deposits, which it may look to gain through an acquisition of a U.S. based bank holding company. Acquiring a financial services company involves a number of risks, including those related to asset quality issues, loss of customers, entering new and unfamiliar markets, and integration of the acquired bank. In particular, integration poses a number of challenges, as the company may expend substantial resources to integrate acquired entities. Such failure to integrate acquired entities may adversely affect the company's results of operations and financial condition.

Relationship Disclosures

Certain affiliates of Raymond James expect to receive or intend to seek compensation for investment banking services from all companies under research coverage within the next three months. The person(s) responsible for the production of this report declare(s) that, as far as they are aware, there are no relationships or circumstances (including conflicts of interest) that may in any way impair the objectivity of this recommendation directly or indirectly. This statement applies equally to any persons closely associated with him or her. However, it is possible that persons making communications in relation to a security may have a holding in that security and this will be disclosed. As stated, Raymond James has controls in place to manage such risks.

In the event that this is a compendium report (i.e., covers six or more subject companies), Raymond James may choose to provide specific disclosures for the subject companies by reference. To access these disclosures, clients should refer to: raymondjames.bluematrix.com/sellside/Disclosures.action or call toll free at 1.800.237.5643 in the United States or 1.800.667.2899 in Canada. In other jurisdictions, please contact your local Raymond James' representative.

Company Name	Disclosure
VersaBank	Raymond James & Associates, Inc. makes a market in the shares of VersaBank.
VersaBank	Raymond James & Associates has managed or co-managed an offering of securities for VersaBank within the past 12 months.
VersaBank	Raymond James & Associates, Inc. served as financial advisor to VersaBank in its pending acquisition of Stearns Bank Holdingford from Stearns Financial Services Inc.

Investor Disclosures

In the United States (or U.S.), RJA is registered with the Financial Industry Regulatory Authority (FINRA) as a member firm. RJA is responsible for the preparation and distribution of reports created in the United States. RJA is located at The Raymond James Financial Center, 880 Carillon Parkway, St. Petersburg, Florida 33716 (Raymond James Financial (RJF) Corporate Headquarters), 727.567.1000. Raymond James Financial Services, Inc. (RJFS) is registered with FINRA as a Member Firm. RJFS is located at the RJF Corporate Headquarters.

RJA non-U.S. affiliates, which are not FINRA member firms (with the exception of Raymond James (USA) Ltd.), include the following entities, which are responsible for the creation or distribution of reports in their respective areas:

In Canada, RJA is registered with the Investment Industry Regulatory Organization of Canada (IIROC) as a member firm. RJA is responsible for the preparation and distribution of reports created in Canada. RJA is located at Suite 2100, 925 West Georgia Street, Vancouver, BC V6C 3L2 (RJA Head Office), 604.659.8200. Raymond James (USA) Ltd. (RJLU) is registered with FINRA as a member firm, which is responsible for the distribution of reports created in Canada and the United States to both American clients living in Canada and Canadian clients living in the United States. RJLU is located at the RJA Head Office.

In the United Kingdom, Raymond James Financial International Ltd. (RJFI) and Raymond James Investment Services, Ltd. (RJIS) are authorised and regulated by the Financial Conduct Authority (FCA). RJFI and RJIS are located at Ropemaker Place, 25 Ropemaker Street, London, England, EC2Y 9LY, +44 203 798 5600.

This report is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in a locality, state, province, country, or other jurisdiction where such distribution, publication, availability, or use would be strictly prohibited or contrary to law or regulation. The securities discussed in this report may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is not investment advice and does not constitute a personal recommendation, nor does it take into account the particular investment objectives, financial situations, or needs of individual clients. Information in this report should not be construed as advice designed to meet the individual objectives of any particular investor. Investors should consider this report as only a single factor in making their investment decision. Some investments discussed in this report may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Those losses may equal your original investment. Consultation with your Raymond James representative is recommended. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Nothing in this report constitutes investment, legal, accounting or tax advice or is a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

The information provided is as of the date above and is subject to change and may or may not be updated. This report should not be deemed a recommendation to buy or sell any security. Certain information has been obtained from third-party sources Raymond James considers reliable, but Raymond James does not guarantee that such information is accurate or complete. Persons within Raymond James may have information that is not available to the contributors of the information contained in this report. Raymond James, including affiliates and employees, may execute transactions in the securities listed in this report that may not be consistent with the ratings appearing in this report.

With respect to materials prepared by Raymond James, all expressions of opinion reflect the judgment of the Research Departments of Raymond James, or its affiliates, as of the date above and are subject to change. Raymond James may perform investment banking or other services for, or solicit investment banking business from, any company mentioned in this report.

Raymond James reports are disseminated and available to Raymond James clients simultaneously via electronic publication to Raymond James' internal proprietary websites (RJA: [RJ Client Access](#) & [raymondjames.com](#); RJL: [RJL ECM Client Access](#), [RJL Retail Client Access](#) & [raymondjames.ca](#)). Not all reports are directly distributed to clients or third-party aggregators. Certain reports may only be disseminated on Raymond James' internal proprietary websites; however, such reports will not contain estimates or changes to earnings forecasts, target price, valuation, or investment or suitability rating. Individual Raymond James associates may also opt to circulate published reports to one or more clients electronically. This electronic communication distribution is discretionary and is done only after the report has been publically disseminated via RJ's internal proprietary websites. The level and types of communications provided by Raymond James associates to clients may vary depending on various factors including, but not limited to, the client's individual preference as to the frequency and manner of receiving communications. For reports, models, or other data available on a particular security, please contact your Raymond James representative or financial advisor or visit for RJA: [RJ Client Access](#) & [raymondjames.com](#); RJL: [RJL ECM Client Access](#), [RJL Retail Client Access](#) & [raymondjames.ca](#).

Raymond James' policy is to update reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated in a report. Raymond James' policy is only to publish reports that are impartial, independent, clear, and fair and not misleading. Any information relating to the tax status of the securities discussed in this report is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

Links to third-party websites are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any third-party website or the collection or use of information regarding any website's users and/or members. Raymond James has not reviewed any such third-party websites and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Raymond James' own website material) is provided solely for your convenience and information, and the content of any such website does not in any way form part of this report. Accessing such website or following such link through this report or Raymond James' website shall be at your own risk. Additional information is available on request.

All right, title, and interest in any Raymond James reports is the exclusive property of Raymond James Financial, Inc. and its affiliates, except as otherwise expressly stated. Raymond James® is the registered trademark of Raymond James Financial, Inc. All trademarks, service marks, slogans, logos, trade dress and other identifiers, third-party data and/or market data ("intellectual property") displayed in the Raymond James reports are the property of Raymond James, or of other parties. The names of other companies and third-party products or services or other intellectual property mentioned in the Raymond James reports may be the copyright, trademarks, or service marks of their respective owners. U.S. and foreign copyright, trademark, common law rights and statutes protect this intellectual property. You are prohibited from using any intellectual property for any purpose including, but not limited to, use on other materials, in presentations, as domain names, or as metatags, without the express written permission of Raymond James or such other party that may own the marks.

Notice to RJA PCG Financial Advisors - Non-U.S. securities discussed in this report are generally not eligible for sale in the U.S. unless they are listed on a U.S. securities exchange. This report may not be used to solicit the purchase or sale of a security in any state where such a solicitation would be illegal. By accessing this report, you agree to not solicit the purchase or sale of any security mentioned in the report that is not listed on a U.S. securities exchange, or is not otherwise registered under applicable state Blue Sky laws. Furthermore, you acknowledge that you will be solely responsible for any and all costs associated with the rescission of trades in unregistered securities. Please contact the International Research Liaison with any questions at 727.567.5559.

Ratings and Definitions

RJA (U.S.) Definitions: Strong Buy (SB1) The security is expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months. **Outperform (MO2)** The security is expected to appreciate or outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where Raymond James is comfortable with the relative safety of the dividend and expects a total return modestly exceeding the dividend yield over the next 12-18 months. **Market Perform (MP3)** The security is expected to perform generally in line with the S&P 500 over the next 12 months and could potentially be used as a source of funds for more highly rated securities. **Underperform (MU4)** The security is expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold. **Suspended (S)** The security's rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable or to comply with applicable regulations or firm policies in certain circumstances. When a security's research coverage has been suspended, the previous rating and price target are no longer in effect for this security, and they should not be relied upon.

RJL (Canada) Definitions: Strong Buy (SB1) The security is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six to 12 months. **Outperform (MO2)** The security is expected to appreciate and outperform the S&P/TSX Composite Index over the next 12-18 months. **Market Perform (MP3)** The security is expected to perform generally in line with the S&P/TSX composite Index over the next 12 months and could potentially be used as a source of funds for more highly rated securities. **Underperform (MU4)** The security is expected to underperform the S&P/TSX Composite Index or its sector over the next six to 12 months and should be sold. **Suspended (S)** The security's rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable or to comply with applicable regulations or firm policies in certain circumstances or may otherwise have a perceived conflict of interest. When a security's research coverage has been suspended, the previous rating and price target are no longer in effect for this security, and they should not be relied upon.

	Coverage Universe Rating Distribution*				Investment Banking Relationships			
	RJA		RJL		RJA		RJL	
Strong Buy and Outperform (Buy)	589	63%	204	80%	145	25%	49	24%
Market Perform (Hold)	333	35%	49	19%	37	11%	5	10%
Underperform (Sell)	18	2%	3	1%	2	11%	0	0%
Total Number of Companies	940	100%	256	100%	184		54	

* Columns may not add to 100% due to rounding.

* Total does not include companies with a suspended rating.

RJA Suitability Ratings (SR)

Moderate Risk/Provide Income (M/INC) Larger capitalization, lower volatility (beta) equities of companies with sound financials, consistent earnings, and dividend yields meaningfully above that of the S&P 500. Many securities in this category are structured with a focus on providing a consistent dividend or return of capital. **Moderate Risk/Wealth Accumulation (M/ACC)** Larger capitalization equities of companies with sound financials, consistent earnings growth, the potential for long-term price appreciation, and often a dividend yield. **Moderately Aggressive Risk/Provide Income (MA/INC)** Generally equities of companies that are structured with a focus on providing a dividend meaningfully above that of the S&P 500. These companies typically feature sound financials, positive earnings, and the potential for long-term price appreciation. **Moderately Aggressive Risk/Wealth Accumulation (MA/ACC)** Generally equities of companies in fast growing and competitive industries with less predictable earnings (or losses), potentially more leveraged balance sheets, rapidly changing market dynamics, and potential risk of principal. **Aggressive Risk/Provide Income (A/INC)** Generally equities of companies that are structured with a focus on providing a meaningful dividend but may face less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and meaningful risk of loss of principal. Securities of companies in this category may have a more volatile income stream from dividends or distributions of capital. **Aggressive Risk/Wealth Accumulation (A/ACC)** Generally equities of companies with a short or unprofitable operating history, limited or less predictable revenues, high risk associated with success, high volatility (beta), potential significant financial or legal issues, and the meaningful risk of loss of principal.

RJL Suitability Ratings

RJL has developed a proprietary algorithm for risk rating individual securities. The algorithm utilizes data from multiple vendors, and all data is refreshed at least monthly. Accordingly, suitability ratings are updated monthly. The suitability rating shown on this report is current as of the report's published date. In the event that a suitability rating changes after the published date, the new rating will not be reflected until the analyst publishes a subsequent report.

International Disclosures

For clients of RJA: Any foreign securities discussed in this report are generally not eligible for sale in the United States unless they are listed on a U.S. exchange. This report is being provided to you for informational purposes only and does not represent a solicitation for the purchase or sale of a security in any state where such a solicitation would be illegal. Investing in securities of issuers organized outside of the United States, including ADRs, may entail certain risks.

The securities of non-U.S. issuers may not be registered with, nor be subject to, the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on such securities. Investors who have received this report may be prohibited in certain states or other jurisdictions from purchasing the securities mentioned in this report. Please ask your RJA financial advisor for additional details and to determine if a particular security is eligible for purchase in your state or jurisdiction.

For clients of RJFS: This report was prepared and published by Raymond James and is being provided to you by RJFS solely for informative purposes. Any person receiving this report from RJFS should direct all questions and requests for additional information to their RJFS financial advisor.

For RJA and RJFS clients in Canada: In the Canadian provinces of Alberta, British Columbia, New Brunswick, Ontario and Quebec (collectively, the "Canadian Jurisdictions"), both RJA and RJFS are relying on the international dealer exemption (the "IDE"), and RJA is also relying on the international adviser exemption (the "IAE"), pursuant to sections 8.18 and 8.26 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103"). RJA and RJFS are not registered to make a trade nor is RJA registered to provide advice in the Canadian Jurisdictions. Neither RJA nor RJFS are members of the Investment Industry Regulatory Organization of Canada.

This report is intended solely for residents of the Canadian Jurisdictions who are permitted clients as set forth in NI 31-103. Neither RJA, RJFS nor their representatives are making an offer to sell or soliciting an offer to buy any security issued by an issuer incorporated, formed or created under the laws of Canada ("Canadian issuers") and discussed in this report. Any trades by permitted clients in any securities of Canadian issuers (whether listed on a U.S., Canadian or other exchange) discussed in this report may not be made through a relationship with RJA or RJFS and shall be directed to RJL for execution. Relationships with clients residing in Canadian Jurisdictions for trading in securities of Canadian issuers must be established through a Canadian registered firm, such as RJL. For additional information regarding establishing

a relationship with RJL, Canadian clients should contact 1-888-545-6624.

For clients of RJL: In the case where there is Canadian analyst contribution, the report meets all applicable IIROC disclosure requirements. RJL is a member of the Canadian Investor Protection Fund.

For clients of RJFI: This report is prepared for and distributed by RJFI, and any investment to which this report relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as retail clients.

For clients of RJIS: This report is prepared for and distributed by RJIS, and is for the use of professional investment advisers and managers and is not intended for use by retail clients.

For purposes of the FCA requirements, this report is classified as independent with respect to conflict of interest management. RJFI and RJIS are authorised and regulated by the FCA.

For clients of Raymond James Euro Equities (RJEE): RJEE is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. As of 30 November, 2020, RJEE is an unaffiliated entity of Raymond James. RJEE is located at SAS, 45 Avenue George V, 75008, Paris, France, +33 1 45 61 64 90. This report is prepared for and distributed by RJEE pursuant to an agreement with Raymond James, and any investment to which this report relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des Marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as retail clients.

For recipients in Brazil: This is a strictly privileged and confidential communication between Raymond James & Associates and its selected clients. This communication contains information addressed only to specific individuals in Brazil and is not intended for distribution to, or use by, any person other than the named addressee. This communication (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any investment opportunities or any related financial instruments, and (iii) should not be construed in any manner as a public offer of any investment opportunities or any related financial instruments. If you are not the named addressee, you should not disseminate, distribute, or copy this communication. Please notify the sender immediately if you have mistakenly received this communication.

The investments analyzed in this report may not be offered or sold to the public in Brazil. Accordingly, the investments in this report have not been and will not be registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the "CVM"), nor have they been submitted to the foregoing agency for approval. Documents relating to the investments in this report, as well as the information contained therein, may not be: (i) supplied to the public in Brazil, as the offering of investment products is not a public offering of securities in Brazil; nor (ii) used in connection with any offer for subscription or sale of securities to the public in Brazil.

For clients in Australia: Despite anything in this report to the contrary, this report is prepared for and distributed in Australia by RJFI with the assistance of RJA, and RJA at times will act on behalf of RJFI. This report 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. RJFI and RJA do not hold an Australian financial services license. RJFI is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth) in respect of financial services provided to Australian wholesale clients under the exemption in ASIC Class Order 03/1099 (as continued by ASIC Corporations (Repeal and Transitional) Instrument 2016/396). RJFI is regulated by the UK FCA under UK laws, which differ from Australian laws. RJA is acting on behalf of RJFI with respect to distribution and communications related to this report.

For clients in New Zealand: In New Zealand, this report is prepared for and may only be distributed by RJFI to persons who are wholesale clients pursuant to Section 5C of the New Zealand Financial Advisers Act 2008.

For recipients in Taiwan: This report is being distributed to you from outside of Taiwan, and such distribution has not been licensed or approved by the regulators of Taiwan. No person to whom a copy of this report is provided may issue, circulate or distribute this report in Taiwan, or make, give or show a copy of this report to any other person.

Proprietary Rights Notice

By accepting a copy of this report, you acknowledge and agree as follows:

This report is provided to clients of Raymond James only for your personal, noncommercial use. Except as expressly authorized by Raymond James, you may not copy, reproduce, transmit, sell, display, distribute, publish, broadcast, circulate, modify, disseminate, or commercially exploit the information contained in this report, in printed, electronic, or any other form, in any manner, without the prior express written consent of Raymond James. You also agree not to use the information provided in this report for any unlawful purpose.

This report and its contents are the property of Raymond James and are protected by applicable copyright, trade secret or other intellectual

property laws (of the United States and other countries). United States law, 17 U.S.C. Sec. 501 et. seq., provides for civil and criminal penalties for copyright infringement. No copyright claimed in incorporated U.S. government works.

© 2022 Raymond James Financial, Inc. All rights reserved.

© 2022 Raymond James & Associates, Inc.

© 2022 Raymond James Ltd., Member Canadian Investor Protection Fund

ADDITIONAL CGS-CIMB CLIENT DISCLAIMERS

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared for and is distributed by CGS-CIMB, pursuant to an arrangement between RJA and CGS-CIMB. RJA is not an affiliate of CGS-CIMB.

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 and remains subject to the “Restrictions on Distribution” set out below. If your status has changed or the distribution restrictions set out below impact your ability to receive this report please contact your usual CGS-CIMB representative.

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 and limit our ability to provide reports to you. This report 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 report is prepared from data believed to be correct and reliable at the time of issue of this report.

Under the terms of the agreement between RJA and CGS-CIMB, RJA is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. Neither RJA nor CGS-CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. Neither RJA nor CGS-CIMB has any and will 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.

Unless otherwise specified, this report is based upon reasonable sources. 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 RJA, or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB and/or its respective affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations), their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this 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 its related corporations do and seek to do business with the company(ies) covered in this 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.

By RJA producing this report for CGS-CIMB, RJA has confirmed to CGS-CIMB that the opinions expressed are based on information it believes to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made.

The term “RJA” shall, unless the context otherwise requires, mean RJA and its affiliates, subsidiaries and related companies. 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.

CGS-CIMB		
Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hone Kong) Limited	Securities and Futures Commission Hong Kong
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 of Thailand

Other Significant Financial Interests:

As of the end of the month immediately preceding the date of this report, 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 in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's and its affiliates' (including CGIFHL's, CIMBG's and their respective related corporations') 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 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 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

Hong Kong: This report is prepared for 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. In Hong Kong, this report is for distribution only to professional investors under Schedule 1 Part 1 of the Securities and Futures Ordinance. 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. References to or commentary on the futures markets contained in this report are provided only in the context of their impact on securities traded with CHK or its partners, including RJA for U.S. securities. No facility for trading futures has been provided to you and accordingly the information is not provided in connection with a dealing in futures.

Malaysia: This report is prepared for and 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 Bumiputera-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 the opinion or the information in this report after the date of this report. In Malaysia, this report is for distribution only to accredited investors and high-net worth entities under Part 1(a) and (B) of Schedules 6 and 7 of the Capital Markets and Services Act of Malaysia.

Singapore: This report is prepared for 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 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 the opinion or the information in this 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 report is not an 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 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:

1. Section 25 of the FAA (obligation to disclose product information);
2. 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;
3. MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
4. MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
5. Section 36 (obligation on disclosure of interest in securities); and
6. 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 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.

For the avoidance of doubt, in Singapore, this report is for distribution only to institutional investors under the Securities and Futures Act.

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this 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 Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this 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 Singapore does not make a market on securities mentioned in the report.

South Korea: This report is prepared for 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"). RJA, pursuant to an arrangement entered into with CGS-CIMB Korea, is acting as a broker-dealer solely for the purpose of intermediating foreign equity transactions for CGS-CIMB Korea and accordingly this report is provided in connection with that purpose only. This report does not constitute investment advice.

Thailand: This report is issued and distributed solely by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") pursuant to an arrangement with Raymond James or based upon other sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). In Thailand, this report is for distribution only to institutional investors as defined under Securities and Exchange Commission Notification No. KorThor. 1/2560 Re: Prescribing Natures of Giving Advice to Public Not Being Regarded as Engagement in the Securities Business of Investment Advisory Service (as amended). 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

Thailand 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

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.

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.