

# China Banking Sector

## 4Q19 results wrap – steady FY19 but challenging FY20

Despite attractive risk-reward for China banks after YTD share price correction, we suggest remain selective and stick to defensive player at this juncture, as impact from COVID-19 and corresponding policy measures start to materialize in banks' operating results in coming quarters.

- Moderate earnings pace ahead.** The 10 China banks under our coverage reported aggregate FY19 net profit growth of 5.7% YoY (vs 4.8% YoY in FY18). 4Q19 growth slowed to 3.4% YoY (vs 6.2% YoY in 9M19) on still proactive impairment charges, especially for JSBs. PSBC/PAB/CEB led the way with 16.5%/13.6%/11.0% YoY full-year earnings expansion. We forecast sector profit growth to soften to 5.2% YoY in FY20, on lower NIM and lackluster fee income. Credit cost may stay elevated for banks with thin provision coverage.
- Expect 5-10bp NIM contraction across banks in FY20E.** We see margin pressure mostly from declining asset yields amid LPR cuts and policy guidance for lower effective lending rate. Liability cost tends to be inelastic due to rigid deposit cost, although cut in RRR and open market operation rate could offer some relief. PBoC cut 7-day reverse repo rate by 20bp on 30 Mar. Therefore, MLF rate and LPR shall decline accordingly in April, and deposit rate cut is likely to be postponed. JSBs may still benefit from falling market rate in 1Q20, but NIM's low-base effect on interest income will largely abate. Ability to optimize funding mix and increase customer stickiness is the key factor to outstand, in our view.
- Credit extension on track, leaning towards corporate side.** Most banks kept full-year loan target unchanged despite less front-loading due to COVID-19's outbreak. While subdued consumer activities weighs on retail lending, banks will allocate higher proportion of new loans to corporate segment, aided by govt's pro-growth policy measures. We anticipate sector loan growth to remain largely stable at 10.2% YoY in FY20 (vs 10.5% YoY in FY19), as banks intend to compensate margin loss with volume gain.
- Asset quality posts the biggest uncertainty.** During results briefings, all banks guided for rising NPLs and overdue loans in FY20. The magnitude and duration of asset quality deterioration primarily depend on how soon the pandemic's global spread is brought under control. In our base case, we forecast NPL ratio for banks under coverage to pick up 8bp YoY to 1.49%. Retail credit is likely to see immediate shock, due to weaker repayment ability and willingness of credit card and consumption loan borrowers. Corporate credit may experience some delay effect, as demand disruption transmit over the supply chain. We believe CCB, PSBC, and ABC have greater defensiveness, given 1) solid provision buffer, 2) limited credit exposure to cyclical industries, and 3) stringent NPL recognition.

**OUTPERFORM**  
(Maintain)

### China Banking Sector

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#### Historical P/B of H-share China banks



Source: Bloomberg, CMBIS

#### Historical P/B of A-share China banks



Source: Bloomberg, CMBIS

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- Maintain Outperform and favor defensive plays.** A/H-share China banks are trading at 0.72x/0.61x FY20E P/B, with 5.2%/6.4% dividend yield. We prefer large-cap banks with stronger corporate banking exposure in 1H20, as they tend to benefit from policy stimulus for infrastructure and high-end manufacturing, hence, enjoy stable credit demand and suffer less asset quality pain from COVID-19. Heading into 2H20, retail-oriented banks should fare better on rapid consumption recovery when the pandemic's impact wanes. **Our top picks are CCB, PSBC, and PAB.**

#### Valuation Table

Name	Ticker	Price (Local ccy)	TP (Local ccy)	Rating	P/B (x) FY20E	P/E (x) FY20E	Yield FY20E	ROE FY20E
ICBC	1398 HK	5.22	7.50	BUY	0.62	5.2	5.9%	12.5%
CCB	939 HK	6.24	9.10	BUY	0.61	5.1	6.0%	12.6%
ABC	1288 HK	3.00	4.70	BUY	0.50	4.3	7.1%	11.9%
BOC	3988 HK	2.90	4.60	BUY	0.43	4.1	7.7%	11.0%
PSBC	1658 HK	4.75	6.70	BUY	0.68	5.6	5.5%	12.7%
CITICB	998 HK	3.76	5.60	BUY	0.35	3.3	7.9%	11.0%
CEB	6818 HK	2.91	4.90	BUY	0.40	3.5	8.9%	11.8%
BoCom	3328 HK	4.64	6.20	HOLD	0.41	3.9	7.9%	10.9%
MSB	1988 HK	5.65	6.30	HOLD	0.45	4.0	7.7%	11.9%
PAB	000001 CH	12.94	19.80	BUY	0.84	8.1	1.9%	10.8%

Source: Bloomberg, CMBIS estimates

## 4Q19 Results Comment

Figure 1: China banks' 4Q19 results comment

Bank	Positives	Negatives
ICBC	<ol style="list-style-type: none"> <li><b>4Q19 asset quality remained healthy.</b> NPL ratio fell 1bp QoQ to 1.43%, and provision coverage climbed 1.2ppt to 199.3%. NPL recognition was stringent, with NPLs equivalent to 1.3x &gt;90day overdue loans.</li> <li><b>Loan mix further leaned toward retail.</b> Growth of retail loans (+13.3% YoY) outpaced that of corporate loan (6.1% YoY) in FY19, and its proportion increased 1.5ppt to 38.1% of total loans.</li> <li><b>Capital position strengthened.</b> CET1/tier-1/total CAR edged up 27bp/11bp/12bp QoQ to 13.2%/14.3%/16.8%.</li> </ol>	<ol style="list-style-type: none"> <li><b>4Q19 NIM slid 1bp QoQ to 2.20%, and FY19 NIM narrowed 6bp YoY to 2.24%</b>, mainly on higher liability cost (+11bp YoY), but largely flat asset yield (+3bp YoY) in FY19.</li> <li><b>Loan growth was subdued at 0.6% QoQ in 4Q19</b>, and deposits fell 1.7% QoQ as the Bank cut higher-cost structured deposits.</li> <li><b>4Q19 fee income retreated 1.9% YoY</b>, on less revenue from trust &amp; agency businesses.</li> </ol>
CCB	<ol style="list-style-type: none"> <li><b>Solid 4Q19 revenue growth of 8.0% YoY.</b> Net interest and fee income rose 8.8% YoY and 6.8% YoY, respectively.</li> <li><b>Asset quality continued to improve.</b> NPL ratio fell 1bp QoQ to 1.42%, and provision coverage climbed 9ppt to 228%. NPL recognition was stricter, as NPLs covered 1.7x &gt;90day overdue loans.</li> <li><b>Better deposit mix</b> with proportion of demand deposit inched up 2.1ppt HoH to 55.2%</li> <li><b>Capital position remained strongest in the sector.</b> CET1 and total CAR stood at 13.9% and 17.5%.</li> </ol>	<ol style="list-style-type: none"> <li><b>4Q19 NIM contracted 3bp QoQ to 2.24%</b> by our estimate, and FY19 NIM narrowed 5bp YoY to 2.26%.</li> <li><b>More conservative asset mix.</b> Lower-yield interbank assets expanded 60.6% QoQ, likely due to falling risk appetite.</li> <li><b>4Q19 CIR picked up 0.5ppt YoY to 47.3%.</b></li> </ol>
ABC	<ol style="list-style-type: none"> <li><b>4Q19 PPOp growth was fastest of Big-4 at 10.1% YoY</b>, on higher non-interest income.</li> <li><b>4Q19 NIM rose 2bp QoQ to 2.16%</b> by our estimate, but FY19 NIM narrowed 16bp to 2.17%.</li> <li><b>Asset quality kept improving.</b> NPL ratio slide 2bp QoQ to 1.40%. Provision coverage climbed 7.5ppt QoQ to 289%, highest of Big-4.</li> </ol>	<ol style="list-style-type: none"> <li><b>Deposit balance fell 1.0% QoQ</b>, likely due to decline of structured deposit.</li> <li><b>4Q19 tax expense surged 67.8% YoY</b>, weighing on earnings growth.</li> <li><b>4Q19 fee income growth slowed to 8.2% YoY</b> from 12.0% YoY in 9M19.</li> </ol>
BOC	<ol style="list-style-type: none"> <li><b>Asset quality remained solid in 4Q19.</b> NPL was unchanged QoQ at 1.37%, and provision coverage also stayed flat QoQ at 183%. NPL recognition became stricter.</li> <li><b>Trading gains increased 325% YoY in FY19</b>, mainly from higher returns on FX related products.</li> <li><b>Optimized interest-earning asset mix.</b> Loans grew 1.4% QoQ, while investments were largely stable and lower-yield interbank assets fell 5.4% QoQ.</li> <li><b>Capital position strengthened.</b> CET1/total CAR rose 6bp/8bp QoQ to 11.3%/15.6% in 4Q19.</li> </ol>	<ol style="list-style-type: none"> <li><b>4Q19 NIM narrowed 1bp QoQ and FY19 NIM contracted 6bp YoY to 1.84%.</b> Asset yield was up 3bp YoY, but liability cost climbed 8bp YoY due to 14bp YoY surge in deposit cost.</li> <li><b>Net fee income declined 3.7% YoY in 4Q19</b>, leading to a subdued full-year growth of 2.8%.</li> <li><b>Deposit growth was lackluster at 0.3% QoQ</b>, and proportion of demand deposit slip 0.8ppt to 47.9%.</li> </ol>
BoCom	<ol style="list-style-type: none"> <li><b>NIM rose 6bp QoQ to 1.62% in 4Q19</b>, thanks to higher proportion of interbank funding and falling market rates.</li> <li><b>4Q18 CIR declined 0.8ppt YoY to 35.9%.</b></li> <li><b>Better asset mix.</b> Loans grew 1.9% QoQ, while investments stayed flat, and interbank assets fell 13.8% YoY.</li> <li><b>FY19 effective tax rate was down 2.3ppt YoY to 11.5%</b>, on increased investments to tax-free govt bonds.</li> </ol>	<ol style="list-style-type: none"> <li><b>Asset quality pressure lingers.</b> NPL ratio remained flat at 1.47% in 4Q19, but provision coverage fell 2.5ppt to 171.8%, lowest among Big-6.</li> <li><b>Deposit growth was sluggish at 0.4% QoQ.</b> Structured deposits rose 23.5% YoY.</li> <li><b>Net fee income was down 6.9% YoY.</b></li> </ol>
PSBC	<ol style="list-style-type: none"> <li><b>Healthy loan growth of 2.6% QoQ and 16.3% YoY</b>, mainly driven by 18.6% YoY increase in retail loans, reaching 55.3% of total loan book.</li> <li><b>Continued expansion in retail client base and AUM</b>, which were up 4.6% YoY to 605mn and 8.7% YoY to RMB10tn.</li> <li><b>4Q19 net fee income growth stayed robust at 16.4% YoY</b>, largely on rising fees from bankcard and settlement &amp; clearing businesses.</li> <li><b>Capital position strengthened.</b> CET1/total CAR edged up 35bp/25bp QoQ to 9.90%/13.52% after A-share IPO in Dec 2019.</li> </ol>	<ol style="list-style-type: none"> <li><b>4Q19 NIM narrowed 2bp QoQ to 2.44%</b> by our estimate, and full-year NIM fell 17bp YoY to 2.50%. This was mainly due to higher liability cost amid intensified deposit competition.</li> <li><b>NPL ratio climbed 3bp QoQ to 0.86%</b>, still well below sector average of 1.86%. Provision coverage slid 1.7ppt to 389%.</li> <li><b>4Q19 CIR rose 4.2ppt YoY to 69.5%</b>, likely due to increase in IT-related personnel.</li> </ol>

<b>CITICB</b>	<ol style="list-style-type: none"> <li><b>Asset quality improved.</b> NPL ratio fell 7bp QoQ to 1.65% while provision coverage remained stable at 175%.</li> <li><b>Full-year NIM widened 3bp YoY to 2.12%.</b> Asset yield stayed flat YoY at 4.48%, but interbank and debt financing cost retreated 55bp and 72bp, more than offsetting the 20bp YoY hike in deposit cost.</li> <li><b>FY19 net fee income rose 25.3% YoY</b>, mainly driven by bankcard and agency service businesses.</li> <li><b>CIR declined 2.9ppt YoY</b>, pointing to better operating efficiency.</li> </ol>	<ol style="list-style-type: none"> <li><b>Loan growth slowed to 1.1% QoQ in 4Q19</b>, likely on falling risk appetite amid rising credit risks. Growth in credit card loans decelerated to 2.9% in 2H19 from 13.0% in 1H19.</li> <li><b>Deposit growth was slower than peers at 0.6% QoQ</b>, likely due to pull-back in structured deposits (9.35% of total deposits as of 4Q19).</li> <li><b>CET1 CAR dropped 7bp QoQ to 8.69%.</b></li> </ol>
<b>MSB</b>	<ol style="list-style-type: none"> <li><b>4Q19 revenue growth was strong at 15.5% YoY</b>, mainly on robust net interest growth of 16.6% YoY.</li> <li><b>4Q19 NIM picked up 3bp QoQ to 2.04%</b> by our estimate, mainly on lower interbank funding cost.</li> <li><b>Strong loan/deposit growth of 5.3%/5.7% QoQ.</b></li> <li><b>Asset quality improved notably.</b> NPL ratio fell 11bp QoQ to 1.56%, and provision coverage climbed 9.8ppt to 156%.</li> </ol>	<ol style="list-style-type: none"> <li><b>4Q19 net fee income growth slowed to 7.1% YoY</b> from 9.2% YoY in 9M19.</li> <li><b>4Q19 credit cost rose 45bp QoQ</b>, as the Bank tried to strengthen provision buffer.</li> <li><b>Capital ratio declined.</b> CET1/total CAR fell 41bp/12bp QoQ to 8.89%/13.17%.</li> </ol>
<b>CEB</b>	<ol style="list-style-type: none"> <li><b>4Q19 NIM was up 5bp QoQ</b> by our estimate, and FY19 NIM widened 34bp YoY to 2.31%, mainly on lower liability cost from falling market rates.</li> <li><b>4Q19 CIR fell 1.7ppt YoY to 27.8%.</b></li> <li><b>CET1 and total CAR both edged up 4bp QoQ</b> to 9.2% and 13.5%</li> <li><b>Management lifted dividend payout ratio by 5ppt to 30%.</b></li> </ol>	<ol style="list-style-type: none"> <li><b>NPL ratio rose 2bp QoQ to 1.56%</b>, mainly from higher NPL ratio for retail loans. Provision coverage inched up 2.5ppt to 182%.</li> <li><b>Weaker deposit mix</b>, as proportion of demand deposit fell 1.9ppt HoH to 33.2%, likely due to higher exposure to structured deposits.</li> </ol>
<b>PAB</b>	<ol style="list-style-type: none"> <li><b>Loan growth accelerated to 8.0% in 4Q19.</b> Corporate loan growth was 10% QoQ, driving strong deposit growth of 6.3% QoQ.</li> <li><b>NIM remained stable QoQ at 2.62%</b>, as 10bp decline in loan yield was offset by 8bp/3bp retreat in deposit/interbank costs.</li> <li><b>4Q19 cost-income ratio fell 2.5ppt YoY</b> to 31.1%.</li> <li><b>Asset quality improved with stricter loss recognition.</b></li> <li><b>Retail client base continued to expand.</b></li> <li><b>Management lifted dividend payout ratio</b> by 5ppt YoY to 15%.</li> </ol>	<ol style="list-style-type: none"> <li><b>Capital ratio declined in 4Q19.</b> CET-1/total CAR slid 64bp/14bp QoQ on faster RWA expansion.</li> <li><b>Retail NPL ratio rose 10bp HoH to 1.19%</b>, due to 29bp and 12bp HoH increase in NPL ratio for credit card (1.66%) and auto finance loans (0.74%).</li> </ol>

Source: Company data, CMBIS

## 4Q19 Briefing Takeaway

Figure 2: China banks' 4Q19 briefing takeaway

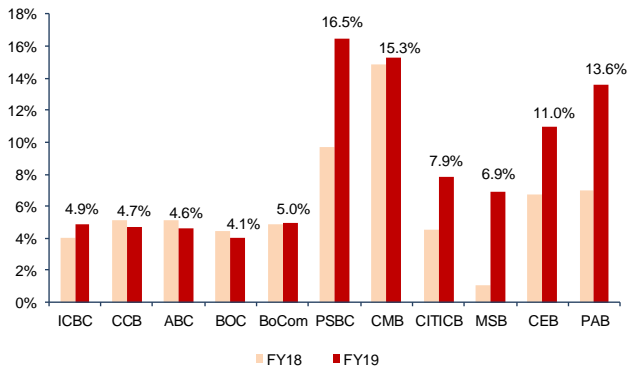
Bank	Key takeaway from results briefing
<b>ICBC</b>	<ol style="list-style-type: none"> <li>1. Management guided for stable credit growth in FY19, as demand has been recovering with resumption of work and production since Mar, and ICBC has adequate project reserves on hand.</li> <li>2. Corporate loans are key driver for credit growth in 1Q20.</li> <li>3. Asset quality may suffer from a temporary hit, mainly from credit card, but full-year impact will be manageable. Asset quality of MSE loan remained solid so far, with &lt;5% of MSE clients applied for extension in loan repayment.</li> <li>4. Management expected more NIM pressure in FY20, due to falling loan and bond yields. Improved deposit mix will help to ease funding cost.</li> </ol>
<b>CCB</b>	<ol style="list-style-type: none"> <li>1. NIM will further narrow in FY20, as loan yield decline and deposit cost likely sustain. Management target to keep NIM contraction within 10bp.</li> <li>2. New loans for FY20 is set to be RMB1.46tn (10% YoY growth), of which retail/corporate accounts for 53%/47%. 75% of new retail loans will be mortgage.</li> <li>3. Due to COVID-19's global outbreak, asset quality will worsen in FY20. Both NPL and overdue loan will rebound, but within controllable scale.</li> <li>4. Management sees significant business potential for consumer credit, despite short-term impact.</li> </ol>
<b>BOC</b>	<ol style="list-style-type: none"> <li>1. Management expected limited impact from COVID-19 on 1Q20 loan growth. New RMB corporate loans extended in FY20 will see moderate YoY increase with higher proportion of mid-to-long term loans.</li> <li>2. Key sectors for new loans include transportation infrastructure, information technology, and high-end equipment manufacturing.</li> <li>3. Overdue loans will increase in 1H20, due to suspension in production, traffic blockage, individual's loss of income, and rising difficulties in bed debt collection.</li> <li>4. NIM will be under pressure as major global economies head into rate cut cycle.</li> </ol>
<b>BoCom</b>	<ol style="list-style-type: none"> <li>1. BoCom's NPL will likely rebound in FY20 but largely in line with industry trend. COVID-19's has significant impact on credit card's asset quality.</li> <li>2. NIM expansion in FY19 was primarily on lower interbank funding cost; Management see NIM pressure in FY20 mainly from asset yield side, as liability cost is rigid. 20bp decline in LPR is estimated to result in 3bp NIM contraction for BoCom.</li> <li>3. WMP balance was around RMB920bn, up 23% YoY. Transformation of wealth management business made progress, with proportion of net worth products reached 37%. FY20 growth target for WMP is 15%.</li> </ol>
<b>PSBC</b>	<ol style="list-style-type: none"> <li>1. COVID-19 has limited impact on 1Q20 loan and deposit growth, and FY20 full-year target is achievable.</li> <li>2. Banking sector's NIM is under pressure amid global monetary easing. PSBC's measure to hedge NIM contraction: 1) Raising LDR; 2) Lifting proportion of interest-earning credit assets; 3) Increasing proportion of retail loans.</li> <li>3. Both NPL and overdue loans will rise in 1Q20, but full-year trend is controllable. Credit exposure to accommodation, catering, tourism, and entertainment-related industries was only 0.13%.</li> <li>4. Given relatively smaller scale, PSBC's credit card business is expanding fast, although other banks have slowed down.</li> <li>5. WMP balance reached RMB870bn as of Feb 2020, and 8.4% was non-standard credit assets. Proportion of net worth products was 31% as of Dec 2019 and is expected to reach 50-60% by end-2020.</li> </ol>
<b>CMB</b>	<ol style="list-style-type: none"> <li>1. COVID-19's impact include: 1) slower customer acquisition for bank card and MSE business; 2) retail loan growth weakened, but corporate loan remain solid; 3) revenue pressure from both interest and fee income.</li> <li>2. Asset quality will see direct hit. Overdue credit card, mortgage, and MSE loans all increased in Feb 2020.</li> <li>3. NIM decline in FY19 was due to prudent business strategy, as CMB did some securitization on retail loans. The effect of LPR cuts will mainly reflect on FY21 NIM.</li> <li>4. Asset growth target will stay at around 10% YoY, M2 growth + 2ppt for FY20.</li> <li>5. CMB had no equity financing in the past six years, and according to current plan, has no need in next five years.</li> </ol>
<b>CITICB</b>	<ol style="list-style-type: none"> <li>1. Lending pace was slower due to COVID-19. Feb's new loan was RMB60-70bn, while used to be RMB150-160.</li> <li>2. Net interest spread is narrowing on LPR cut and still resilient deposit cost.</li> <li>3. Asset quality is under pressure. NPL amount increased by RMB5.7bn, and NPL ratio rose 0.11ppt in Feb.</li> <li>4. CITICB is actively investing in Fintech. IT personnel in headquarter was 1,600 by 2019 and will rise to 3,000 in 2020.</li> </ol>

<b>CEB</b>	<ol style="list-style-type: none"> <li>1. Management did not adjust full-year business target after COVID-19's outbreak.</li> <li>2. Loan growth will maintain stable in FY20. MSE loans will rise more than 30% YoY.</li> <li>3. Retail business suffered greater hit from the pandemic, but no. of retail clients and proportion of retail deposit will keep growing.</li> <li>4. CEB targets for light-capital business development, with lower-than-peers RWA growth and higher-than-peers ROE.</li> </ol>
<b>PAB</b>	<ol style="list-style-type: none"> <li>1. Asset quality pressure will be more visible in 2Q-3Q20. Credit exposure to industries affected by COVID-19 (wholesale &amp; retail, accommodation &amp; catering, entertainment &amp; tourism etc.) was RMB82bn, 8.5% of total corporate loans as of FY19. Business transformation in past three years has led to strong ability to withstand risks.</li> <li>2. Retail growth target remained unchanged despite temporary slowdown.</li> <li>3. NIM increase in FY19 was driven by: 1) Higher proportion of retail loans thus stronger pricing power; 2) Lower market rates reduced interbank funding cost. Deposit structure improved with more demand deposits. Management targets to maintain NIM advantage over peers.</li> <li>4. Since new asset management rule, WMP scale only increased by 10%. Proportion of bet worth products was 44%.</li> <li>5. "Double 15" target for net profit growth and ROE is still on track.</li> </ol>

Source: Company data, CMBIS

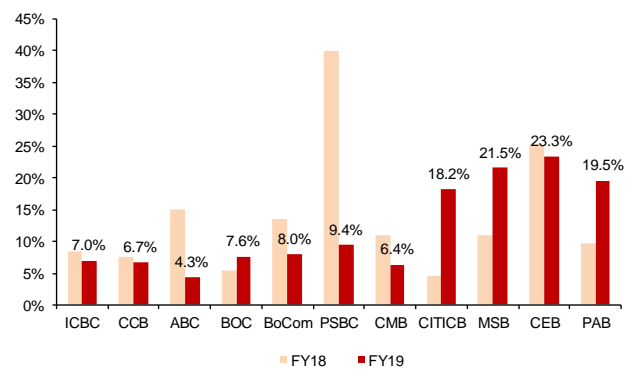
## Focus Charts

**Figure 3: Net profit YoY growth**



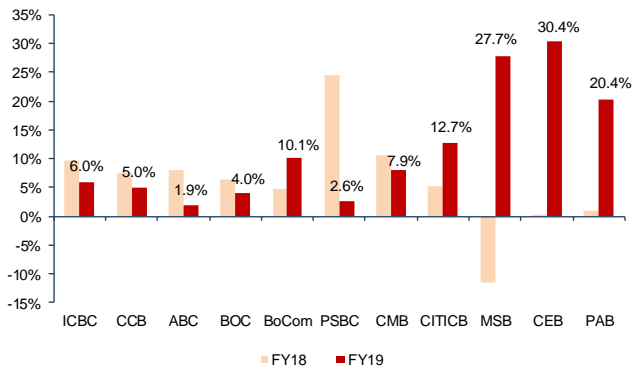
Source: Company data, CMBIS

**Figure 4: PPOP YoY growth**



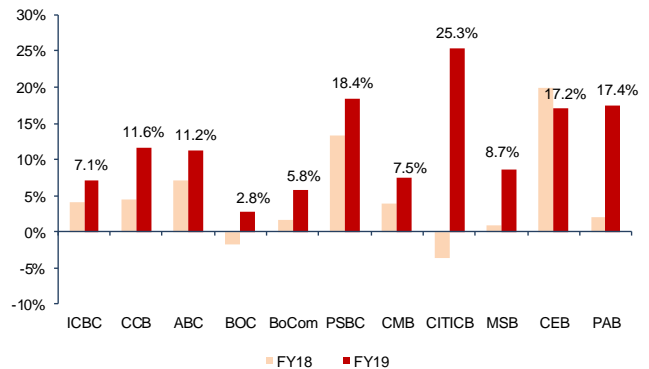
Source: Company data, CMBIS

**Figure 5: Net interest income YoY growth**



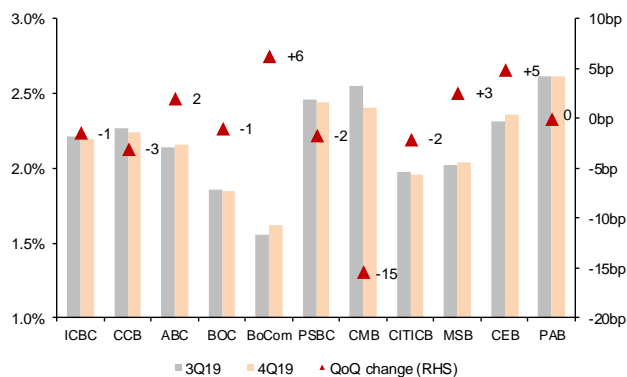
Source: Company data, CMBIS

**Figure 6: Net fee income YoY growth**



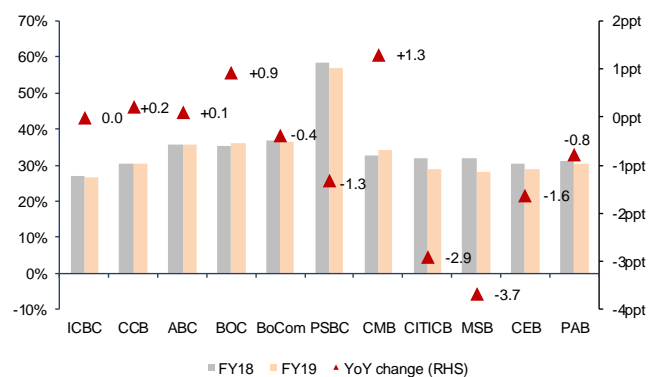
Source: Company data, CMBIS

**Figure 7: NIM and QoQ change**



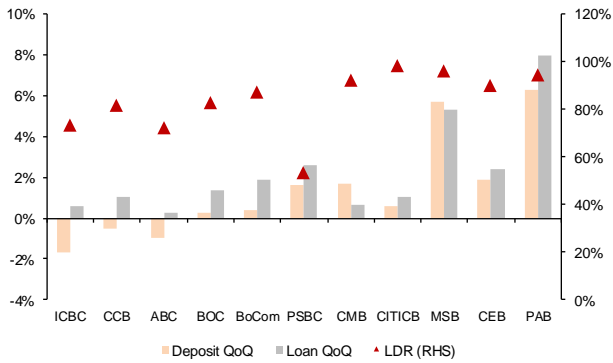
Source: Company data, CMBIS

**Figure 8: Cost to income ratio and YoY change**



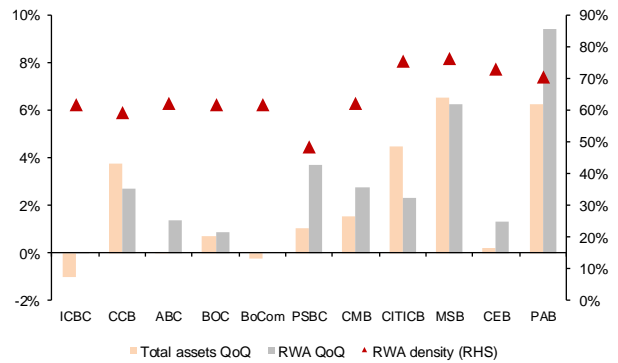
Source: Company data, CMBIS

**Figure 9: Loan / deposit growth and LDR**



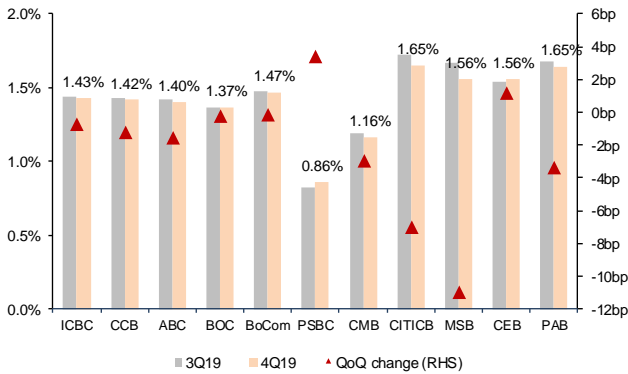
Source: Company data, CMBIS

**Figure 10: Asset/RWA growth and RWA density**



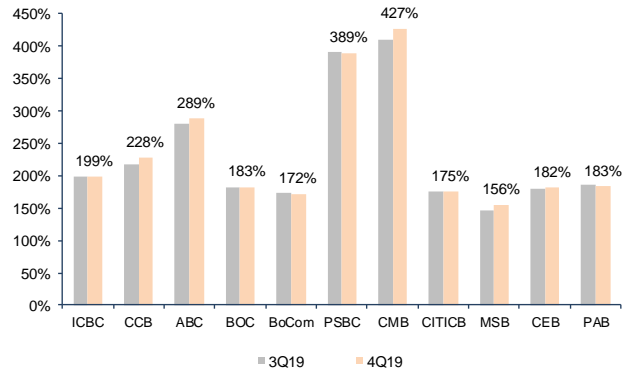
Source: Company data, CMBIS

**Figure 11: NPL ratio and QoQ change**



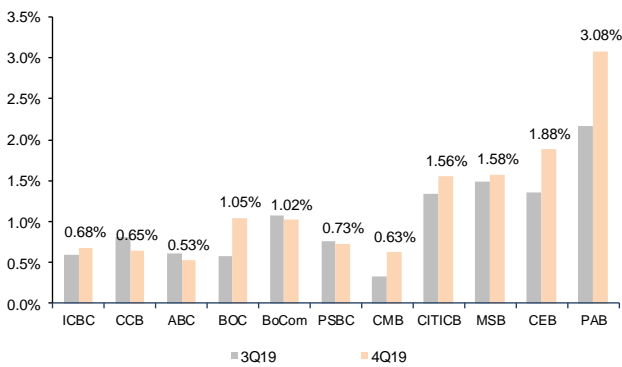
Source: Company data, CMBIS

**Figure 12: Provision coverage ratio**



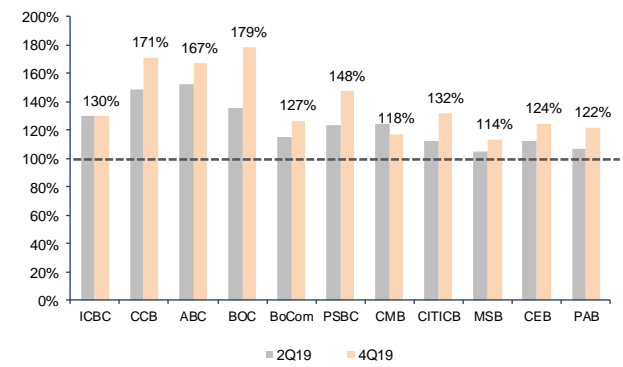
Source: Company data, CMBIS

**Figure 13: NPL formation ratio**



Source: Company data, CMBIS

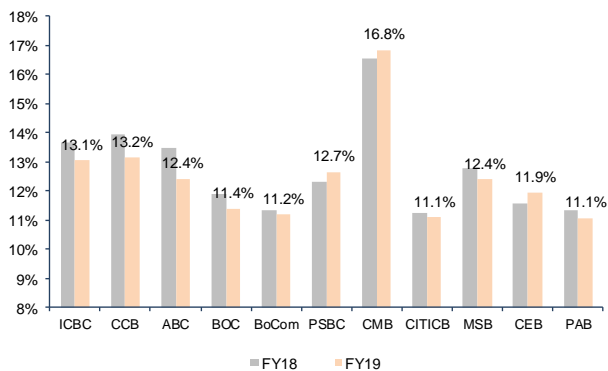
**Figure 14: NPL to >90-day overdue loan**



Source: Company data, CMBIS

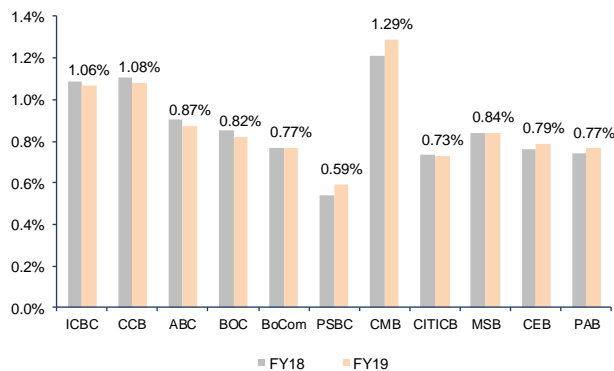


**Figure 15: ROE**



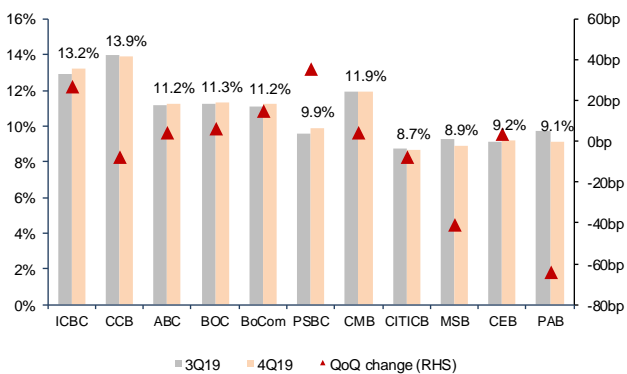
Source: Company data, CMBIS

**Figure 16: ROA**



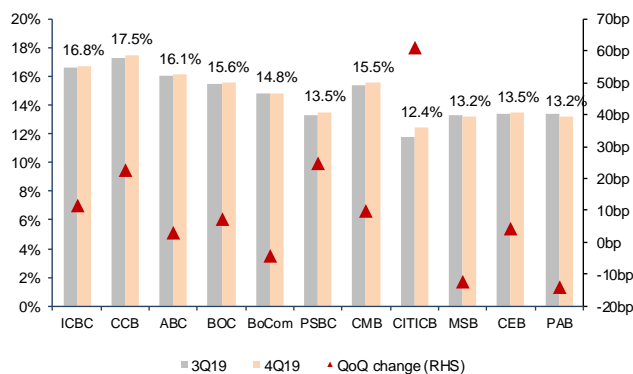
Source: Company data, CMBIS

**Figure 17: CET1 CAR**



Source: Company data, CMBIS

**Figure 18: Total CAR**



Source: Company data, CMBIS

Figure 19: China banks' 4Q19 results comparison

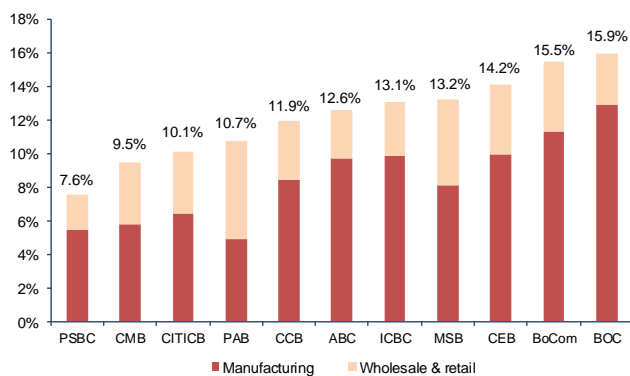
<b>Earnings</b>	<b>ICBC</b>	<b>CCB</b>	<b>ABC</b>	<b>BOC</b>	<b>BoCom</b>	<b>PSBC</b>	<b>CMB</b>	<b>CITICB</b>	<b>MSB</b>	<b>CEB</b>	<b>PAB</b>
FY19 net profit	312,224	266,733	212,098	187,405	77,281	60,933	92,867	48,015	53,819	37,354	28,195
YoY	4.9%	4.7%	4.6%	4.1%	5.0%	16.5%	15.3%	7.9%	6.9%	11.0%	13.6%
vs consensus	0.7%	1.1%	0.4%	2.7%	2.2%	1.8%	2.1%	1.7%	1.8%	2.2%	0.0%
4Q19 net profit	60,512	41,389	31,427	27,826	17,134	6,645	15,628	7,263	8,290	5,955	4,574
YoY	4.2%	2.1%	0.8%	3.8%	4.9%	18.6%	18.6%	-5.8%	8.5%	0.9%	4.9%
<b>Growth</b>	<b>ICBC</b>	<b>CCB</b>	<b>ABC</b>	<b>BOC</b>	<b>BoCom</b>	<b>PSBC</b>	<b>CMB</b>	<b>CITICB</b>	<b>MSB</b>	<b>CEB</b>	<b>PAB</b>
<b>YoY (4Q19 vs 4Q18)</b>											
Net interest income	3.3%	8.8%	3.3%	1.1%	5.7%	1.2%	-1.3%	11.0%	16.6%	15.8%	17.2%
Net fee income	-1.9%	6.8%	8.2%	-3.7%	-6.9%	16.4%	6.2%	-24.6%	7.1%	11.1%	17.4%
Revenue	3.3%	8.0%	9.4%	7.8%	2.3%	2.8%	2.5%	3.9%	15.5%	12.7%	16.5%
CIR	2.2%	0.5%	-0.3%	4.3%	-0.8%	4.2%	0.8%	-6.5%	-5.5%	-1.7%	-2.5%
PPOP	-0.3%	7.0%	10.1%	-0.3%	3.6%	-9.6%	1.0%	15.6%	26.4%	15.4%	20.9%
Impairment charge	-7.7%	4.9%	0.6%	-6.2%	13.8%	-20.3%	1.2%	30.1%	22.9%	26.4%	30.1%
<b>QoQ (4Q19 vs 3Q19)</b>											
Total assets	-1.0%	3.7%	0.0%	0.7%	-0.3%	1.1%	1.5%	4.5%	6.5%	0.2%	6.2%
Loans	0.6%	1.0%	0.3%	1.4%	1.9%	2.6%	0.6%	1.1%	5.3%	2.4%	8.0%
Deposits	-1.7%	-0.5%	-1.0%	0.3%	0.4%	1.6%	1.7%	0.6%	5.7%	1.9%	6.3%
NPLs	0.2%	1.2%	-0.5%	1.0%	1.8%	6.9%	-1.9%	-3.0%	-1.6%	2.9%	-2.9%
NPL ratio	-1bp	-1bp	-2bp	0bp	0bp	3bp	-3bp	-7bp	-11bp	1bp	-3bp
Provision coverage	1ppt	9ppt	7ppt	1ppt	-2ppt	-2ppt	17ppt	0ppt	10ppt	3ppt	-3ppt
Credit cost	-18bp	21bp	-4bp	25bp	-24bp	-40bp	7bp	-73bp	45bp	56bp	10bp
NIM	-1bp	-3bp	2bp	-1bp	6bp	-2bp	-15bp	-2bp	3bp	5bp	0bp
CET1 CAR	27bp	-7bp	5bp	6bp	15bp	35bp	5bp	-7bp	-41bp	4bp	-64bp
<b>Key ratio</b>	<b>ICBC</b>	<b>CCB</b>	<b>ABC</b>	<b>BOC</b>	<b>BoCom</b>	<b>PSBC</b>	<b>CMB</b>	<b>CITICB</b>	<b>MSB</b>	<b>CEB</b>	<b>PAB</b>
<b>Profitability</b>											
NIM	2.20%	2.24%	2.16%	1.84%	1.62%	2.44%	2.40%	1.96%	2.04%	2.36%	2.62%
CIR	37.7%	47.3%	51.0%	47.3%	35.9%	69.5%	44.6%	35.4%	36.1%	27.8%	31.1%
ROA	0.80%	0.66%	0.51%	0.49%	0.69%	0.26%	0.85%	0.44%	0.51%	0.50%	0.48%
ROE	9.9%	8.0%	7.3%	6.8%	10.0%	5.5%	11.0%	6.7%	7.4%	7.6%	6.8%
<b>Asset quality</b>											
NPL ratio	1.43%	1.42%	1.40%	1.37%	1.47%	0.86%	1.16%	1.65%	1.56%	1.56%	1.65%
NPL formation	0.68%	0.65%	0.53%	1.05%	1.02%	0.73%	0.63%	1.56%	1.58%	1.88%	3.08%
Credit cost	0.76%	1.17%	0.89%	1.11%	0.95%	0.62%	1.15%	1.43%	2.15%	2.11%	2.71%
Provision coverage	199%	228%	289%	183%	172%	389%	427%	175%	156%	182%	183%
Allowance ratio	2.85%	3.21%	4.06%	2.49%	2.53%	3.34%	4.96%	2.90%	2.43%	2.80%	3.01%
NPL to >90day overdue	130%	171%	167%	179%	127%	148%	118%	132%	114%	124%	122%
<b>Capital &amp; liquidity</b>											
CET1 CAR	13.2%	13.9%	11.2%	11.3%	11.2%	9.9%	11.9%	8.7%	8.9%	9.2%	9.1%
Tier1 CAR	14.3%	14.7%	12.5%	12.8%	12.8%	10.9%	12.7%	10.2%	10.3%	11.1%	10.5%
Total CAR	16.8%	17.5%	16.1%	15.6%	14.8%	13.5%	15.5%	12.4%	13.2%	13.5%	13.2%
LDR	72.9%	81.8%	72.1%	82.6%	87.3%	53.4%	92.1%	98.2%	95.9%	90.1%	94.4%

Source: Company data, CMBIS

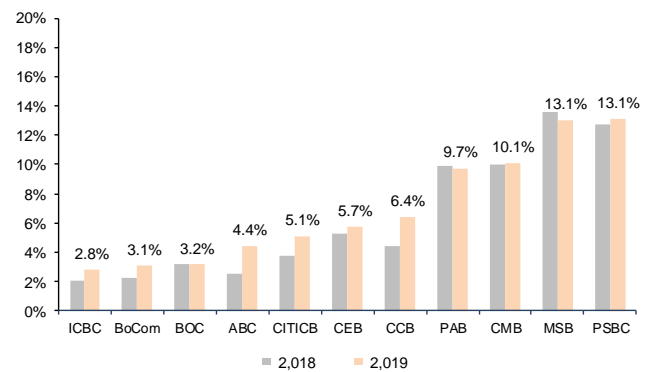
**Figure 20: China banks' loan profile as of 4Q19**

Loan sector	ICBC	CCB	ABC	BOC	BoCom	PSBC	CMB	CITICB	MSB	CEB	PAB
<b>Corporate loans</b>	<b>61.9%</b>	<b>56.3%</b>	<b>59.4%</b>	<b>61.3%</b>	<b>66.9%</b>	<b>44.7%</b>	<b>47.4%</b>	<b>56.8%</b>	<b>59.5%</b>	<b>57.3%</b>	<b>41.6%</b>
Manufacturing	9.9%	8.4%	9.7%	12.9%	11.3%	5.5%	5.8%	6.5%	8.1%	10.0%	4.9%
Transportation and postal services	13.8%	10.2%	12.7%	9.9%	12.0%	10.2%	7.5%	3.8%	2.2%	3.2%	1.9%
Wholesale and retail	3.2%	3.5%	2.9%	3.1%	4.2%	2.1%	3.6%	3.7%	5.1%	4.2%	5.8%
Leasing and commercial services	7.5%	7.6%	7.9%	8.7%	10.2%	2.0%	3.9%	8.8%	12.7%	6.3%	4.1%
Electricity, gas and water supply	6.1%	5.6%	6.8%	5.0%	4.1%	3.8%	3.3%	1.7%	1.6%	1.7%	0.8%
Real estate	5.4%	4.4%	5.3%	8.0%	5.0%	1.4%	8.2%	7.2%	13.7%	7.8%	9.8%
Public utility	5.5%	2.9%	3.9%	2.7%	5.4%	1.4%	1.3%	6.7%	3.5%	9.6%	-
Construction	1.7%	2.3%	1.8%	2.0%	2.6%	2.1%	2.2%	2.4%	3.1%	3.5%	1.7%
Mining	1.3%	1.6%	1.6%	2.3%	2.2%	1.2%	0.9%	-	3.2%	-	1.4%
Others	7.6%	9.8%	7.0%	6.8%	10.0%	15.0%	10.7%	16.0%	6.4%	11.1%	11.1%
<b>Retail loans</b>	<b>38.1%</b>	<b>43.7%</b>	<b>40.6%</b>	<b>38.7%</b>	<b>33.1%</b>	<b>55.3%</b>	<b>52.6%</b>	<b>43.2%</b>	<b>40.5%</b>	<b>42.7%</b>	<b>58.4%</b>
Mortgage	30.8%	35.7%	31.2%	30.6%	21.4%	34.2%	24.7%	19.5%	12.0%	15.3%	17.7%
Credit card	4.0%	5.0%	3.6%	3.7%	8.8%	2.5%	14.9%	12.9%	12.8%	16.4%	23.3%
Others	3.2%	3.0%	5.8%	4.4%	2.9%	18.6%	13.0%	10.8%	15.7%	11.0%	17.5%

Source: Company data, CMBIS

**Figure 21: Loan exposure to cyclical sectors**

Source: Company data, CMBIS

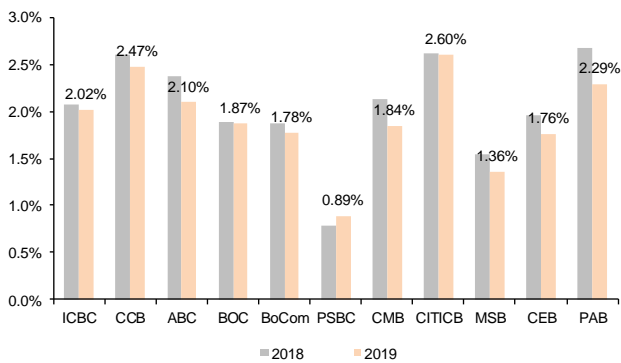
**Figure 22: Loan exposure to MSE**

Source: Company data, CMBIS

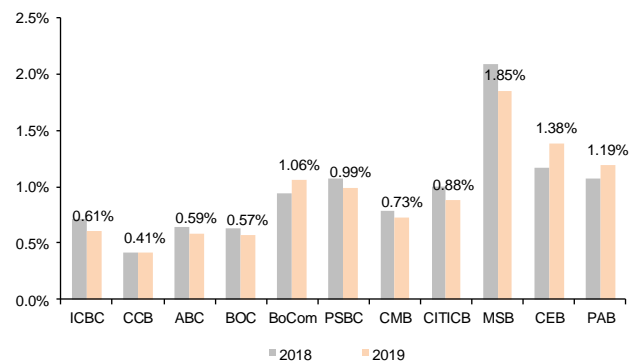
**Figure 23: China banks' NPL ratio by sector as of 4Q19**

Loan sector	ICBC	CCB	ABC	BOC	BoCom	PSBC	CMB	CITICB	MSB	CEB	PAB
<b>Corporate loans</b>	<b>2.02%</b>	<b>2.47%</b>	<b>2.10%</b>	<b>1.87%</b>	<b>1.78%</b>	<b>0.89%</b>	<b>1.84%</b>	<b>2.60%</b>	<b>1.36%</b>	<b>1.76%</b>	<b>2.29%</b>
Manufacturing	5.12%	6.60%	5.06%	4.64%	4.11%	5.18%	6.09%	6.09%	4.31%	4.67%	3.43%
Transportation, storage and postal	0.82%	1.67%	0.77%	0.73%	1.36%	0.04%	0.73%	0.90%	1.38%	1.12%	3.09%
Wholesale and retail	10.45%	5.24%	9.83%	3.55%	5.24%	3.86%	3.19%	8.08%	2.11%	4.54%	NA
Production and supply of power	0.20%	1.03%	0.67%	2.24%	0.56%	0.05%	0.35%	1.43%	1.20%	1.39%	0.90%
Leasing and commercial services	0.98%	0.84%	1.46%	3.55%	N/A	0.76%	2.08%	1.12%	0.65%	0.54%	7.24%
Real estate	1.71%	0.94%	1.45%	0.53%	0.33%	0.02%	0.44%	1.19%	0.28%	0.45%	1.18%
Water, environment and public utility	0.45%	0.92%	0.13%	0.85%	0.04%	0.03%	0.46%	0.30%	NA	NA	NA
Mining	4.39%	4.22%	2.34%	2.99%	2.55%	0.08%	5.32%	NA	3.37%	NA	13.55%
Construction	2.12%	1.72%	1.13%	1.66%	1.54%	0.23%	1.30%	2.60%	1.01%	0.78%	2.23%
Accommodation and catering	8.10%	NA	NA	NA	3.26%	NA	NA	NA	1.87%	NA	NA
Education, culture and sanitation	1.54%	0.39%	NA	NA	0.75%	NA	NA	0.04%	NA	NA	NA
IT and software	NA	NA	0.30%	1.86%	N/A	N/A	1.85%	3.12%	NA	NA	NA
<b>Retail loans</b>	<b>0.61%</b>	<b>0.41%</b>	<b>0.59%</b>	<b>0.57%</b>	<b>1.06%</b>	<b>0.99%</b>	<b>0.73%</b>	<b>0.88%</b>	<b>1.85%</b>	<b>1.38%</b>	<b>1.19%</b>
Mortgages	NA	0.24%	0.30%	0.29%	0.36%	0.38%	0.25%	NA	NA	NA	0.30%
Credit cards	NA	1.03%	0.90%	2.22%	2.38%	1.74%	1.35%	NA	NA	NA	1.66%
Others	NA	1.53%	1.99%	1.78%	2.24%	2.02%	0.93%	NA	NA	NA	4.46%
<b>Total</b>	<b>1.43%</b>	<b>1.42%</b>	<b>1.40%</b>	<b>1.37%</b>	<b>1.47%</b>	<b>0.86%</b>	<b>1.16%</b>	<b>1.65%</b>	<b>1.56%</b>	<b>1.56%</b>	<b>1.65%</b>

Source: Company data, CMBIS

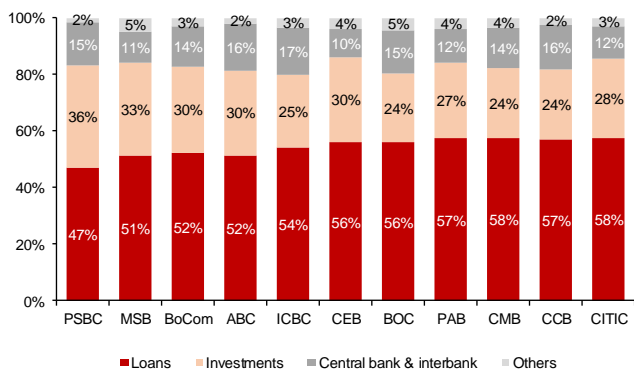
**Figure 24: Corporate NPL ratio**

Source: Company data, CMBIS

**Figure 25: Retail NPL ratio**

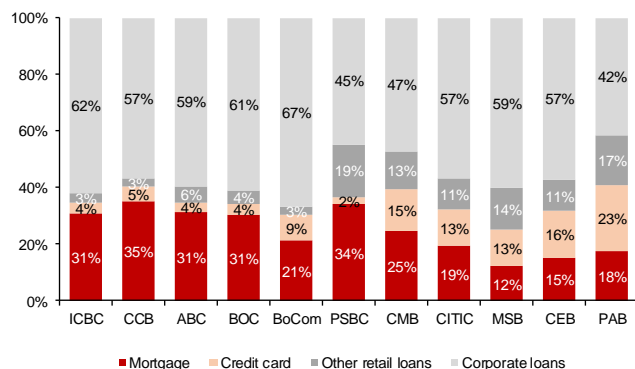
Source: Company data, CMBIS

**Figure 26: China banks' asset mix (4Q19)**



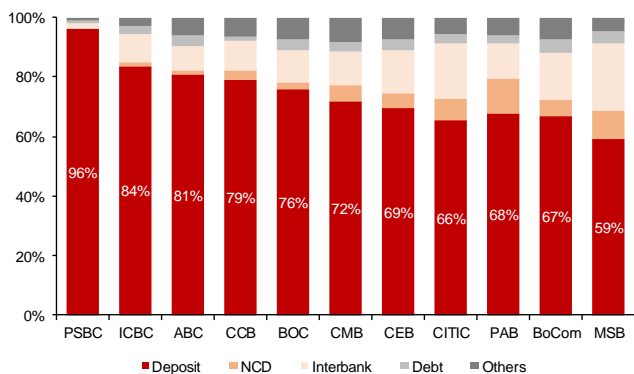
Source: Company data, CMBIS

**Figure 27: China banks' loan mix (4Q19)**



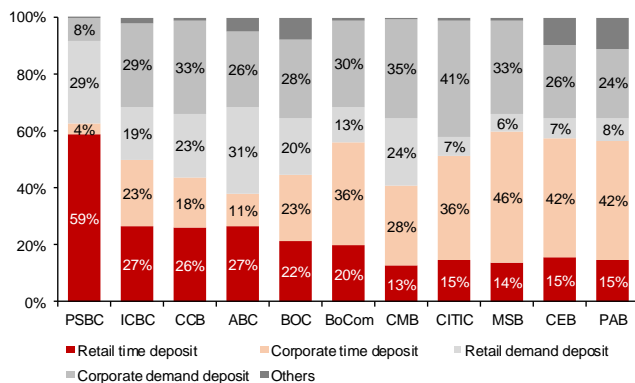
Source: Company data, CMBIS

**Figure 28: China banks' funding mix (4Q19)**



Source: Company data, CMBIS

**Figure 29: China banks' deposit mix (4Q19)**



Source: Company data, CMBIS

## Individual Banks' Financial Summary

### ICBC (1398 HK, BUY, TP: HK\$7.50)

Figure 30: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	572,518	606,926	6.0%	148,888	153,780	3.3%
Net fee and commission income	145,301	155,600	7.1%	31,562	30,965	-1.9%
Operating income	725,121	776,002	7.0%	185,241	191,318	3.3%
Operating expense	(194,203)	(207,776)	7.0%	(65,737)	(72,156)	9.8%
PPoP	530,918	568,226	7.0%	119,504	119,162	-0.3%
Impairment losses	(161,594)	(178,957)	10.7%	(44,661)	(41,201)	-7.7%
Pre-tax profit	369,324	389,269	5.4%	74,843	77,961	4.2%
Income tax	(73,690)	(78,428)	6.4%	(17,287)	(17,962)	3.9%
Net profit	297,676	312,224	4.9%	58,049	60,512	4.2%

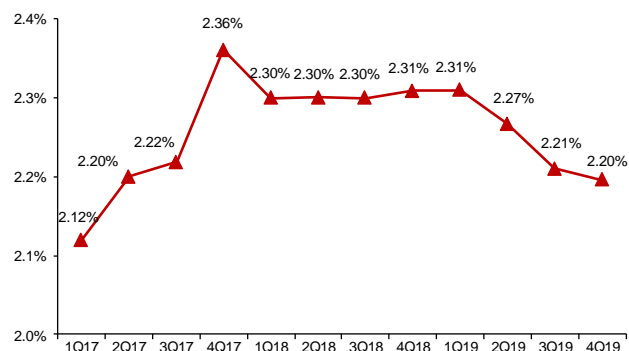
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	15,419,905	16,761,319	8.7%	16,660,486	16,761,319	0.6%
Customers' deposits	21,408,934	22,977,655	7.3%	23,368,159	22,977,655	-1.7%
Total assets	27,699,540	30,109,436	8.7%	30,426,381	30,109,436	-1.0%
NPLs	235,084	240,187	2.2%	239,785	240,187	0.2%

Key ratio	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.30%	2.24%	-6bp	2.21%	2.20%	-1bp
ROE	13.7%	13.1%	-0.6ppt	14.1%	9.9%	-4.2ppt
NPL ratio	1.52%	1.43%	-9bp	1.44%	1.43%	-1bp
Provision coverage	175.8%	199.3%	23.6ppt	198.1%	199.3%	1.2ppt
LDR	72.0%	72.9%	0.9ppt	71.3%	72.9%	1.7ppt
CET-1 CAR	13.3%	13.2%	-11bp	12.9%	13.2%	27bp

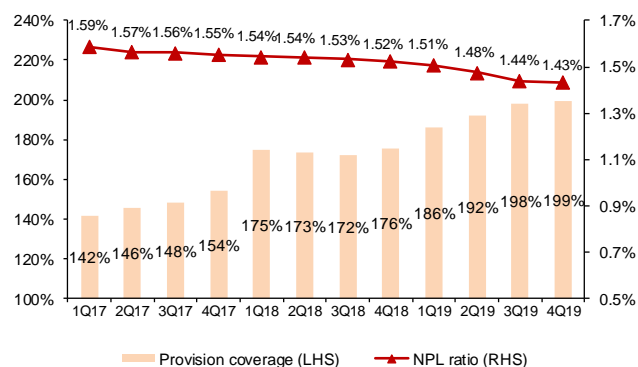
Source: Company data, CMBIS

Figure 31: Quarterly NIM of ICBC



Source: Company data, CMBIS

Figure 32: NPL ratio and provision coverage of ICBC



Source: Company data, CMBIS

Figure 33: ICBC's earnings summary

(YE 31 Dec)	FY18A	FY19E	FY20E	FY21E	FY22E
Operating income (RMB mn)	725,121	776,002	828,238	888,703	962,712
Net profit (RMB mn)	297,676	312,224	327,769	347,184	373,112
EPS (RMB)	0.82	0.86	0.91	0.96	1.03
EPS CHG (%)	4.1	5.0	5.1	6.0	7.6
Consensus EPS (RMB)	NA	0.86	0.91	0.95	1.01
P/E (x)	5.7	5.4	5.2	4.9	4.5
P/B (x)	0.74	0.68	0.62	0.57	0.52
Dividend yield (%)	5.4	5.6	5.9	6.2	6.7
ROE (%)	13.7	13.1	12.5	12.1	12.0
NPL ratio (%)	1.52	1.43	1.48	1.43	1.39
Provision coverage (%)	176	199	205	226	249

Source: Company data, Bloomberg, CMBIS estimates

## CCB (939 HK, BUY, TP: HK\$9.10)

Figure 34: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	486,278	510,680	5.0%	120,553	131,158	8.8%
Net fee and commission income	123,035	137,284	11.6%	26,507	28,316	6.8%
Operating income	658,891	705,629	7.1%	180,133	194,509	8.0%
Operating expense	(199,389)	(215,154)	7.9%	(84,381)	(92,041)	9.1%
PPoP	459,502	490,475	6.7%	95,752	102,468	7.0%
Impairment losses	(150,988)	(163,521)	8.3%	(50,968)	(53,473)	4.9%
Pre-tax profit	308,514	326,954	6.0%	44,784	48,995	9.4%
Income tax	(52,534)	(57,375)	9.2%	(3,556)	(6,633)	86.5%
Net profit	254,655	266,733	4.7%	40,547	41,389	2.1%

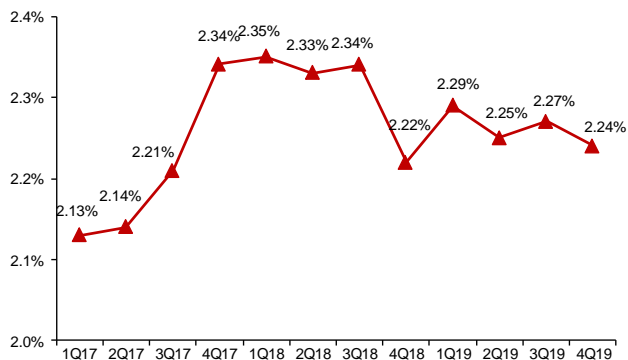
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	13,783,053	15,022,825	9.0%	14,872,485	15,022,825	1.0%
Customers' deposits	17,108,678	18,366,293	7.4%	18,463,826	18,366,293	-0.5%
Total assets	23,222,693	25,436,261	9.5%	24,517,730	25,436,261	3.7%
NPLs	200,881	212,473	5.8%	211,399	212,473	0.5%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.31%	2.26%	-5bp	2.27%	2.24%	-3bp
ROE	13.9%	13.2%	-0.8ppt	14.1%	8.0%	-6.1ppt
NPL ratio	1.46%	1.42%	-4bp	1.43%	1.42%	-1bp
Provision coverage	208.4%	227.7%	19.3ppt	218.3%	227.7%	9.4ppt
LDR	80.6%	81.8%	1.2ppt	80.5%	81.8%	1.2ppt
CET-1 CAR	13.8%	13.9%	5bp	14.0%	13.9%	-7bp

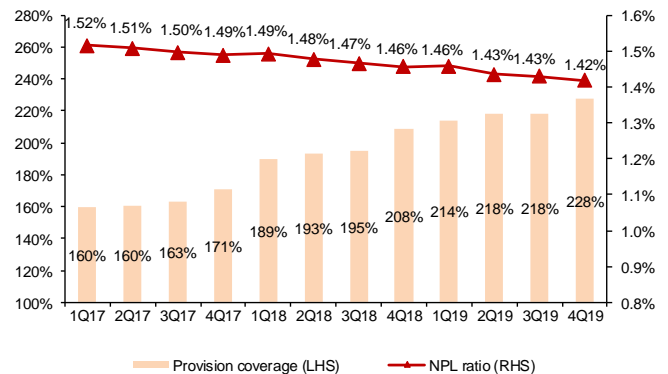
Source: Company data, CMBIS

Figure 35: Quarterly NIM of CCB



Source: Company data, CMBIS

Figure 36: NPL ratio and provision coverage of CCB



Source: Company data, CMBIS

Figure 37: CCB's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	658,891	705,629	771,506	822,765	885,314
Net profit (RMB mn)	254,655	266,733	280,593	297,992	322,017
EPS (RMB)	1.00	1.05	1.11	1.18	1.27
EPS CHG (%)	3.9	4.8	5.4	6.3	8.2
Consensus EPS (RMB)	NA	1.06	1.11	1.17	1.25
P/E (x)	5.6	5.4	5.1	4.8	4.4
P/B (x)	0.74	0.67	0.63	0.56	0.52
Dividend yield (%)	5.4	5.7	6.0	6.3	6.8
ROE (%)	13.9	13.2	12.6	12.3	12.2
NPL ratio (%)	1.46	1.42	1.45	1.42	1.38
Provision coverage (%)	208	228	242	268	297

Source: Company data, Bloomberg, CMBIS estimates

## ABC (1288 HK, BUY, TP: HK\$4.70)

Figure 38: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	477,760	486,871	1.9%	122,345	126,398	3.3%
Net fee and commission income	78,141	86,926	11.2%	15,779	17,069	8.2%
Operating income	602,557	629,350	4.4%	156,364	171,006	9.4%
Operating expense	(213,963)	(224,096)	4.7%	(80,350)	(87,281)	8.6%
PPoP	388,594	405,254	4.3%	76,014	83,725	10.1%
Impairment losses	(136,898)	(138,723)	1.3%	(34,340)	(34,560)	0.6%
Pre-tax profit	251,696	266,531	5.9%	41,674	49,165	18.0%
Income tax	(49,043)	(53,652)	9.4%	(10,796)	(18,121)	67.8%
Net profit	202,783	212,098	4.6%	31,172	31,427	0.8%

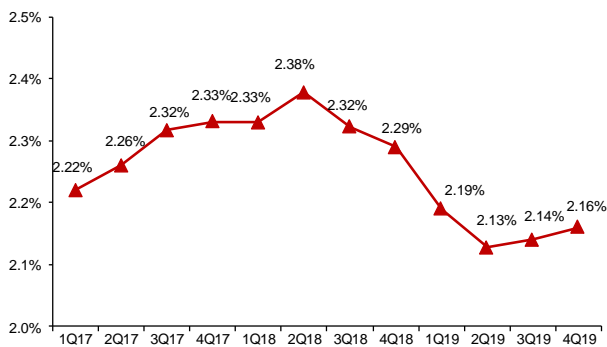
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	11,940,685	13,360,188	11.9%	13,322,554	13,360,188	0.3%
Customers' deposits	17,346,290	18,542,861	6.9%	18,723,954	18,542,861	-1.0%
Total assets	22,609,471	24,878,288	10.0%	24,870,961	24,878,288	0.0%
NPLs	190,002	187,210	-1.5%	188,236	187,210	-0.5%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.33%	2.17%	-16bp	2.14%	2.22%	8bp
ROE	13.5%	12.4%	-1.1ppt	14.1%	7.3%	-6.8ppt
NPL ratio	1.59%	1.40%	-19bp	1.42%	1.40%	-2bp
Provision coverage	252.2%	288.8%	36.6ppt	281.3%	288.8%	7.5ppt
LDR	68.8%	72.1%	3.2ppt	71.2%	72.1%	0.9ppt
CET-1 CAR	11.6%	11.2%	-31bp	11.2%	11.2%	5bp

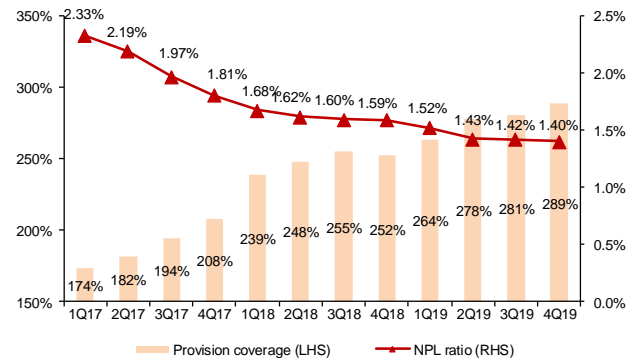
Source: Company data, CMBIS

Figure 39: Quarterly NIM of ABC



Source: Company data, CMBIS

Figure 40: NPL ratio and provision coverage of ABC



Source: Company data, CMBIS

Figure 41: ABC's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	602,557	629,350	699,708	751,155	817,079
Net profit (RMB mn)	202,783	212,098	222,367	234,118	251,917
EPS (RMB)	0.59	0.59	0.62	0.66	0.71
EPS CHG (%)	1.3	0.9	4.9	5.4	7.8
Consensus EPS (RMB)	NA	0.60	0.63	0.66	0.72
P/E (x)	4.6	4.5	4.3	4.1	3.8
P/B (x)	0.59	0.54	0.50	0.46	0.42
Dividend yield (%)	6.5	6.8	7.1	7.5	8.0
ROE (%)	13.5	12.4	11.9	11.6	11.5
NPL ratio (%)	1.59	1.40	1.45	1.42	1.40
Provision coverage (%)	252	289	298	325	346

Source: Company data, Bloomberg, CMBIS estimates



## BOC (3988 HK, BUY, TP: HK\$4.60)

Figure 42: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	359,706	374,250	4.0%	95,399	96,430	1.1%
Net fee and commission income	87,208	89,612	2.8%	18,690	17,996	-3.7%
Operating income	503,806	550,010	9.2%	135,911	146,529	7.8%
Operating expense	(176,979)	(198,269)	12.0%	(58,421)	(69,244)	18.5%
PPoP	326,827	351,741	7.6%	77,490	77,285	-0.3%
Impairment losses	(99,294)	(102,153)	2.9%	(44,025)	(41,306)	-6.2%
Pre-tax profit	227,533	249,588	9.7%	33,465	35,979	7.5%
Income tax	(37,208)	(48,754)	31.0%	(4,342)	(5,569)	28.3%
Net profit	180,086	187,405	4.1%	26,812	27,826	3.8%

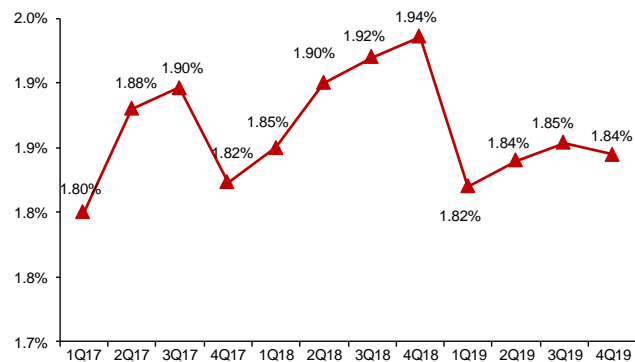
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	11,819,272	13,068,785	10.6%	12,888,490	13,068,785	1.4%
Customers' deposits	14,883,596	15,817,548	6.3%	15,520,847	15,817,548	1.9%
Total assets	21,267,275	22,769,744	7.1%	22,608,164	22,769,744	0.7%
NPLs	166,941	178,235	6.8%	176,514	178,235	1.0%

Key ratio	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	1.90%	1.84%	-6bp	1.85%	1.84%	-1bp
ROE	11.9%	11.4%	-0.5ppt	11.4%	6.8%	-4.6ppt
NPL ratio	1.42%	1.37%	-5bp	1.37%	1.37%	0bp
Provision coverage	182.0%	182.9%	0.9ppt	182.2%	182.9%	0.6ppt
LDR	79.4%	82.6%	3.2ppt	83.0%	82.6%	-0.4ppt
CET-1 CAR	11.4%	11.3%	-11bp	11.2%	11.3%	6bp

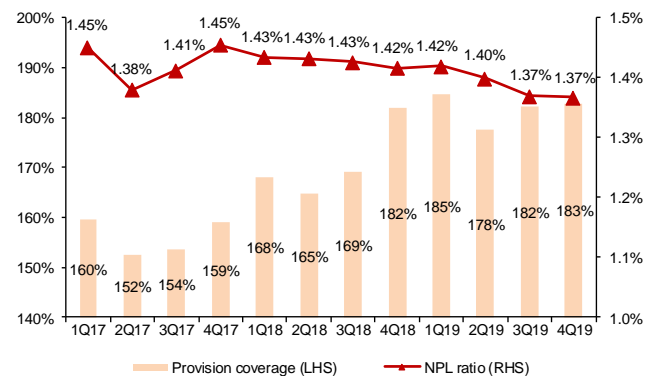
Source: Company data, CMBIS

Figure 43: Quarterly NIM of BOC



Source: Company data, CMBIS

Figure 44: NPL ratio and provision coverage of BOC



Source: Company data, CMBIS

Figure 45: BOC's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	503,806	550,010	602,023	642,700	695,268
Net profit (RMB mn)	180,086	187,405	195,493	205,534	219,428
EPS (RMB)	0.59	0.61	0.64	0.67	0.72
EPS CHG (%)	4.6	4.2	4.5	5.3	7.0
Consensus EPS (RMB)	NA	0.62	0.64	0.67	0.71
P/E (x)	4.5	4.3	4.1	3.9	3.6
P/B (x)	0.51	0.47	0.43	0.40	0.37
Dividend yield (%)	7.0	7.3	7.6	8.0	8.5
ROE (%)	11.9	11.4	11.0	10.7	10.5
NPL ratio (%)	1.42	1.37	1.42	1.40	1.36
Provision coverage (%)	182	183	178	186	197

Source: Company data, Bloomberg, CMBIS estimates

## BoCom (3328 HK, HOLD, TP: HK\$6.20)

### Figure 46: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	130,908	144,083	10.1%	35,733	37,756	5.7%
Net fee and commission income	41,237	43,625	5.8%	9,844	9,167	-6.9%
Operating income	205,932	221,040	7.3%	53,039	54,245	2.3%
Operating expense	(75,898)	(80,668)	6.3%	(19,460)	(19,459)	0.0%
PPoP	130,034	140,372	8.0%	33,579	34,786	3.6%
Impairment losses	(43,514)	(52,224)	20.0%	(13,419)	(15,273)	13.8%
Pre-tax profit	86,520	88,148	1.9%	20,160	19,513	-3.2%
Income tax	(11,902)	(10,138)	-14.8%	(3,048)	(1,878)	-38.4%
Net profit	73,630	77,281	5.0%	16,326	17,134	4.9%

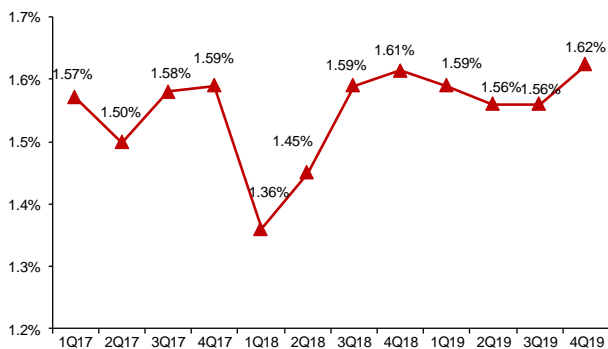
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	4,854,228	5,304,275	9.3%	5,206,687	5,304,275	1.9%
Customers' deposits	5,793,324	6,072,908	4.8%	6,048,860	6,072,908	0.4%
Total assets	9,531,171	9,905,600	3.9%	9,932,879	9,905,600	-0.3%
NPLs	72,512	78,043	7.6%	76,692	78,043	1.8%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	1.51%	1.58%	8bp	1.56%	1.62%	6bp
ROE	11.4%	11.2%	-0.2ppt	10.4%	10.0%	-0.4ppt
NPL ratio	1.49%	1.47%	-2bp	1.47%	1.47%	0bp
Provision coverage	173.1%	171.8%	-1.4ppt	174.2%	171.8%	-2.5ppt
LDR	83.8%	87.3%	3.6ppt	86.1%	87.3%	1.3ppt
CET-1 CAR	11.2%	11.2%	7bp	11.1%	11.2%	15bp

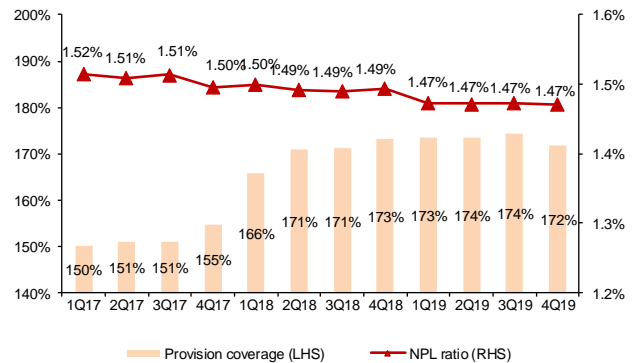
Source: Company data, CMBIS

### Figure 47: Quarterly NIM of BoCom



Source: Company data, CMBIS

### Figure 48: NPL ratio and provision coverage of BoCom



Source: Company data, CMBIS

### Figure 49: BoCom's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	205,932	221,040	238,753	253,170	274,325
Net profit (RMB mn)	73,630	77,281	80,988	85,060	90,268
EPS (RMB)	0.96	1.00	1.05	1.11	1.18
EPS CHG (%)	5.2	5.1	5.0	5.2	6.3
Consensus EPS (RMB)	NA	1.01	1.05	1.11	1.23
P/E (x)	4.4	4.2	4.0	3.8	3.6
P/B (x)	0.49	0.45	0.42	0.39	0.36
Dividend yield (%)	7.1	7.5	7.8	8.2	8.6
ROE (%)	11.4	11.2	10.9	10.6	10.5
NPL ratio (%)	1.49	1.47	1.54	1.49	1.45
Provision coverage (%)	173	172	165	172	181

Source: Company data, Bloomberg, CMBIS estimates

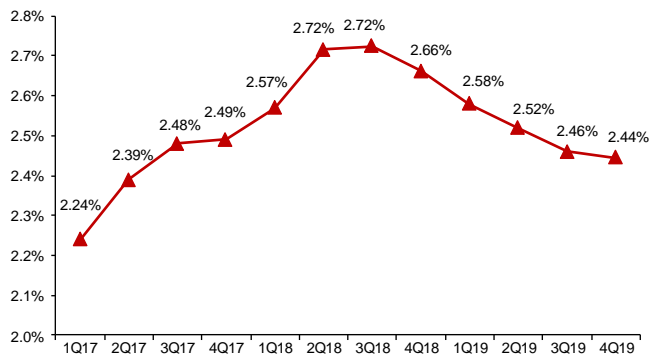
## PSBC (1658 HK, BUY, TP: HK\$6.70)

Figure 50: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	234,122	240,224	2.6%	60,305	61,044	1.2%
Net fee and commission income	14,434	17,085	18.4%	3,124	3,637	16.4%
Operating income	261,245	277,116	6.1%	64,722	66,558	2.8%
Operating expense	(152,324)	(157,976)	3.7%	(42,224)	(46,226)	9.5%
PPoP	108,921	119,140	9.4%	22,498	20,332	-9.6%
Impairment losses	(55,434)	(55,395)	-0.1%	(19,490)	(15,533)	-20.3%
Pre-tax profit	53,487	63,745	19.2%	3,008	4,799	59.5%
Income tax	(1,103)	(2,709)	145.6%	2,659	1,893	-28.8%
Net profit	52,311	60,933	16.5%	5,601	6,645	18.6%
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	4,276,865	4,974,186	16.3%	4,846,845	4,974,186	2.6%
Customers' deposits	8,627,440	9,314,066	8.0%	9,165,526	9,314,066	1.6%
Total assets	9,516,211	10,216,706	7.4%	10,110,524	10,216,706	1.1%
NPLs	36,888	42,844	16.1%	40,063	42,844	6.9%
Key ratio	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.67%	2.50%	-17bp	2.46%	2.44%	-2bp
ROE	12.3%	12.7%	0.3ppt	14.9%	5.5%	-9.3ppt
NPL ratio	0.86%	0.86%	0bp	0.83%	0.86%	3bp
Provision coverage	346.8%	389.5%	42.7ppt	391.1%	389.5%	-1.7ppt
LDR	49.6%	53.4%	3.8ppt	52.9%	53.4%	0.5ppt
CET-1 CAR	9.8%	9.9%	13bp	9.6%	9.9%	35bp

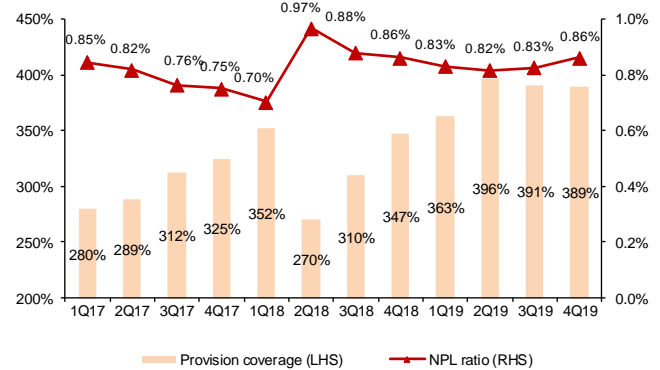
Source: Company data, CMBIS

Figure 51: Quarterly NIM of PSBC



Source: Company data, CMBIS

Figure 52: NPL ratio and provision coverage of PSBC



Source: Company data, CMBIS

Figure 53: PSBC's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	261,245	277,116	299,400	326,474	360,359
Net profit (RMB mn)	52,311	60,933	68,383	77,880	90,365
EPS (RMB)	0.62	0.72	0.76	0.87	1.01
EPS CHG (%)	4.7	16.9	5.7	13.9	16.6
Consensus EPS (RMB)	NA	0.70	0.77	0.86	0.91
P/E (x)	7.2	6.2	5.9	5.2	4.4
P/B (x)	0.84	0.78	0.72	0.65	0.59
Dividend yield (%)	4.4	4.7	5.3	6.0	7.0
ROE (%)	12.3	12.7	12.7	13.2	13.9
NPL ratio (%)	0.86	0.86	0.90	0.92	0.94
Provision coverage (%)	347	389	390	391	401

Source: Company data, Bloomberg, CMBIS estimates

**CITICB (998 HK, BUY, TP: HK\$5.60)**
**Figure 54: 4Q19 results summary**

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	112,912	127,271	12.7%	36,052	40,017	11.0%
Net fee and commission income	37,008	46,384	25.3%	4,404	3,322	-24.6%
Operating income	165,766	187,881	13.3%	43,912	45,608	3.9%
Operating expense	(52,600)	(54,168)	3.0%	(18,401)	(16,127)	-12.4%
PPoP	113,166	133,713	18.2%	25,511	29,481	15.6%
Impairment losses	(58,233)	(77,255)	32.7%	(16,870)	(21,943)	30.1%
Pre-tax profit	54,933	56,458	2.8%	8,641	7,538	-12.8%
Income tax	(8,950)	(7,551)	-15.6%	(407)	192	-147.2%
Net profit	44,513	48,015	7.9%	7,714	7,263	-5.8%

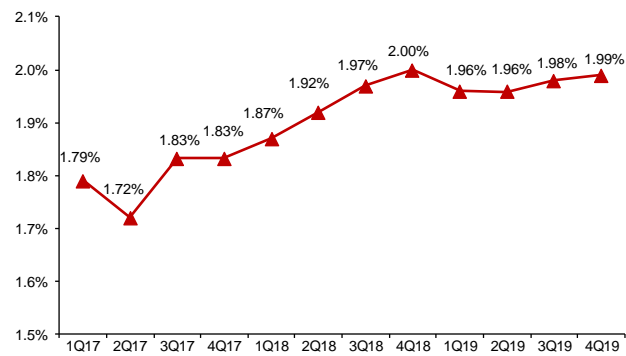
  

B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	3,608,412	3,997,987	10.8%	3,956,104	3,997,987	1.1%
Customers' deposits	3,649,611	4,073,258	11.6%	4,050,290	4,073,258	0.6%
Total assets	6,066,714	6,750,433	11.3%	6,461,910	6,750,433	4.5%
NPLs	64,028	66,117	3.3%	68,190	66,117	-3.0%

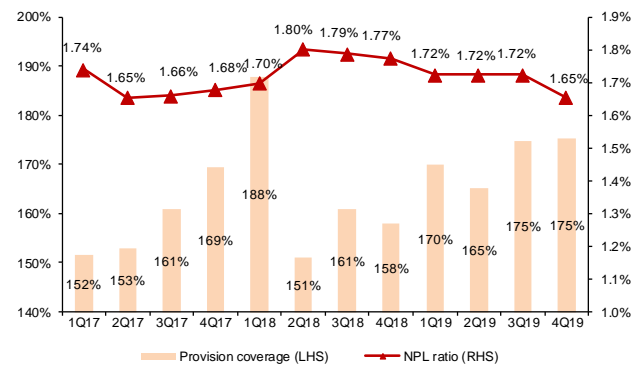
  

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.09%	2.12%	3bp	1.98%	1.99%	1bp
ROE	11.3%	11.1%	-0.2ppt	11.7%	6.7%	-5.0ppt
NPL ratio	1.77%	1.65%	-12bp	1.72%	1.65%	-7bp
Provision coverage	158.0%	175.2%	17.3ppt	174.8%	175.2%	0.4ppt
LDR	98.9%	98.2%	-0.7ppt	97.7%	98.2%	0.5ppt
CET-1 CAR	8.6%	8.7%	6bp	8.8%	8.7%	-7bp

Source: Company data, CMBIS

**Figure 55: Quarterly NIM of CITICB**


Source: Company data, CMBIS

**Figure 56: NPL ratio and provision coverage of CITICB**


Source: Company data, CMBIS

**Figure 57: CITICB's earnings summary**

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	165,766	187,881	212,628	232,942	258,408
Net profit (RMB mn)	44,513	48,015	51,992	57,428	64,190
EPS (RMB)	0.88	0.95	1.04	1.15	1.28
EPS CHG (%)	4.7	8.1	8.5	10.7	12.1
Consensus EPS (RMB)	NA	0.96	1.02	1.11	1.26
P/E (x)	3.8	3.5	3.2	2.9	2.6
P/B (x)	0.41	0.37	0.34	0.31	0.29
Dividend yield (%)	6.9	7.1	7.9	8.8	9.8
ROE (%)	11.3	11.1	11.0	11.2	11.5
NPL ratio (%)	1.77	1.65	1.69	1.63	1.57
Provision coverage (%)	158	175	182	197	211

Source: Company data, Bloomberg, CMBIS estimates

**MSB (1988 HK, HOLD, TP: HK\$6.30)**
**Figure 58: 4Q19 results summary**

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	76,680	97,943	27.7%	22,858	26,642	16.6%
Net fee and commission income	48,131	52,295	8.7%	11,964	12,812	7.1%
Operating income	154,161	177,745	15.3%	39,639	45,790	15.5%
Operating expense	(49,056)	(50,016)	2.0%	(16,491)	(16,528)	0.2%
PPoP	105,105	127,729	21.5%	23,148	29,262	26.4%
Impairment losses	(46,320)	(62,991)	36.0%	(16,057)	(19,732)	22.9%
Pre-tax profit	58,785	64,738	10.1%	7,091	9,530	34.4%
Income tax	(8,455)	(9,814)	16.1%	(80)	(762)	852.5%
Net profit	50,327	53,819	6.9%	7,642	8,290	8.5%

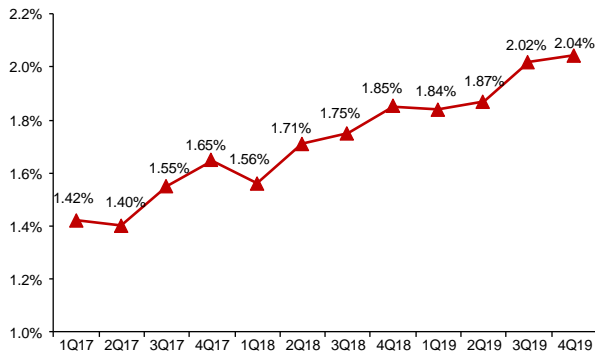
  

B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	3,056,746	3,487,601	14.1%	3,311,028	3,487,601	5.3%
Customers' deposits	3,194,441	3,637,034	13.9%	3,440,152	3,637,034	5.7%
Total assets	5,994,822	6,681,841	11.5%	6,273,743	6,681,841	6.5%
NPLs	53,866	54,434	1.1%	55,309	54,434	-1.6%

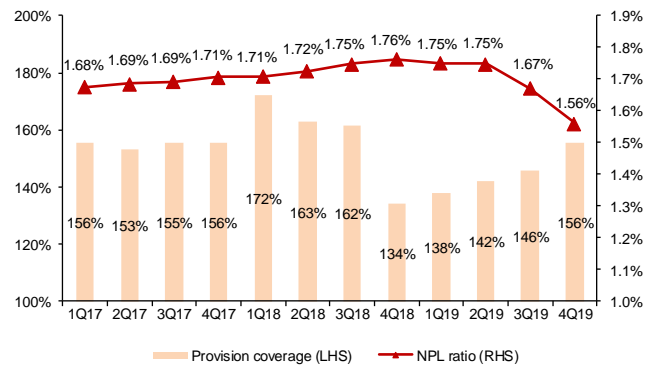
  

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	1.73%	1.94%	21bp	2.02%	2.04%	3bp
ROE	12.8%	12.4%	-0.4ppt	12.8%	7.4%	-5.4ppt
NPL ratio	1.76%	1.56%	-20bp	1.67%	1.56%	-11bp
Provision coverage	134.1%	155.5%	21.5ppt	145.7%	155.5%	9.8ppt
LDR	95.7%	95.9%	0.2ppt	96.2%	95.9%	-0.4ppt
CET-1 CAR	8.9%	8.9%	-3bp	9.3%	8.9%	-41bp

Source: Company data, CMBIS

**Figure 59: Quarterly NIM of MSB**


Source: Company data, CMBIS

**Figure 60: NPL ratio and provision coverage of MSB**


Source: Company data, CMBIS

**Figure 61: MSB's earnings summary**

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	154,161	177,745	195,290	208,973	226,174
Net profit (RMB mn)	50,327	53,819	56,604	60,095	65,522
EPS (RMB)	1.24	1.22	1.28	1.36	1.48
EPS CHG (%)	(8.2)	(1.9)	5.2	6.2	9.1
Consensus EPS (RMB)	NA	1.21	1.26	1.35	1.51
P/E (x)	4.1	4.2	4.0	3.7	3.4
P/B (x)	0.54	0.49	0.45	0.42	0.38
Dividend yield (%)	6.8	7.3	7.7	8.2	8.9
ROE (%)	12.8	12.4	11.9	11.7	11.7
NPL ratio (%)	1.76	1.56	1.63	1.58	1.53
Provision coverage (%)	134	156	164	182	196

Source: Company data, Bloomberg, CMBIS estimates

## CEB (6818 HK, BUY, TP: HK\$4.90)

Figure 62: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	78,164	101,918	30.4%	22,997	26,635	15.8%
Net fee and commission income	19,773	23,169	17.2%	4,488	4,985	11.1%
Operating income	110,386	132,939	20.4%	28,959	32,633	12.7%
Operating expense	(33,706)	(38,429)	14.0%	(8,536)	(9,067)	6.2%
PPoP	76,680	94,510	23.3%	20,423	23,566	15.4%
Impairment losses	(35,828)	(49,347)	37.7%	(12,462)	(15,752)	26.4%
Pre-tax profit	40,852	45,163	10.6%	7,961	7,814	-1.8%
Income tax	(7,131)	(7,722)	8.3%	(2,053)	(1,853)	-9.7%
Net profit	33,659	37,354	11.0%	5,899	5,955	0.9%

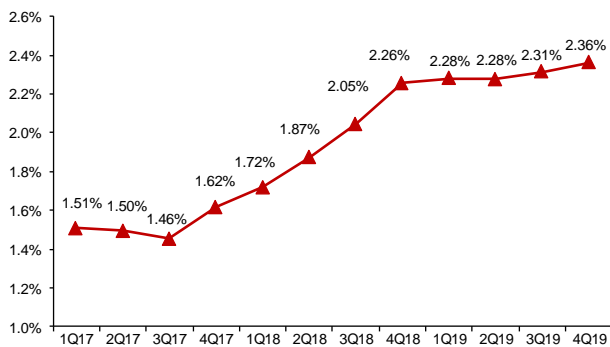
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	2,428,487	2,720,364	12.0%	2,657,253	2,720,364	2.4%
Customers' deposits	2,571,961	3,017,888	17.3%	2,962,741	3,017,888	1.9%
Total assets	4,357,332	4,733,431	8.6%	4,723,247	4,733,431	0.2%
NPLs	38,421	42,212	9.9%	41,041	42,212	2.9%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	1.97%	2.31%	33bp	2.31%	2.36%	5bp
ROE	11.6%	11.9%	0.4ppt	14.4%	7.6%	-6.8ppt
NPL ratio	1.59%	1.56%	-3bp	1.54%	1.56%	1bp
Provision coverage	176.2%	181.6%	5.5ppt	179.1%	181.6%	2.5ppt
LDR	94.4%	90.1%	-4.3ppt	89.7%	90.1%	0.5ppt
CET-1 CAR	9.1%	9.2%	5bp	9.2%	9.2%	4bp

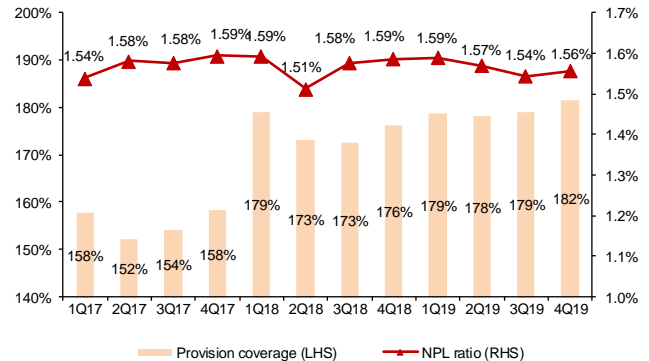
Source: Company data, CMBIS

Figure 63: Quarterly NIM of CEB



Source: Company data, CMBIS

Figure 64: NPL ratio and provision coverage of CEB



Source: Company data, CMBIS

Figure 65: CEB's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	110,386	132,939	149,973	164,078	180,766
Net profit (RMB mn)	33,659	37,354	40,495	44,333	48,874
EPS (RMB)	0.61	0.68	0.74	0.82	0.90
EPS CHG (%)	1.1	11.5	8.7	9.8	10.6
Consensus EPS (RMB)	NA	0.68	0.73	0.81	0.93
P/E (x)	4.3	3.8	3.5	3.2	2.9
P/B (x)	0.48	0.44	0.40	0.37	0.33
Dividend yield (%)	6.1	8.2	8.9	9.7	10.7
ROE (%)	11.6	11.9	11.8	11.9	12.0
NPL ratio (%)	1.59	1.56	1.62	1.60	1.52
Provision coverage (%)	176	182	197	222	255

Source: Company data, Bloomberg, CMBIS estimates

## PAB (000001 CH, BUY, TP: RMB19.80)

### Figure 66: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	74,745	89,961	20.4%	20,216	23,692	17.2%
Net fee and commission income	31,297	36,743	17.4%	7,592	8,912	17.4%
Operating income	116,716	137,958	18.2%	30,052	35,000	16.5%
Operating expense	(36,540)	(42,142)	15.3%	(10,112)	(10,893)	7.7%
PPoP	80,176	95,816	19.5%	19,940	24,107	20.9%
Impairment losses	(47,871)	(59,527)	24.3%	(14,249)	(18,531)	30.1%
Pre-tax profit	32,305	36,289	12.3%	5,691	5,576	-2.0%
Income tax	(7,413)	(8,045)	8.5%	(1,303)	(990)	-24.0%
Net profit	24,818	28,195	13.6%	4,362	4,574	4.9%

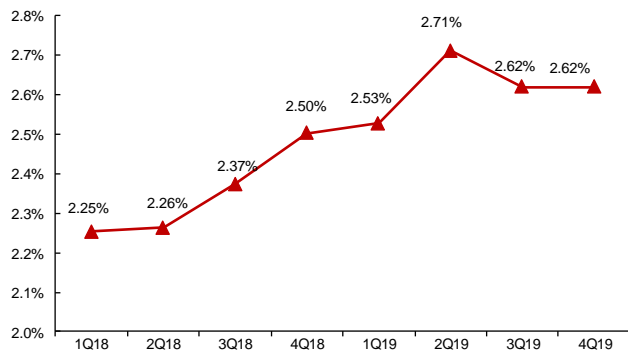
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	1,997,529	2,323,205	16.3%	2,151,167	2,323,205	8.0%
Customers' deposits	2,149,142	2,459,768	14.5%	2,313,764	2,459,768	6.3%
Total assets	3,418,592	3,939,070	15.2%	3,707,683	3,939,070	6.2%
NPLs	34,905	38,233	9.5%	36,127	38,233	5.8%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.35%	2.62%	27bp	2.62%	2.62%	0bp
ROE	11.3%	11.1%	-0.2ppt	13.1%	6.8%	-6.4ppt
NPL ratio	1.75%	1.65%	-10bp	1.68%	1.65%	-3bp
Provision coverage	155.2%	183.1%	27.9ppt	186.2%	183.1%	-3.1ppt
LDR	92.9%	94.4%	1.5ppt	93.0%	94.4%	1.5ppt
CET-1 CAR	8.5%	9.1%	57bp	9.8%	9.1%	-64bp

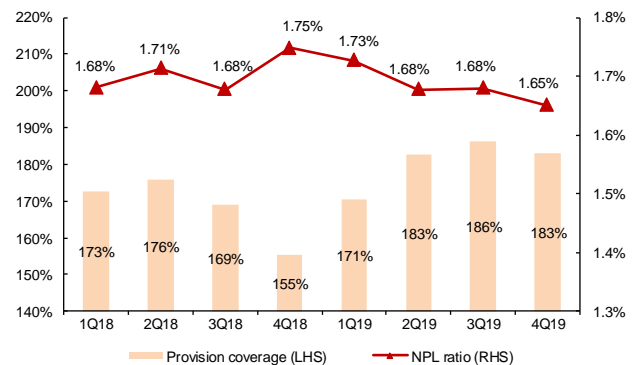
Source: Company data, CMBIS

### Figure 67: Quarterly NIM of PAB



Source: Company data, CMBIS

### Figure 68: NPL ratio and provision coverage of PAB



Source: Company data, CMBIS

### Figure 69: PAB's earnings summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Operating income (RMB mn)	116,716	137,958	155,097	170,602	188,655
Net profit (RMB mn)	24,818	28,195	32,355	37,214	42,993
EPS (RMB)	1.39	1.54	1.62	1.87	2.17
EPS CHG (%)	7.3	10.3	5.5	15.4	15.9
Consensus EPS (RMB)	NA	NA	1.64	1.89	2.13
P/E (x)	9.3	8.4	8.1	7.1	6.1
P/B (x)	1.01	0.92	0.84	0.76	0.68
Dividend yield (%)	1.1	1.7	1.9	2.2	2.5
ROE (%)	11.3	11.1	11.0	11.5	12.0
NPL ratio (%)	1.75	1.65	1.58	1.46	1.36
Provision coverage (%)	155	183	200	218	229

Source: Company data, Bloomberg, CMBIS estimates

## CMB (3968 HK, NOT RATED)

Figure 70: 4Q19 results summary

(RMB mn)						
P&L	FY18	FY19	YoY	4Q18	4Q19	YoY
Net interest income	160,384	173,090	7.9%	42,412	41,866	-1.3%
Net fee and commission income	66,480	71,493	7.5%	13,499	14,334	6.2%
Operating income	247,135	268,065	8.5%	60,087	61,585	2.5%
Operating expense	(81,110)	(91,497)	12.8%	(26,326)	(27,480)	4.4%
PPoP	166,025	176,568	6.4%	33,761	34,105	1.0%
Impairment losses	(60,837)	(61,159)	0.5%	(16,027)	(16,223)	1.2%
Pre-tax profit	105,188	115,409	9.7%	17,734	17,882	0.8%
Income tax	(25,678)	(23,709)	-7.7%	(4,663)	(2,795)	-40.1%
Net profit	80,560	92,867	15.3%	13,180	15,628	18.6%

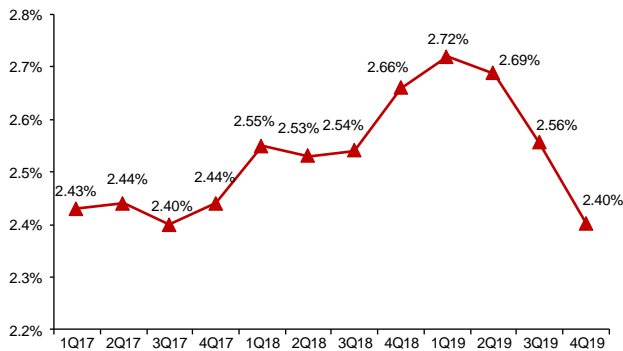
B/S	FY18	FY19	YoY	3Q19	4Q19	QoQ
Gross loans	3,933,034	4,490,650	14.2%	4,462,259	4,490,650	0.6%
Customers' deposits	4,427,566	4,874,981	10.1%	4,793,171	4,874,981	1.7%
Total assets	6,745,729	7,417,240	10.0%	7,305,925	7,417,240	1.5%
NPLs	53,605	52,275	-2.5%	53,261	52,275	-1.9%

Key ratios	FY18	FY19	YoY	3Q19	4Q19	QoQ
NIM	2.57%	2.59%	2bp	2.56%	2.40%	-15bp
ROE	16.6%	16.8%	0.3ppt	19.4%	11.0%	-8.5ppt
NPL ratio	1.36%	1.16%	-20bp	1.19%	1.16%	-3bp
Provision coverage	358.2%	426.8%	68.6ppt	409.4%	426.8%	17.4ppt
LDR	88.8%	92.1%	3.3ppt	93.1%	92.1%	-1.0ppt
CET-1 CAR	11.8%	11.9%	16bp	11.9%	11.9%	5bp

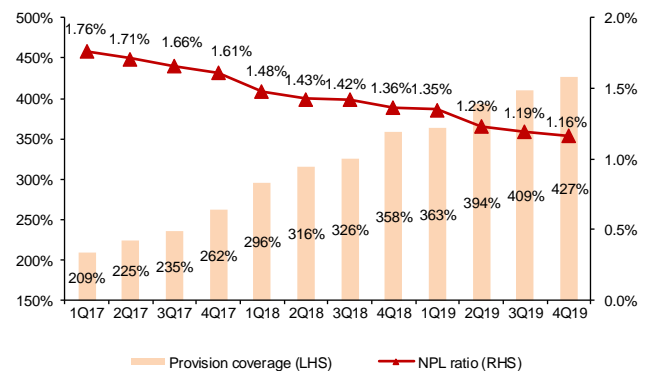
Source: Company data, CMBIS

Figure 71: Quarterly NIM of CMB



Source: Company data, CMBIS

Figure 72: NPL ratio and provision coverage of CMB



Source: Company data, CMBIS

Figure 73: CMB's earnings summary

(YE 31 Dec)	FY17A	FY18A	FY19A
Operating income (RMB mn)	219,807	246,891	268,065
Net profit (RMB mn)	70,150	80,560	92,867
EPS (RMB)	2.78	3.13	3.62
EPS CHG (%)	13.0	12.5	15.6
P/E (x)	11.3	10.0	8.7
P/B (x)	1.77	1.56	1.37
Dividend yield (%)	2.7	3.0	3.8
ROE (%)	16.5	16.6	16.8
NPL ratio (%)	1.61	1.36	1.16
Provision coverage (%)	262	358	427

Source: Company data, CMBIS estimates



## Valuation Summary

Figure 74: China banks' valuation summary

Company	Ticker	Mkt cap (bn) (Local ccy)	Last Price (Local ccy)	TP (Local ccy)	Rating	P/B (x)		P/E (x)		Yield		ROE	
						2020E	2021E	2020E	2021E	2020E	2021E	2020E	2021E
<b>H-share</b>													
ICBC	1398 HK	1,990	5.22	7.50	BUY	0.62	0.57	5.2	4.9	5.9%	6.2%	12.5%	12.1%
CCB	939 HK	1,568	6.24	9.10	BUY	0.61	0.56	5.1	4.8	6.0%	6.4%	12.6%	12.3%
ABC	1288 HK	1,281	3.00	4.70	BUY	0.50	0.46	4.3	4.1	7.1%	7.5%	11.9%	11.6%
BOC	3988 HK	1,053	2.90	4.60	BUY	0.43	0.40	4.1	3.9	7.7%	8.1%	11.0%	10.7%
PSBC	1658 HK	480	4.75	6.70	BUY	0.68	0.62	5.6	4.9	5.5%	6.3%	12.7%	13.2%
CITICB	998 HK	252	3.76	5.60	BUY	0.35	0.32	3.3	2.9	7.9%	8.7%	11.0%	11.2%
CEB	6818 HK	197	2.91	4.90	BUY	0.40	0.36	3.5	3.2	8.9%	9.7%	11.8%	11.9%
BoCom	3328 HK	386	4.64	6.20	HOLD	0.41	0.38	3.9	3.8	7.9%	8.3%	10.9%	10.6%
MSB	1988 HK	268	5.65	6.30	HOLD	0.45	0.42	4.0	3.7	7.7%	8.2%	11.9%	11.7%
CMB	3968 HK	893	34.35	-	NR	1.21	1.07	7.9	7.0	4.1%	4.6%	16.2%	16.2%
<b>Average</b>						<b>0.61</b>	<b>0.56</b>	<b>5.0</b>	<b>4.6</b>	<b>6.4%</b>	<b>6.8%</b>	<b>12.5%</b>	<b>12.3%</b>
<b>A-share</b>													
ICBC	601398 CH	1,822	5.22	7.80	BUY	0.69	0.63	5.8	5.4	5.3%	5.6%	12.5%	12.1%
CCB	601939 CH	1,436	6.47	9.50	BUY	0.71	0.65	5.8	5.5	5.2%	5.5%	12.6%	12.3%
ABC	601288 CH	1,173	3.41	5.20	BUY	0.63	0.58	5.5	5.2	5.6%	5.9%	11.9%	11.6%
BOC	601988 CH	964	3.52	5.00	BUY	0.58	0.53	5.5	5.2	5.7%	6.0%	11.0%	10.7%
PSBC	601658 CH	439	5.26	7.20	BUY	0.84	0.76	6.9	6.1	4.5%	5.1%	12.7%	13.2%
CITICB	601998 CH	231	5.27	7.30	BUY	0.54	0.49	5.1	4.6	5.1%	5.6%	11.0%	11.2%
CEB	601818 CH	181	3.69	5.50	BUY	0.56	0.51	5.0	4.5	6.3%	6.9%	11.8%	11.9%
PAB	000001 CH	251	12.94	19.80	BUY	0.84	0.76	8.1	7.1	1.9%	2.2%	10.8%	11.2%
BoCom	601328 CH	354	5.22	6.50	HOLD	0.52	0.48	4.9	4.7	6.3%	6.6%	10.9%	10.6%
MSB	600016 CH	245	5.70	7.00	HOLD	0.51	0.47	4.5	4.2	6.8%	7.2%	11.9%	11.7%
CMB	600036 CH	818	32.65	-	NR	1.25	1.11	8.0	7.1	4.0%	4.6%	16.4%	16.6%
<b>Average</b>						<b>0.72</b>	<b>0.66</b>	<b>6.0</b>	<b>5.5</b>	<b>5.2%</b>	<b>5.6%</b>	<b>12.5%</b>	<b>12.3%</b>

Source: Bloomberg, CMBIS estimates; Data as of 30 Mar 2020.

## Historical P/B For Banks Under Coverage

**Figure 75: ICBC-H**



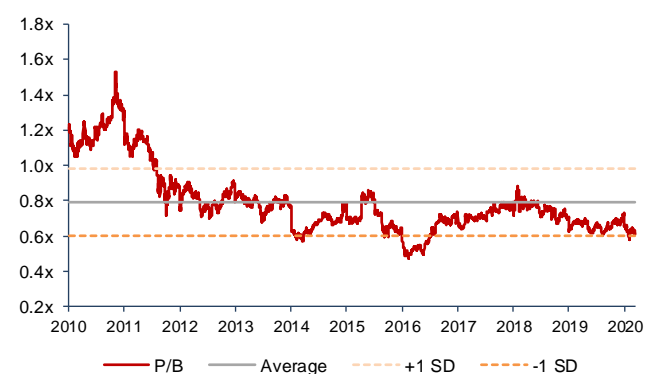
Source: Bloomberg, CMBIS

**Figure 76: ICBC-A**



Source: Bloomberg, CMBIS

**Figure 77: CCB-H**



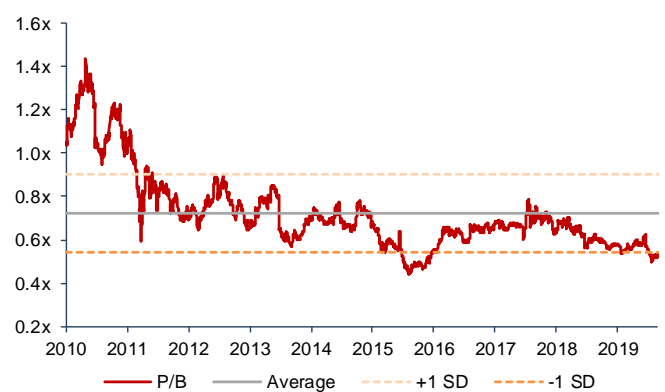
Source: Bloomberg, CMBIS

**Figure 78: CCB-A**



Source: Bloomberg, CMBIS

**Figure 79: ABC-H**



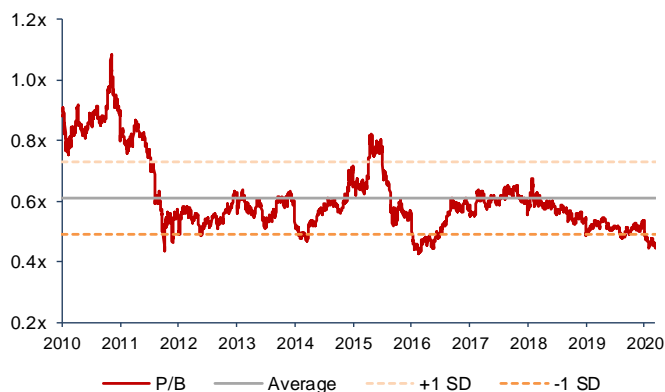
Source: Bloomberg, CMBIS

**Figure 80: ABC-A**



Source: Bloomberg, CMBIS

**Figure 81: BOC-H**



Source: Bloomberg, CMBIS

**Figure 82: BOC-A**



Source: Bloomberg, CMBIS

**Figure 83: BoCom-H**



Source: Bloomberg, CMBIS

**Figure 84: BoCom-A**



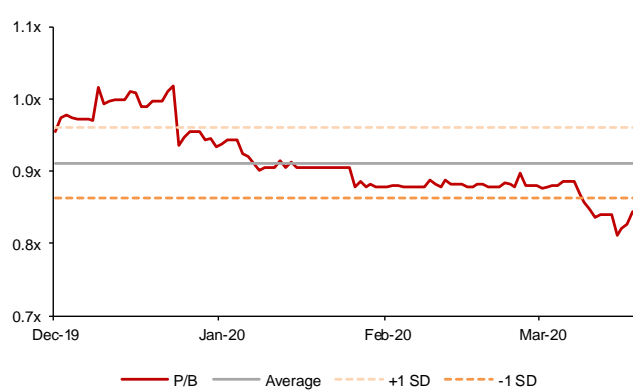
Source: Bloomberg, CMBIS

**Figure 85: PSBC-H**



Source: Bloomberg, CMBIS

**Figure 86: PSBC-A**



Source: Bloomberg, CMBIS

**Figure 87: CITICB-H**



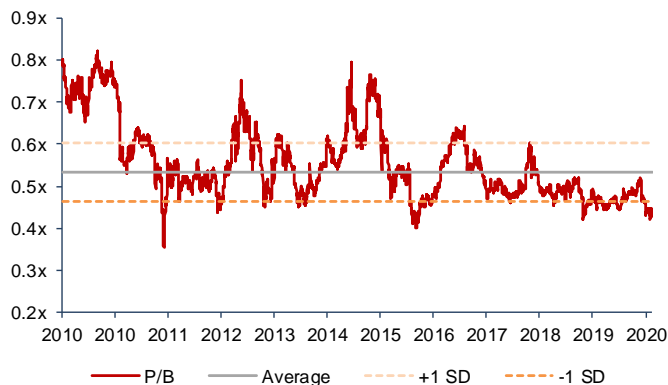
Source: Bloomberg, CMBIS

**Figure 88: CITICB-A**



Source: Bloomberg, CMBIS

**Figure 89: MSB-H**



Source: Bloomberg, CMBIS

**Figure 90: MSB-A**



Source: Bloomberg, CMBIS

**Figure 91: CEB-H**



Source: Bloomberg, CMBIS

**Figure 92: CEB-A**



Source: Bloomberg, CMBIS

**Figure 93: PAB-A**



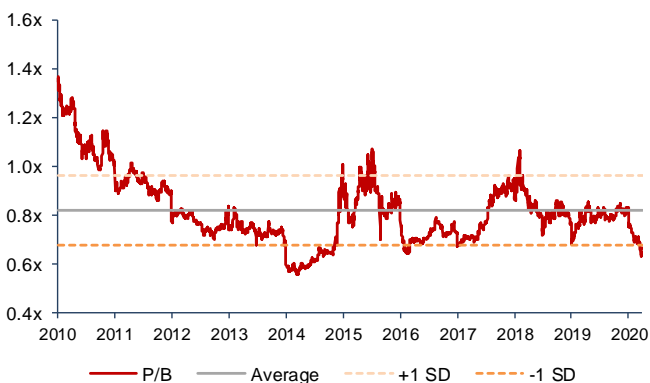
Source: Bloomberg, CMBIS

**Figure 94: H-share China banks**



Source: Bloomberg, CMBIS

**Figure 95: A-share China banks**



Source: Bloomberg, CMBIS

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