招銀国际 CMB INTERNATIONAL

Fixed Income
Credit Commentary

08 Sep 2026

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市场日报

- *Asia IG spreads widened 1-2bps this morning. The recent new TME '31/'36 widened 1-3bps. Korea front-end paper remained firm, supported by all-in yield buyers. Sediment in CNH space improved amid the rates backdrop.*
- ***KBANK:** FV of the new KBANK 36 at T+175bps vs IPT at T+205bps. See below.*
- ***GENTMK:** Fitch downgraded Genting Berhad by one notch to BBB- from BBB, reflected its proportionately consolidated EBITDA net leverage ratio will stay above 4.0x for the next three years; outlook stable. GENTMKs were unchanged this morning.*

Cyrena Ng, CPA 吴蒨莹
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Trading desk comments 交易台市场观点

Market was quiet yesterday amid US holiday. China TMTs were unchanged to 2bps wider while front-end names better performed. China AMCs were mixed, CCAMCLs tightened 1-3bps and we saw buying flows from RMs. GRWALL/ORIEAS were weak. In bank T2 space, BNKEA'34/NANYAN'34 were 2bps tighter, DAHSIN'33 widened 5bps. In Korea space, HYUELE/KOBCOP/KORELE were unchanged to 2bps wider. DAESEC'31/HYUSEC'29/NHSECS'29 widened 1bp. In SEA, the recent new BMRIIJ 7.35 Perp was unchanged, while BBLTB'31 slightly widened 1bp.

In higher-yielding space, EU AT1s moved -0.3pt to +0.5pt. China/HK names EHICAR 26/WLISRC 36 rose 0.5-0.9pt. BTSDF/FOSUNI/HONGQI were unchanged to 0.1pt lower. China/HK properties CHJMAO/GRNCH/LNGFOR/NWDEVL were unchanged to 0.5pt lower. Media reported Longfor has enough funds ready to repay RMB1.3bn bank loan due later this month and also expects to be able to repay the USD bond USD250mn LNGFOR 3 ⅜ 04/13/27 maturing in 2027, to be funded by operating cash and additional onshore loans. SOFTBKs moved 0.1-0.3pt higher. Flow was light in LGFV space, USD LGFVs were largely unchanged. CNH LGFV were unchanged to 0.1pt lower. CNH BABAs were unchanged to 0.8pt higher while MEITUA/TENCNT were unchanged.

CMBI Fixed Income
fis@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
WLISRC 7 7/8 06/23/36	**92.4**	**0.9**	GARUDA 6 1/2 12/28/31	**86.3**	**-0.8**
PLBIIJ 5 3/8 05/05/45	**89.4**	**0.6**	PRUFIN 4 7/8 PERP	**85.2**	**-0.5**
EHICAR 7 09/21/26	**77.0**	**0.5**	STANLN 7 7/8 PERP	**104.4**	**-0.5**
TSIVMG 1.6 12/17/39	**47.5**	**0.5**	AIA 4 7/8 03/11/44	**90.4**	**-0.5**
VLLPM 9 3/8 07/29/29	**61.5**	**0.5**	CHGDNU 4.8 09/11/48	**89.2**	**-0.5**

❖ Marco News Recap 宏观新闻回顾

Macro – The US stock and bond markets were closed on Labor Day on Monday. 2/5/10/30 year UST yield was at 4.37%/4.54%/4.78%/5.24%.

❖ Desk Analyst Comments 分析员市场观点

➢ KBANK: FV of the new KBANK 36 at T+175bps vs IPT at T+205bps

Table 1: KBANKs and its peers

Security name	ISIN	Amt o/s (USD mn)	Px	Z-spread (bps)	YTC	Mod dur	Payment rank	First call date	Issue rating
KBANK 3.343 10/02/31	XS2056558088	800	99.9	160	5.3%	0.1	Subordinated	10/02/2026	Ba1/-/BB+
BBLTB 3.733 09/25/34	USY0606WCA63	1200	94.5	145	5.7%	2.8	Subordinated	09/25/2029	Baa3/-/BB+
BBLTB 3.466 09/23/36	USY0606WCC20	1000	89.5	162	5.9%	4.4	Subordinated	09/23/2031	Baa3/-/-
BBLTB 6.056 03/25/40	USY0616GAA14	1000	99.1	183	6.2%	6.4	Subordinated	03/25/2035	Baa3/-/-

Source: Bloomberg.

KASIBORNBANK (KBANK) proposes to issue USD 10NC5 Reg S T2 bond (Ba1/-/-). We view the FV of the new KBANK 36 to be T+175bps vs IPT at T+205bps, taking cues from Bangkok Bank's T2 curve and adjusted for rating differential. The bond will be callable at par on the first call date on 17 Sep'31, five years after issuance, at the issuer's option and subject to regulatory approval. The structure features a one-time call only. Proceeds will be used for general corporate purposes, which could be used to refinance the early redemption of USD800mn KBANK 3.343 10/02/31 on the first call date on 2 Oct'26.

The new bond is subject to partial permanent write-down to the extend required to restore the issuer's solvency as a going concern, or full permanent write-down if a partial write-down is insufficient. This would apply following the conversion or write-down of all Tier 1 loss-absorbing instruments upon a non-viability event. A non-viability event includes the Bank of Thailand and/or another empowered government agency determining that financial assistance, including a capital injection, is required to prevent KBANK from becoming unable to continue its business. The assistance must be unconditional and irrevocable.

In 1H26, KBANK reported 1.6% yoy increase in operating income to THB99.2bn, as stronger non-NII offset lower NII. NII down 9.6% yoy to THB63.4bn, while NIM narrowed to 2.9% from 3.4% in 1H25, remained within management's FY26 target range of 2.75-2.95%. The NIM compressed reflected the lower-rate environment and KBANK's efforts to reduce lending rates and ease customer's burden. During 1H26, Bank of Thailand cut interest rate by 25bps in Feb'26 and bringing it down to 1.0%. Non-NII increased 29.8% yoy to THB35.9bn, supported by wealth management and insurance fees, as well as investment income. Cost efficiency also improved, with the cost-to-income ratio declined to 40.3% from 41.8% in 1H25, reflected ongoing enhancement in operational efficiency, and remained at the lower end of management's mid-40% target for FY26. Credit cost eased modestly to 158bps from 162bps. ROA was broadly stable at 1.2%, while ROE improved to 9.7% from 9.3% in 1H25.

KBANK's asset quality was largely stable. The NPL ratio was flat at 3.2% as of Jun'26, lower than the management's target of below 3.25%, while the NPL coverage ratio increased to 173.9% from 162.8% as of Dec'25. The higher coverage should provide a better buffer against a weaker operating environment. KBANK's capitalization remained solid, despite a decline from the level as of Dec'25. Standalone/consolidated CET1 ratios were at 16.1%/17.0% as of Jun'26, respectively, decreased from 17.2%/18.0% as of Dec'25. Both remained comfortably above the internal target of 15% and the regulatory minimum of 8.0%. We view KBANK's capital position as sufficient and the risk of a non-viability event appears low in the medium term.

We expect Thai bank asset quality to remain under pressure in 2H26, particularly in SME and retail portfolios, which are more vulnerable to slower economic growth. The 2H26 macro outlook is also challenged by volatile energy prices amid the Middle East conflict. Further policy rate cuts could continue to weigh on NIM and sector profitability. That said, we take comfort from KBANK's prudent provisioning, high and improving NPL coverage, and continued focus on higher quality lending, including large corporates and the public sector.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
Bank of Maharashtra	USD	-	5yr	-	-/BBB/BBB-
Commonwealth Bank of Australia	USD	-	3yr	T+62.5	Aa2/AA-/AA
	USD	-	5.25yr	SOFR+95	Aa2/AA-/AA
	USD	-	11NC10	T+155	A2/A-/A
Japan Post Insurance	USD	-	30NC10	-	A3/A-/-
KASIKORNBANK Hong Kong Branch	USD	-	10NC5	T+205	Ba1/-/-
Korea Southern Power	USD	-	3yr	T+80	Aa2/-/AA-
Malayan Banking Bhd	USD	-	3yr	SOFR+90	A3/-/-
	USD	-	5yr	T+80	A3/-/-
Mizuho Financial Group	USD	-	10.25NC	7.375%	Ba1/BB+/-
RBL Bank Limited	USD	-	5yr	-	Baa2/-/-

➢ News and market color

- Regarding onshore primary issuances, there were 69 credit bonds issued yesterday with an amount of RMB46bn. As for month-to-date, 397 credit bonds were issued with a total amount of RMB404bn raised, representing a 90.5% yoy increase

- **[BNKEA]** Bank of East Asia announced USD6bn MTN programme
- **[CICCHK]** CICC's acquisition of Dongxing Securities and Cinda Securities approved by regulator
- **[HYSAN]** Hysan unit signed HKD10bn loan facility for refinancing
- **[IIFOIN]** Media reported Blackstone explores up to 20% stake in IIFL Finance
- **[LGELEC]** Media reported that LG Electronics robotics arm plans to raise cUSD300mn ahead of Nasdaq listing
- **[ROADKG]** Road King announced consent solicitation for multiple guaranteed senior notes, perps
- **[VLLPM]** Media reported that Vista Land mulls selling two malls for up to USD240mn to fund 2027 bond payment

Fixed Income Department
Tel: 852 3900 0801/ 852 3761 8919
fis@cmbi.com.hk

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I)falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time)("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.