Morgan Stanley | RESEARCH

UPDATE

March 22, 2023 09:00 PM GMT

China Financials | Asia Pacific

Global bank issues another tightening factor for China

While we see limited direct exposure to global banks at Chinese banks, we see the recent rising concern on global banking sector risk as well as recent China financial regulatory changes as another set of tightening factors for credit supply and loan yields in China.

We do not see significant risks for Chinese banks from recent global banking issues. Chinese banks in general hold very small FX investment portfolios with the majority of FX investment in sovereign debt. Chinese banks still have a capital buffer with China's commercial banks' overall CET1 ratio at 10.74% and capital adequacy ratio at 15.17% as of end 2022, against minimum CET1 and CAR requirements of 7.5% and 10.5%, respectively (without considering additional buffers for domestic and global systematically important banks [D-SIB and G-SIB]). Additional tier 1 (AT1) capital is 10% of Chinese banks' total capital base, representing 1.56% out of a total capital adequacy ratio of 15.17% in 2022, and most AT1 debt was raised onshore in China, which we see as less influenced by global market volatility.

However, they could serve as a gradual tightening factor for credit growth in China. First, the four major SOE Chinese banks will need to issue more of various types of capital to meet TLAC requirements by 2025. We believe recent developments could still lead to higher costs for banks. The four SOE banks have led the credit supply at below market rates under government window guidance, and more capital constraints at these banks could lead to tightening in low yield loan supply. Second, policy makers recently raised the risk weighting for Tier 2 capital from 100% to 150% to avoid too much cross holding. This, combined with the first wave of perp bond maturity in 2024, would also make capital raising more costly. In addition, still-high asset growth at many Chinese banks could make them become G-SIB, and Chinese regulators have already assigned many banks as D-SIB, which are subject to higher capital requirements.

This may drive more divergence among China banks, and benefit banks with more market-oriented loan pricing. We believe recent global bank issues and tightened capital requirements for Chinese banks suggest the cost in financial services can no longer be covered by the current level of loan yields in China, particularly at the current pace of loan and asset growth with more financing activities moving back to the banking system. The gradual capital containment for major SOE banks and tightening in low yield loan supply should allow more market-oriented loan pricing at other banks, particularly smaller banks with strong capital positions and ROE that focus on private and retail credit, such as Ningbo and Ping An Bank.

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Assessing potential impact from foreign AT1 bond risk

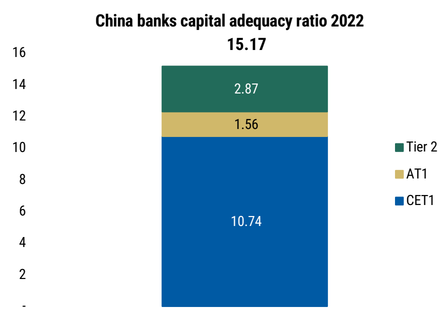
We believe potential impact on Chinese banks is small

On the asset side, Chinese banks in general hold very small levels of overseas assets at around Rmb7.8tn, or ~2% of total banking assets in 2022, and the majority of overseas assets are loans. Based on PBOC data on source and use of credit funds in foreign currency by depository institution, overseas bond investment is roughly US$289bn, which we think includes more government bonds for the sake of safer investments and lower risk weightings. Therefore, we see limited direct exposure to foreign banks' AT1 bonds.

Chinese commercial banks' overall CET1 ratio stood at 10.74% and the capital adequacy ratio was 15.17% as of end 2022, against minimum CET1 and CAR requirements of 7.5% and 10.5%, respectively (without considering additional buffer for D-SIB and G-SIB).

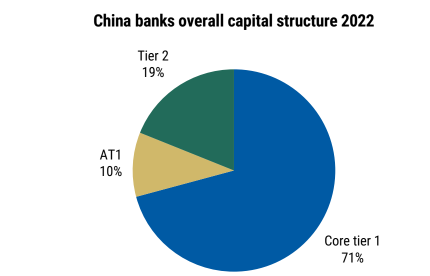
Within Chinese banks' total capital, 71% is made up of core tier 1 capital, while additional tier 1 (AT1) capital is 10%, representing 1.56% out of a total capital adequacy ratio of 15.17% in 2022.

Exhibit 1: Chinese banks overall 2022 capital adequacy ratio was 15.17%, where 1.56% was contributed by AT1 instruments



Source: CBIRC, Morgan Stanley Research

Exhibit 2: Within Chinese banks' total capital, 71% is made up of core tier 1 capital, while additional tier 1 (AT1) capital is 10%

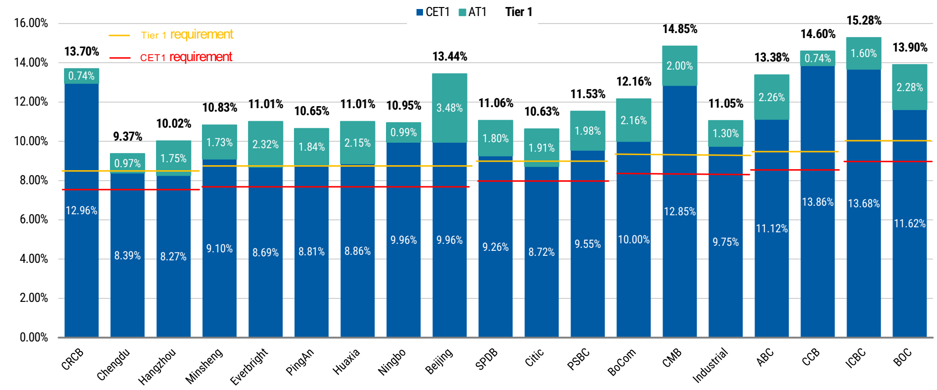


Source: CBIRC, Morgan Stanley Research

Our covered banks in general show adequate buffer above regulatory capital requirements as of 3Q22:

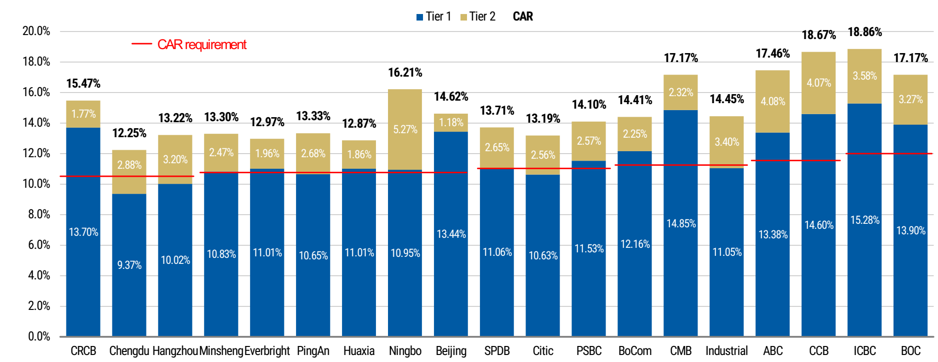
- SOE banks have 1.5%-4.7% buffer above CET1 requirements, and 2.9%-5.3% buffer above tier 1 requirements;
- Shareholding banks (JSBs) have 0.7%-4.6% buffer above CET1 requirements, and 1.6%-5.6% buffer above tier 1 requirements;
- City commercial banks have 0.8%-2.2% buffer above CET1 requirements, and 0.9%-4.7% buffer above tier 1 requirements.

Exhibit 3: Tier 1 capital structure and minimum requirements, as of 3Q22



Source: Company data, PBoC, Morgan Stanley Research
Note: Minimum CET1 requirements are 7.5% for banks not qualified for D-SIBs, 7.75% for D-SIBs in 1st bucket, 8% for D-SIBs in 2nd bucket, 8.25% for D-SIBs in 3rd bucket, 8.5% for D-SIBs in 4th bucket (9% for ICBC and BOC being in bucket 2 of G-SIB) respectively; minimum Tier 1 requirements are 8.5%, 8.75%, 9%, 9.25%, 9.5% (10%) respectively. See Exhibit 7 for banks under D-SIB buckets.

Exhibit 4: Capital ratio and minimum requirements, as of 3Q22



Source: Company data, PBoC, Morgan Stanley Research
Note: Minimum CAR requirements are 10.5% for banks not qualified for D-SIBs, 10.75% for D-SIBs in 1st bucket, 11% for D-SIBs in 2nd bucket, 11.25% for D-SIBs in 3rd bucket, 11.5% for D-SIBs in 4th bucket (12% for ICBC and BOC being in bucket 2 of G-SIB), respectively. See Exhibit 7 for banks under D-SIB buckets.

Recent global bank issues could still serve as another tightening factor for credit growth in late 2023

While direct impact on Chinese banks from recent global bank issues appears quite small, it serves as a reminder of the potential cost of systemic risk in the financial system and the rationale for tighter regulatory requirements, including capital requirements globally, including in China.

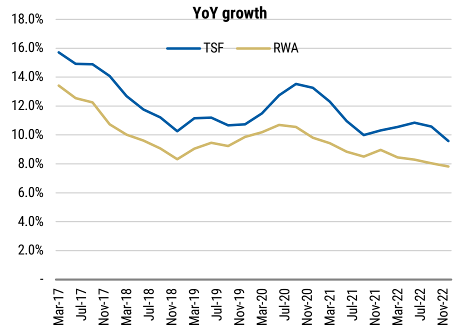
Due to still-high credit growth in China, particularly in an environment of more financing activities moving back to banks due to low rates, the current regulatory framework will to lead to rising capital requirements for the banking system over time, to build in more cushion to avoid a too big to fail scenario. **This, combined with potentially higher cost of AT1 and Tier 2 capital, will serve as another constraint for credit supply given overly low loan yields in China. This impact could be more notable at the big four SOE banks starting in late 2023 with more pressure in 2024.** Since the 4 big SOE banks have been leading the credit supply at below market rates under government window guidance, more capital constraints at these banks would lead to a more notable slowdown in credit supply and a rebound in rates.

Still-healthy RWA growth continues to require China banks to grow their capital base both internally and externally

Despite a gradual slowdown, China still has decent growth in credit demand with 9.6% TSF and ~8% bank RWA growth in 2022, and we expect to see 8-9% TSF growth in 2023. We believe the infrastructure-led and industrial supply chain-focused economic development model will continue to generate healthy, albeit cyclical, credit demand over time. This will likely lead to continued growth for bank RWA and hence the requirement that capital bases grow or replenish at similar pace in order to maintain stable capital ratios.

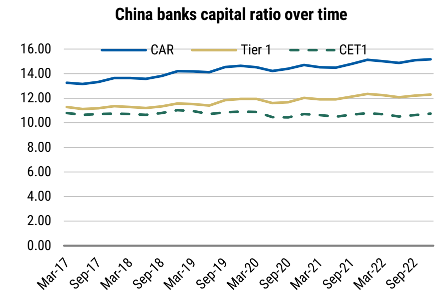
Chinese banks overall have maintained largely stable CET1 ratios over the past 5 years while Tier 1 and CAR ratios have gradually risen, as banks have been able to utilize more AT1 and tier 2 instruments to replenish their capital base to meet the rising capital ratio requirements. However, further increases in capital requirements and lower banking sector profitability due to NIM pressure will start to serve as a greater constraint for credit growth.

Exhibit 5: China still has decent growth in credit demand with 9.6% TSF in 2022 and we expect to see 8-9% TSF growth in 2023



Source: CEIC, Morgan Stanley Research

Exhibit 6: Chinese banks overall have maintained largely stable CET1 ratios over the past 5 years while Tier 1 and CAR gradually rose



Source: CBIRC, Morgan Stanley Research

D-SIB, G-SIB and TLAC requirements are adding capital requirements especially to SOE banks given size and pace of asset growth

D-SIB and additional CET1 requirements were first introduced in China in 2021. As of 2022, there are currently 19 banks deemed as D-SIB in China with additional CET1 ratio requirements ranging from 25bps to 100bps. ICBC and BOC have a 150bps additional CET1 requirement due to their status of being in bucket 2 of G-SIB. Given still-healthy credit demand and RWA growth, we see the potential for many of the D-SIBs to gradually move up the ladder and face higher additional CET1 requirements, or even become included in G-SIB. This would require that they grow their common equity base via healthy ROE or raise equity externally.

Exhibit 7: New minimum CET1 ratio requirement for D-SIBs under our coverage and their CET1 ratios as of 3Q22

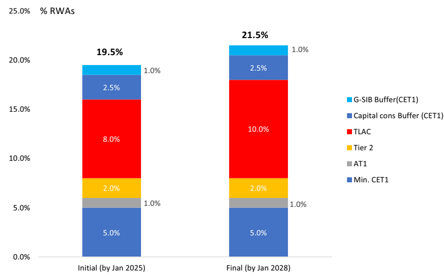
	1st Bucket (D-SIB)						2nd Bucket (D-SIB)			3rd Bucket (D-SIB)			4th Bucket (D-SIB)			
	Minsheng	Everbright	PingAn	Huaxia	Ningbo	Beijing	SPDB	Citic	PSBC	BoCom	CMB	Industrial	ABC	CCB	BOC	ICBC
CET1 ratio as of 3Q22	9.10%	8.69%	8.81%	8.86%	9.96%	9.96%	9.26%	8.72%	9.55%	10.00%	12.85%	9.75%	11.12%	13.86%	11.62%	13.68%
Original CET1 requirement	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Additional CET1 requirement for D-SIBs	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.50%	1.50%
Total CET1 requirement	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%	8.00%	8.00%	8.25%	8.25%	8.25%	8.50%	8.50%	9.00%	9.00%
Current buffer	1.35%	0.94%	1.06%	1.11%	2.21%	2.21%	1.26%	0.72%	1.55%	1.75%	4.60%	1.50%	2.62%	5.36%	2.62%	4.68%

Source: Company data, PBoC, Morgan Stanley Research
Note: ICBC and BOC have additional 1.5% CET1 requirement being in bucket 2 of G-SIB

On Oct. 29 2021, the PBOC released the finalized regulation Total Loss-Absorbing Capacity (TLAC) of Global Systematically Important Banks (G-SIBs) in China. The major requirements were unchanged from the consultation paper issued in Sept-2020 (see our report): Chinese G-SIBs must satisfy the following ratios of TLAC/RWA (risk-weighted assets) – 16% by Jan 2025, 18% by Jan 2028 – and TLAC/adjusted on/off-balance sheet assets – 6% by Jan 2025, 6.75% by Jan 2028. As the 1% G-SIB capital buffer and 2.5% capital conservation buffer are excluded in the calculation of TLAC, the total capital ratio for the four G-SIBs (ICBC, CCB, BOC, ABC) must reach 19.5% in January 2025, and 21.5% by January 2028.

As of 3Q22, there were still gaps between the 4 SOE banks' CAR and the total CAR requirements after TLAC, ranging from 64bps to 280bps. These gaps will likely need to be filled by TLAC bond issuance before 2025, which will likely serve as a capital constraint in late 2023 and 2024.

Exhibit 8: Chinese G-SIBs' Capital and TLAC Requirements (plus Buffers)



Source: PBOC, Morgan Stanley Research

Exhibit 9: Gap of 4 G-SIBs' CAR as of 3Q22 vs. the TLAC ratio requirement

	ICBC	CCB	BOC	ABC
Capital adequacy ratio as of 3Q22	18.86%	18.67%	17.17%	16.70%
TLAC requirement				
By 2025		19.50%		
By 2030		21.50%		
Gap to TLAC requirement				
2025	-0.64%	-0.83%	-2.33%	-2.80%
2030	-2.64%	-2.83%	-4.33%	-4.80%

Source: Company data, PBoC, Morgan Stanley Research

The spillover impact of foreign AT1 event could be higher cost for Chinese banks' capital replenishment, with the first maturity wave in 2024

The CS AT1 write-down and more attention to AT1 risk could lead to higher cost for some banks

Perpetual bonds are issued at on average a 160-180bps spread to the 5-year treasury bond yield in the past 3 years across different types of banks. We believe the potential impact from the Credit Suisse AT1 event could be higher cost for Chinese banks to issue AT1 instruments in the future, as investors ask for higher compensation for higher perceived risk.

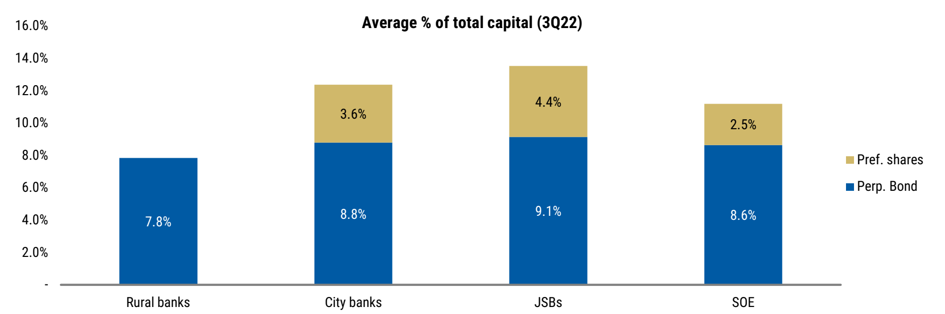
Chinese banks' AT1 capital instruments largely consist of preferred shares and perpetual bonds that are subject to either common equity conversion or write-off arrangements when certain conditions are triggered. These are usually instruments without a definite duration but can be redeemed at 5-year intervals in most cases.

According to WIND data, perpetual bonds make up the majority for banks that have AT1 instruments outstanding, representing around 9% of total capital on average for SOE banks, JSBs and city banks. Preferred shares on average are 3.6% and 4.4% of capital for city banks and JSBs, respectively, and 2.5% of capital for SOE banks.

While the contractual terms of AT1 instruments usually indicate that China's regulators will play a key part in deciding whether AT1 instruments will be converted into common equity or written off, we think regulators will carefully balance the potential for spillover impact to other banks in their decision on AT1 conversion/write off.

Typical AT1 instrument from Chinese banks	Can be converted to common shares?	Can be subject to write off?	Typical trigger to common shares conversion or write off?
Preferred shares	Yes	No	• When CET 1 ratio falls below certain threshold (eg, 5.125%)
Perpetual bonds	No	Yes	• The bank will be deemed unable to survive by CBIRC without conversion or write off • The bank will be deemed unable to survive by related regulators without receiving support from public sectors

Exhibit 10: Chinese banks' AT1 capital instruments largely consist of preferred shares and perpetual bonds



Source: WIND, Morgan Stanley Research

Higher risk weighting for bank's capital instruments could also lead to higher cost

While the majority of AT1 instruments are issued domestically and invested in by banks, non-bank financial firms and various asset managers, the risk weighting remains high under the new Capital Rule (consultation paper) issued by CBIRC in Feb-2023. According to the consultation paper, the new rules are expected to be finalized and put into operation from January 1, 2024 and will also increase the risk weighting of exposure to various bank bonds.

- Risk weighting of subordinate debentures issued by other banks is increased from 100% to 150%; TLAC qualified bond risk weighting also set at 150%.
- Risk weighting of most other bank bond exposure is increased from 25% to 40%.
- Risk weighting of equity exposure to other banks, which we think includes most preferred shares and perpetual bonds, remains high at 250%.

This means higher cost for cross-holdings of various bank bonds, including AT1 and potentially TLAC bonds by SOE banks, both of which will be issued by 2025 to meet TLAC requirements. It will make banks more reliant on non-financial firms or the global market to invest in their AT1s, which will probably ask for a higher yield in return.

Consequently, we see potentially higher AT1 cost as another tightening factor that could lead to slower credit supply and a rebound in interest rates. This could happen in several ways:

- Increased difficulty to raise capital instruments could directly constrain banks' ability to grow RWA;

- Higher cost to raise capital instruments could weigh on banks' profitability, ROE and internal capital generation, against increasing requirements on additional CET1 buffer. This would also constrain banks' ability to supply credit;

- As a result, we believe it will be necessary for banks to pass through the increased cost to meet capital requirements for loan yields. This should particularly be the case under the backdrop that 4 SOE banks, which are also G-SIBs, have been leading credit supply at below market rates under window guidance since 2022. This is is effectively front-loading future credit supply capability of the overall banking sector as SOE banks have constituted the majority of credit supply in China since 2022 and small banks' capability in credit supply is under pressure with internal capital generation being stressed.

Exhibit 11: Average perp. bond yield at issuance by different types of banks

Perpetual bond Averege rate at issuance (%)	2019	2020	2021	2022	2023	Average
Rural Commercial banks		4.79	4.83	4.42		4.76
SOE banks	4.33	4.13	3.95	3.44		3.97
City Commercial banks	5.23	4.71	4.86	4.38	4.90	4.71
Shareholding Commercial banks	4.57	4.47	4.16	4.38		4.42
Average	**4.60**	**4.61**	**4.69**	**4.21**	**4.90**	**4.56**

Source: WIND, Morgan Stanley Research

Exhibit 12: Average spread to 5-year treasury (%) by types of banks

Perpetual bond Average of Spread over 5-year T-bond	2019	2020	2021	2022	2023	Average
Rural Commercial banks		1.88	1.92	1.83		1.89
SOE banks	1.25	1.43	1.05	0.82		1.15
City Commercial banks	2.24	1.96	1.96	1.80	2.30	1.94
Shareholding Commercial banks	1.52	1.71	1.25	1.82		1.54
Average	**1.56**	**1.85**	**1.78**	**1.62**	**2.30**	**1.76**

Source: WIND, Morgan Stanley Research

Loan yield rebound of 50 bps needed to support 8% TSF growth in 2024; market-oriented smaller banks to benefit

We continue to expect TSF growth to moderate to 8-9% by the end of 2023 due to rising capital constraints and a number of other tightening factors (see our report). We believe this should lead to around 50 bps of loan yield rebound over the next 24 months under a gradual economic recovery scenario. This should help support some NIM rebound and allow banks to replenish capital in order to support more stable TSF growth in 2024.

The gradual emergence of capital constraints for major SOE banks and a tightening in low yield loan supply should allow more market-oriented loan pricing at other banks. This will particularly benefit smaller banks with strong capital positions and ROE, as well as strong pricing power backed by product and services tailored to the needs of private and retail customers, such as Ningbo and Ping An Bank.

However, in a scenario of no loan yield rebound due to more administrative measures, we see TSF growth slowing further to around 6% in 2024 due to sector capital constraints, particularly given a potential pickup in NPL pressure at some banks in 2024 (see our report).

Valuation Comps

Exhibit 13: Valuation comparison

			P/E		P/B		Div Yield		ROE		ROA	
		Price	**22E**	**23E**	**22E**	**23E**	**22E**	**23E**	**22E**	**23E**	**22E**	**23E**
Chinese Banks							(%)	(%)	(%)	(%)	(%)	(%)
H Share Banks												
ABC	OW	2.89	3.2	3.1	0.4	0.3	9.1	9.3	12.5	12.1	0.8	0.8
ICBC	OW	4.21	3.5	3.6	0.4	0.3	8.6	8.6	10.6	9.9	1.0	0.9
CCB	OW	5.05	3.4	3.5	0.4	0.4	8.9	8.8	11.9	10.9	1.0	0.9
BOC	OW	3.01	3.4	3.6	0.4	0.4	9.2	8.8	11.1	10.5	0.8	0.7
BoCom	UW	4.81	3.4	3.9	0.3	0.4	9.3	8.3	10.5	9.3	0.7	0.6
PSBC	OW	4.97	4.8	4.6	0.6	0.54	6.6	6.9	12.3	12.3	0.6	0.6
CMB	OW	39.60	7.4	6.7	1.0	0.9	4.5	4.9	14.6	14.7	1.4	1.4
Citic	UW	3.75	2.7	3.5	0.3	0.4	8.9	8.2	10.9	10.5	0.7	0.7
Minsheng	EW	2.62	3.1	3.2	0.2	0.2	9.7	9.4	5.9	5.5	0.5	0.4
Everbright	EW	2.40	2.7	2.7	0.3	0.3	11.9	11.7	10.8	9.9	0.7	0.6
CRCB	EW	2.77	2.7	2.7	0.2	0.2	9.7	7.7	9.2	8.9	0.8	0.8
Average			**3.7**	**3.7**	**0.4**	**0.4**	**8.8**	**8.4**	**10.9**	**10.4**	**0.8**	**0.8**
A Share Banks												
PingAn	OW	12.6	6.0	5.6	0.7	0.7	2.7	5.1	12.2	12.8	0.8	0.9
Industrial	OW	16.6	4.1	3.8	0.6	0.5	6.6	7.2	14.3	13.9	1.0	1.0
SPDB	UW	7.1	4.6	5.1	0.4	0.3	4.8	4.4	8.0	7.0	0.6	0.5
Huaxia	UW	5.4	3.2	3.4	0.3	0.3	7.8	7.3	10.1	9.1	0.7	0.6
ABC	EW	3.1	3.9	3.8	0.4	0.4	7.5	7.7	12.5	12.1	0.8	0.8
ICBC	EW	4.5	4.3	4.3	0.4	0.4	7.1	7.1	10.6	9.9	1.0	0.9
CCB	EW	6.02	4.5	4.6	0.5	0.5	6.8	6.6	11.9	10.9	1.0	0.9
BOC	EW	3.51	4.3	4.5	0.5	0.5	7.3	7.0	11.1	10.5	0.8	0.7
BoCom	UW	5.18	4.1	4.6	0.4	0.4	7.8	7.0	10.5	9.3	0.7	0.6
CMB	OW	34.12	7.1	6.6	1.0	0.9	4.6	5.0	14.6	14.7	1.4	1.4
CITIC	UW	5.52	4.4	5.5	0.5	0.6	5.5	5.3	10.9	10.5	0.7	0.7
Minsheng	UW	3.40	4.4	4.6	0.3	0.2	6.8	6.6	5.9	5.5	0.5	0.4
Everbright	UW	3.10	3.9	4.0	0.4	0.4	8.2	8.0	10.8	9.9	0.7	0.6
Ningbo	OW	27.52	9.5	7.6	1.4	1.2	1.7	2.1	15.7	16.3	1.0	1.0
Chengdu	OW	13.35	6.0	5.0	1.0	0.9	5.0	6.0	18.7	18.5	1.1	1.1
Beijing	EW	4.40	4.1	4.1	0.4	0.4	7.3	7.2	10.0	9.6	0.7	0.7
Hangzhou	EW	11.38	6.9	5.4	0.8	0.6	3.6	4.6	11.9	12.5	0.8	0.8
Average			**5.0**	**4.9**	**0.6**	**0.5**	**6.0**	**6.1**	**11.8**	**11.3**	**0.8**	**0.8**

Source: Refinitv, Morgan Stanley Research (E) estimates. Prices as of March 20, 2023.

Valuation Methodology and Risks

Ping An Bank (000001.SZ)

We continue to use a three-stage dividend discount model, probability-weighted 60% base, 20% bull, 20% bear. Discount rate is 12.4% in the base case, and we assume 12.4% for second-stage and 12.5% long-term ROE with a 56% long-term dividend payout ratio.

Risks to Upside

- Noticeable reduction in policy intervention and stronger-than-expected consumption activity recovery.
- More resilient NIM trend than expected.

Risks to Downside

- Slower-than-expected deposit improvement.
- Worse-than-expected asset quality from new corporate lending business.
- Social responsibilities continue to weigh on the bank.

Bank of Ningbo Co. Ltd (002142.SZ)

We continue to use a three-stage dividend discount model, probability-weighted 60% base, 20% bull, 20% bear. The discount rate is 12.0% in the base case, and we assume 15.7% for second-stage and 14.6% for long-term ROE with a 62% dividend payout ratio in the long run. Our price target implies 2022E P/B of 1.72x.

Risks to Upside

- Noticeable reduction in policy intervention amid a rapid rebound in business fundamentals.
- Better-than-expected NIM and asset quality.
- Higher-than-expected non-interest income from stronger wealth management business revenue.

Risks to Downside

- Risks from potential change in leadership.
- Higher default risks from SME and retail business expansion.
- Pricing pressure from destructive competition in the market.

Disclosure Section

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	COVERAGE UNIVERSE		INVESTMENT BANKING CLIENTS (IBC)			OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC)	
STOCK RATING CATEGORY	COUNT	% OF TOTAL	COUNT	% OF TOTAL IBC	% OF RATING CATEGORY	COUNT	% OF TOTAL OTHER MISC
Overweight/Buy	**1353**	**37%**	**284**	**43%**	**21%**	**593**	**38%**
Equal-weight/Hold	**1664**	**45%**	**294**	**45%**	**18%**	**732**	**47%**
Not-Rated/Hold	**4**	**0%**	**0**	**0%**	**0%**	**0**	**0%**
Underweight/Sell	**660**	**18%**	**80**	**12%**	**12%**	**232**	**15%**
TOTAL	**3,681**		**658**			**1557**	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Stock Price, Price Target and Rating History (See Rating Definitions)

Bank of Ningbo Co. Ltd (002142.SZ) - As of 3/21/23 in CNY
Industry : China Financials

Stock Rating History: 3/1/18 : NA/A; 5/7/19 : NA/I; 1/10/20 : NA/A; 8/17/22 : 0/A

Price Target History: 8/17/22 : 40; 9/19/22 : 40.2

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Ping An Bank (000001.SZ) - As of 3/21/23 in CNY
Industry : China Financials

Stock Rating History: 3/1/18 : E/A; 5/7/19 : 0/I; 1/10/20 : 0/A

Price Target History: 1/26/18 : 15.4; 6/22/18 : 11.5; 1/7/19 : 10.2; 5/7/19 : 15.9; 8/12/19 : 18.8; 10/10/19 : 20.6; 1/10/20 : 21.9; 5/8/20 : 19.7; 10/19/20 : 22.2; 4/23/21 : 28.5; 5/20/21 : 32.8; 10/26/21 : 33; 5/20/22 : 24.4; 9/19/22 : 16.2

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Chiyao Huang		
China International Capital Corp. Ltd. (3908.HK)	O (01/06/2023)	HK$15.54
China Merchants Securities Co Ltd (600999.SS)	U (09/29/2022)	Rmb13.78
China Merchants Securities Co Ltd (6099.HK)	E (12/07/2021)	HK$7.60
China Renaissance Holdings Ltd (1911.HK)	E (12/07/2021)	HK$6.97
CITIC Securities Co. (6030.HK)	E (05/20/2022)	HK$16.74
CITIC Securities Co. (600030.SS)	E (05/20/2022)	Rmb20.21
East Money Information Co Ltd (300059.SZ)	E (08/16/2022)	Rmb20.18
Futu Holdings Ltd (FUTU.O)	E (10/29/2021)	US$45.75
Galaxy Securities (6881.HK)	E (02/27/2020)	HK$3.96
Galaxy Securities (601881.SS)	U (09/29/2022)	Rmb10.10
GF Securities (000776.SZ)	U (05/20/2022)	Rmb15.71
GF Securities (1776.HK)	E (01/06/2023)	HK$11.12
Haitong Securities (6837.HK)	U (06/03/2020)	HK$4.85
Haitong Securities (600837.SS)	U (06/03/2020)	Rmb8.69
HTSC (601688.SS)	E (05/20/2022)	Rmb12.38
HTSC (6886.HK)	E (02/27/2020)	HK$8.68
Noah Holdings Ltd (NOAH.N)	O (07/27/2022)	US$17.73
Richard Xu, CFA		
360 DigiTech Inc (QFIN.O)	O (08/25/2020)	US$17.92
Agricultural Bank of China Limited (601288.SS)	E (05/07/2019)	Rmb3.05
Agricultural Bank of China Limited (1288.HK)	O (10/19/2020)	HK$2.85
Bairong Inc. (6608.HK)	O (05/04/2021)	HK$10.86
Bank of Beijing Co Ltd (601169.SS)	E (08/17/2022)	Rmb4.37
Bank of Chengdu Co Ltd (601838.SS)	O (08/17/2022)	Rmb13.45
Bank of China Limited (601988.SS)	E (05/07/2019)	Rmb3.43
Bank of China Limited (3988.HK)	O (01/10/2020)	HK$2.99
Bank of Communications (3328.HK)	U (05/20/2022)	HK$4.81
Bank of Communications (601328.SS)	U (09/05/2014)	Rmb5.10
Bank of Hangzhou Co Ltd (600926.SS)	E (08/17/2022)	Rmb11.61
Bank of Ningbo Co. Ltd (002142.SZ)	O (08/17/2022)	Rmb27.44
BC Technology Group Ltd (0863.HK)	E (09/28/2021)	HK$2.57
China Cinda Asset Management (1359.HK)	E (07/07/2016)	HK$1.02
China CITIC Bank Corporation Limited (601998.SS)	U (09/05/2014)	Rmb5.49
China CITIC Bank Corporation Limited (0998.HK)	U (05/20/2022)	HK$3.73
China Construction Bank Corp. (0939.HK)	O (10/11/2012)	HK$5.00
China Construction Bank Corp. (601939.SS)	E (05/07/2019)	Rmb5.94
China Everbright Bank Co Ltd (6818.HK)	E (05/20/2022)	HK$2.38
China Everbright Bank Co Ltd (601818.SS)	U (05/20/2022)	Rmb3.10
China Merchants Bank (600036.SS)	O (01/07/2019)	Rmb34.23
China Merchants Bank (3968.HK)	O (09/20/2018)	HK$39.70
China Minsheng Banking Corp. (600016.SS)	U (01/07/2019)	Rmb3.40
China Minsheng Banking Corp. (1988.HK)	E (01/07/2019)	HK$2.64
Chongqing Rural Commercial Bank (3618.HK)	E (05/07/2019)	HK$2.77
CITIC Ltd (0267.HK)	E (03/16/2018)	HK$8.92
Hua Xia Bank (600015.SS)	U (06/30/2015)	Rmb5.35
Industrial and Commercial Bank of China (1398.HK)	O (08/09/2013)	HK$4.17
Industrial and Commercial Bank of China (601398.SS)	E (09/19/2022)	Rmb4.45
Industrial Bank Co. Ltd. (601166.SS)	O (02/25/2019)	Rmb16.62
Lufax (LU.N)	E (12/01/2022)	US$1.97
Ping An Bank (000001.SZ)	O (05/07/2019)	Rmb12.70
Postal Savings Bank of China Co Ltd (1658.HK)	O (11/01/2016)	HK$4.94
Shanghai Pudong Development Bank (600000.SS)	U (12/07/2021)	Rmb7.13

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.