

China Trust Industry Report, 2007-2008

Published Date: Jan. 2008

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- **Profile of trust industry**

The trust industry in China is now rising, which is a good opportunity for trust companies to accumulate clients. After issuance of new regulations in Mar. 2007, trust industry experienced the sixth rectification. Also with the tight monetary policy, the industry came to a transition period.

The companies obtained trust financial license will carry on trust business according to new regulations, while the companies not granted license will not get high growth because of single product limitation. Till now, there are 28 trust companies which get the financial license approved by China Banking Regulation Commission.

List of Trust Companies with Financial License, 2007

Dalian Huaxin Trust Co., Ltd.	Guolian Trust Co., Ltd.
Dongguan Trust & Investment Co., Ltd.	GFIH Co., Ltd.
National Trust Co., Ltd.	SDIC Trust Co., Ltd.
Hangzhou Industrial & Commercial Trust Co., Ltd.	Hefei Xingtai Trust Co., Ltd.
Hengping Trust Co., Ltd.	Fortune Trust Co., Ltd.
Huachen Trust Co., Ltd.	Jiangsu International Trust & Investment Co., Ltd.
Shandong International Trust Co., Ltd.	Shanghai International Trust Co., Ltd.
Shanxi Trust Co., Ltd.	Suzhou Trust Co., Ltd.
Xiamen International Trust Co., Ltd.	New China Trust Co., Ltd.
Jinan Yingda International Trust Co., Ltd.	Yunnan International Trust Co., Ltd.
China Credit Trust Co., Ltd.	China Foreign Economy and Trade Trust & Investment Co., Ltd.
Zhonghai Trust Co., Ltd.	Zhongrong International Trust & Investment Co., Ltd.
CITIC Trust Co., Ltd.	China Pingan Trust Co., Ltd.
Anxin Trust & Investment Co., Ltd.	Shaanxi International Trust & Investment Co., Ltd.

Source: China Trust Industry Association

- **Yield of trust products**

In 2007, the average launch scale of trust products was CNY167.9 million, with average trust period of 2.2 years, up 56.2% and 11.5% yr-on-yr.

As to the average yield, it increased 2.16 percentage points in 2007 than 2006, the average yield for one year was 7.34%, up 3.07 percentage points based on 2006; the average yield for two years was 5.80%, up 1.03 percentage points against 2006; the average yield for more than two years was 7.25%, 2.11 percentage points higher than 2006.

The main reason was the impact of bull market of financial market. In addition, the financing business converging between bank and securities markets promoted trust products to improve products structure and yield gradually.

Yield of Trust Products, 2005-2007

Trust products	Average scale (CNY million)	Average trust period	Average annual yield	Average yield for one year	Average yield for two years	Average yield for more than two years
2005	104.62	1.9	4.74%	4.27%	4.91%	5.24%
2006	107.5	2	4.71%	4.27%	4.77%	5.14%
2007	167.9	2.20	6.87%	7.34%	5.80%	7.25%

Source: ResearchInChina

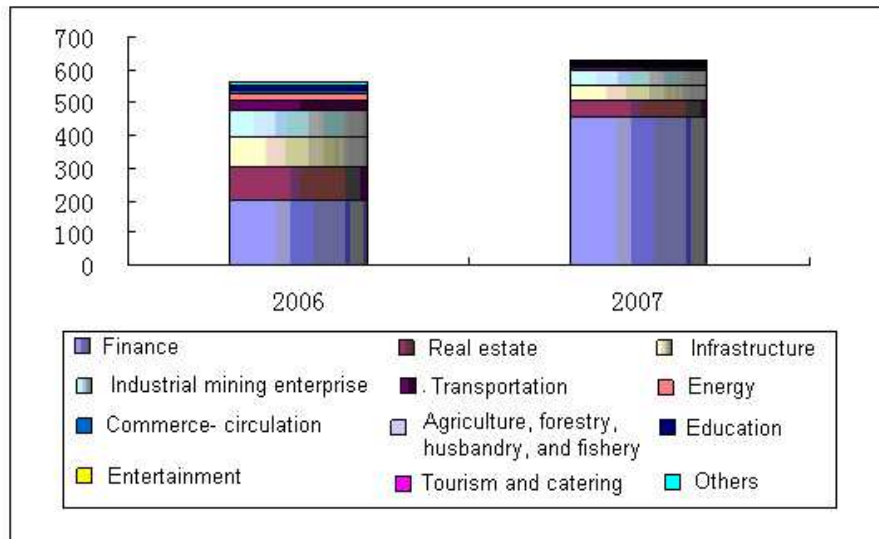
Trust Capital Investment Orientation Analysis

Brought along by thrived securities in 2007, the launch quantity and scale of trust products increased a lot.

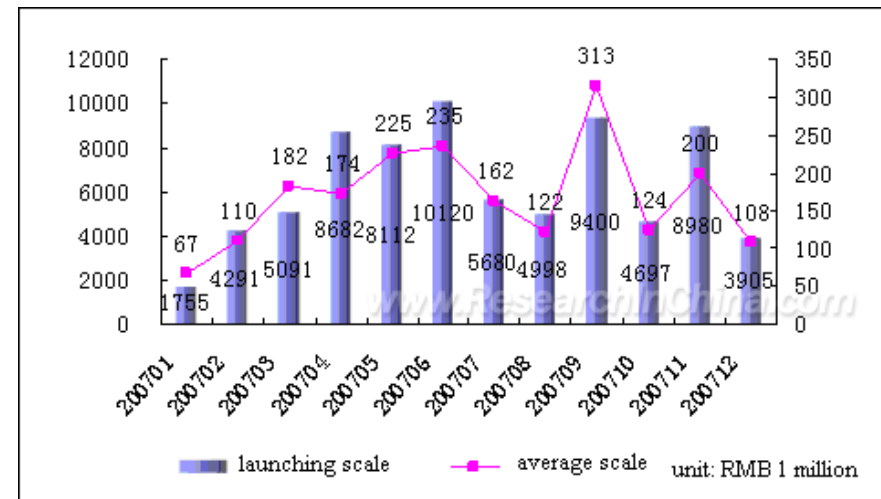
Overview of Investment Orientation of Trust Products, 2006-2007

Investment orientation	2007		2006	
	Qty. of product	Scale (CNY100 million)	Qty. of product	Scale (CNY100 million)
Finance	455	761.1	202	118.63
Real estate	54	121.5	102	176.17
Infrastructure	44	43.2	92	99.48
Industrial mining enterprise	48	107.3	80	63.36
Transportation	6	6.3	30	42.49
Energy	5	6.9	23	58.14
Commerce-Circulation	3	2.2	9	5.25
Agriculture, forestry, husbandry and fishery	4	1.5	2	0.5
Education	5	1.2	11	5.7
Tourism and catering	2	0.7	4	3.1
Entertainment	1	0.5	-	-
Others	1	2	9	33.52

Investment Orientation Distribution of Trust Capital by Industry (Quantity of products), 2006-2007



Trend of Launch Scale and Average Scale of Financial Trust Products, Jan.-Dec. 2007



Source: ResearchInChina

Yield of Trust Products, Jan.-Dec. 2007

Trust Products	Average Term For Trust (year)	Prospective Average Annual Yield (%)	One-year Prospective Average Annual Yield (%)	Two-year Prospective Average Annual Yield (%)	Two-year+ Prospective Average Annual Yield (%)
Jan.	2.25	4.99	4.49	5.03	5.31
Feb.	1.93	5.56	4.92	5.32	5.98
Mar.	2.53	5.38	5.07	5.20	6.88
Apr.	1.76	5.92	5.52	5.66	9.33
May.	1.97	6.51	7.49	5.83	5.90
Jun.	1.53	6.57	6.84	5.40	6.67
Jul.	2.19	7.44	7.86	6.34	5.50
Aug.	1.99	7.27	6.35	7.21	6.96
Sep.	3.51	9.52	9.48	6.96	11.21
Oct.	2.23	8.04	8.54	6.50	7.63
Nov.	2.74	9.67	10.46	7.73	10.25
Dec.	2.94	10.57	11.79	8.15	-